

Interim Report 2nd quarter 2009

Nordea Bank Norge Group

Nordea Bank Norge is part of the Nordea Group. Nordea's vision is to be the leading Nordic bank, acknowledged for its people, creating superior value for customers and shareholders. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has around 10 million customers, approx. 1,400 branch offices and a leading netbanking position with 5.4 million e-customers. The Nordea share is listed on the NASDAQ OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen.

Key financial figures

Income statement

	Q2	Q1	Change	Q2	Change	Jan-Jun	Jan-Jun	Change
NOKm	2009	2009	%	2008	%	2009	2008	%
Net interest income	2,400	2,578	-7	1,807	33	4,978	3,563	40
Net fee and commission income	370	313	18	364	2	683	696	-2
Net gains/losses on items at fair value	171	72	138	467	-63	243	417	-42
Equity method	-436	412		34		-24	-9	
Other operating income	23	14	64	109	-79	37	197	-81
Total operating income	2,528	3,389	-25	2,781	-9	5,917	4,864	22
Staff costs	-787	-763	3	-657	20	-1,550	-1,344	15
Other expenses	-462	-485	-5	-419	10	-947	-857	11
Depreciation of tangible and intangible assets	-34	-22	55	-30	13	-56	-55	2
Total operating expenses	-1,283	-1,270	1	-1,106	16	-2,553	-2,256	13
Profit before loan losses	1,245	2,119	-41	1,675	-26	3,364	2,608	29
Net loan losses	-571	-541		7		-1,112	-43	
Operating profit	674	1,578	-57	1,682	-60	2,252	2,565	-12
Income tax expense	-311	-390	-20	-445	-30	-701	-701	0
Net profit for the period	363	1,188	-69	1,237	-71	1,551	1,864	-17

Business volumes, key items

	30 Jun	31 Mar	Change	30 Jun	Change
NOKbn	2009	2009	%	2008	%
Loans and receivables to the public	439.1	437.3	0	394.3	11
Deposits and borrowings from the public	229.3	231.4	-1	206.5	11
of which savings deposits	69.3	74.3	-7	55.1	26
Equity	25.7	25.4	1	24.6	4
Total assets	536.2	523.5	2	491.1	9

Ratios and key figures

	Q2	Q1	Q2	Jan-Jun	Jan-Jun
	2009	2009	2008	2009	2008
Earnings per share, NOK	0.7	2.2	2.2	2.8	3.4
EPS, rolling 12 months up to period end, NOK	7.3	8.9	6.1	7.3	6.1
Equity per share ^{1,3} , NOK	46.5	46.0	44.7	46.5	44.7
Shares outstanding ^{1,3} , million	551	551	551	551	551
Return on equity, %	5.7	18.1	20.6	12.0	15.8
Cost/income ratio, %	51	37	40	43	46
Tier 1 capital ratio, excl transition rules ^{1,2} , %	9.3	9.2	7.3	9.3	7.3
Total capital ratio, excl transition rules ^{1,2} , %	12.5	12.2	9.8	12.5	9.8
Tier 1 capital ratio ^{1,2} , %	8.1	8.1	6.9	8.1	6.9
Total capital ratio ^{1,2} , %	10.8	10.8	9.0	10.8	9.0
Tier 1 capital ^{1,2} , NOKm	26,897	26,386	23,037	26,897	23,037
Risk-weighted amounts incl transition rules, NOKbn	330.7	327.3	334.3	330.7	334.3
Loan loss ratio, basis points	51	45	-1	46	2
Number of employees (full-time equivalents) ¹	3,408	3,403	3,347	3,408	3,347

1 End of period.

2 Including the result for the six first months. According to Norwegian FSA rules (excluding the unaudited result for the period):

Tier 1 capital NOK 25,346m (30 Jun 2008: NOK 21,173m), capital base NOK 34,291m (30 Jun 2008: NOK 28,300m),

Tier 1 capital ratio 7.7% (30 Jun 2008: 6.3%), total capital ratio 10.4% (30 Jun 2008: 8.5%).

3 See Statement of changes in equity

Throughout this report, “Nordea Bank Norge” and “NBN” refer to the parent company Nordea Bank Norge ASA, business identity code 911 044 110, with its subsidiaries. The registered office of the company is in Oslo. Nordea Bank Norge ASA is a wholly owned subsidiary of Nordea Bank AB (publ), the listed parent company of the whole Nordea Group. The business operations of the Nordea Group have been organised in the following business areas, all of which operate across national boundaries: Nordic Banking, Institutional & International Banking and Capital Markets & Savings. In addition the Nordea Group has the following group functions: People & Identity, Banking Products & Group Operations, Group Corporate Center and Group Credit & Risk Control.

The consolidated interim report of Nordea Bank AB (publ) embraces all the activities of the Nordea Group and provides the most complete and fair view. This statutory interim report covers the operations of the legal entity Nordea Bank Norge ASA with its subsidiaries.

Nordea Bank Norge Group

Result summary, second quarter 2009

Total income decreased by 9% compared to the same quarter last year, mainly related to a reduced contribution on the equity method due to Eksportfinans and lower net gains/losses on items at fair value. Compared to the first quarter this year, the decrease was 25%, also due to effect from equity method as the main reason. Excluding Eksportfinans, the net total income was stable compared to the previous quarter and up 8% compared to the same quarter last year.

Total net interest income decreased by 7% from the first quarter. Compared to the same quarter last year, net interest income went up by 33%, largely explained by higher volumes, positive currency effect and improved lending margins compensating for the continued effect from the pressure on deposit margins, which started to fall during the fourth quarter last year.

Business has developed positively in Nordic Banking household segment, while the corporate segment has been more affected by the macroeconomic development. Corporate lending volume has stabilised due to lower demand for corporate loans, while household lending remain strong. Household mortgage volumes increased and deposit volumes were largely unchanged compared to the end of the first quarter. Corporate lending margins are higher compared to the same quarter last year reflecting re-pricing of credit risk while deposit margins have continued to decrease, following the fall in market interest rates. As described in the annual report 2008, NBN ASA has further in May 2009 sold a loan portfolio to Nordea Eiendomskreditt AS (NE), consisting of secured housing/household loans. NE issued covered bonds with the purchased loans as collateral. NBN bought the bonds in full and the transactions have been set up in the same structure as the one described in the annual report. The accounting treatment follows the same principles as described in the annual report Note 46. As per end June 2009, the total loans sold, but not derecognised, amount to NOK 83bn.

The strong development of net gains/losses in the customer-driven capital market operations and in the treasury operations continued in the second quarter.

Total expenses amounted to NOK 1,283m and increased by 16% compared to the second quarter last year and by 1% from the previous quarter.

