

Copenhagen, Helsinki, Oslo, Stockholm, 21 July 2010

## Second Quarter Report 2010

### CEO Christian Clausen's comment to the report:

"We have seen a positive development in our customer business with a record level of new Gold and Private Banking customers and we have strengthened relationships with our large corporate customers. Our market shares have increased and income in customer segments is up 9%.

The Group result is in line with our plans. Net interest income is holding up well despite the low interest rate levels. Net fee and commission income has increased. The net result from items at fair value has decreased from the high level in the first quarter.

We are especially pleased with the continued development of our relationship banking model and our growth initiatives. Together, they lay a strong foundation for reaching our long-term financial targets." (For further viewpoints, see CEO comments, page 2)

### Second quarter vs first quarter:

- Income from corporate customers up 10% and from household customers up 7%
- Number of Gold and Private Banking customers up by 73,000 or 2.6%
- Net loan losses down 28% to 26 basis points, excluding provisions for the Danish guarantee scheme, and the growth in impaired loans levelled out and a slight decrease was seen
- Operating profit down 17%, due to lower result from items at fair value
- **Outlook.** The outlook is improved regarding the Nordic macroeconomic development. Net loan losses in 2010 are now expected to be lower than in 2009. Credit quality continues to stabilise, in line with the economic recovery. Nordea continues to expect risk-adjusted profit to be lower in 2010 compared to 2009, due to lower income in Treasury and Markets. (For full outlook, see page 8)

Summary key figures, EURm	Q2 10	Q1 10	Ch. %	Q2 09	Ch. %	H1 10	H1 09	Ch. %
Net interest income	1,249	1,235	1	1,305	-4	2,484	2,661	-7
Total operating income	2,161	2,303	-6	2,359	-8	4,464	4,638	-4
Profit before loan losses	975	1,139	-14	1,243	-22	2,114	2,432	-13
Net loan losses	-245	-261	-6	-425	-42	-506	-781	-35
Loan loss ratio annualised, bps	35	37		57		36	55	
Operating profit	730	878	-17	818	-11	1,608	1,651	-3
Risk-adjusted profit	516	678	-24	777	-34	1,194	1,524	-22
Diluted earnings per share, EUR	0.13	0.16		0.15		0.29	0.34	
Return on equity, %	9.5	11.3		12.0		10.4	12.8	

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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 6.1 million e-customers. The Nordea share is listed on the NASDAQ OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen.

## CEO comment

We have seen a positive development in our customer business with a record level of new Gold and Private Banking customers and we have strengthened relationships with our large corporate customers. Our market shares have increased and income in the customer segments is up 9%.

### Macroeconomic environment

The effects of the macroeconomic environment for Nordea have been mixed over the last months. On the one hand the sovereign debt crisis in the Eurozone has affected the banking industry with increased risks, stressed funding markets and higher interbank margins. On the other hand, the Nordic economies have stabilised and all countries are expected to have positive growth rates, modest inflation and controlled budget deficits in 2010 and 2011. The increases in central bank rates in Norway and Sweden are clear indications of a sustained economic upturn.

Nordea's results are affected by both trends. The positive development in our customer business has delivered increasing volumes in both lending and deposits, improved financial results and decreased loan losses. At the same time, the net result from items at fair value decreased from high levels.

### Customer business

We are especially satisfied with the record number of new household customers. In total, we attracted 73,000 new Gold and Private Banking customers in the quarter, of whom 25,000 were not previously Nordea customers and 25,000 were previously Fionia Bank customers. Total income in the customer areas Nordic Banking and International & Institutional Banking increased by 7% from the first quarter to the highest levels ever. Our market shares continue to increase in all Nordic countries.

Net interest income increased somewhat compared to the first quarter, but is still subdued from extremely low deposit margins. Net fee and commission income increased further.

We have further developed our relationship with large corporate customers. This momentum will be maintained by an organisational change in the autumn aiming at increased focus on Corporate Merchant Banking.

Nordea's capital position is strong and constantly tested by our own as well as authorities' stress tests. Nordea's strong funding name was illustrated during the spring with two senior unsecured issues in June. We have maintained a high portion of long-term funding.

To adjust to capital and liquidity requirements and funding costs in connection to future regulations, market lending margins are likely to increase going forward.

### Group initiatives

The solid results, strong customer development and on-going implementation of our Group initiatives lay a strong foundation for reaching our long-term financial targets.

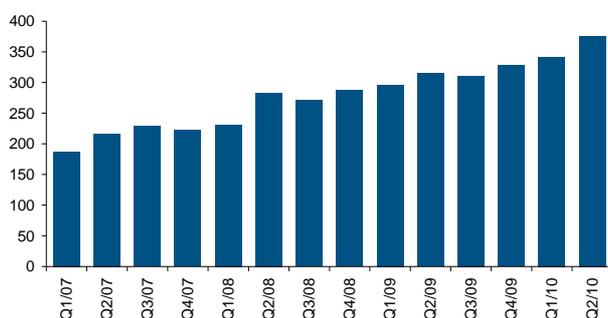
We are well on track in implementing the initiatives on strengthening the foundation, increasing efficiency and strengthen future growth. Our focus is to come even closer to the customers, ensuring strong relationships and creating great customer experiences:

- Stronger platforms are being developed for payments, cards and capital markets activities
- The new branch format is being rolled out, with successful development in advising and relationship banking
- The relocation and refurbishing of branches within Growth Plan Finland is under preparation and more than 100 new advisers and specialists have been recruited this year in high-growth areas
- In Poland, the first new branches of the planned 40 to 50 new branches this year will open in September and income is up 50% year-on-year
- Activity levels within Corporate Merchant Banking in Sweden are increasing.

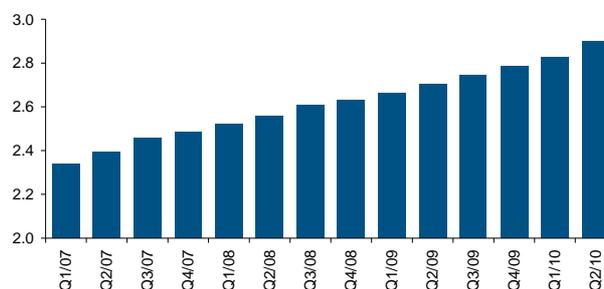
The fragile economic development and new regulations create uncertainty in the banking industry ahead. Nordea will meet these challenges with careful navigation of our prudent growth strategy, focus on growth initiatives and stringent management of costs.

Christian Clausen  
President and Group CEO

Income Corporate Merchant Banking, EURm



Number of Gold and Private Banking customers, millions



## Income statement<sup>1</sup>

EURm	Q2	Q1	Change %	Q2	Change %	Jan-Jun	Jan-Jun	Change %
	2010	2010		2009		2010	2009	
Net interest income	1,249	1,235	1	1,305	-4	2,484	2,661	-7
Net fee and commission income	538	475	13	412	31	1,013	793	28
Net result from items at fair value	339	548	-38	594	-43	887	1,109	-20
Equity method	7	25	-72	17	-59	32	26	23
Other operating income	28	20	40	31	-10	48	49	-2
<b>Total operating income</b>	<b>2,161</b>	<b>2,303</b>	<b>-6</b>	<b>2,359</b>	<b>-8</b>	<b>4,464</b>	<b>4,638</b>	<b>-4</b>
Staff costs	-701	-687	2	-687	2	-1,388	-1,352	3
Other expenses	-445	-438	2	-392	14	-883	-786	12
Depreciation of tangible and intangible assets	-40	-39	3	-37	8	-79	-68	16
<b>Total operating expenses</b>	<b>-1,186</b>	<b>-1,164</b>	<b>2</b>	<b>-1,116</b>	<b>6</b>	<b>-2,350</b>	<b>-2,206</b>	<b>7</b>
<b>Profit before loan losses</b>	<b>975</b>	<b>1,139</b>	<b>-14</b>	<b>1,243</b>	<b>-22</b>	<b>2,114</b>	<b>2,432</b>	<b>-13</b>
Net loan losses	-245	-261	-6	-425	-42	-506	-781	-35
<b>Operating profit</b>	<b>730</b>	<b>878</b>	<b>-17</b>	<b>818</b>	<b>-11</b>	<b>1,608</b>	<b>1,651</b>	<b>-3</b>
Income tax expense	-191	-235	-19	-200	-5	-426	-406	5
<b>Net profit for the period</b>	<b>539</b>	<b>643</b>	<b>-16</b>	<b>618</b>	<b>-13</b>	<b>1,182</b>	<b>1,245</b>	<b>-5</b>

## Business volumes, key items<sup>1</sup>

EURbn	30 Jun	31 Mar	Change %	30 Jun	Change %
	2010	2010		2009	
Loans to the public	302.6	292.5	3	278.3	9
Deposits and borrowings from the public	160.9	160.0	1	149.7	7
of which savings deposits	49.7	47.6	4	46.6	7
Assets under management	170.0	169.3	0	136.5	25
Technical provisions, Life	34.7	33.9	2	29.6	17
Equity	22.9	22.3	3	21.1	9
Total assets	571.1	526.2	9	475.6	20

## Ratios and key figures

	Q2	Q1	Q2	Jan-Jun	Jan-Jun
	2010	2010	2009	2010	2009
Diluted earnings per share, EUR	0.13	0.16	0.15	0.29	0.34
EPS, rolling 12 months up to period end, EUR	0.55	0.57	0.72	0.55	0.72
Share price <sup>2</sup> , EUR	6.81	7.34	5.62	6.81	5.62
Total shareholders' return, %	-8.9	1.0	55.6	-8.0	49.7
Equity per share <sup>2</sup> , EUR	5.68	5.53	5.23	5.68	5.23
Potential shares outstanding <sup>2</sup> , million	4,043	4,037	4,037	4,043	4,037
Weighted average number of diluted shares, million	4,022	4,018	3,982	4,019	3,668
Return on equity, %	9.5	11.3	12.0	10.4	12.8
Cost/income ratio, %	55	51	47	53	48
Core Tier 1 capital ratio, excl transition rules <sup>2</sup> , %	10.0	10.1	10.3	10.0	10.3
Tier 1 capital ratio, excl transition rules <sup>2</sup> , %	11.1	11.2	11.2	11.1	11.2
Total capital ratio, excl transition rules <sup>2</sup> , %	13.2	13.6	13.2	13.2	13.2
Core Tier 1 capital ratio <sup>2</sup> , %	9.0	9.2	9.2	9.0	9.2
Tier 1 capital ratio <sup>2</sup> , %	10.0	10.1	9.9	10.0	9.9
Total capital ratio <sup>2</sup> , %	11.8	12.3	11.7	11.8	11.7
Tier 1 capital <sup>2</sup> , EURm	20,491	20,070	19,034	20,491	19,034
Risk-weighted assets incl transition rules <sup>2</sup> , EURbn	206	198	192	206	192
Loan loss ratio, basis points <sup>3</sup>	35	37	57	36	55
Number of employees (full-time equivalents) <sup>2</sup>	33,511	33,477	33,510	33,511	33,510
Risk-adjusted profit, EURm	516	678	777	1,194	1,524
Economic profit, EURm	90	265	418	355	803
Economic capital <sup>2</sup> , EURbn	17.9	17.4	16.0	17.7	16.0
EPS, risk-adjusted, EUR	0.13	0.17	0.20	0.30	0.42
RAROCAR, %	12.3	16.5	20.2	14.2	19.8

<sup>1</sup> For exchange rates used in the consolidation of Nordea Group see Note 1.

<sup>2</sup> End of period.

<sup>3</sup> Loan loss ratio in Q2 2009 excluding provision for a legal claim contested by Nordea.

## The Group

### Result summary, second quarter 2010

Total income decreased 6% from the previous quarter and 8% compared to the second quarter last year.

The development in the customer business remained strong, despite the financial turmoil. Lending volumes increased by 3% and deposit volumes by 1% from the previous quarter, margins were largely stable in the quarter and market shares increased in most markets. Total income in customer segments increased by 9% compared to the previous quarter.

However, the turmoil in the European financial markets during the second quarter has resulted in lower net result from fair value items in Group Treasury. The fair value result in the Group was also affected by a non-recurring gain of approx. EUR 50m in connection to the merger of the two payment companies Nordito and PBS.

Net loan loss provisions in the second quarter amounted to EUR 245m, of which EUR 58m related to the Danish guarantee scheme. The loan loss ratio was 35 basis points including and 26 basis points excluding the guarantee scheme provisions, compared to 37 basis points in the first quarter. Credit quality continued to stabilise and impaired loans for the Group decreased 1% from the first quarter.

Total expenses increased 2% compared to the previous quarter and staff costs increased by 2%.

Operating profit was down 17% from the previous quarter, mainly due to the lower net result from items at fair value. Risk-adjusted profit decreased 24% compared to the previous quarter.

The inflow of new Gold and Private Banking customers continued to be strong in the second quarter, increasing by more than 24,000 per month, including customers from Fionia Bank. More than 75% of the new Gold customers were new customers to Nordea, including the customers from Fionia Bank.

Despite the difficult market conditions, Nordea has benefitted from a strong funding name and has continued to issue long-term funding throughout the second quarter.

The core tier 1 capital ratio, ie excluding hybrid loans, was 10.0% excluding transition rules according to Basel II (10.1% in the first quarter).

The effect from currency fluctuations contributed to an increase in income and expenses of approx. 1 %-point compared to the previous quarter and of approx. 4-5 %-points compared to the second quarter last year.

### Income

Total income decreased 6% from the previous quarter, to EUR 2,161m.

#### *Net interest income*

Net interest income increased 1% compared to the previous quarter to EUR 1,249m. Lending and deposit volumes continued to increase, resulting in higher net interest income in the customer areas, which, however, was partly offset by higher average funding costs.

#### *Corporate lending*

Corporate lending volumes, excluding reversed repurchase agreements, were up 2% in local currencies in the second quarter, an annualised growth rate of 9%. Market shares increased in Denmark, Finland and Sweden. The demand for financing of acquisitions and investments remains subdued, while demand for working capital financing has returned.

Corporate lending margins were largely unchanged in the quarter.

#### *Household lending*

Household mortgage lending volume increased 3% in local currencies compared to the previous quarter, an annualised growth rate of 12%. Market shares grew in all four Nordic countries in the second quarter.

Total underlying household mortgage lending margins were stable in the second quarter, although they decreased in Norway due to the lag effect in connection with the increased market interest rates and competitive situation.

#### *Corporate and household deposits*

Total deposits from the public increased 1% to EUR 161bn compared to the previous quarter and 7% compared to one year ago, reflecting Nordea's strong rating and competitive offerings. Household deposits increased 4%. Fierce competition for savings deposits continued and both household and corporate deposit margins decreased somewhat in the second quarter.

#### *Group Treasury*

Net interest income decreased in the second quarter, mainly due to that average funding costs increased somewhat as maturing long-term funding was prolonged at higher market rates.

#### *Net fee and commission income*

Net fee and commission income increased 13% compared to the previous quarter to EUR 538m. Increases were seen in most areas, with higher commission income from corporate finance and higher savings commission income both from asset management and life as well as from custody business.

*Savings and asset management commissions*

Savings-related commissions increased 8% in the second quarter to EUR 335m, due to higher asset management transaction-related income, and higher commission income from life and custody business. Assets under Management (AuM) increased somewhat to EUR 170bn.

*Lending-related and payment commissions*

Lending-related commissions increased 3% in the second quarter to EUR 128m, due to continued high activity in the capital markets. Payment commissions net decreased 2% compared to the previous quarter.

*Net result from items at fair value*

Net result from items at fair value decreased 38% from a very high level in the first quarter to EUR 339m. The result on Group level included a non-recurring gain of approx. EUR 50m in connection to the merger of the two payment transaction companies Nordito in Norway and PBS in Denmark.

*Capital Markets income in customer areas*

The customer-driven capital markets activities with Nordic Banking and Institutional & International Banking customers continued to perform well. Market volumes increased compared to the previous quarter, in particular within the fixed income and foreign exchange products areas, as corporate hedging activity picked up due to the financial turmoil.

The net fair value result from transactions with customers in Nordic Banking and Institutional & International Banking increased 25% to EUR 246m from previous quarter.

*Capital Markets unallocated income*

The net fair value result in Capital Markets unallocated income, ie income from risk management and trading in connection with managing the risk inherent in customer transactions, decreased 66% to EUR 60m, due to the challenging environment during the quarter.

*Group Treasury*

The net result from fair value items in Group Treasury was affected by the financial turmoil in the quarter. On the back of a positive macro scenario, Nordea was positioned to higher interest rates, tighter credit spreads and stronger equity markets, which led to a negative result in the second quarter as opposed to the strong positive result in the first quarter. Net fair value result in Group Treasury was EUR -97m compared to EUR 53m in the first quarter.

*Life insurance operations*

Net result from items at fair value in Life was strong in the second quarter, although down 10% to EUR 88m. The financial buffers were 6.1% of technical provisions, or EUR 1,487m, at the end of the second quarter, a decrease of 1.0 %-point compared to the first quarter.

*Equity method*

Income from companies accounted for under the Equity method was EUR 7m, of which the result from the holding in Eksportfinans was EUR -5m.

*Other operating income*

Other operating income was EUR 28m compared to EUR 20m in the previous quarter.

*Expenses*

Total expenses increased 2% compared to the previous quarter to EUR 1,186m, due to increased costs related to the Group initiatives and currency fluctuation effects. Staff costs increased 2% to EUR 701m and other expenses increased 2% to EUR 445m.

Total expenses increased by 6% and staff costs by 2%, compared to the same quarter last year. In local currencies, total expenses increased 1%, staff costs decreased 3% mainly due to lower performance-related salaries and other expenses increased 8% due to higher activity level than in the second quarter last year.

The number of employees (FTEs) at the end of the second quarter was largely unchanged compared to the end of the first quarter.

The cost/income ratio was 55%, compared to 51% in the previous quarter and 47% one year ago.

Provisions for performance-related salaries in the second quarter were EUR 60m, compared to EUR 67m in the first quarter and EUR 90m in the second quarter last year. The final decision on payout of performance-related salaries will be made based on the full-year financial outcome.

Allocations to the profit-sharing scheme for all employees were EUR 13m for the second quarter compared to EUR 7m for the first quarter and EUR 25m for the second quarter last year.

*Net loan losses*

Net loan loss provisions were EUR 245m. This includes provisions of EUR 58m related to the Danish guarantee scheme (none in the first quarter), which includes incurred claims and also provisions for potential claims under the guarantee. Net loan losses excluding the guarantee scheme provisions were 28% lower in the second quarter than in the first quarter, with decreases in most countries. New collective provisions net were EUR 2m in the second quarter (EUR 80m in the first quarter), as rating migration has levelled out.

The loan loss ratio was 35 basis points in the second quarter, including the Danish guarantee scheme provisions, and 26 basis points excluding these. This compares to 37 basis points in the first quarter, when no guarantee scheme provisions were recorded. In the Baltic countries, the loan

loss ratio was 114 basis points (166 basis points in first quarter).

#### **Taxes**

The effective tax rate was 26.2% compared to 26.8 % previous quarter and 24.4% same quarter previous year. No tax is incurred for the Nordito transaction.

#### **Net profit**

Net profit decreased 16% compared to the previous quarter to EUR 539m, corresponding to a return on equity of 9.5%. Diluted earnings per share were EUR 0.13 (EUR 0.16 in the first quarter).

#### **Risk-adjusted profit**

Risk-adjusted profit decreased to EUR 516m, down 24% compared to the previous quarter and down 34% compared to one year ago. The non-recurring gain from the Nordito transaction has been adjusted for in risk-adjusted profit.

### **Result summary January – June 2010**

The first half year 2010 showed continued high total income, although down 4% compared to very strong first half year last year. Operating profit decreased 3%, due to lower income, mainly net result from items at fair value, and higher total expenses while net loan losses decreased 35% to EUR 506m. Risk-adjusted profit decreased by 22% compared to the same period last year.

#### **Income**

Net interest income decreased 7% compared to the first half year last year. Lending volumes increased 9% and corporate lending margins were higher, while deposit margins have decreased from last year.

Net fee and commission income has recovered strongly from the weak first half year 2009 and increased by 28%.

Net result from items at fair value decreased by 20% compared to very high levels in the same period last year. The customer-driven capital markets operations continued to be strong with increasing volumes, but the results from Group Treasury and Capital Markets unallocated income were lower.

Income under equity method was EUR 32m and other income was EUR 48m.

#### **Expenses**

Total expenses increased 7% compared to the same period last year. Staff costs increased 3%. In local currencies, total expenses increased 2% and staff costs decreased 2%.

#### **Net loan losses**

Net loan losses decreased 35% to EUR 506m, compared to the same period last year, corresponding to a loan loss ratio of 36 basis points (55 basis points).

#### **Taxes**

The effective tax rate in the first half year was 26.5%, compared to 24.6% last year.

#### **Net profit**

Net profit decreased 5% to EUR 1,182m, due to lower income.

#### **Risk-adjusted profit**

Risk-adjusted profit decreased 22% compared to the same period last year to EUR 1,194m.

### **Other information**

#### **Group initiatives 2010**

Activities related to the Group initiatives launched early 2010 are well on track in all areas.

The new distribution plans are carried out in Nordic Banking and 14 branches are now operating in the new branch format. Several improvements and new features in the Private Netbank have been implemented as well as enhanced mobile offering.

New customer acquisition continued strongly with approx. 50,000 new Gold and Private Banking customers which were new customers to Nordea during the second quarter, including the customers from Fionia Bank.

Growth Plan Corporate Merchant Banking Sweden proceeds as planned, in terms of income development and progress regarding customer relations and new cash management mandates. Corporate lending market shares continued to increase in the second quarter.

Growth Plan Finland proceeds according to plans and more than 100 new advisers and specialists have been recruited this year in high-growth areas to ensure services needed in the coming years. 28 branches will be relocated or refurbished to better serve our customers during the next 12 months.

In Poland, preparations for the opening of new branches develop well and the first launch of the planned 40-50 branches is scheduled for September.

During the second quarter, total investments amounted to approx. EUR 30m, of which EUR 23m were accounted for as expenses in the income statement. The increase in income generation is expected to reach the full year plan.

#### **Credit portfolio**

Total lending increased by 3% to EUR 303bn compared to the previous quarter and by 9% compared to one year ago.

The total effect on risk-weighted assets (RWA) from rating migration shows a further slowdown and was

approx. 0.3% during the second quarter measured in the portfolio held at the start of the quarter. However, in total, RWA decreased approx. 1% due to improved average credit quality since new exposures have higher ratings than amortised exposures.

Impaired loans gross in the Group decreased 1% to EUR 4,407m at the end of the second quarter, corresponding to 135 basis points of total loans. 52% of impaired loans gross are performing loans and 48% are non-performing loans. Impaired loans net, after allowances for individually assessed impaired loans amounted to EUR 2,861m, corresponding to 88 basis points of total loans.

The provisioning ratio increased to 56%, compared to 54% at the end of the first quarter.

#### Loan loss ratios and impaired loans

	Q2	Q1	Q4	Q3	Q2
Basis points of loans	2010	10	2009	09	09
Loan loss ratio					
Group annualised	35	37	52	54	57 <sup>1</sup>
of which individual	34	26	40	37	41 <sup>1</sup>
of which collective	1	11	12	17	16
Loan loss ratios:					
Nordic Banking	35	37	47	49	63
IIB	55	64	104	122	92
Baltic countries	114	166	338	322	214
Impaired loans ratio					
gross, Group (bps)	135	140	140	128	118
- performing	52%	53%	56%	57%	55%
- non-performing	48%	47%	44%	43%	45%
Total allowance					
ratio, Group (bps)	76	76	73	65	57
Provisioning ratio,					
Group <sup>2</sup>	56%	54%	52%	51%	49%

<sup>1</sup> Excluding the provision concerning the legal claim, contested by Nordea, related to the debt restructuring liquidation of Swiss Air Group.

<sup>2</sup> Total allowances in relation to gross impaired loans.

#### Market risk

Interest-bearing securities and treasury bills were EUR 79bn at the end of the second quarter, of which EUR 25bn in the life insurance operations and the remaining part in the liquidity buffer and trading portfolios. 29% of the portfolio comprises government or municipality bonds and 37% is mortgage bonds.

Total Value at Risk (VaR) market risk decreased to EUR 72m in the second quarter compared to EUR 138m in the first quarter, due to reduced exposures in all risk types, in particular equity risk, and an increase in diversification.

#### Market risk

	Q2	Q1	Q4	Q2
EURm	2010	10	2009	09
Total risk, VaR	72	138	114	98
Interest rate risk, VaR	56	66	111	98
Equity risk, VaR	21	63	38	18
Foreign exchange risk, VaR	24	32	19	16
Credit spread risk, VaR	31	41	24	34
Diversification effect	45%	32%	41%	41%

#### Balance sheet

Total assets in the balance sheet increased 9% compared to at the end of the previous quarter to EUR 571bn. In addition to higher lending, the increase mainly relates to higher market values of derivatives by approx. EUR 30bn both on the asset side and the liability side of the balance sheet. As the increase reflects market values before the effect of closeout netting and collateral agreements, the increase in counterparty credit risk is considerably smaller.

#### Capital position and risk-weighted assets

At the end of the second quarter, Nordea's risk-weighted assets (RWA) were EUR 184.9bn excluding transition rules, up 3.0% compared to the previous quarter and up 8.5% compared to one year ago, when RWA were EUR 170.4bn. During the second quarter, the changes in RWA were mainly due to corporate and retail volume growth, while rating migration was lower. RWA including transition rules amounted to EUR 205.9bn at the end of the second quarter.

The core tier 1 ratio, ie excluding transition rules under Basel II, was 10.0%. The tier 1 capital ratio and the total capital ratio are well above the targets in Nordea's capital policy. The capital base of EUR 24.3bn exceeds the Pillar 1 capital requirements of EUR 14.8bn excluding transition rules by EUR 9.5bn. The tier 1 capital of EUR 20.5bn exceeds the Pillar 1 capital requirements (excluding transition rules) by EUR 5.7bn.

#### Capital ratios

	Q2	Q1	Q4	Q2
%	2010	10	2009	09
<i>Excluding transition rules:</i>				
Core tier 1 capital ratio	10.0	10.1	10.3	10.3
Tier 1 capital ratio	11.1	11.2	11.4	11.2
Total capital ratio	13.2	13.6	13.4	13.2
<i>Including transition rules:</i>				
Core tier 1 capital ratio	9.0	9.2	9.3	9.2
Tier 1 capital ratio	10.0	10.1	10.2	9.9
Total capital ratio	11.8	12.3	11.9	11.7

Hybrid capital constituted 9.4% of the tier 1 capital, a portion which is low compared to the statutory limit of 30%.

Economic Capital (EC) was at the end of the second quarter EUR 17.9bn, compared to EUR 17.4bn at the end of the first quarter.

Nordea has received response from the Swedish FSA related to the supervisory review process (SREP). The over-all assessment is that the capital situation of Nordea is satisfactory.

#### Nordea's funding operations

Nordea drew benefit from a strong funding name and has continued to issue long-term funding also throughout the second quarter.

The average funding cost is increasing somewhat as maturing long-term funding is prolonged at higher market rates.

Nordea issued approx. EUR 10.5bn of long-term funding in the second quarter, of which approx. EUR 3.7bn represented issuance of covered bonds in the Swedish market and EUR 2.2bn net issuance of covered bonds in the Danish market. Among the transactions in the international market, were a GBP 500m senior 5.5-year note and a CHF 350m senior 6-year note issued in April. In June, following several weeks of almost no supply in the market, Nordea reopened the senior unsecured market for financial institutions by issuing a EUR 1bn 3-year FRN and a EUR 1.25bn 10-year fixed bond.

The liquidity buffer is composed of highly liquid central bank eligible securities and amounted to EUR 48.5bn at the end of the second quarter.

### Nordea share

During the second quarter, the share price of Nordea on the NASDAQ OMX Nordic Exchange depreciated from SEK 71.25 to SEK 64.90.

Total shareholder return (TSR) during the second quarter was -8.9%. Nordea was number 7 of 20 in the European peer group, where the average TSR was -14.1%.

### Appointments in Group Executive Management and establishing of a new area

On 1 July, Nordea's Chief Risk Officer Carl-Johan Granvik stepped down from the CRO position to retire later this year, and was replaced by Ari Kaperi, member of Group Executive Management.

On 1 September, Casper von Koskull will join Nordea's Group Executive Management and take responsibility for the newly established area Corporate Merchant Banking & Capital Markets.

The new area Corporate Merchant Banking & Capital Markets is established to further build on Nordea's relationship banking approach, and to ensure that all service and product competencies of Nordea reach the large corporate customers. This area will include the present Corporate Merchant Banking, Financial Institutions and Capital Markets Products divisions. These divisions will have unchanged roles in the operating model with Corporate Merchant Banking continuing to cooperate closely with Nordic Banking and Capital Markets Products continuing to serve all customer segments.

### Outlook 2010

Nordea expects the macroeconomic recovery to continue in 2010. Although the global development is still fragile and hence uncertainty remains, the outlook for the Nordic markets has improved during the year.

Excluding currency effects in 2010, Nordea expects cost growth to be broadly in line with 2009, including the effects from growth and efficiency initiatives.

Nordea expects risk-adjusted profit to be lower in 2010 compared to 2009, due to lower income in Treasury and Markets.

Net loan losses in 2010 are expected to be lower than in 2009. Credit quality continues to stabilise, in line with the macroeconomic recovery.