Profit before loan losses was down 41% compared to the first quarter at NOK 1,245m. Excluding the effect from Eksportfinans, the profit before loan losses would have been down 2% and compared to the same quarter in 2008 up 2%.

Operating profit was down 60% compared to the second quarter last year. The drop is mainly explained by the negative contribution from Eksportfinans this quarter in addition to clearly higher net loan losses.

The rapid contraction of the economy in all of Nordea's home markets has continued to affect impaired loans. Net loan losses in the second quarter were NOK 571m, 51 basis points of total lending annualised. Impaired loans gross increased from NOK 1,029m the second quarter last year to NOK 4,724m.

Income

Total income in the second quarter ended at NOK 2,528m, down 9% compared to the same quarter last year. The effect from equity method related to Eksportfinans is the main reason for the reduction compared to last year. Excluding this income line, total income increased by 8%. Net interest income went up 33% due to higher lending and deposit volumes and increased lending margins in most segments compared to the same quarter last year. In addition, income from USD and EUR loans has had positive currency effect in NBN this quarter. Compared to previous quarter the lending margins have decreased somewhat, particular in Household segment due to the lag effect that was particularly high in the first quarter. The lag effect due to six weeks notice is the main reason why the household mortgage margin was lower in the second quarter this year compared to the first quarter, due to large reduction late 2008 affecting the first quarter figures positively on household mortgage. This had the adverse effect on household deposit margins. Household deposit margins were negative, due to fierce competition in savings deposits, the lag effect and the fact that transaction deposit rates being close to zero cannot decrease in parallel with declining market rates.

Total lending to the public was strengthened by 11% to NOK 439bn compared to same period last year and was slightly increased by 0.4% compared to previous quarter. The main improvement is related to corporate, which went up 17% compared to end of June 2008. Part of the growth is related to currency effect, mainly USD and EUR. The growth has slowed down due to the macroeconomic development and the volume has stabilised on corporate so far in 2009.

Net fee and commission income increased by 2% compared to the same quarter last year and up 18% compared to the first quarter. The positive development in the equity market and decreasing interest rates continued to affect the savings pattern of household customers. Also, savings-related commission increased, mainly related to securities lending in Markets. In addition, payment-related commission on cards increased positively from both the first quarter and the same quarter last year due to a higher number of transactions.

Net gains/losses on items at fair value showed a continued strong increase compared to the previous quarter, with strong product result in Markets and Treasury, mainly related to interest related instruments. Activity in the corporate bond market has also improved the last quarter, and Nordea has leaded a large number of these transactions. Compared to the same quarter last year there was a reduction of 63%, mainly due to high fair value adjustment of interest related instruments in Treasury and Markets at end June 2008.

Income under the equity method was negative by NOK 436m which relates to the 23.21% holding of Eksportfinans. The reduction is mainly due to narrowing of credit spreads on Eksportfinans own debt valued at fair value and is a reversal of the large unrealised gains reported on this income line in the fourth quarter last year and the first quarter this year.

Expenses

Compared to the previous quarter, total expenses increased by 1% to NOK 1,283m. Staff costs increased by 3% to NOK 787m, mainly due to higher variable salaries in Capital Markets and Savings. Other expenses reduced by 5% to NOK 462m mainly due to lower marketing costs. The number of employees (FTEs) by the end of the second quarter was 0.2% higher than at the end of the first quarter.

Cost/income ratio was 51%, compared to 37% in the previous quarter and 40% one year ago. Excluding the contribution from Eksportfinans, the cost/income ratio was 43% both this quarter and the previous quarter.

Net loan losses

Net loan losses were NOK 571m, with continued high provisions both for collectively and individually assessed loans as well as lower reversals and recoveries. Net loan losses were affected by the continued sharp economic slowdown in most markets where Nordea operates. The reported loss levels were broadly in line with loan loss level in the first quarter. In Nordic Banking, total net loan losses amounted to NOK 275m, compared to positive NOK 15m in the same quarter last year, and net loan losses of NOK 241m the first quarter. In addition, Shipping has a net loan loss of NOK 257m this quarter, compared to NOK 215m in the first quarter and zero the same quarter in 2008.

Taxes

The effective tax rate in the second quarter was 28%, compared to 27% one year ago.

Net profit

Compared to the second quarter 2008, net profit decreased by 71% to NOK 363m corresponding to a return on equity of 5.7% compared to 20.6% same quarter last year and 18.1% the first quarter this year. The low figures this quarter is related to negative contribution from Eksportfinans and high loan losses.

Result summary January - June 2009

Total income the first half year of 2009 increased by 22% to NOK 5,917m compared to the same period last year. Total expenses were up 13% compared to the first six months last year. Operating profit was NOK 2,252m, a decrease of 12% compared to the same period in 2008, mainly related to high increase in loan losses. Loan losses increased from NOK 43m to NOK 1,112m. Net profit amounted to NOK 1,551m, corresponding to a return on equity of 12%. The cost/income ratio was 43%, an improvement from 46% last year.

Income

The first half year of 2009 was characterised by continued lending volume growth, however at a lower rate than before: the demand for loans have been reduced in the first six months this year compared to last year.

Net interest income increased by 40% to NOK 4,978m compared to the first half year of 2008. The growth is a combination of higher lending volumes, positive currency effect and stronger lending margins that more than compensated the lower deposit margins the last twelve months. Lending margins have stabilised on a higher level compared to last year, while deposit margins have been under high pressure due to lower market interest rates. This is particular in household segment. Total lending to the public increased by 11% the last year to NOK 439bn at end of June 2009. The shift in the pricing of risk the last year has given higher lending margins in all segments. Deposits went up 11% to NOK 229bn at end of this period. There is still high competition on saving deposits, however due to lower market interest rates customers have started to assess other saving alternatives, also resulting in higher net fee and commission on savings. In the corporate segment, lending margins have improved, reflecting changed market conditions, higher funding cost and pricing of credit and liquidity risk.

Deposit margins are down in all segments compared to same period last year. The Norwegian Central Bank has reduced the folio interest rate by 450 basis points in twelve months: at the end of June 2009 the interest rate is 1.25% compared to 5.75% at the same period last year. The income side last quarter 2008 and the first half of 2009 has been strongly influenced by the sharp decline in interest rate. Combined with the requirement that all private customers shall have six weeks notice before change of interest, these changes have had a temporarily positive effect on lending margins, affecting the first half year of 2009 more than the same period in 2008, where the opposite effect was present.

Net fee and commission income decreased by NOK 13m, or 2% to NOK 683m mainly due to higher savings related commission being offset by reduced income in all other areas, combined with increased provision expense related to cards.

Net gains/losses on items at fair value decreased by 42% to NOK 243m, but have increased the last quarter mainly due to strong development in the customer-driven Markets operations and strong result in Treasury. The income is lower than last year mainly due to fair value adjustment on interest related instruments that was particular high at end June 2008.