## Quarterly development, Group

EURm	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Jan-Jun 2010	Jan-Jun 2009
Net interest income	1,249	1,235	1,299	1,321	1,305	2,484	2,661
Net fee and commission income	538	475	463	437	412	1,013	793
Net result from items at fair value	339	548	351	486	594	887	1,109
Equity method	7	25	15	7	17	32	26
Other operating income	28	20	30	26	31	48	49
<b>Total operating income</b>	<b>2,161</b>	<b>2,303</b>	<b>2,158</b>	<b>2,277</b>	<b>2,359</b>	<b>4,464</b>	<b>4,638</b>
General administrative expenses:							
Staff costs	-701	-687	-702	-670	-687	-1,388	-1,352
Other expenses	-445	-438	-471	-382	-392	-883	-786
Depreciation of tangible and intangible assets	-40	-39	-46	-35	-37	-79	-68
<b>Total operating expenses</b>	<b>-1,186</b>	<b>-1,164</b>	<b>-1,219</b>	<b>-1,087</b>	<b>-1,116</b>	<b>-2,350</b>	<b>-2,206</b>
<b>Profit before loan losses</b>	<b>975</b>	<b>1,139</b>	<b>939</b>	<b>1,190</b>	<b>1,243</b>	<b>2,114</b>	<b>2,432</b>
Net loan losses	-245	-261	-347	-358	-425	-506	-781
<b>Operating profit</b>	<b>730</b>	<b>878</b>	<b>592</b>	<b>832</b>	<b>818</b>	<b>1,608</b>	<b>1,651</b>
Income tax expense	-191	-235	-145	-206	-200	-426	-406
<b>Net profit for the period</b>	<b>539</b>	<b>643</b>	<b>447</b>	<b>626</b>	<b>618</b>	<b>1,182</b>	<b>1,245</b>
Diluted earnings per share (EPS), EUR	0.13	0.16	0.11	0.15	0.15	0.29	0.34
EPS, rolling 12 months up to period end, EUR	0.55	0.57	0.60	0.68	0.72	0.55	0.72

## Customer areas

### Nordic Banking

The number of Gold and Private Banking customers increased by 67,000 during the second quarter 2010. This is the highest increase ever during a quarter, even when adjusting for the new customers from the integration of Fionia Bank in Denmark. The underlying annualised growth rate was 6%. Around 75% of the new Gold and Private Banking customers were new customers to Nordea, including the customers from Fionia Bank.

The second quarter showed a significant increase in the number of proactive customer meetings with both household and corporate customers compared with the same period last year. Both household lending and deposit market shares increased as well as corporate lending market shares.

Total income increased 7% compared to the previous quarter, with increases in all revenue lines. Net interest income increased 2%, since increased volumes more than compensated for the pressure on margins.

Adjusted for the so-called lag effect in Norway, household mortgage margins are largely unchanged from the previous quarter.

Income from corporate customers increased 10%, with corporate lending and capital markets products as main income drivers. The strongest income growth was in the corporate merchant banking (CMB) segment.

Income related to the household segment increased compared to the previous quarter. Income from lending and savings products increased, while income from deposits decreased following continued fierce price competition. Total net sales of savings products to household customers continued at a high level during the second quarter and amounted to EUR 3.2bn.

Expenses decreased 1% from the previous quarter.

Total net loan losses decreased compared to the previous quarter. The loan loss ratio was 35 basis points including provisions related to the Danish guarantee scheme and 25 basis points excluding these. Net loan losses were up in Denmark due to the guarantee scheme provisions but down excluding these, and were unchanged in Finland and down in Norway and Sweden.

#### Nordic Banking, operating profit, volumes and margins

EURm	Q2	Q1	Q4	Q3	Q2	Change	
	2010	2010	2009	2009	2009	Q210/ Q110	Q210/ Q209
Net interest income	951	936	978	988	983	2%	-3%
Net fee and commission income	491	432	418	373	365	14%	35%
Net result from items at fair value	173	139	138	122	150	24%	15%
Equity method & other income	22	16	19	6	17	38%	29%
<b>Total income incl. allocations</b>	<b>1,637</b>	<b>1,523</b>	<b>1,553</b>	<b>1,489</b>	<b>1,515</b>	<b>7%</b>	<b>8%</b>
Staff costs	-311	-303	-356	-292	-290	3%	7%
<b>Total expenses incl. allocations</b>	<b>-862</b>	<b>-874</b>	<b>-885</b>	<b>-780</b>	<b>-776</b>	<b>-1%</b>	<b>11%</b>
<b>Profit before loan losses</b>	<b>775</b>	<b>649</b>	<b>668</b>	<b>709</b>	<b>739</b>	<b>19%</b>	<b>5%</b>
Net loan losses	-200	-209	-267	-263	-334	-4%	-40%
<b>Operating profit</b>	<b>575</b>	<b>440</b>	<b>401</b>	<b>446</b>	<b>405</b>	<b>31%</b>	<b>42%</b>
Cost/income ratio, %	53	57	57	52	51		
RAROCAR, %	16	13	14	15	16		
Number of employees (FTEs)	16,528	16,570	16,575	16,397	16,796	0%	-2%
<b>Volumes, EURbn:</b>							
Lending to corporates	115.1	110.9	107.1	107.4	108.1	4%	6%
Lending to households	128.8	123.9	119.5	116.1	111.1	4%	16%
<b>Total Lending</b>	<b>243.9</b>	<b>234.8</b>	<b>226.6</b>	<b>223.5</b>	<b>219.2</b>	<b>4%</b>	<b>11%</b>
Corporate deposits	55.8	56.7	57.3	52.9	53.0	-2%	5%
Household deposits	71.8	68.7	68.3	66.7	65.8	5%	9%
<b>Total deposits</b>	<b>127.6</b>	<b>125.4</b>	<b>125.6</b>	<b>119.6</b>	<b>118.8</b>	<b>2%</b>	<b>7%</b>
<b>Margins, %:</b>							
Corporate lending	1.48	1.48	1.43	1.42	1.34		
Household mortgage lending	0.81	0.84	0.82	0.87	0.90		
Consumer lending	4.07	4.03	4.06	4.04	3.87		
<b>Total lending margins</b>	<b>1.43</b>	<b>1.45</b>	<b>1.41</b>	<b>1.43</b>	<b>1.38</b>		
Corporate deposits	0.16	0.19	0.21	0.23	0.34		
Household deposits	0.01	0.04	0.08	0.14	0.37		
<b>Total deposits margins</b>	<b>0.08</b>	<b>0.11</b>	<b>0.14</b>	<b>0.18</b>	<b>0.35</b>		

Historical information has been restated due to organisational changes and changed allocation principles.

Yield fees have been remapped between net interest income and net commission income and has been removed from margins.

## Banking Denmark

### Business development

Banking Denmark continued to increase business volumes as well as the customer base in the second quarter.

All market shares increased further and the number of Gold customers increased by 33,600, including customers from Fionia. The underlying annualised growth rate was 5%.

The margins on corporate lending were maintained at the level from first quarter in an environment where competition is picking up in a market still influenced by the economic slowdown.

The integration of Fionia Bank proceeded successfully in the second quarter. All branches have been re-branded and all customer data was moved to Nordea's systems during May, and all products and services are now based on the Nordea platform.

### Result

Total income in the second quarter was up 6% compared to the first quarter. The interest rate level was lower than in the first quarter, which resulted in lower deposit margins. On the back of the historically low interest rate level savings income has risen due to customers seeking alternatives to traditional deposit accounts. Also in the wake of the low interest level, household mortgage refinancing has picked-up somewhat. Net result on items at fair value was at a higher level than in the first quarter and up 31% compared to the second quarter 2009.

Total expenses were unchanged from the previous quarter. The total number of employees (FTEs) was slightly lower than in the first quarter, in line with the efficiency strategy for the branch network.

Net loan losses were EUR 137m, including provisions related to the Danish guarantee scheme of EUR 58m (EUR 0m in the first quarter). The loan loss ratio was 45 basis points excluding the guarantee-related provisions (66 basis points in the first quarter) and 78 basis points including these.

### Banking Denmark, operating profit, volumes, margins and market shares

EURm	Q2	Q1	Q4	Q3	Q2	Change			
	2010	2010	2009	2009	2009	Q210/ Q110	Q210/ Q209		
Net interest income	324	325	354	351	346	0%	-6%		
Net fee and commission income	100	90	91	77	72	11%	39%		
Net result from items at fair value	63	52	35	42	48	21%	31%		
Equity method & other income	20	13	15	5	14	54%	43%		
<b>Total income incl. allocations</b>	<b>507</b>	<b>480</b>	<b>495</b>	<b>475</b>	<b>480</b>	<b>6%</b>	<b>6%</b>		
Staff costs	-105	-103	-112	-96	-98	2%	7%		
<b>Total expenses incl. allocations</b>	<b>-260</b>	<b>-261</b>	<b>-256</b>	<b>-237</b>	<b>-235</b>	<b>0%</b>	<b>11%</b>		
<b>Profit before loan losses</b>	<b>247</b>	<b>219</b>	<b>239</b>	<b>238</b>	<b>245</b>	<b>13%</b>	<b>1%</b>		
Net loan losses	-137	-115	-153	-143	-207	19%	-34%		
<b>Operating profit</b>	<b>110</b>	<b>104</b>	<b>86</b>	<b>95</b>	<b>38</b>	<b>6%</b>	<b>189%</b>		
Cost/income ratio, %	51	54	52	50	49				
RAROCAR, %	18	16	20	19	20				
Number of employees (FTEs)	5,149	5,164	5,191	4,962	5,054	0%	2%		
<b>Volumes, EURbn:</b>									
Lending to corporates	31.2	30.1	30.5	29.6	30.4	4%	3%		
Lending to households	41.7	40.7	40.3	39.2	38.5	2%	8%		
<b>Total Lending</b>	<b>72.9</b>	<b>70.8</b>	<b>70.8</b>	<b>68.8</b>	<b>68.9</b>	<b>3%</b>	<b>6%</b>		
Corporate deposits	13.2	13.4	13.9	13.2	13.6	-1%	-3%		
Household deposits	23.5	22.1	22.4	20.6	20.7	6%	14%		
<b>Total deposits</b>	<b>36.7</b>	<b>35.5</b>	<b>36.3</b>	<b>33.8</b>	<b>34.3</b>	<b>3%</b>	<b>7%</b>		
<b>Margins, %:</b>						<b>Market shares, %:</b>			
Corporate lending	1.73	1.73	1.65	1.66	1.57		Q210	Q110	Q209
Household mortgage lending	0.50	0.50	0.49	0.49	0.49	Corp.lending <sup>1)</sup>	20.9	20.8	20.4
Consumer lending	4.70	4.65	4.71	4.73	4.51	Househ.lending	16.7	16.4	15.8
<b>Total lending margins</b>	<b>1.63</b>	<b>1.64</b>	<b>1.58</b>	<b>1.57</b>	<b>1.50</b>	HH mortg.lending	15.7	15.6	15.5
Corporate deposits	0.18	0.22	0.21	0.25	0.31	Corp.deposits <sup>1)</sup>	23.9	22.8	26.2
Household deposits	0.01	0.11	0.19	0.45	0.80	Househ.deposits	22.5	21.7	21.3
<b>Total deposits margins</b>	<b>0.09</b>	<b>0.16</b>	<b>0.20</b>	<b>0.35</b>	<b>0.54</b>	<sup>1) Excl. Financial institutions</sup>			

Historical information has been restated due to organisational changes and changed allocation principles.

Yield fees have been remapped between net interest income and net commission income.

## Banking Finland

### Business development

Growth Plan Finland is progressing according to plan, the number of Gold customers increased by 12,000 during the second quarter, clearly higher than the increase in the first quarter. The annualised growth rate was 5%. The number of household and corporate customer meetings remained at a higher level than last year also during the second quarter.

Market shares for both household and corporate customers increased during the second quarter, with corporate deposits as the exception, due to fierce price competition.

Corporate lending volume increased during the second quarter, due to increased activity in the corporate sector. Margins increased as a result of continued re-pricing of the lending stock.

Deposits continued to be the most competitive area during the second quarter, where the rates offered to customers continued to put pressure on margins.

Nordea has been the leading bank for the Single European Payment Area (SEPA) introduction and implementation in

Finland, which has supported the positive development in cash management. In the end of the second quarter, Nordea had over 7,000 corporate customers using SEPA services, over 2 million monthly SEPA transactions and Nordea was ranked third among European banks in terms of number of SEPA transactions.

The recruitment of advisers and specialists as well as renewals in the branch offices in Helsinki area and other growth areas continued during the second quarter to support the structural change and growth.

### Result

Total income decreased slightly from the previous quarter. Net interest income from lending increased, driven by the volume development. Savings commission income increased significantly from the previous quarter, however without fully compensating for a decrease in mainly lending commissions. Staff costs were close to unchanged from the previous quarter, despite an increase in the number of full-time employees by 47.

Net loan losses were EUR 55m, arising mainly from the corporate sector. The loan loss ratio was 45 basis points (45 basis points in the first quarter).

### Banking Finland, operating profit, volumes, margins and market shares

EURm	Q2	Q1	Q4	Q3	Q2	Change					
	2010	2010	2009	2009	2009	Q210/ Q110	Q210/ Q209				
Net interest income	189	190	193	199	204	-1%	-7%				
Net fee and commission income	131	132	119	109	112	-1%	17%				
Net result from items at fair value	35	36	39	29	45	-3%	-22%				
Equity method & other income	1	1	1	0	2	0%	-50%				
<b>Total income incl. allocations</b>	<b>356</b>	<b>359</b>	<b>352</b>	<b>337</b>	<b>363</b>	<b>-1%</b>	<b>-2%</b>				
Staff costs	-73	-72	-91	-77	-72	1%	1%				
<b>Total expenses incl. allocations</b>	<b>-212</b>	<b>-213</b>	<b>-224</b>	<b>-195</b>	<b>-192</b>	<b>0%</b>	<b>10%</b>				
<b>Profit before loan losses</b>	<b>144</b>	<b>146</b>	<b>128</b>	<b>142</b>	<b>171</b>	<b>-1%</b>	<b>-16%</b>				
Net loan losses	-55	-55	-42	-50	-44	0%	25%				
<b>Operating profit</b>	<b>89</b>	<b>91</b>	<b>86</b>	<b>92</b>	<b>127</b>	<b>-2%</b>	<b>-30%</b>				
Cost/income ratio, %	60	59	64	58	53						
RAROCAR, %	12	14	12	13	17						
Number of employees (FTEs)	5,216	5,169	5,148	5,085	5,288	1%	-1%				
<b>Volumes, EURbn:</b>											
Lending to corporates	23.9	23.3	22.6	23.1	24.4	3%	-2%				
Lending to households	28.9	27.7	27.4	27.0	26.5	4%	9%				
<b>Total Lending</b>	<b>52.8</b>	<b>51.0</b>	<b>50.0</b>	<b>50.1</b>	<b>50.9</b>	<b>4%</b>	<b>4%</b>				
Corporate deposits	14.1	14.1	13.6	12.4	12.5	0%	13%				
Household deposits	23.2	22.3	22.1	21.8	22.1	4%	5%				
<b>Total deposits</b>	<b>37.3</b>	<b>36.4</b>	<b>35.7</b>	<b>34.2</b>	<b>34.6</b>	<b>2%</b>	<b>8%</b>				
<b>Margins, %:</b>						<b>Market shares, %:</b>					
Corporate lending	1.44	1.40	1.32	1.27	1.14				Q210	Q110	Q209
Household mortgage lending	0.81	0.82	0.83	0.90	0.86	Corp.lending <sup>1)</sup>	34.7	34.6	35.5		
Consumer lending	3.39	3.36	3.48	3.44	3.23	Househ.lending	30.8	30.7	30.3		
<b>Total lending margins</b>	<b>1.38</b>	<b>1.37</b>	<b>1.36</b>	<b>1.36</b>	<b>1.25</b>	HH mortg.lending	30.9	30.7	30.4		
Corporate deposits	0.06	0.08	0.14	0.18	0.40	Corp.deposits <sup>1)</sup>	38.9	39.8	41.7		
Household deposits	-0.17	-0.13	-0.07	-0.05	0.26	Househ.deposits	31.5	31.2	31.5		
<b>Total deposits margins</b>	<b>-0.08</b>	<b>-0.05</b>	<b>0.01</b>	<b>0.03</b>	<b>0.31</b>	<sup>1)</sup> Excl. Financial institutions					

Historical information has been restated due to organisational changes and changed allocation principles.

Yield fees have been remapped between net interest income and net commission income.

## Banking Norway

### Business development

Pro-activity towards household and corporate relationship customers improved further during the quarter.

Corporate lending and deposit volumes developed positively. Competition remained fierce and margins on both lending and deposits were down. As a result of improved pro-activity towards corporate customers, fee and commission income and net result from items at fair value increased significantly.

The number of Gold customers increased 5,200 in the second quarter, a 9% annualised growth rate. Acquisitions of new customers made a significant contribution.

Growth in household lending continued during the quarter. Nordea's market share for household mortgage lending continued to increase.

Household deposit volumes increased during the quarter. Household savings commission income increased further from an already high level in previous quarters. Improved pro-activity towards Gold and Private Banking customers

is a key factor explaining the growth.

The long-term focus on reduction of manual cash services in branches has resulted in 19% reduction in manual cash-transactions during the last year and today close to 40% of branches are without manual cash services.

### Result

Total income increased by 10% from the previous quarter and by 7% from the second quarter last year (down 4% in local currency). The increase from the previous quarter was driven by net fee and commission income, much related to capital markets and savings commission income. The underlying household mortgage lending margins (adjusted for the six weeks notice) was down 7 basis points.

Total expenses were down 5% from previous quarter, due to lower costs in centralised back-office functions and that the total number of full-time employees was down 1%. Reallocation of resources from low-growth to high-growth areas continued.

Net loan losses were EUR 7m. The loan loss ratio was 7 basis points (22 basis points in the first quarter).

### Banking Norway, operating profit, volumes, margins and market shares

EURm	Q2	Q1	Q4	Q3	Q2	Change				
	2010	2010	2009	2009	2009	Q210/ Q110	Q210/ Q209			
Net interest income	187	187	189	193	192	0%	-3%			
Net fee and commission income	70	51	56	50	49	37%	43%			
Net result from items at fair value	29	20	31	20	26	45%	12%			
Equity method & other income	0	2	2	1	1					
<b>Total income incl. allocations</b>	<b>286</b>	<b>260</b>	<b>278</b>	<b>264</b>	<b>268</b>	<b>10%</b>	<b>7%</b>			
Staff costs	-46	-46	-54	-41	-42	0%	10%			
<b>Total expenses incl. allocations</b>	<b>-130</b>	<b>-137</b>	<b>-141</b>	<b>-117</b>	<b>-118</b>	<b>-5%</b>	<b>10%</b>			
<b>Profit before loan losses</b>	<b>156</b>	<b>123</b>	<b>137</b>	<b>147</b>	<b>150</b>	<b>27%</b>	<b>4%</b>			
Net loan losses	-7	-23	-47	-31	-35	-70%	-80%			
<b>Operating profit</b>	<b>149</b>	<b>100</b>	<b>90</b>	<b>116</b>	<b>115</b>	<b>49%</b>	<b>30%</b>			
Cost/income ratio, %	46	53	51	44	44					
RAROCAR, %	15	11	12	13	15					
Number of employees (FTEs)	1,791	1,810	1,803	1,834	1,870	-1%	-4%			
<b>Volumes, EURbn:</b>										
Lending to corporates	23.8	22.3	21.7	22.0	21.4	7%	11%			
Lending to households	23.0	22.1	20.8	19.7	18.3	4%	26%			
<b>Total Lending</b>	<b>46.8</b>	<b>44.4</b>	<b>42.5</b>	<b>41.7</b>	<b>39.7</b>	<b>5%</b>	<b>18%</b>			
Corporate deposits	14.0	13.8	14.0	13.4	12.7	1%	10%			
Household deposits	8.2	7.7	7.6	7.6	7.3	6%	12%			
<b>Total deposits</b>	<b>22.2</b>	<b>21.5</b>	<b>21.6</b>	<b>21.0</b>	<b>20.0</b>	<b>3%</b>	<b>11%</b>			
<b>Margins, %:</b>										
Corporate lending	1.56	1.61	1.60	1.61	1.60			Q210	Q110	Q209
Household mortgage lending	1.07	1.24	1.16	1.33	1.55	Corp.lending <sup>1)</sup>		14.7	14.8	15.5
Consumer lending	7.52	7.46	7.43	7.52	7.41	Househ.lending		11.3	11.2	11.1
<b>Total lending margins</b>	<b>1.48</b>	<b>1.59</b>	<b>1.55</b>	<b>1.65</b>	<b>1.74</b>	HH mortg.lending		11.7	11.6	11.3
Corporate deposits	0.22	0.27	0.26	0.23	0.30	Corp.deposits <sup>1)</sup>		16.3	17.2	17.7
Household deposits	0.14	0.04	-0.04	-0.20	-0.28	Househ.deposits		8.7	8.7	8.7
<b>Total deposits margins</b>	<b>0.19</b>	<b>0.19</b>	<b>0.16</b>	<b>0.08</b>	<b>0.10</b>	<sup>1)</sup> Excl. Financial institutions				

Historical information has been restated due to organisational changes and changed allocation principles.

Yield fees have been remapped between net interest income and net commission income and has been removed from margins.

## Banking Sweden

### Business development

Intense business activity continued in the second quarter, resulting in strong growth in income and profit, as well as a continued increase in market shares (except in household deposits). The growth in number of Gold customers continued, with a total of 14,800 new Gold customers in the second quarter. The annualised growth rate was 7%. The high ambition and strategic focus in the CMB segment materialised in the second quarter in a number of large corporate transactions, including successes in cash management and structured finance.

Activity towards customers in the household segment was high in all areas, which led to a continued high growth rate in mortgage lending and investment products. Customers continue to transfer from fixed-rate deposits to investment products, which is also reflected in growing market shares for various categories of investment products, but decreasing market share for deposit products.

In the corporate sector, the demand for new lending continued to increase and margins were largely unchanged. Corporate deposit margins were stable in the second quarter, while volumes decreased somewhat.

### Result

Following the strong development in business activity and business volumes, total income was up 15% compared to the previous quarter and 23% from the second quarter last year (up 10% in local currency when comparing to Q2 2009). Net interest income increased 8% following growing volumes at increasing margins. Net fee and commission income grew by 19%, following a number of large lending transactions in the capital markets in combination with strong development in the savings area. Net fair value result improved by 48%, reflecting a higher momentum in the capital markets for derivatives and FX.

Net loan losses continued to decrease and in the second quarter reversals of allowances were in line with new loan loss provisions. The loan loss ratio was 0 basis points (8 basis points in the first quarter).

### Banking Sweden, operating profit, volumes, margins and market shares

EURm	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Change			
						Q210/ Q110	Q210/ Q209		
Net interest income	240	222	228	228	224	8%	7%		
Net fee and commission income	190	160	153	138	132	19%	44%		
Net result from items at fair value	46	31	33	31	31	48%	48%		
Equity method & other income	0	0	0	0	0				
<b>Total income incl. allocations</b>	<b>476</b>	<b>413</b>	<b>414</b>	<b>397</b>	<b>387</b>	<b>15%</b>	<b>23%</b>		
Staff costs	-87	-82	-98	-76	-77	6%	13%		
<b>Total expenses incl. allocations</b>	<b>-250</b>	<b>-254</b>	<b>-249</b>	<b>-219</b>	<b>-216</b>	<b>-2%</b>	<b>16%</b>		
<b>Profit before loan losses</b>	<b>226</b>	<b>159</b>	<b>165</b>	<b>178</b>	<b>171</b>	<b>42%</b>	<b>32%</b>		
Net loan losses	0	-13	-22	-38	-45	-100%	-100%		
<b>Operating profit</b>	<b>226</b>	<b>146</b>	<b>143</b>	<b>140</b>	<b>126</b>	<b>55%</b>	<b>79%</b>		
Cost/income ratio, %	53	62	60	55	56				
RAROCAR, %	17	12	14	14	15				
Number of employees (FTEs)	4,370	4,425	4,430	4,513	4,580	-1%	-5%		
<b>Volumes, EURbn:</b>									
Lending to corporates	36.2	35.2	32.4	32.7	32.0	3%	13%		
Lending to households	35.2	33.4	30.9	30.2	27.7	5%	27%		
<b>Total Lending</b>	<b>71.4</b>	<b>68.6</b>	<b>63.3</b>	<b>62.9</b>	<b>59.7</b>	<b>4%</b>	<b>20%</b>		
Corporate deposits	14.4	15.3	16.0	13.9	14.1	-6%	2%		
Household deposits	17.0	16.6	16.1	16.7	15.7	2%	8%		
<b>Total deposits</b>	<b>31.4</b>	<b>31.9</b>	<b>32.1</b>	<b>30.6</b>	<b>29.8</b>	<b>-2%</b>	<b>5%</b>		
<b>Margins, %:</b>						<b>Market shares, %:</b>			
Corporate lending	1.24	1.23	1.19	1.18	1.10		Q210	Q110	Q209
Household mortgage lending	0.95	0.92	0.91	0.89	0.88	Corp.lending <sup>1)</sup>	17.3	17.2	16.9
Consumer lending	2.76	2.73	2.66	2.61	2.53	Househ.lending	14.0	13.8	13.7
<b>Total lending margins</b>	<b>1.23</b>	<b>1.21</b>	<b>1.19</b>	<b>1.17</b>	<b>1.13</b>	HH mortg.lending	15.0	14.9	14.8
Corporate deposits	0.18	0.19	0.24	0.26	0.36	Corp.deposits <sup>1)</sup>	18.8	18.5	19.9
Household deposits	0.21	0.20	0.25	0.28	0.43	Househ.deposits	16.7	17.3	18.2
<b>Total deposits margins</b>	<b>0.20</b>	<b>0.19</b>	<b>0.24</b>	<b>0.27</b>	<b>0.40</b>	<sup>1)</sup> Excl. Financial institutions			

Historical information has been restated due to organisational changes and changed allocation principles.

Yield fees have been remapped between net interest income and net commission income.

## Institutional & International Banking

Total income in Institutional & International Banking increased 5% from the first quarter, following higher income in all three divisions. Net loan losses decreased

somewhat, both in Shipping, Oil Services & International and in the Baltic countries.

### Institutional & International Banking, operating profit and volumes

EURm	Q2	Q1	Q4	Q3	Q2	Change	
	2010	2010	2009	2009	2009	Q210/ Q110	Q210/ Q209
Net interest income	217	208	203	192	188	4%	15%
Net fee and commission income	78	67	79	63	62	16%	26%
Net result from items at fair value	73	58	61	62	85	26%	-14%
Equity method	-5	12	-1	-1	0		
Other income	5	4	15	19	21	25%	-76%
<b>Total income incl. allocations</b>	<b>368</b>	<b>349</b>	<b>357</b>	<b>335</b>	<b>356</b>	<b>5%</b>	<b>3%</b>
Staff costs	-57	-52	-51	-46	-48	10%	19%
<b>Total expenses incl. allocations</b>	<b>-137</b>	<b>-127</b>	<b>-135</b>	<b>-118</b>	<b>-123</b>	<b>8%</b>	<b>11%</b>
<b>Profit before loan losses</b>	<b>231</b>	<b>222</b>	<b>222</b>	<b>217</b>	<b>233</b>	<b>4%</b>	<b>-1%</b>
Net loan losses	-45	-52	-84	-96	-45	-13%	0%
<b>Operating profit</b>	<b>186</b>	<b>170</b>	<b>138</b>	<b>121</b>	<b>188</b>	<b>9%</b>	<b>-1%</b>
Cost/income ratio, %	37	36	38	35	35		
RAROCAR, %	22	23	26	27	31		
Number of employees (FTEs)	5,192	5,141	5,131	5,041	5,086		
<b>Volumes, EURbn:</b>							
Total lending	34.9	33.7	32.5	32.1	32.9	4%	6%
Total deposits	18.6	18.2	18.5	19.4	22.0	2%	-15%

Historical deposit volumes have been restated since certificates of deposits have been excluded from Financial Institutions.

## Shipping, Oil Services & International

### Business development

Nordea drew benefit from its strong position in the shipping, offshore and oil services industry, and income picked up after a slow first quarter. Main drivers were increased income from capital markets products and lending fees, reflecting a number of new transactions being signed.

Lending volumes increased slightly compared to one year ago, following the strengthened USD against the EUR, which also contributed positively to income. The upward trend in lending margins continued in the quarter, while margins on deposits were stable.

Important shipping segments like crude tanker and dry bulk continued to show decent rate levels in the second quarter. However, demand is expected to develop modestly in advanced economies and stimulus to shipping seems contingent upon firm growth particularly in China. Fleet growth remained modest in the tanker segments in the two first quarters of the year, supported by considerable scrapping. The dry bulk segment, on the contrary, experienced considerable fleet growth, with a 15% annualised growth rate in the first half of 2010. Overcapacity, combined with high exposure to Chinese demand, pose a risk to the prospects in this segment.

Challenges continue for offshore and oil services

companies. The oil disaster in the Gulf of Mexico creates uncertainty for the sector going forward. While it is hard to predict the long-term impact this may have on oil services, it certainly will put environmental issues in the spotlight and raise concerns on new safety regulations on deep-water drilling to be imposed.

The volume of executed new transactions continued to increase in the second quarter indicating a pick-up from last year's low levels as confidence slowly returns to the market. Transactions are still executed on conservative structures, while increased activity among the shipping banks is noted.

Nordea's exposure to the shipping, offshore and oil services industries is well diversified. Supporting the core customers is paramount. Proactive risk management and stringent handling of the existing portfolio remains vital given the market development.

At the end of the second quarter, impaired loans gross amounted to EUR 298m or 202 basis points of total loans, compared with 169 basis points in previous quarter.

### Result

Total income was EUR 106m, up 19% from the previous quarter. Operating profit was EUR 79m. The loan loss ratio was 34 basis points compared with 59 basis points in the previous quarter. Net loan loss provisions amounted to EUR 11m, down from the previous quarters.

## Financial Institutions

### Business development

Despite signs of continuing recovery, the financial markets remained hesitant with regard to the financial stability of the so-called PIIGS countries. Consequently, investors increasingly started to shift towards safe havens, as illustrated by the strengthened US dollar. Overall, the financial markets have lost momentum, partly due to heightened risk for political intervention and tighter regulations in the wake of speculations on possible sovereign defaults. The resulting risk aversion among institutional investors led to a largely directionless market in the quarter and relatively low activity.

An increased activity in the Nordic markets among global financial institutions was taken on a positive note in Nordea, as business volumes in the international customer segment increased.