The contribution from equity method on associated companies related to Eksportfinans was NOK –24m the first six months this year, including a negative effect of NOK –60m from 2008 recognised in the first quarter this year. The reduction compared to end 2008 is mainly due to narrowing of credit spreads on Eksportfinans own debt at fair value, where the unrealised gains taken last quarter 2008 now has been partly reversed.

Other income reduced from NOK 197m to NOK 37m compared with last year. The large income last year was mainly due to booked income of NOK 167,5m related to the case against Ernst & Young auditors regarding compensation for the loss of NOK 200m in connection with Sponsorservice AS.

Expenses

Total expenses ended at NOK 2,553m, up 13% compared to the same period in 2008. Staff cost increased 15% to NOK 1,550m. The growth is due to higher number of FTEs combined with ordinary wage raise, higher pension cost and variable salaries compared to the same period last year.

The number of FTEs was 3,408; an increase of 61 or 2% compared to the end of June 2008. The growth was mainly in Capital Markets and Savings.

Other expenses went up 11% to NOK 947m. Higher business volumes have resulted in an increase in transaction and sales-related expenses, and higher IT-expenses and consultancy fees compared to last year.

Depreciation increased by 2% and ended at NOK 56m.

Net loan losses

Loan losses ended at NOK 1,112m, compared to net loan losses of NOK 43m the same period last year. This corresponds to a loan loss ratio of 46 basis points annualised. The increase mainly derives from new collective provisions as well as individually assessed provisions, mainly related to Shipping and offshore, Construction and Real estate, as well as lower recoveries and reversals.

Taxes

The effective tax rate for the first half year of 2009 was 30.8% compared to 27.3% in the same period last year. The main reason for the high effective tax rate is tax in foreign branches and the debt distribution method.

Net profit

Net profit decreased by 17% to NOK 1,551m which cor-

responds to a return on equity of 12% compared to 15.8% in the first half year of 2008.

Credit portfolio

Total lending increased at the end of June 2009 by 11% to NOK 439bn compared to one year ago. The share of private customer lending was 37.8%, compared to 40.4% in June 2008. Within private customer lending, mortgage loans accounted for 95%, compared to 95.2% twelve months ago. There was no major change in the composition of the corporate loan portfolio during the quarter. There is some weakening in the credit quality also in the second quarter, mainly in the corporate credit portfolio, with somewhat more customers being down-rated than up-rated.

Capital position

At the end of the second quarter 2009, risk-weighted assets (RWA) for NBN-group was NOK 287.7bn, excluding transition rules, compared to NOK 288.1bn one year ago and NOK 287.7bn at end of first quarter 2009. RWA including transition rules amounted to NOK 330.7bn at the end of June 2009.

The Tier 1 capital ratio including the result for the first six months was 9.3% and total capital ratio was 12.5%, excluding transition rules. Including transition rules, the tier 1 ratio was 8.1% and the total capital ratio was 10.8%. The core tier 1 capital ratio, i.e. excluding hybrid loans, was excluding transition rules 8.7% and including transition rules 7.6%. The capital base of NOK 34,291m exceeds the Pillar 1 capital requirements of NOK 23,018m by NOK 11,273m and the Tier 1 capital of NOK 25,346m exceeds the Pillar 1 requirements by NOK 2,327m.

When applying the Norwegian FSA definition, excluding the net profit for the first half year, Tier 1 capital ratio for NBN-group was 7.7% and the total capital ratio 10.4%.

For NBN ASA the risk-weighted assets according to transition rules amounted to NOK 300.2bn. Exclusive of the net profit, total capital ratio was 10.3% (8.7% same period last year) and Tier 1 capital ratio was 7.5% (6.5%).

Outlook 2009

For 2009, Nordea Group expects risk-adjusted profit, ie profit before loan losses, minus Expected Loss and stand-ard tax, to be higher than in 2008. In the Nordea Group's interim report for the first quarter, the forecast was an unchanged risk-adjusted profit. Nordea Bank Norge is expected to contribute to this growth.

Cost growth for Nordea Group is expected to be slightly lower than in 2008. Loan loss provisions in Nordea Group the first half of the year amounted to 55 basis points excluding the provision concerning the contested claim related to the debt restructuring liquidation of Swiss Air Group in 2001, broadly in line with the Outlook from the beginning of the year. Since global and Nordic economies

have contracted clearly beyond general expectations at the beginning of the year, uncertainty concerning how the economic recession will affect customers' cash flow and filter through into Nordea Group's lending book has increased. Therefore, the risk has increased for a somewhat higher loan loss ratio in the full year compared to the annualised level in the first half of the year.

The effective tax rate for Nordea Group is expected to be approx. 25%.

Quarterly development

NOKm	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Jan-Jun 2009	Jan-Jun 2008
Net interest income	2,400	2,578	2,811	2,028	1,807	4,978	3,563
Net fee and commission income (spec. 1)	370	313	346	398	364	683	696
Net gains/losses on items at fair value	171	72	-302	-14	467	243	417
Equity method	-436	412	826	24	34	-24	-9
Other operating income	23	14	85	-9	109	37	197
Total operating income	2,528	3,389	3,766	2,427	2,781	5,917	4,864
General administrative expenses (spec. 2):							
Staff costs	-787	-763	-680	-705	-657	-1,550	-1,344
Other expenses	-462	-485	-498	-438	-419	-947	-857
Depreciation of tangible and intangible assets	-34	-22	-33	-43	-30	-56	-55
Total operating expenses	-1,283	-1,270	-1,211	-1,186	-1,106	-2,553	-2,256
Profit before loan losses	1,245	2,119	2,555	1,241	1,675	3,364	2,608
Net loan losses	-571	-541	-561	-47	7	-1,112	-43
Disposals of tangible and intangible assets	0	0	-7	-1	0	0	0
Operating profit	674	1,578	1,987	1,193	1,682	2,252	2,565
Income tax expense	-311	-390	-389	-325	-445	-701	-701
Net profit for the period	363	1,188	1,598	868	1,237	1,551	1,864
Earnings per share (EPS), NOK	0.66	2.15	2.90	1.57	2.24	2.81	3.38
EPS, rolling 12 months up to period end, NOK	7.29	8.87	7.85	6.41	6.09	7.29	6.09

	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Jan-Jun 2009	Jan-Jun 2008
Spec. 1 Net fee and commission income, NOKm							
Asset Management commissions	8	5	6	6	7	13	14
Life insurance	13	13	13	13	13	26	27
Brokerage	142	102	94	80	69	244	146
Custody	33	28	49	36	34	61	67
Deposits	10	10	18	15	10	20	18
Total savings related commissions	206	158	180	150	133	364	272
Payments	108	111	110	121	115	219	231
Cards	169	149	156	172	164	318	327
Total payment commissions	277	260	266	293	279	537	558
Lending	19	11	-2	34	38	30	45
Guarantees and documentary payments	24	23	23	43	19	47	43
Total lending related commissions	43	34	21	77	57	77	88
Other commission income	43	29	51	47	67	72	102
Fee and commission income	569	481	518	567	536	1,050	1,020
Payment expenses	-173	-143	-141	-147	-151	-316	-280
Other commission expenses	-26	-25	-31	-22	-21	-51	-44
Fee and commission expenses	-199	-168	-172	-169	-172	-367	-324
Net fee and commission income	370	313	346	398	364	683	696

Commission income from Trading Infrastructure Program 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.