During the second quarter, Nordea's Emerging Markets business saw a pickup in trade finance as well as export

finance volumes, with the strengthening of international trade as economic conditions gradually improved.

Nordea's standing in financial markets was once again confirmed in April, as Money Markets magazine awarded Nordea for "Client Service Excellence" and as "Custodian of the year in the Nordic markets", illustrating the strength of the relationship coverage as well as Nordea's position within Nordic securities' infrastructure.

### Result

Market activity remained moderate among financial institutions as the market took an uncertain view of the euro. Despite a relatively slow market environment, Nordea gained market share, underlined by increased net result from items at fair value compared to the previous quarter.

Total income was EUR 104m, up 12% from the previous quarter. Operating profit was EUR 57m.

### Shipping, Oil Services & International and Financial Institutions, operating profit, volumes and margins by area

EURm	Shipping, Oil Services & International							Financial Institutions						
							Change							Change
	Q2	Q1	Q4	Q3	Q2	Q210/	Q210/	Q2	Q1	Q4	Q3	Q2	Q210/	Q210/
2010	2010	2009	2009	2009	Q110	Q209	2010	2010	2009	2009	2009	Q110	Q209	
Net interest income	79	75	77	70	67	5%	18%	16	15	17	16	19	7%	-16%
Net fee and commission income	18	7	15	15	9	157%	100%	42	39	37	36	41	8%	2%
Net result from items at fair value	9	7	14	4	16	29%	-44%	46	36	34	39	50	28%	-8%
Equity method	0	0	0	0	0			0	0	0	0	0		
Other operating income	0	0	1	0	0			0	3	12	17	20		-100%
<b>Total income incl. allocations</b>	<b>106</b>	<b>89</b>	<b>107</b>	<b>89</b>	<b>92</b>	<b>19%</b>	<b>15%</b>	<b>104</b>	<b>93</b>	<b>100</b>	<b>108</b>	<b>130</b>	<b>12%</b>	<b>-20%</b>
Staff costs	-12	-9	-11	-10	-10	33%	20%	-8	-8	-8	-8	-8	0%	0%
Other expenses incl. depr.	-4	-3	-2	-2	-3	33%	33%	-39	-39	-40	-39	-40	0%	-3%
<b>Expenses incl. allocations</b>	<b>-16</b>	<b>-12</b>	<b>-13</b>	<b>-12</b>	<b>-13</b>	<b>33%</b>	<b>23%</b>	<b>-47</b>	<b>-47</b>	<b>-48</b>	<b>-47</b>	<b>-48</b>	<b>0%</b>	<b>-2%</b>
<b>Profit before loan losses</b>	<b>90</b>	<b>77</b>	<b>94</b>	<b>77</b>	<b>79</b>	<b>17%</b>	<b>14%</b>	<b>57</b>	<b>46</b>	<b>52</b>	<b>61</b>	<b>82</b>	<b>24%</b>	<b>-30%</b>
Net loan losses	-11	-19	-13	-27	-24	-42%	-54%	0	0	-2	-2	0		
<b>Operating profit</b>	<b>79</b>	<b>58</b>	<b>81</b>	<b>50</b>	<b>55</b>	<b>36%</b>	<b>44%</b>	<b>57</b>	<b>46</b>	<b>50</b>	<b>59</b>	<b>82</b>	<b>24%</b>	<b>-30%</b>
Cost/income ratio, %	15	13	12	13	14			45	51	48	44	37		
RAROCAR, %	17	22	27	27	28			34	24	36	40	69		
Lending, EURbn	14.7	13.5	12.9	12.8	13.5	9%	9%	3.9	4.4	3.9	3.9	4.0	-11%	-3%
Deposits, EURbn	4.8	4.6	4.4	4.8	5.3	4%	-9%	9.3	8.9	9.0	10.2	12.2	4%	-24%
Number of employees (FTEs)	320	311	304	305	303			387	388	410	412	433		
<b>Margins, %:</b>														
Corporate lending	1.84	1.76	1.70	1.53	1.44			0.90	0.82	0.81	0.66	0.77		
Corporate deposits	0.14	0.14	0.14	0.15	0.16			0.15	0.17	0.17	0.19	0.22		

Historical deposit volumes in Financial Institutions have been restated since certificates of deposits have been excluded.

## New European Markets

### Business development

In the second quarter, the positive income development continued in New European Markets, while business volumes grew moderately. Expenses were somewhat higher following ongoing growth investments. Positive signs were recorded in all economies in the New European Markets area.

Corporate lending margins decreased somewhat in the second quarter as competition for the strongest customers increased, mainly in Russia. Household lending margins were stable. Competition for deposits remained intense in all countries.

### Baltic countries

The economies of the Baltic countries start to show signs of stabilisation, even if the recovery is expected to be uneven and fragile. Lending as well as deposit volumes were marginally lower in the second quarter, while margins were stable.

Income increased by 7% compared to the previous quarter as a result of higher net interest income and improved net fair value result. Loan loss provisions were lower than in the first quarter, reflecting the improved economic climate. Consequently, operating profit turned positive.

### Poland

The Polish economy continues to grow and a solid outlook for 2010 was confirmed in the second quarter. Lending as well as deposit volumes were fairly unchanged in EUR. Excluding currency effects, the business volumes continued to increase, driven by an increase in the household segment. Lending and deposit margins were stable compared to previous quarter.

Income increased by 18% compared to the previous quarter and by 51% compared to the second quarter last year. Nordea continued to gain market shares in selected segments and attracted new customers in the quarter. The number of Gold customers increased by some 3,600 compared to the first quarter.

Nordea Poland continues to receive recognition in the Polish market and was runner up in the "Large Banks" category in Gazeta Bankowa's yearly contest in June. Preparations for additional branch network expansion continued and the first branches are scheduled to be opened in the third quarter.

### Russia

The Russian economy also shows clear signs of recovery. Lending volumes increased compared to the first quarter, partly as a result of currency effects, while margins decreased as a result of increasing competition towards top-tier corporate customers.

Income was somewhat lower than in the first quarter, but 11% higher than in the second quarter of last year. Net interest income increased, but volatility in the financial markets negatively impacted result on items at fair value. Nordea continued to expand the business relationships within the targeted customer segments during the quarter.

### Credit quality

Provisions for loan losses in the Baltic countries amounted to EUR 22m in the quarter, EUR 10m lower than in the first quarter, with the highest provisions being in Latvia. The provisions for Poland and Russia were limited, confirming the strong credit quality in these countries.

Impaired loans in the Baltic countries decreased by EUR 27m to EUR 614m, compared to the first quarter. This amount equals 808 basis points of total loans, compared with 822 basis points at the end of the first quarter. Total allowances for the Baltic countries at the end of the second quarter corresponded to 457 basis points of loans. The provisioning ratio in the Baltic countries was 57%, to be compared with 53% at the end of the first quarter. The loan loss ratio was 114 basis points for the Baltic countries, while it was 79 basis points for New European Markets in total.

### Baltic countries, net loan losses and impaired loans

	Q2 2010	Q1 10	Q4 2009	Q3 09	Q2 09
Net loan losses EURm <sup>1</sup>	22	32	65	62	41
of which collective <sup>1</sup>	4	2	24	24	18
Loan loss ratio, basis points <sup>1</sup>	114	166	338	322	214
Gross impaired loans, EURm	614	641	535	522	418
Impaired loans ratio gross, basis points	808	822	733	705	550
Total allowances, EURm	347	339	319	263	202
Total allowance ratio, basis points	457	435	437	355	266
Provisioning ratio <sup>2</sup>	57%	53%	60%	50%	48%

<sup>1</sup> Net loan losses and loan loss ratio 2009 including collective provisions for the Baltic countries reported in the unit IIB Other.

<sup>2</sup> Total allowances in relation to gross impaired loans.

### Result

Total income increased by 6% compared to previous quarter and was 20% higher than in the second quarter of last year. Net interest income increased by 3% compared to the first quarter. Total expenses increased by 4% compared to the first quarter. The total number of employees (FTEs) increased by 44, reflecting ongoing growth initiatives in Russia and Poland. Higher income and lower loan loss provisions had a positive impact on operating profit, which increased by 17% compared with the first quarter.

## New European Markets, operating profit, volumes and margins by area

EURm	New European Markets							IIB Other					
	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Change		Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	
						Q210/ Q110	Q210/ Q209						
Net interest income	122	118	109	106	101	3%	21%	0	0	0	0	0	1
Net fee and commission inc.	18	20	20	14	15	-10%	20%	0	1	7	-2	-3	
Net result from items at fair value	18	15	13	19	19	20%	-5%	0	0	0	0	0	
Equity method	0	0	0	0	0			-5	12	-1	-1	0	
Other operating income	5	1	2	2	1	400%	400%	0	0	0	0	0	
<b>Total income incl. alloc.</b>	<b>163</b>	<b>154</b>	<b>144</b>	<b>141</b>	<b>136</b>	<b>6%</b>	<b>20%</b>	<b>-5</b>	<b>13</b>	<b>6</b>	<b>-3</b>	<b>-2</b>	
Staff costs	-34	-34	-28	-27	-29	0%	17%	-3	-1	-4	-1	-1	
Other expenses incl. depr.	-36	-33	-42	-34	-31	9%	16%	-1	0	0	0	-1	
<b>Expenses incl. allocations</b>	<b>-70</b>	<b>-67</b>	<b>-70</b>	<b>-61</b>	<b>-60</b>	<b>4%</b>	<b>17%</b>	<b>-4</b>	<b>-1</b>	<b>-4</b>	<b>-1</b>	<b>-2</b>	
<b>Profit before loan losses</b>	<b>93</b>	<b>87</b>	<b>74</b>	<b>80</b>	<b>76</b>	<b>7%</b>	<b>22%</b>	<b>-9</b>	<b>12</b>	<b>2</b>	<b>-4</b>	<b>-4</b>	
Net loan losses	-31	-34	-69	-56	-39	-9%	-21%	-3	1	0	-13	18	
<b>Operating profit</b>	<b>62</b>	<b>53</b>	<b>5</b>	<b>24</b>	<b>37</b>	<b>17%</b>	<b>68%</b>	<b>-12</b>	<b>13</b>	<b>2</b>	<b>-17</b>	<b>14</b>	
Cost/income ratio, %	43	44	49	43	44								
RAROCAR, %	23	22	20	25	23								
Lending, EURbn	16.3	15.8	15.7	15.4	15.4	3%	6%						
Deposits, EURbn	4.5	4.7	5.1	4.4	4.5	-4%	0%						
Number of employees (FTEs)	4,479	4,435	4,410	4,316	4,343			6	7	7	8	7	
<b>Margins, %:</b>													
Corporate lending	2.29	2.37	2.38	2.34	2.03								
Household lending	1.84	1.83	1.79	1.68	1.58								
Corporate deposits	0.51	0.58	0.74	1.06	1.13								
Household deposits	0.35	0.27	0.43	0.51	0.44								

EURm	Baltic countries					Poland					Russia				
	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009
Net fee and commission inc.	10	12	11	8	9	6	5	5	5	5	3	3	4	2	1
Net result from items at fair value	1	-2	-2	4	9	13	9	9	10	9	3	8	6	6	2
Equity method	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other operating income	0	0	0	0	0	4	1	1	1	1	0	0	1	0	0
<b>Total income incl. alloc.</b>	<b>46</b>	<b>43</b>	<b>38</b>	<b>37</b>	<b>45</b>	<b>53</b>	<b>45</b>	<b>44</b>	<b>39</b>	<b>35</b>	<b>63</b>	<b>66</b>	<b>62</b>	<b>65</b>	<b>57</b>
Staff costs	-7	-7	-4	-7	-8	-10	-10	-10	-9	-9	-15	-15	-12	-10	-11
Other expenses incl. depr.	-12	-11	-16	-12	-9	-15	-14	-17	-11	-13	-8	-7	-10	-6	-7
<b>Expenses incl. allocations</b>	<b>-19</b>	<b>-18</b>	<b>-20</b>	<b>-19</b>	<b>-17</b>	<b>-25</b>	<b>-24</b>	<b>-27</b>	<b>-20</b>	<b>-22</b>	<b>-23</b>	<b>-22</b>	<b>-22</b>	<b>-16</b>	<b>-18</b>
<b>Profit before loan losses</b>	<b>27</b>	<b>25</b>	<b>18</b>	<b>18</b>	<b>28</b>	<b>28</b>	<b>21</b>	<b>17</b>	<b>19</b>	<b>13</b>	<b>40</b>	<b>44</b>	<b>40</b>	<b>49</b>	<b>39</b>
Net loan losses	-22	-32	-65	-47	-36	-2	0	-1	0	0	-6	-2	-3	-7	-3
<b>Operating profit</b>	<b>5</b>	<b>-7</b>	<b>-47</b>	<b>-29</b>	<b>-8</b>	<b>26</b>	<b>21</b>	<b>16</b>	<b>19</b>	<b>13</b>	<b>34</b>	<b>42</b>	<b>37</b>	<b>42</b>	<b>36</b>
Cost/income ratio, %	41	42	53	51	38	47	53	61	51	63	37	33	35	25	32
RAROCAR, %	12	13	9	10	13	28	21	18	21	16	35	36	40	47	48
Lending, EURbn	7.6	7.8	7.7	7.8	8.1	4.6	4.5	4.6	4.1	3.8	4.1	3.5	3.4	3.5	3.5
Deposits, EURbn	1.7	1.8	2.0	1.8	2.0	2.0	2.1	2.1	1.9	1.9	0.8	0.8	1.0	0.7	0.6
Number of employees (FTEs)	1,144	1,154	1,148	1,133	1,134	1,656	1,627	1,630	1,619	1,643	1,648	1,628	1,613	1,545	1,544

In addition to net loan losses in the Baltic countries, collective provisions for the Baltic countries are reported under IIB Other.

Furthermore, changes in the country risk reserve relating to Emerging Markets is also reported under IIB Other.

### Other customer operations

The customer operations, which are not included in Nordic Banking or Institutional & International Banking, are included under Other customer operations, as well as results not allocated to any of the two main customer areas.

### International Private Banking & Funds

Renewed uncertainty in the financial markets during the second quarter slowed down private banking customer activities and in consequence net flow and performance. Within International Private Banking, Assets under Management (AuM) remained unchanged at EUR 9.2bn compared to end of the previous quarter.

Customer activities within Fund Distribution were also impacted by the sentiment in the financial markets; nevertheless, a net inflow of EUR 0.5bn was captured and AuM increased to EUR 4.4bn, up 13% from previous quarter.

Total AuM in International Private Banking & Funds were EUR 13.6bn, up EUR 0.4bn or 3% from the end of the previous quarter.

The combined result for International Private Banking & Funds was EUR 15m, up 15% from the first quarter.

### Life customer operations

The customer operation Life includes the Life Insurance operations outside Nordea Bank's branch distribution network, including sales to Nordic customers through Life & Pensions' own sales force, brokers and tied agents, and the Polish life business, and is included in the product result for Life & Pensions, see page 22.

Life & Pensions' operations generated income of EUR 96m and operating profit of EUR 40m, down 19% and 38% respectively from the previous quarter, mainly due to lower profit-sharing contribution and return on equity following the volatility in the financial markets.