	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Jan-Jun 2009	Jan-Jun 2008
Spec. 2 General administrative expenses, NOKm							
Staff	787	763	680	705	657	1,550	1,345
Information technology ¹	173	169	136	165	106	342	248
Marketing	21	23	31	18	31	44	60
Postage, telephone and office expenses	33	42	50	33	38	75	72
Rents, premises and real estate expenses	97	98	106	96	98	195	196
Other	138	153	175	126	146	291	280
Total	1,249	1,248	1,178	1,143	1,076	2,497	2,201

¹ Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc were NOK 204m in Q2 2009 (Q2 2008: NOK 138m).

Income statement

NOKm	Note	Q2 2009	Q2 2008	Jan-Jun 2009	Jan-Jun 2008	Full year 2008
Operating income						
<i>Interest income</i>		4,814	6,807	10,832	13,272	29,284
<i>Interest expense</i>		-2,414	-5,000	-5,854	-9,709	-20,882
Net interest income		2,400	1,807	4,978	3,563	8,402
<i>Fee and commission income</i>		569	536	1,050	1,020	2,105
<i>Fee and commission expense</i>		-199	-172	-367	-324	-665
Net fee and commission income		370	364	683	696	1,440
Net gains/losses on items at fair value	3	171	467	243	417	101
Profit from companies accounted for under the equity method		-436	34	-24	-9	841
Other operating income		23	109	37	197	273
Total operating income		2,528	2,781	5,917	4,864	11,057
Operating expenses						
General administrative expenses:						
Staff costs		-787	-657	-1,550	-1,344	-2,729
Other expenses		-462	-419	-947	-857	-1,793
Depreciation, amortisation and impairment charges of tangible and intangible assets		-34	-30	-56	-55	-131
Total operating expenses		-1,283	-1,106	-2,553	-2,256	-4,653
Profit before loan losses		1,245	1,675	3,364	2,608	6,404
Net loan losses	4	-571	7	-1,112	-43	-651
Disposals of tangible and intangible assets		0	0	0	0	-8
Operating profit		674	1,682	2,252	2,565	5,745
Income tax expense		-311	-445	-701	-701	-1,415
Net profit for the period		363	1,237	1,551	1,864	4,330
Attributable to:						
Shareholders of Nordea Bank Norge ASA		363	1,237	1,551	1,864	4,330
Total		363	1,237	1,551	1,864	4,330
Earnings per share, NOK		0.66	2.24	2.81	3.38	7.85

Statement of comprehensive income

NOKm	Q2 2009	Q2 2008	Jan-Jun 2009	Jan-Jun 2008	Full year 2008
Net profit for the period	363	1,237	1,551	1,864	4,330
Currency translation differences during the period	4	5	2	-6	17
Other comprehensive income, net of tax	4	5	2	-6	17
Total comprehensive income	367	1,242	1,553	1,858	4,347
Attributable to:					
Shareholders of Nordea Bank Norge ASA	367	1,242	1,553	1,858	4,347
Total	367	1,242	1,553	1,858	4,347

Balance sheet

NOKm	Note	30 Jun 2009	31 Dec 2008	30 Jun 2008
Assets				
Cash and balances with central banks		7,982	11,144	6,185
Loans and receivables to credit institutions	5	16,464	33,575	30,649
Loans and receivables to the public	5	439,124	446,527	394,314
Interest-bearing securities		46,149	36,657	32,135
Financial instruments pledged as collateral		120	58	2,464
Shares		2,284	1,729	4,237
Derivatives	8	1,130	7,409	1,208
Fair value changes of the hedged items in portfolio hedge of interest rate risk		298	373	0
Investments in associated undertakings		1,712	1,735	885
Intangible assets		362	354	293
Property and equipment		259	266	252
Deferred tax assets		0	0	1,127
Other assets		18,268	5,789	14,538
Prepaid expenses and accrued income		2,020	3,460	2,780
Total assets		536,172	549,076	491,067
Liabilities				
Deposits by credit institutions		248,647	250,804	213,872
Deposits and borrowings from the public		229,317	235,407	206,503
Debt securities in issue		2,917	7,265	7,474
Derivatives	8	2,094	1,169	2,246
Fair value changes of the hedged items in portfolio hedge of interest rate risk		88	106	209
Current tax liabilities		771	110	243
Other liabilities		10,252	10,960	22,198
Accrued expenses and prepaid income		3,414	2,581	4,506
Deferred tax liabilities		722	163	0
Provisions		42	36	18
Retirement benefit obligations		1,684	1,779	2,054
Subordinated liabilities		10,563	11,550	7,109
Total liabilities		510,511	521,930	466,432
Equity				
Non-controlling interests		4	4	0
Share capital		3,860	3,860	3,860
Share premium reserve		953	953	953
Retained earnings		20,844	22,329	19,822
Total equity		25,661	27,146	24,635
Total liabilities and equity		536,172	549,076	491,067
Assets pledged as security for own liabilities		69,097	49,711	29,072
Contingent liabilities		1,190	1,290	4,023
Derivative commitments	8	188,082	164,414	306,609
Other commitments		158,894	161,621	160,170

Statement of changes in equity

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			1,553	1,553		1,553
Non-controlling interests (Privatmegleren AS)				0	0	0
Dividend for 2008			-3,000	-3,000		-3,000
Share-based payments ²			5	5		5
Other changes			-43	-43		-43
Closing balance at 30 Jun 2009	3,860	953	20,844	25,657	4	25,661

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

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			1,858	1,858		1,858
Non-controlling interests (Privatmegleren AS)				0	3	3
Share-based payments ²			4	4		4
Other changes			-17	-17		-17
Closing balance at 30 Jun 2008	3,860	953	19,818	24,631	4	24,635

¹Total shares registered were 551,359m (31 Dec 2008: 551,359m, 30 Jun 2008: 551,359m).