### Capital Markets unallocated

The customer operations "Capital Markets unallocated" mainly includes the part of the result in Capital Markets Products (see page 21), which is not allocated to Nordic Banking or Institutional & International Banking. Net result from items at fair value decreased, due to a more challenging environment for the risk management and trading in connection with managing the risk inherent in customer transactions. The net fair value result decreased 66% to EUR 60m and total income decreased to EUR 38m.

### Other customer operations, by unit

EURm	International Private Banking & Funds					Life					Capital Markets unallocated				
	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009
Net interest income	7	10	10	11	9	0	0	0	0	0	6	27	16	13	11
Net fee and commission inc.	23	18	13	16	17	4	17	3	16	15	-28	-39	-20	-25	-15
Net result from items at fair value	6	6	10	8	7	88	98	93	99	54	60	179	130	204	227
Equity method	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other income	0	0	1	0	0	5	4	9	6	3	0	0	0	0	0
<b>Total income incl. alloc.</b>	<b>37</b>	<b>34</b>	<b>34</b>	<b>35</b>	<b>33</b>	<b>96</b>	<b>119</b>	<b>105</b>	<b>121</b>	<b>72</b>	<b>38</b>	<b>167</b>	<b>126</b>	<b>192</b>	<b>223</b>
Staff costs	-13	-13	-11	-13	-12	-32	-35	-36	-31	-29	-88	-88	-45	-95	-109
Other expenses incl. depr.	-9	-8	-10	-8	-9	-24	-20	-20	-24	-15	32	30	-3	25	24
<b>Total operating expenses</b>	<b>-22</b>	<b>-21</b>	<b>-21</b>	<b>-21</b>	<b>-21</b>	<b>-57</b>	<b>-55</b>	<b>-56</b>	<b>-55</b>	<b>-44</b>	<b>-56</b>	<b>-58</b>	<b>-48</b>	<b>-70</b>	<b>-85</b>
Net loan losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Operating profit</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>13</b>	<b>40</b>	<b>64</b>	<b>49</b>	<b>66</b>	<b>28</b>	<b>-18</b>	<b>109</b>	<b>78</b>	<b>122</b>	<b>138</b>
Lending, EURbn	1.6	1.8	1.5	1.8	2.0	2.0	2.0	2.0	2.0	2.0	17.4	15.2	16.6	19.5	19.7
Deposits, EURbn	2.7	2.6	2.6	2.5	3.0	4.0	4.0	4.0	4.0	3.0	8.1	8.1	4.9	4.9	3.2

Yield fees have been remapped between net interest income and net commission income.

## Group functions

### Group Corporate Centre

#### **Business development**

Nordea had a positive macro scenario during the second quarter and was hence positioned for higher interest rates, tighter credit spreads and stronger equity markets.

Therefore, the financial turmoil in the quarter had a negative impact on the result.

Financial market development in the second quarter was dominated by the Greek sovereign debt crisis that also spread to other southern European economies. Despite an unprecedented IMF/EU bailout package and government debt purchases by ECB, the crisis led to fears of a double-dip recession in the Eurozone and general risk aversion in financial markets. European equity markets corrected and credit spreads widened while long-term interest rates in core European countries decreased on expectations of continued low central bank rates.

Some signs of stress also materialised in the interbank lending markets leading to somewhat wider LIBOR spreads. As a response the European central bank reactivated the liquidity swap lines with the Federal Reserve. Furthermore, full allotment on 3-month liquidity facilities was adopted in May and June. Nordea has not utilised any of these facilities, but continued to benefit from a very strong funding name with access to all relevant markets and all programmes are in active use.

Nordea issued approx. EUR 10.5bn of long-term funding in the second quarter, of which approx. EUR 3.7bn represented issuance of covered bonds in the Swedish

market and EUR 2.2bn net issuance of covered bonds in the Danish market. Among the transactions in the international market, were a GBP 500m senior 5.5-year note and a CHF 350m senior 6-year note issued in April. In June, following several weeks of almost no supply in the market Nordea reopened the senior unsecured market for financial institutions by issuing a EUR 1bn 3-year FRN and a EUR 1.25bn 10-year fixed bond.

The liquidity buffer is composed of highly liquid central bank eligible securities and amounted to EUR 48.5bn at the end of the second quarter.

The price risk on Group Treasury's interest-rate positions, calculated as VaR, was EUR 37m. The risk related to equities, calculated as VaR, was EUR 30m and the risk related to credit spreads, calculated as VaR, was EUR 27m. Equity risk decreased, while interest rate and credit spread risk were largely unchanged compared to at the end of the first quarter.

#### **Result**

Total operating income was EUR -62m in the second quarter compared to EUR 107m in the first quarter.

Net interest income decreased to EUR 37m in the second quarter, mainly due to that average funding cost continued to increase somewhat when maturing long-term funding was prolonged at higher market rates.

Net result on items at fair value was EUR -97m compared to EUR 53m in the first quarter, mainly as a result of positions for higher interest rates, tighter credit spreads and stronger equity markets, on the back of the positive macro scenario. Operating profit was EUR -109m.

#### **Group functions, key figures per quarter**

EURm	Group Corporate Centre					Group functions and Eliminations				
	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009
Net interest income	37	56	86	107	114	31	-2	6	10	0
Net fee and commission income	-2	-2	-4	-2	0	-28	-18	-26	-4	-32
Net result from items at fair value	-97	53	-56	2	67	36	15	-26	-11	4
Other income	0	0	0	3	0	8	9	2	0	7
<b>Total operating income</b>	<b>-62</b>	<b>107</b>	<b>27</b>	<b>110</b>	<b>181</b>	<b>47</b>	<b>4</b>	<b>-44</b>	<b>-5</b>	<b>-21</b>
<b>Total operating expenses</b>	<b>-47</b>	<b>-47</b>	<b>-45</b>	<b>-37</b>	<b>-37</b>	<b>-5</b>	<b>18</b>	<b>-29</b>	<b>-6</b>	<b>-30</b>
Net loan losses	0	0	0	0	0	0	0	4	1	-46
<b>Operating profit</b>	<b>-109</b>	<b>60</b>	<b>-19</b>	<b>73</b>	<b>144</b>	<b>41</b>	<b>22</b>	<b>-69</b>	<b>-10</b>	<b>-98</b>
Number of employees (FTEs)	637	627	605	602	583					

## Customer segments

### Corporate customer segments and financial institutions, key figures

	Corporate Merchant Banking			Large corporate customers			Other corporate customers			Nordic corporate customers		
	Q2 10	Q1 10	Q2 09	Q2 10	Q1 10	Q2 09	Q2 10	Q1 10	Q2 09	Q2 10	Q1 10	Q2 09
Number of customer '000 (EOP)	9	8	6	26	25	18						
<b>Income, EURm</b>	372	342	315	292	262	261	212	193	191	876	797	767
<b>Volumes, EURbn</b>												
Lending	44.9	43.2	44.0	45.5	44.1	42.5	24.8	23.7	21.7	115.2	111.0	108.2
Deposit	20.4	21.2	19.1	15.6	15.9	15.2	19.8	19.5	18.7	55.8	56.6	52.9
<b>Margins, pct p.a.</b>												
Lending	1.54%	1.51%	1.21%	1.42%	1.42%	1.36%	1.68%	1.69%	1.64%	1.48%	1.48%	1.34%
Deposit	0.10%	0.12%	0.17%	0.17%	0.22%	0.33%	0.22%	0.24%	0.50%	0.16%	0.19%	0.34%
	New European Markets corporate customers			Shipping, Oil services and International customers			Financial Institutions			Corporate and Financial Institutions Total		
	Q2 10	Q1 10	Q2 09	Q2 10	Q1 10	Q2 09	Q2 10	Q1 10	Q2 09	Q2 10	Q1 10	Q2 09
Number of customer '000 (EOP)	94	91	84	1	1	1	1	1	1			
<b>Income, EURm</b>	82	85	78	106	89	92	104	93	130	1,168	1,064	1,067
<b>Volumes, EURbn</b>												
Lending	10.4	10.3	10.7	14.7	13.5	13.5	3.9	4.4	4.0	144.2	139.2	136.4
Deposit	2.9	3.0	2.9	4.8	4.6	5.3	9.3	8.9	12.2	72.8	73.1	73.3
<b>Margins, pct p.a.</b>												
Lending	2.29%	2.37%	2.03%	1.84%	1.76%	1.44%	0.88%	0.82%	0.77%	1.56%	1.56%	1.39%
Deposit	0.51%	0.58%	1.13%	0.14%	0.14%	0.16%	0.14%	0.17%	0.22%	0.17%	0.20%	0.34%

### Household customer segments, key figures

	Nordic Private Banking			Gold customers			Other household customers			Nordic household customers		
	Q2 10	Q1 10	Q2 09	Q2 10	Q1 10	Q2 09	Q2 10	Q1 10	Q2 09	Q2 10	Q1 10	Q2 09
Number of customer '000 (EOP)	91	89	84	2,700	2,634	2,533						
<b>Income, EURm</b>	119	91	84	472	453	441	159	159	179	750	703	704
<b>Volumes, EURbn</b>												
Lending	6.3	6.0	5.3	112.7	108.0	95.6	9.8	9.9	10.2	128.8	123.9	111.1
Deposit	8.3	8.2	8.6	47.0	44.6	41.7	16.4	16.0	15.5	71.7	68.7	65.8
Assets under Management	48.1	48.9	39.3									
<b>Margins, pct p.a.</b>												
Lending	0.99%	1.01%	1.07%	1.16%	1.18%	1.19%	3.59%	3.61%	3.60%	1.38%	1.41%	1.43%
Deposit	-0.05%	-0.01%	0.23%	-0.08%	-0.05%	0.26%	0.22%	0.25%	0.63%	0.01%	0.04%	0.37%
	New European Markets household customers			International Private Banking						Household customers Total		
	Q2 10	Q1 10	Q2 09	Q2 10	Q1 10	Q2 09	Q2 10	Q1 10	Q2 09	Q2 10	Q1 10	Q2 09
Number of customer '000 (EOP)	925	901	812	12	12	12						
<b>Income, EURm</b>	47	40	31	24	22	20				821	765	755
<b>Volumes, EURbn</b>												
Lending	5.9	5.5	4.7	1.1	1.1	1.0				135.8	130.5	116.8
Deposit	1.6	1.7	1.6	1.7	1.8	1.8				75.0	72.2	69.2
Assets under Management				9.2	9.2	7.5						
<b>Margins, pct p.a.</b>												
Lending	1.84%	1.83%	1.58%	0.95%	0.92%	0.84%				1.39%	1.42%	1.42%
Deposit	0.35%	0.27%	0.44%	0.39%	0.36%	0.43%				0.03%	0.05%	0.38%

## Product divisions

### Capital Markets Products

In general, volatility across all markets was very high in the second quarter reflecting concerns in the financial markets about the levels of sovereign debt. In most markets, volatility was as high as in the challenging periods of 2008. Market volatility created a challenging environment to manage the risk and trading inherent in customer transactions.

Corporate demand for risk-management products within the foreign exchange and fixed-income product areas increased in the second quarter as corporates sought to hedge the market volatility.

Demand from institutional customers for equity products was negatively affected by the volatility increase in the second quarter. Furthermore, some pension funds lowered their equity portfolios, due to expected difficulties with the solvency rules.

The Nordic primary equity market was also affected by the volatility and some IPO's and rights issues were postponed. However, Nordea participated in the execution of several of the main transactions in the market, eg the rights issues for SAS and REC.

Activity in the Nordic primary bond market decreased compared to the first quarter. In difficult conditions, Nordea arranged important transactions for Nordic issuers, including an USD benchmark issue for Kommuninvest (USD 1bn) and a number of government-guaranteed issues in various currencies for financial institutions, including a US benchmark issue for BRFKredit A/S (USD 1.3bn). Further, Nordea arranged a covered bond benchmark transaction for Sparebanken Vest Boligkredit (EUR 0.5bn) and a number of issuances in local currencies in the domestic Nordic markets for corporate issuers such as J.Lauritzen (NOK 0.7bn), Amer Sports (EUR 150m) and Bonnier (SEK 1.2bn).

Activity in the Nordic syndicated loan markets picked up in the second quarter. Nordea executed transactions for several Nordic companies and thereby maintained its position as the leading arranger of Nordic syndicated loans.

### Result

Market volumes, in particular within the fixed income and foreign exchange areas, increased compared to the previous quarter as corporate hedging activity picked up due to the financial turmoil.

In total, the second quarter result was solid with a product result of EUR 336m, a decrease of 14% compared to the first quarter and a decrease of 25% compared to the very strong results in the second quarter last year.

### Capital Markets Products, product result

	Q2	Q1	Q4	Q3	Q2
EURm	2010	2010	2009	2009	2009
Net interest income	94	109	88	91	87
Net fee and commission income	87	57	48	51	74
Net result from items at fair value	302	368	344	396	447
Other income	0	0	0	0	0
<b>Total income</b>	<b>483</b>	<b>534</b>	<b>480</b>	<b>538</b>	<b>608</b>
Staff costs	-88	-88	-45	-95	-109
Other expenses	-53	-53	-74	-44	-47
<b>Operating expenses</b>	<b>-141</b>	<b>-141</b>	<b>-119</b>	<b>-139</b>	<b>-156</b>
Distribution expenses	-6	-4	-5	-6	-5
Net loan losses	0	0	0	0	0
<b>Product result</b>	<b>336</b>	<b>389</b>	<b>356</b>	<b>393</b>	<b>447</b>
Cost/income ratio, %	29	26	25	26	26
Number of employees (full-time equivalents)	1,739	1,763	1,716	1,648	1,652

Equity income transferred to Capital Markets Products due to organisational changes.

Yield fees have been remapped between net interest income and net commission income.

## Asset Management

### Business development

In the second quarter, Nordea's Assets under Management (AuM) increased somewhat to EUR 169.8bn. The increase was driven by continued positive net inflow of EUR 1.9bn.

A minor outflow of EUR 0.1bn was reported in Nordic retail funds. Outflow was, however, isolated to Finland, as net inflows were reported in the remaining Nordic countries. AuM of Nordic retail funds remained largely unchanged at EUR 32.9bn.

Institutional asset management business remained positive in the second quarter. The net inflow of EUR 0.2bn was primarily driven by a strong activity in the Danish and Finnish markets. Total institutional assets increased 2% to EUR 29.7bn, and the value of net inflow continued to develop positively, due to increased investor appetite in higher-margin products.

For the first half year of 2010, Nordea delivered in total an absolute return to customers of almost 6%. Second quarter returns were impacted by uncertainty in the Euro zone financial markets, which impacted global equity markets, and resulted in volatility and investors' flight to safety. Investment performance was mixed across the product range. Fixed income and some local equity related products continued to outperform benchmark, whereas some areas within multi asset products had performance challenges. Over the past 36 months 65% of the investment composites outperformed benchmark.

### Result

Total income in the second quarter was EUR 157m, up 6% from previous quarter and 35% from second quarter last year. The increase in income was mainly attributable to the increase in AuM and increased transaction related income. Accordingly, the product result of EUR 92m was up 3% from the first quarter, and 53% from second quarter last year.