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

Cash flow statement

NOKm	Jan-Jun 2009	Jan-Jun 2008	Full year 2008
<i>Operating activities</i>			
Operating profit	2,252	2,565	5,745
Adjustments for items not included in cash flow	2,859	1,804	1,019
Income taxes paid	-41	-1,633	-1,216
Cash flow from operating activities before changes in operating assets and liabilities	5,070	2,736	5,548
Changes in operating assets and liabilities	-15,209	-6,249	4,119
Cash flow from operating activities	-10,139	-3,513	9,667
<i>Investing activities</i>			
Share issue in associated undertakings	0	-278	-278
Property and equipment	-28	-25	-69
Intangible assets	-28	-50	-159
Cash flow from investing activities	-56	-353	-506
<i>Financing activities</i>			
Issued/amortised subordinated liabilities	0	-313	2,036
Other changes in equity	-1	-16	0
Dividend paid	-3,000	0	0
Cash flow from financing activities	-3,001	-329	2,036
Cash flow for the period	-13,196	-4,195	11,197
Cash and cash equivalents at beginning of period	35,781	24,584	24,584
Exchange rate difference	0	9	0
Cash and cash equivalents at end of period	22,585	20,398	35,781
Change	-13,196	-4,195	11,197
Cash and cash equivalents	30 Jun	30 Jun	31 Dec
The following items are included in cash and cash equivalents (NOKm):	<u>2009</u>	<u>2008</u>	<u>2008</u>
Cash and balances with central banks	7,982	6,185	11,144
Loans and receivables to credit institutions, payable on demand	14,603	14,213	24,637

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

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

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

Notes to the financial statement

Note 1 - Accounting policies

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the EU.

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

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, considering also the changes in presentation described in the report for the first quarter 2009.

Exchange rates

	Jan-Jun 2009	Jan-Dec 2008	Jan-Jun 2008
<u>EUR 1 = NOK</u>			
Income statement (average)	8.9038	8.2267	7.9524
Balance sheet (at end of period)	9.0240	9.7400	8.0130
<u>USD 1 = NOK</u>			
Income statement (average)	6.6977	5.6416	5.2002
Balance sheet (at end of period)	6.3960	7.0200	5.0850
<u>SEK 1 = NOK</u>			
Income statement (average)	0.8190	0.8550	0.8480
Balance sheet (at end of period)	0.8350	0.8987	0.8458
<u>DKK 1 = NOK</u>			
Income statement (average)	1.1952	1.1033	1.0663
Balance sheet (at end of period)	1.2118	1.3074	1.0744

Note 2 - Segment reporting

Business areas	Nordic Banking		Financial Institutions		Shipping, Oil Services & International		Group Corporate Centre		Other operating areas		Total operating areas		Group Functions		Group	
	Jan - Jun 2009	Jan - Jun 2008	Jan - Jun 2009	Jan - Jun 2008	Jan - Jun 2009	Jan - Jun 2008	Jan - Jun 2009	Jan - Jun 2008	Jan - Jun 2009	Jan - Jun 2008	Jan - Jun 2009	Jan - Jun 2008	Jan - Jun 2009	Jan - Jun 2008	Jan - Jun 2009	Jan - Jun 2008
Income statement, NOKm																
Net interest income	3,563	2,577	57	71	790	467	643	382	-72	-48	4,981	3,449	-3	114	4,978	3,563
Net fee and commission income	653	652	102	119	73	108	5	6	-124	-138	709	747	-26	-51	683	696
Net gains/losses on items at fair value	462	402	94	84	106	81	-28	71	-389	-225	245	413	-2	4	243	417
Equity method	0	0	0	0	0	0	0	0	-24	-9	-24	-9	0	0	-24	-9
Other income	41	207	6	-1	0	0	-1	0	51	45	97	251	-60	-54	37	197
Total operating income	4,719	3,838	259	273	969	656	619	459	-558	-375	6,008	4,851	-91	13	5,917	4,864
Staff costs	-721	-666	-25	-21	-53	-48	-4	-15	-585	-479	-1,388	-1,229	-162	-115	-1,550	-1,344
Other expenses	-1,292	-1,180	-100	-74	-67	-59	-40	-40	418	384	-1,081	-969	134	112	-947	-857
Depreciation of tangible and intangible assets	-26	-20	0	0	0	0	0	0	-25	-34	-51	-54	-5	-1	-56	-55
Total operating expenses	-2,039	-1,866	-125	-95	-120	-107	-44	-55	-192	-129	-2,520	-2,252	-33	-4	-2,553	-2,256
Loan losses	-516	-19	-21	0	-472	3	0	0	-103	-26	-1,112	-42	0	-1	-1,112	-43
Operating profit	2,164	1,953	113	178	377	552	575	404	-853	-530	2,376	2,557	-124	8	2,252	2,565
Balance sheet, NOKbn																
Loans and receivables to the public	358	330	4	6	76	58	1	0	2	1	441	395	-2	-1	439	394
Other assets	6	5	2	2	0	1	86	75	29	38	123	121	-26	-24	97	97
Total assets	364	335	6	8	76	59	87	75	31	39	563	516	-28	-25	536	491
Deposits and borrowings from the public	180	156	24	36	24	19	1	0	0	0	230	211	-1	-5	229	206
Other liabilities	24	24	4	2	10	7	246	209	26	39	309	281	-28	-21	281	260
Total liabilities	204	180	28	38	34	26	247	209	26	39	539	492	-29	-26	510	466
Equity/economic capital	14	12	0	1	5	3	2	1	0	0	21	17	5	8	26	25
Total liabilities and equity	218	192	28	39	39	29	249	210	26	39	560	509	-24	-18	536	491

Note 2 - Segment reporting, continued

Reconciliation between total operating segments and financial statements

	Jan-Jun 2009			Jan-Jun 2008		
	Operating profit, NOKm	Loans and receivables to the public, NOKbn	Deposits and borrowings from the public, NOKbn	Operating profit, NOKm	Loans and receivables to the public, NOKbn	Deposits and borrowings from the public, NOKbn
Total Operating segments	2,376	441	230	2,557	395	211
Group functions not classified as operating segments ¹	-133	-2	-1	1	-1	-5
Differences in accounting policies ²	9	0	0	7	0	0
Total	2,252	439	229	2,565	394	206

¹ Consists mainly of Group Services and Technology, Group Credit and Risk Control, People and Identity and Group Legal and Compliance.

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

Change in basis of segmentation and measurement of segment profit or loss

Compared with the 2008 Annual Report, considering also the changes described in the report for the first quarter 2009, there has been no changes in the basis of segmentation and measurement of segment profit or loss.

Operating segments reported

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. The Financial Institutions segment is responsible for Nordea's customers within the financial institution industry. The segment Shipping, Oil Services & International is responsible for Nordea's customers within the shipping, offshore and oil services industries.

Note 3 - Net gains/losses on items at fair value

	Q2	Q2	Jan-Jun	Jan-Jun	Full year
NOKm	2009	2008	2009	2008	2008
Shares/participations and other share-related instruments	-5	101	6	143	266
Interest-bearing securities and other interest-related instruments	153	337	256	147	-524
Other financial instruments	0	-2	0	0	0
Foreign exchange gains/losses	23	31	-19	127	359
Total	171	467	243	417	101

Note 4 - Net loan losses

	Q2	Q2	Jan-Jun	Jan-Jun	Full year
NOKm	2009	2008	2009	2008	2008
Loan losses divided by class					
Loans and receivables to credit institutions	-22	0	-22	0	0
- of which provisions	-22	0	-22	0	0
Loans and receivables to the public	-548	9	-1,083	-35	-624
- of which provisions	-589	-52	-1,150	-161	-770
- of which write-offs	-33	-34	-99	-55	-128
- of which allowances used for covering write-offs	35	25	71	42	68
- of which reversals	28	40	64	103	147
- of which recoveries	11	30	31	36	59
Off-balance sheet items ¹	-1	-2	-7	-8	-27
- of which provisions	-4	-4	-11	-11	-33
- of which reversals	3	2	4	3	6
Total	-571	7	-1,112	-43	-651

Specification of Loan losses

Changes of allowance accounts in the balance sheet	-583	-14	-1,115	-67	-650
- of which Loans and receivables, individually assessed	-348	-11	-715	-82	-420
- of which Loans and receivables, collectively assessed	-234	-1	-395	24	-203
- of which Off-balance sheet items, individually assessed ¹	-1	-2	-5	-9	-27
Changes directly recognised in the income statement	12	21	3	24	-1
- of which realised loan losses, individually assessed	1	-8	-28	-11	-60
- of which realised recoveries, individually assessed	11	29	31	35	59
Total	-571	7	-1,112	-43	-651

¹ Included in Provisions in the balance sheet

Key ratios

	Q2	Q2	Jan-Jun	Jan-Jun	Full year
	2009	2008	2009	2008	2008
Loan loss ratio, basis points ¹	51	-1	46	2	17
- of which individual	30	-1	30	3	12
- of which collective	21	0	16	-1	5

¹ Net loan losses (annualised) divided by opening balance of loans and receivables to the public (lending).

Note 5 - Loans and receivables and their impairment

	Total		
	30 Jun 2009	31 Dec 2008	30 Jun 2008
NOKm			
Loans and receivables, not impaired	453,281	479,017	424,801
Impaired loans and receivables	4,724	2,490	1,029
- Performing	2,218	460	735
- Non-performing	2,506	2,030	294
Loans and receivables before allowances	458,005	481,507	425,830
Allowances for individually assessed impaired loans	-1,429	-809	-496
- Performing	-464	-163	-129
- Non-performing	-965	-646	-367
Allowances for collectively assessed impaired loans	-988	-596	-371
Allowances	-2,417	-1,405	-867
Loans and receivables, carrying amount	455,588	480,102	424,963

	Credit institutions		The public			
	30 Jun 2009	31 Dec 2008	30 Jun 2008	30 Jun 2009	31 Dec 2008	30 Jun 2008
NOKm						
Loans and receivables, not impaired	16,464	33,575	30,649	436,817	445,442	394,152
Impaired loans and receivables	22	0	0	4,702	2,490	1,029
- Performing	0	0	0	2,218	460	735
- Non-performing	22	0	0	2,484	2,030	294
Loans and receivables before allowances	16,486	33,575	30,649	441,519	447,932	395,181
Allowances for individually assessed impaired loans	-22	0	0	-1407	-809	-496
- Performing	0	0	0	-464	-163	-129
- Non-performing	-22	0	0	-943	-646	-367
Allowances for collectively assessed impaired loans	0	0	0	-988	-596	-371
Allowances	-22	0	0	-2,395	-1,405	-867
Loans and receivables, carrying amount	16,464	33,575	30,649	439,124	446,527	394,314

Note 5, continued

Reconciliation of allowance accounts for impaired loans

	Credit institutions		The public		Total		Total
	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	
Loans and receivables, NOKm							
Opening balance at 1 Jan 2009	0	0	-809	-596	-809	-596	-1,405
Provisions	-22	0	-778	-393	-800	-393	-1,193
Reversals	0	0	63	1	63	1	64
Changes through the income statement	-22	0	-715	-392	-737	-392	-1,129
Allowances used to cover write-offs	0	0	129	0	129	0	129
Currency translation differences	0	0	-12	0	-12	0	-12
Closing balance at 30 Jun 2009	-22	0	-1,407	-988	-1,429	-988	-2,417
Opening balance at 1 Jan 2008	0	0	-468	-395	-468	-395	-863
Provisions	0	0	-529	-240	-529	-240	-769
Reversals	0	0	110	39	110	39	149
Changes through the income statement	0	0	-419	-201	-419	-201	-620
Allowances used to cover write-offs	0	0	87	0	87	0	87
Currency translation differences	0	0	-9	0	-9	0	-9
Closing balance at 31 Dec 2008	0	0	-809	-596	-809	-596	-1,405
Opening balance at 1 Jan 2008	0	0	-468	-395	-468	-395	-863
Provisions	0	0	-143	-18	-143	-18	-161
Reversals	0	0	61	42	61	42	103
Changes through the income statement	0	0	-82	24	-82	24	-58
Allowances used to cover write-offs	0	0	55	0	55	0	55
Currency translation differences	0	0	-1	0	-1	0	-1
Closing balance at 30 Jun 2008	0	0	-496	-371	-496	-371	-867

Allowances and provisions

	30 Jun 2009	31 Dec 2008	30 Jun 2008
NOKm			
Allowances for items in the balance sheet	-2,395	-1,405	-867
Provisions for off balance sheet items	-42	-36	-18
Total allowances and provisions	-2,437	-1,441	-885

Key ratios

	30 Jun 2009	31 Dec 2008	30 Jun 2008
Impairment rate, gross ¹ , basis points	103	52	24
Impairment rate, net ² , basis points	72	35	13
Total allowance rate ³ , basis points	53	29	20
Individual allowance ratio, impaired loans ⁴ , %	30,2	32,5	48,2
Total allowance ratio, impaired loans ⁵ , %	51,2	56,4	84,3
Non-performing loans and receivables, not impaired⁶, NOKm	857	644	397

¹ Individually assessed impaired loans and receivables before allowances divided by total loans and receivables before allowances.

² Individually assessed impaired loans and receivables after allowances divided by total loans and receivables before allowances.

³ Total allowances divided by total loans and receivables before allowances.

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

⁵ Total allowances divided by total impaired loans and receivables before allowances.