## Life & Pensions

### Business development

Sales continued to be strong in the second quarter, leading to gross written premiums of EUR 1,316m, representing a

decrease of 6% from the previous quarter and an increase of 30% from the same quarter last year.

Customer demand was particularly strong in the bank channel with a focus on unit-linked products. Focused efforts are made to adapt product offers and streamline delivery processes to the bank's customers, and provide support to bank advisers on Life & Pensions' business. Sales via Nordic Banking now represent 56% of total premiums out of which 70% is unit linked sales. Total share of unit linked was 54% in the second quarter, with Sweden and Finland as main contributing markets.

Life & Pensions in Sweden continued to strengthen its position in the market for contractual pensions. Nordea was for the first time the number-one choice for re-channelled unit-linked premiums within the public sector pension scheme KAP-KL. Nordea's positive momentum for contractual pensions in general and continued strong endowment sales generated a record high Swedish market share of 6.5%.

Based on the realised risk-return during 2006-2009 and for the second time in a row, the Danish new traditional product "Vækstpension" was awarded the best life cycle product in Denmark by the magazine Penge & Privatøkonomi.

Total AuM reached an all-time high at EUR 41bn, up 1% from the previous quarter and 21% from the same quarter last year. This was a result of both asset appreciation and a net inflow of EUR 0.5bn. Market volatility and increased insurance provisions due to updated mortality rates in Denmark of EUR 108m impacted the financial buffers, which ended at EUR 1,487m, corresponding to 6.1% of technical provisions (7.1% in the previous quarter).

The MCEV decreased in the second quarter by EUR 317m to EUR 3,096m, due to lower financial buffers. The value of new business was EUR 108m.

### Result

The product result, EUR 79m, was at a continued high level, although down 18% from the previous quarter, mainly due to lower profit-sharing contribution and return on equity following the volatility in the financial markets. The product result was up 61% from the same quarter last year. Unit-linked products accounted for 22% of the total result.

### Assets under Management (AuM), volumes and net inflow

EURbn	Q2	Net inflow	Q1	Q4	Q3	Q2
	2010	Q2				
Nordic Retail funds	32.9	-0.1	33.0	30.7	28.2	24.4
European Fund Distribution	4.4	0.5	3.9	2.7	2.4	1.9
Nordic Private Banking	48.1	0.8	48.9	45.8	42.8	39.3
International Private Banking	9.2	0.0	9.2	8.7	8.3	7.5
Institutional clients	29.7	0.2	29.2	28.1	27.2	25.6
Life & Pensions	45.5	0.5	45.0	42.2	40.3	37.8
<b>Total</b>	<b>169.8</b>	<b>1.9</b>	<b>169.3</b>	<b>158.1</b>	<b>149.2</b>	<b>136.5</b>

**Asset Management, key figures per quarter**

EURm	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009
<b>Total income</b>	<b>157</b>	<b>148</b>	<b>165</b>	<b>129</b>	<b>116</b>
of which income within Nordic Banking	137	114	124	94	94
Staff costs	-36	-32	-44	-31	-30
Other expenses	-29	-27	-30	-26	-26
<b>Operating expenses</b>	<b>-65</b>	<b>-59</b>	<b>-73</b>	<b>-57</b>	<b>-56</b>
<b>Product result</b>	<b>92</b>	<b>89</b>	<b>92</b>	<b>72</b>	<b>60</b>
Cost/income ratio, %	41	40	44	44	48
Income related to AuM, margin (basis points)	57	54	65	52	50
AuM (managed by Savings Products & Asset Management), EURbn	110	108	101	96	87
of which Equities, %	33	33	32	30	27
of which Fixed income and Other, %	67	67	68	70	73
Number of employees (full-time equivalents)	1,070	1,042	1,039	1,026	1,032

Equity income transferred to Capital Markets Products due to organisational changes.

**Life & Pensions, key figures per quarter**

EURm	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009
<b>Profit drivers</b>					
Traditional insurance:					
Fee contribution/profit sharing	38	49	20	55	5
Contribution from cost result	3	2	-4	3	3
Contribution from risk result	8	9	6	9	12
Return on shareholders' equity/other profits	17	22	53	13	23
<b>Total profit Traditional</b>	<b>66</b>	<b>82</b>	<b>75</b>	<b>80</b>	<b>42</b>
<b>Total profit Unit-linked</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>17</b>	<b>11</b>
Estimated distribution expenses in Nordic Banking	-4	-3	-4	-3	-4
<b>Total Product result</b>	<b>79</b>	<b>96</b>	<b>87</b>	<b>94</b>	<b>49</b>
of which income within Nordic Banking	42	35	48	31	26
<b>Key figures</b>					
Gross premiums written	1,316	1,399	1,222	1,051	1,013
of which from Traditional business	541	590	547	548	491
of which from Unit-linked business	775	809	674	503	522
Investment return %	2.2	2.9	1.8	3.8	1.1
Technical provisions	34,675	33,881	32,218	31,226	29,597
Financial buffers	1,487	1,702	1,434	1,203	857
Investment assets, EURbn	40.9	40.4	38.0	36.2	33.9
of which bonds, %	49	49	52	54	56
of which equities, %	7	7	6	5	4
of which alternative investments, %	7	6	6	6	7
of which property, %	8	9	9	9	10
of which unit linked, %	29	29	27	26	24
Number of employees (full-time equivalents)	1,343	1,340	1,360	1,358	1,360

## Income statement

EURm	Note	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Full year 2009
<b>Operating income</b>						
Interest income		2,341	2,758	4,640	6,123	10,973
Interest expense		-1,092	-1,453	-2,156	-3,462	-5,692
Net interest income		1,249	1,305	2,484	2,661	5,281
Fee and commission income		758	605	1,431	1,172	2,468
Fee and commission expense		-220	-193	-418	-379	-775
Net fee and commission income	3	538	412	1,013	793	1,693
Net result from items at fair value	4	339	594	887	1,109	1,946
Profit from companies accounted for under the equity method		7	17	32	26	48
Other operating income		28	31	48	49	105
<b>Total operating income</b>		<b>2,161</b>	<b>2,359</b>	<b>4,464</b>	<b>4,638</b>	<b>9,073</b>
<b>Operating expenses</b>						
General administrative expenses:	5					
Staff costs		-701	-687	-1,388	-1,352	-2,724
Other expenses		-445	-392	-883	-786	-1,639
Depreciation, amortisation and impairment charges of tangible and intangible assets		-40	-37	-79	-68	-149
<b>Total operating expenses</b>		<b>-1,186</b>	<b>-1,116</b>	<b>-2,350</b>	<b>-2,206</b>	<b>-4,512</b>
<b>Profit before loan losses</b>		<b>975</b>	<b>1,243</b>	<b>2,114</b>	<b>2,432</b>	<b>4,561</b>
Net loan losses	6	-245	-425	-506	-781	-1,486
<b>Operating profit</b>		<b>730</b>	<b>818</b>	<b>1,608</b>	<b>1,651</b>	<b>3,075</b>
Income tax expense		-191	-200	-426	-406	-757
<b>Net profit for the period</b>		<b>539</b>	<b>618</b>	<b>1,182</b>	<b>1,245</b>	<b>2,318</b>
<b>Attributable to:</b>						
Shareholders of Nordea Bank AB (publ)		537	616	1,179	1,242	2,314
Non-controlling interests		2	2	3	3	4
<b>Total</b>		<b>539</b>	<b>618</b>	<b>1,182</b>	<b>1,245</b>	<b>2,318</b>
Basic earnings per share, EUR		0.13	0.15	0.29	0.34	0.60
Diluted earnings per share, EUR		0.13	0.15	0.29	0.34	0.60

## Statement of comprehensive income

EURm	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Full year 2009
<b>Net profit for the period</b>	<b>539</b>	<b>618</b>	<b>1,182</b>	<b>1,245</b>	<b>2,318</b>
Currency translation differences during the period	76	-13	438	222	740
Currency hedging of net investments in foreign operations	-22	14	-235	-203	-507
Tax on currency hedging of net investments in foreign operations	6	-4	62	53	133
Available-for-sale investments:					
Valuation gains/losses during the period	0	0	0	0	1
Tax on valuation gains/losses during the period	0	0	0	0	0
Transferred to profit or loss on sale for the period	0	0	0	0	-1
Cash flow hedges:					
Valuation gains/losses during the period	0	1	1	3	6
Tax on valuation gains/losses during the period	0	0	0	-1	-2
<b>Other comprehensive income, net of tax</b>	<b>60</b>	<b>-2</b>	<b>266</b>	<b>74</b>	<b>370</b>
<b>Total comprehensive income</b>	<b>599</b>	<b>616</b>	<b>1,448</b>	<b>1,319</b>	<b>2,688</b>
<b>Attributable to:</b>					
Shareholders of Nordea Bank AB (publ)	597	614	1,445	1,316	2,684
Non-controlling interests	2	2	3	3	4
<b>Total</b>	<b>599</b>	<b>616</b>	<b>1,448</b>	<b>1,319</b>	<b>2,688</b>

## Balance sheet

EURm	Note	30 Jun 2010	31 Dec 2009	30 Jun 2009
<b>Assets</b>				
Cash and balances with central banks		3,432	11,500	4,949
Treasury bills		14,090	12,944	8,749
Loans to credit institutions	7	21,906	18,555	20,430
Loans to the public	7	302,550	282,411	278,260
Interest-bearing securities		55,608	56,155	47,223
Financial instruments pledged as collateral		9,743	11,240	6,454
Shares		15,207	13,703	9,940
Derivatives	10	121,599	75,422	78,060
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,265	763	669
Investments in associated undertakings		518	470	435
Intangible assets		3,089	2,947	2,621
Property and equipment		418	452	389
Investment property		3,579	3,505	3,425
Deferred tax assets		126	125	46
Current tax assets		368	329	396
Retirement benefit assets		138	134	172
Other assets		15,132	14,397	11,283
Prepaid expenses and accrued income		2,308	2,492	2,093
<b>Total assets</b>		<b>571,076</b>	<b>507,544</b>	<b>475,594</b>
<i>Of which assets customer bearing the risk</i>		<i>13,547</i>	<i>12,602</i>	<i>9,738</i>
<b>Liabilities</b>				
Deposits by credit institutions		54,233	52,190	58,090
Deposits and borrowings from the public		160,922	153,577	149,662
Liabilities to policyholders		36,297	33,831	30,629
Debt securities in issue		138,104	130,519	109,072
Derivatives	10	118,239	73,043	75,768
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,763	874	762
Current tax liabilities		320	565	454
Other liabilities		25,760	28,589	18,317
Accrued expenses and prepaid income		2,758	3,178	3,223
Deferred tax liabilities		756	870	1,035
Provisions		420	309	220
Retirement benefit obligations		396	394	355
Subordinated liabilities		8,190	7,185	6,888
<b>Total liabilities</b>		<b>548,158</b>	<b>485,124</b>	<b>454,475</b>
<b>Equity</b>				
Non-controlling interests		81	80	81
Share capital		4,043	4,037	4,037
Share premium reserve		1,065	1,065	1,065
Other reserves		-252	-518	-814
Retained earnings		17,981	17,756	16,750
<b>Total equity</b>		<b>22,918</b>	<b>22,420</b>	<b>21,119</b>
<b>Total liabilities and equity</b>		<b>571,076</b>	<b>507,544</b>	<b>475,594</b>
Assets pledged as security for own liabilities		130,583	121,052	95,074
Other assets pledged		6,777	6,635	8,174
Contingent liabilities		23,592	22,267	26,842
Credit commitments <sup>1</sup>		79,746	77,619	83,994
Other commitments		2,959	2,178	2,882

<sup>1</sup> Including unutilised portion of approved overdraft facilities of EUR 42,923m (31 Dec 2009: 46,462m, 30 Jun 2009: 47,729m).

## Statement of changes in equity

EURm	Attributable to shareholders of Nordea Bank AB (publ)								Non-controlling interests	Total equity
	Share capital <sup>1</sup>	Share premium reserve	Other reserves:			Retained earnings	Total			
			Translation of foreign operations	Cash flow hedges	Available-for-sale investments					
<b>Opening balance at 1 Jan 2010</b>	<b>4,037</b>	<b>1,065</b>	<b>-517</b>	<b>-1</b>	<b>-</b>	<b>17,756</b>	<b>22,340</b>	<b>80</b>	<b>22,420</b>	
Total comprehensive income	-	-	265	1	-	1,179	1,445	3	1,448	
Issued C-shares <sup>4</sup>	6	-	-	-	-	-	6	-	6	
Repurchase of C-shares <sup>4</sup>	-	-	-	-	-	-6	-6	-	-6	
Share-based payments	-	-	-	-	-	12	12	-	12	
Dividend for 2009	-	-	-	-	-	-1,006	-1,006	-	-1,006	
Divestment of own shares <sup>3</sup>	-	-	-	-	-	46	46	-	46	
Other changes	-	-	-	-	-	-	-	-2	-2	
<b>Closing balance at 30 Jun 2010</b>	<b>4,043</b>	<b>1,065</b>	<b>-252</b>	<b>0</b>	<b>-</b>	<b>17,981</b>	<b>22,837</b>	<b>81</b>	<b>22,918</b>	

EURm	Attributable to shareholders of Nordea Bank AB (publ)								Non-controlling interests	Total equity
	Share capital <sup>1</sup>	Share premium reserve	Other reserves:			Retained earnings	Total			
			Translation of foreign operations	Cash flow hedges	Available-for-sale investments					
<b>Opening balance at 1 Jan 2009</b>	<b>2,600</b>	<b>-</b>	<b>-883</b>	<b>-5</b>	<b>0</b>	<b>16,013</b>	<b>17,725</b>	<b>78</b>	<b>17,803</b>	
Total comprehensive income	-	-	366	4	0	2,314	2,684	4	2,688	
Rights issue <sup>2</sup>	1,430	1,065	-	-	-	-	2,495	-	2,495	
Issued C-shares <sup>4</sup>	7	-	-	-	-	-	7	-	7	
Repurchase of C-shares <sup>4</sup>	-	-	-	-	-	-7	-7	-	-7	
Share-based payments	-	-	-	-	-	10	10	-	10	
Dividend for 2008	-	-	-	-	-	-519	-519	-	-519	
Purchases of own shares <sup>3</sup>	-	-	-	-	-	-55	-55	-	-55	
Other changes	-	-	-	-	-	-	-	-2	-2	
<b>Closing balance at 31 Dec 2009</b>	<b>4,037</b>	<b>1,065</b>	<b>-517</b>	<b>-1</b>	<b>-</b>	<b>17,756</b>	<b>22,340</b>	<b>80</b>	<b>22,420</b>	

EURm	Attributable to shareholders of Nordea Bank AB (publ)								Non-controlling interests	Total equity
	Share capital <sup>1</sup>	Share premium reserve	Other reserves:			Retained earnings	Total			
			Translation of foreign operations	Cash flow hedges	Available-for-sale investments					
<b>Opening balance at 1 Jan 2009</b>	<b>2,600</b>	<b>-</b>	<b>-883</b>	<b>-5</b>	<b>0</b>	<b>16,013</b>	<b>17,725</b>	<b>78</b>	<b>17,803</b>	
Total comprehensive income	-	-	72	2	0	1,242	1,316	3	1,319	
Rights issue <sup>2</sup>	1,430	1,065	-	-	-	-	2,495	-	2,495	
Issued C-shares <sup>4</sup>	7	-	-	-	-	-	7	-	7	
Repurchase of C-shares <sup>4</sup>	-	-	-	-	-	-7	-7	-	-7	
Share-based payments	-	-	-	-	-	6	6	-	6	
Dividend for 2008	-	-	-	-	-	-519	-519	-	-519	
Divestment of own shares <sup>3</sup>	-	-	-	-	-	15	15	-	15	
Other changes	-	-	-	-	-	-	-	0	0	
<b>Closing balance at 30 Jun 2009</b>	<b>4,037</b>	<b>1,065</b>	<b>-811</b>	<b>-3</b>	<b>0</b>	<b>16,750</b>	<b>21,038</b>	<b>81</b>	<b>21,119</b>	

<sup>1</sup> Total shares registered were 4,043 million (31 Dec 2009: 4,037 million, 30 Jun 2009: 4,037 million).