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

Note 6 - Classification of financial instruments

NOKm	Loans and receivables	Held to maturity	Held for trading	Assets at fair value	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	7,982						7,982
Loans and receivables to credit institutions	15,783		384	297			16,464
Loans and receivables to the public	439,079			45			439,124
Interest-bearing securities		16,669	29,480				46,149
Financial instruments pledged as collateral			120				120
Shares			2,111	116		57	2,284
Derivatives			1,023		107		1,130
Fair value changes of the hedged items in portfolio hedge of interest rate risk					298		298
Other assets	7,809			10,438			18,247
Prepaid expenses and accrued income	1,786			234			2,020
Total 30 Jun 2009	472,439	16,669	33,118	11,130	405	57	533,818
Total 31 Dec 2008	490,933	16,889	29,093	9,409	180	64	546,568
Total 30 Jun 2008	426,256	0	39,614	22,202	367	63	488,502

NOKm	Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	2,868	16,880		228,899	248,647
Deposits and borrowings from the public		98		229,219	229,317
Debt securities in issue				2,917	2,917
Derivatives	1,642		452		2,094
Fair value changes of the hedged items in portfolio hedge of interest rate risk			88		88
Other liabilities		8,673		1,434	10,107
Accrued expenses and prepaid income		447		2,138	2,585
Subordinated liabilities				10,563	10,563
Total 30 Jun 2009	4,510	26,098	540	475,170	506,318
Total 31 Dec 2008	5,384	19,096	531	493,972	518,983
Total 30 Jun 2008	9,186	29,765	238	424,040	463,229

Note 7 - Financial instruments at fair value

Determination of fair value from quoted market prices or valuation techniques

NOKm	Instruments with quoted prices in active markets (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non-observable data (Level 3)	Total
Assets				
Interest-bearing securities	27,385	2,095		29,480
Of which:				
– State and sovereigns	24,196			24,196
– Municipalities and other public bodies	112	222		334
– Mortgage institutions	137			137
– Other credit institutions	2,376	972		3,348
– Other	564	901		1,465
Financial instruments pledged as collateral	120			120
Shares	2,113		171	2,284
Derivatives	10	1,013		1,023
Liabilities				
Derivatives	34	1,608	–	1,642

Note 8 - Derivatives

Fair value	30 Jun 2009		31 Dec 2008		30 Jun 2008	
NOKm	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives	60	37	162	305	186	408
Equity derivatives	610	139	1,270	30	142	715
Foreign exchange derivatives	347	1,460	5,789	295	355	802
Other derivatives	6	6	8	8	83	83
Total	1,023	1,642	7,229	638	766	2,008
Derivatives used for hedging						
Interest rate derivatives	107	452	180	460	367	68
Foreign exchange derivatives	0	0	0	71	75	170
Total	107	452	180	531	442	238
Total fair value						
Interest rate derivatives	167	489	342	765	553	476
Equity derivatives	610	139	1,270	30	142	715
Foreign exchange derivatives	347	1,460	5,789	366	430	972
Other derivatives	6	6	8	8	83	83
Total	1,130	2,094	7,409	1,169	1,208	2,246
Nominal amount				30 Jun	31 Dec	30 Jun
NOKm				2009	2008	2008
Derivatives held for trading						
Interest rate derivatives				92,592	51,377	187,929
Equity derivatives				2,059	1,462	92,236
Foreign exchange derivatives				72,970	75,424	4,774
Other derivatives				197	549	1,107
Total				167,818	128,812	286,046
Derivatives used for hedging						
Interest rate derivatives				20,264	35,302	17,159
Foreign exchange derivatives				0	300	3,404
Total				20,264	35,602	20,563
Total nominal amount						
Interest rate derivatives				112,856	86,679	205,088
Equity derivatives				2,059	1,462	92,236
Foreign exchange derivatives				72,970	75,724	8,178
Other derivatives				197	549	1,107
Total				188,082	164,414	306,609

Note 9 - Capital adequacy

Capital Base

	30 Jun 2009	31 Dec 2008	30 Jun ¹ 2008
NOKm			
Tier 1 capital	25,346	25,556	21,173
Total capital base	34,291	35,089	28,300

¹ Figures for capital base as of 30 June 2008 are revised.

	30 Jun 2009	30 Jun 2009	31 Dec 2008	31 Dec 2008	30 Jun 2008	30 Jun 2008
Capital requirement	Capital requirement	RWA	Capital requirement	RWA	Capital requirement	RWA
NOKm						
Credit risk	21,280	266,012	21,876	273,449	21,290	266,136
IRB	18,907	236,344	19,272	240,896	13,327	166,589
– of which corporate	14,934	186,677	15,292	191,151	12,406	155,075
– of which institutions	680	8,495	810	10,121	763	9,533
– retail	3,151	39,396	3,058	38,224	n.a	n.a
of which retail SME	133	1,668	155	1,933	n.a	n.a
of which retail real estate	1,740	21,752	1,775	22,181	n.a	n.a
of which Retail Other	1,278	15,976	1,129	14,110	n.a	n.a
– of which other	142	1,776	112	1,400	158	1,981
Standardised	2,373	29,668	2,604	32,553	7,963	99,547
– of which sovereign	24	305	64	805	30	381
– of which other	2,349	29,363	2,540	31,748	7,933	99,166
Market risk	451	5,634	513	6,412	643	8,037
– of which trading book, VaR	213	2,659	269	3,359	187	2,342
– of which trading book, non-VaR	238	2,975	244	3,053	454	5,670
– of which FX, non-VaR	0	0	0	0	2	25
Operational risk	1,287	16,093	1,115	13,943	1,115	13,944
Standardised	1,287	16,093	1,115	13,943	1,115	13,944
Sub total	23,018	287,739	23,504	293,804	23,048	288,117
Adjustment for transition rules						
Additional capital requirement according to transition rules	3,434	42,924	7,331	91,632	3,691	46,139
Total	26,452	330,663	30,835	385,436	26,739	334,256

Capital ratio

	30 Jun 2009	31 Dec 2008	30 Jun ² 2008
Tier I ratio, %, incl profit	8.1	6.6	6.9
Capital ratio, %, incl profit	10.8	9.1	9.0
Tier I ratio, %, excl profit	7.7		6.3
Capital ratio, %, excl profit	10.4		8.5

² Capital ratios of 30 June 2008 have been revised.

Analysis of capital requirements

Exposure class	Average risk weight (%)	Capital requirement (NOKm)
Corporate	63	14,934
Institutions	30	680
Retail	20	3,152
Sovereign	1	24
Other	37	2,491
Total credit risk	42	21,281

Note 10 - Risks and uncertainties

Nordea Bank Norge's revenue base reflects the NBN Group's business with a large and diversified customer base, comprising household customers, corporate customers and financial institutions, representing different geographic areas and industries.

NBN's main risk exposure is credit risk. The NBN Group also assume risks such as market risk, liquidity risk and operational risk. There is no major change to the risk composition of the NBN Group compared to what is disclosed in 2008 Annual Report.

So far, the financial crisis and the deteriorating macroeconomic situation have not had material impact on NBN's financial position. However, the macroeconomic develop-

ment remains highly uncertain and the risk for somewhat higher loan losses has increased as communicated in the Outlook on page 6.

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

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

Note 11 - Related-party transactions

Nordea defines related parties as Shareholders with significant influence, Group undertakings, Associated undertakings, Key management personnel and Other related parties. Key management personnel includes the Board of Directors, the Chief Executive Officer, Control committee, Board of Representatives and the Group Executive Management. Other related parties comprise 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. There have, during the first half of 2009, not been any significant related party transactions compared to the information provided in the Annual report 2008, except for one transaction further described below.

Transactions with Other related parties are normally 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. Nordea Bank Norge has, during the second quarter 2009, entered into one transaction with a company under significant influence by a member of Key management personnel in Nordea Bank AB (publ), which is disclosed separately in this note due to the transaction's significance for the related company. The related company has received a credit limit of EUR 12m, of which EUR 7m was utilised as of 30 June 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.

Nordea Bank Norge ASA

Income statement

NOKm	Q2 2009	Q2 2008	Jan-Jun 2009	Jan-Jun 2008	Full year 2008
Operating income					
<i>Interest income</i>	4,501	6,607	10,205	12,876	28,431
<i>Interest expense</i>	-2,357	-4,988	-5,780	-9,688	-20,854
Net interest income	2,144	1,619	4,425	3,188	7,577
<i>Fee and commission income</i>	569	539	1,052	1,024	2,111
<i>Fee and commission expense</i>	-199	-174	-368	-328	-670
Net fee and commission income	370	365	684	696	1,441
Net gains/losses on items at fair value	170	455	244	398	85
Dividends and group contribution	489	265	489	265	265
Other operating income	25	112	49	207	295
Total operating income	3,198	2,816	5,891	4,754	9,663
Operating expenses					
General administrative expenses:					
Staff costs	-750	-621	-1,476	-1,274	-2,590
Other expenses	-456	-409	-920	-832	-1,745
Depreciation, amortisation and impairment charges of tangible and intangible assets	-30	-28	-49	-51	-116
Total operating expenses	-1,236	-1,058	-2,445	-2,157	-4,451
Profit before loan losses	1,962	1,758	3,446	2,597	5,212
Net loan losses	-519	21	-987	-20	-580
Disposals of tangible and intangible assets	0	0	0	0	-8
Operating profit	1,443	1,779	2,459	2,577	4,624
Income tax expense	-421	-482	-708	-701	-1,338
Net profit for the period	1,022	1,297	1,751	1,876	3,286

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Balance sheet

	30 Jun	31 Dec	30 Jun
NOKm	2009	2008	2008
Assets			
Cash and balances with central banks	7,982	11,144	6,185
Loans and receivables to credit institutions	48,784	60,452	61,265
Loans and receivables to the public	402,170	409,651	358,383
Interest-bearing securities	46,099	36,607	32,085
Financial instruments pledged as collateral	120	58	2,464
Shares	2,282	1,727	4,234
Derivatives	1,057	7,302	1,100
Fair value changes of the hedged items in portfolio hedge of interest rate risk	216	279	75
Investments in group undertakings	2,241	2,241	2,241
Investments in associated undertakings	417	417	417
Intangible assets	313	302	237
Property and equipment	247	258	246
Deferred tax assets	0	0	1,205
Other assets	18,217	5,725	14,466
Prepaid expenses and accrued income	1,578	3,196	2,562
Total assets	531,723	539,359	487,165
Liabilities			
Deposits by credit institutions	249,191	246,231	213,676
Deposits and borrowings from the public	229,326	235,413	206,466
Debt securities in issue	1,733	6,076	6,279
Derivatives	1,977	1,046	2,233
Fair value changes of the hedged items in portfolio hedge of interest rate risk	19	27	180
Current tax liabilities	684	14	167
Other liabilities	10,175	10,943	22,177
Accrued expenses and prepaid income	2,991	2,196	4,242
Deferred tax liabilities	589	27	0
Provisions	42	36	18
Retirement benefit obligations	1,620	1,715	1,988
Subordinated liabilities	10,562	11,550	7,109
Total liabilities	508,909	515,274	464,535
Equity			
Share capital	3,860	3,860	3,860
Share premium reserve	953	953	953
Retained earnings	18,001	19,272	17,817
Total equity	22,814	24,085	22,630
Total liabilities and equity	531,723	539,359	487,165
Assets pledged as security for own liabilities	69,097	49,711	29,072
Contingent liabilities	1,190	1,290	4,023
Derivative commitments	184,983	161,210	298,348
Other commitments	151,656	169,480	152,651

Nordea Bank Norge ASA

Note 1 Equity

NOKm	Share capital ¹	Share premium account	Retained earnings	Total equity
Balance at end of year, at 31 Dec 2008	3,860	953	19,272	24,085
Currency translation differences			-27	-27
Share based payments ²			5	5
Dividend 2008			-3,000	-3,000
Net profit for the period			1,751	1,751
Balance at 30 Jun 2009	3,860	953	18,001	22,814

NOKm	Share capital ¹	Share premium account	Retained earnings	Total equity
Balance at end of year, at 31 Dec 2007	3,860	953	15,944	20,757
Currency translation differences			34	34
Share based payments ²			8	8
Net profit for the period			3,286	3,286
Balance at 31 Dec 2008	3,860	953	19,272	24,085

NOKm	Share capital ¹	Share premium account	Retained earnings	Total equity
Balance at end of year, at 31 Dec 2007	3,860	953	15,944	20,757
Currency translation differences			-12	-12
Share based payments ²			9	9
Net profit for the period			1,876	1,876
Balance at 30 Jun 2008	3,860	953	17,817	22,630

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

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

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

STATEMENT BY EXECUTIVE AND SUPERVISORY BOARD

The supervisory and executive boards have today considered and approved the condensed consolidated interim report of Nordea Bank Norge ASA as at 30 June 2009 and for the first half-year 2009 including condensed consolidated comparative figures as at 30 June 2008 and for the first half-year 2008 ("the interim report").

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Norwegian disclosure requirements for interim financial reports of listed and State-owned public limited companies. We consider the accounting policies applied to be appropriate. Accordingly, the interim report gives a true and fair view of the Group's assets, liabilities, financial position as at 30 June 2009 and as at 30 June 2008 and of the results of the Group's operations and cash flows for the first half-year of 2009 and the first half-year of 2008.

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

Oslo, 20 July 2009

Executive board:

Gunn Wærsted
Managing director

Supervisory board:

Christian Clausen
Chairman

Carl-Johan Granvik
Deputy chairman

Mary Helene Moe

Hege Marie Norheim

Steinar Nickelsen
Employee representative