<sup>2</sup> Shares issued in relation to the Nordea rights issue.

<sup>3</sup> Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares at 30 Jun 2010 were 21.4 million (31 Dec 2009: 23.8 million, 30 Jun 2009: 12.5 million).

<sup>4</sup> Refers to the Long Term Incentive Programme (LTIP). LTIP 2009 was hedged by issuing 7,250,000 C-shares, the shares have been bought back and converted to ordinary shares. The total holding of own shares related to LTIP is 15.9 million (31 Dec 2009: 12.1 million, 30 Jun 2009: 12.3 million).

## Cash flow statement

EURm	Jan-Jun 2010	Jan-Jun 2009	Full year 2009
<i>Operating activities</i>			
Operating profit	1,608	1,651	3,075
Adjustments for items not included in cash flow	863	1,169	2,450
Income taxes paid	-676	-494	-816
Cash flow from operating activities before changes in operating assets and liabilities	1,795	2,326	4,709
Changes in operating assets and liabilities	-10,814	-760	8,915
Cash flow from operating activities	-9,019	1,566	13,624
<i>Investing activities</i>			
Sale/acquisition of business operations <sup>1</sup>	-39	-	-270
Property and equipment	-31	-62	-130
Intangible assets	-70	-53	-97
Net investments in debt securities, held to maturity	2,372	456	-5,411
Other financial fixed assets	-3	4	0
Cash flow from investing activities	2,229	345	-5,908
<i>Financing activities</i>			
New share issue	6	2,503	2,503
Issued/amortised subordinated liabilities	215	-1,358	-1,122
Repurchase of own shares incl change in trading portfolio	46	15	-55
Dividend paid	-1,006	-519	-519
Cash flow from financing activities	-739	641	807
<b>Cash flow for the period</b>	<b>-7,529</b>	<b>2,552</b>	<b>8,523</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>13,962</b>	<b>4,694</b>	<b>4,694</b>
Exchange rate difference	633	168	745
<b>Cash and cash equivalents at end of the period</b>	<b>7,066</b>	<b>7,414</b>	<b>13,962</b>
<b>Change</b>	<b>-7,529</b>	<b>2,552</b>	<b>8,523</b>

<sup>1</sup> EUR -37m relates to the acquisition of Fionia Bank in 2009 and the part of the purchase price settled in cash first in 2010. For further details see Note 53 in the Annual Report 2009.

Cash and cash equivalents	30 Jun 2010	30 Jun 2009	31 Dec 2009
The following items are included in cash and cash equivalents (EURm):	<u>2010</u>	<u>2009</u>	<u>2009</u>
Cash and balances with central banks	3,432	4,949	11,500
Loans to credit institutions, payable on demand	3,634	2,465	2,462

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

## Notes to the financial statements

### Note 1 Accounting policies

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) 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 Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the recommendation RFR 1.3 "Supplementary Accounting Rules for Groups" and UFR statements issued by the Swedish Financial Reporting Board as well as the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11), have also been applied.

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 2009 Annual Report, except for the classification of lending commissions in the income statement and the categorisation of savings related commissions within "Net fee and commission income". These changes, made in the first quarter, are further described below.

### Classification of lending commissions

The accounting treatment, including the classification in the income statement, of lending commissions depends on for which purpose the commission is received. Commissions that are considered to be an integral part of the effective interest rate of a loan is included in the calculation of effective interest and classified as "Net

interest income" in the income statement, while commissions considered to be compensation for performed services are classified as "Net fee and commission income".

Judgment has to be exercised when deciding on whether or not a commission shall be included, and to what extent, in the calculation of the effective interest of a loan. During the first quarter Nordea reassessed this judgment, which has led to a reclassification of commissions from "Net fee and commission income" to "Net interest income".

The impact on Group level is not significant and therefore the income statement for the Group has not been restated. Restatements have, on the other hand, been made in the segment reporting (note 2) to reflect significant reclassifications in individual countries.

### Categorisation of savings related commissions

The categorisation of savings related commissions within "Net fee and commission income" (note 3) was changed in the first quarter, in order to be better aligned with the purpose for which the fees are received. The comparable figures have been restated accordingly and the impact is, together with the impact on 2010, disclosed in the below table.

EURm	Jan-Jun 2010		Jan-Jun 2009		Full year 2009	
	Re-stated	Pre policy change	Re-stated	Re-ported	Re-stated	Re-ported
Asset Management commissions	329	308	217	200	492	454
Brokerage	105	126	88	105	188	226

### Exchange rates

	Jan-Jun 2010	Jan-Dec 2009	Jan-Jun 2009
<b>EUR 1 = SEK</b>			
Income statement (average)	9.7965	10.6101	10.8554
Balance sheet (at end of period)	9.5259	10.2701	10.8648
<b>EUR 1 = DKK</b>			
Income statement (average)	7.4422	7.4460	7.4493
Balance sheet (at end of period)	7.4488	7.4410	7.4471
<b>EUR 1 = NOK</b>			
Income statement (average)	8.0119	8.7283	8.9008
Balance sheet (at end of period)	7.9725	8.3022	9.0555
<b>EUR 1 = PLN</b>			
Income statement (average)	4.0030	4.3189	4.4657
Balance sheet (at end of period)	4.1470	4.1268	4.4683
<b>EUR 1 = RUB</b>			
Income statement (average)	39.9206	44.0882	44.0251
Balance sheet (at end of period)	38.2820	43.3452	43.7482

Note 2 Segment reporting<sup>1</sup>

Operating segments								
	Nordic Banking		New European Markets		Financial Institutions		Shipping, Oil Services & International	
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun
	2010	2009	2010	2009	2010	2009	2010	2009
Total operating income, EURm	3,160	3,019	317	268	197	238	195	183
Operating profit, EURm	1,015	848	115	98	103	128	137	101
Loans to the public, EURbn	244	219	16	15	4	4	15	14
Deposits and borrowings from the public, EURbn	128	119	5	5	9	12	5	5

Operating segments								
	Other Operating segments		Total Operating segments		Reconciliation		Total Group	
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun
	2010	2009	2010	2009	2010	2009	2010	2009
Total operating income, EURm	544	984	4,413	4,692	51	-54	4,464	4,638
Operating profit, EURm	175	611	1,545	1,786	63	-135	1,608	1,651
Loans to the public, EURbn	21	24	300	276	3	2	303	278
Deposits and borrowings from the public, EURbn	15	9	162	150	-1	-	161	150

<sup>1</sup> Historical information has been restated mainly due to organisational changes.

## Reconciliation between total operating segments and financial statements

	Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn			
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun		
	2010	2009	2010	2009	2010	2009		
Total Operating segments			1,545	1,786	300	276	162	150
Group functions <sup>2</sup> and unallocated items			2	-174	3	2	-1	-
Differences in accounting policies <sup>3</sup>			61	39	-	-	-	-
<b>Total</b>			<b>1,608</b>	<b>1,651</b>	<b>303</b>	<b>278</b>	<b>161</b>	<b>150</b>

<sup>2</sup> Consists of Group Management Secretariat, Group Executive Management, Group Internal Audit, Group Credit and Risk Control, Group Human Resources and Group Identity and Communications.

<sup>3</sup> 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.

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

Compared with the 2009 Annual Report there have been no changes in the basis of segmentation and measurement of segment profit or loss.

## Reportable Operating segments

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 branches within Nordea's banking activities in the New European Markets offer full banking services for local and Nordic corporate and personal customers in Estonia, Latvia, Lithuania, Poland and Russia. 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 fee and commission income**

EURm	Q2 2010	Q1 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Full year 2009
Asset Management commissions	171	158	112	329	217	492
Life insurance	76	75	63	151	128	271
Brokerage	53	52	47	105	88	188
Custody	24	14	22	38	40	77
Deposits	11	11	12	22	23	43
<b>Total savings related commissions</b>	<b>335</b>	<b>310</b>	<b>256</b>	<b>645</b>	<b>496</b>	<b>1,071</b>
Payments	103	102	97	205	190	392
Cards	98	89	85	187	161	337
<b>Total payment commissions</b>	<b>201</b>	<b>191</b>	<b>182</b>	<b>392</b>	<b>351</b>	<b>729</b>
Lending	77	73	60	150	138	283
Guarantees and documentary payments	51	51	46	102	86	183
<b>Total lending related commissions</b>	<b>128</b>	<b>124</b>	<b>106</b>	<b>252</b>	<b>224</b>	<b>466</b>
Other commission income	94	48	61	142	101	202
<b>Fee and commission income</b>	<b>758</b>	<b>673</b>	<b>605</b>	<b>1,431</b>	<b>1,172</b>	<b>2,468</b>
Life insurance	-14	-19	-15	-33	-32	-64
Payment expenses	-79	-67	-71	-146	-135	-280
State guarantee fees	-52	-51	-50	-103	-101	-201
Other commission expenses	-75	-61	-57	-136	-111	-230
<b>Fee and commission expenses</b>	<b>-220</b>	<b>-198</b>	<b>-193</b>	<b>-418</b>	<b>-379</b>	<b>-775</b>
<b>Net fee and commission income</b>	<b>538</b>	<b>475</b>	<b>412</b>	<b>1,013</b>	<b>793</b>	<b>1,693</b>

**Note 4 Net result from items at fair value**

EURm	Q2 2010	Q1 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Full year 2009
Shares/participations and other share-related instruments	-8	634	772	626	515	1,762
Interest-bearing securities and other interest-related instruments	649	1,188	506	1,837	1,194	2,537
Other financial instruments	-96	-18	-39	-113	-27	-117
Foreign exchange gains/losses	-74	-210	183	-284	47	329
Investment properties	32	45	33	76	72	117
Change in technical provisions <sup>1</sup> , Life insurance	-422	-796	-642	-1,218	-480	-1,870
Change in collective bonus potential, Life insurance	242	-303	-237	-61	-228	-865
Insurance risk income, Life insurance	74	79	75	152	146	297
Insurance risk expense, Life insurance	-58	-71	-57	-128	-130	-244
<b>Total</b>	<b>339</b>	<b>548</b>	<b>594</b>	<b>887</b>	<b>1,109</b>	<b>1,946</b>

<sup>1</sup> Premium income amounts to EUR 413m for Q2 2010 and EUR 844m for Jan-Jun 2010 (Q1 2010: EUR 431m, Q2 2009: EUR 500m, Jan-Jun 2009: EUR 1,004m, Jan-Dec 2009: EUR 1,667m).

**Note 5 General administrative expenses**

EURm	Q2 2010	Q1 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Full year 2009
Staff	-701	-687	-687	-1,388	-1,352	-2,724
Information technology <sup>1</sup>	-146	-141	-155	-287	-298	-593
Marketing	-29	-24	-17	-53	-31	-83
Postage, telephone and office expenses	-48	-56	-45	-104	-94	-190
Rents, premises and real estate expenses	-97	-98	-92	-195	-182	-367
Other	-125	-119	-83	-244	-181	-406
<b>Total</b>	<b>-1,146</b>	<b>-1,125</b>	<b>-1,079</b>	<b>-2,271</b>	<b>-2,138</b>	<b>-4,363</b>

<sup>1</sup> Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc, but excluding IT expenses in the Life operations, were EUR -183m in Q2 2010 and EUR -358m for Jan-Jun 2010 (Q1 2010: EUR -175m, Q2 2009: EUR -182m, Jan-Jun 2009: EUR -358m, Jan-Dec 2009: EUR -752m).

**Note 6 Net loan losses**

	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Full year
EURm	2010	2010	2009	2010	2009	2009
<b>Loan losses divided by class</b>						
Loans to credit institutions	0	0	3	0	-8	-14
Loans to the public	-150	-259	-360	-409	-692	-1,337
- of which provisions	-248	-318	-386	-566	-730	-1,448
- of which write-offs	-120	-114	-79	-234	-177	-478
- of which allowances used for covering write-offs	90	79	46	169	112	277
- of which reversals	114	71	47	185	79	238
- of which recoveries	14	23	12	37	24	74
Off-balance sheet items	-95	-2	-68	-97	-81	-135
<b>Total</b>	<b>-245</b>	<b>-261</b>	<b>-425</b>	<b>-506</b>	<b>-781</b>	<b>-1,486</b>

**Key ratios**

	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Full year
	2010	2010	2009 <sup>2</sup>	2010	2009 <sup>2</sup>	2009 <sup>2</sup>
Loan loss ratio, basis points <sup>1</sup>	35	37	57	36	55	54
- of which individual	34	26	41	30	42	40
- of which collective	1	11	16	6	13	14

<sup>1</sup> Net loan losses (annualised) divided by opening balance of loans to the public (lending).

<sup>2</sup> Loan loss ratio in Q2 2009 excluding provision for a legal claim contested by Nordea.

**Note 7 Loans and their impairment**

EURm	Total			
	30 Jun 2010	31 Mar 2010	31 Dec 2009 <sup>1</sup>	30 Jun 2009
Loans, not impaired	322,518	312,651	298,949	296,871
Impaired loans	4,407	4,453	4,240	3,534
- Performing	2,313	2,377	2,372	1,949
- Non-performing	2,094	2,076	1,868	1,585
<b>Loans before allowances</b>	<b>326,925</b>	<b>317,104</b>	<b>303,189</b>	<b>300,405</b>
Allowances for individually assessed impaired loans	-1,546	-1,502	-1,385	-1,098
- Performing	-806	-766	-733	-613
- Non-performing	-740	-736	-652	-485
Allowances for collectively assessed impaired loans	-923	-921	-838	-617
<b>Allowances</b>	<b>-2,469</b>	<b>-2,423</b>	<b>-2,223</b>	<b>-1,715</b>
<b>Loans, carrying amount</b>	<b>324,456</b>	<b>314,681</b>	<b>300,966</b>	<b>298,690</b>

EURm	Credit institutions			The public				
	30 Jun 2010	31 Mar 2010	31 Dec 2009	30 Jun 2009	30 Jun 2010	31 Mar 2010	31 Dec 2009 <sup>1</sup>	30 Jun 2009
Loans, not impaired	21,909	22,223	18,558	20,432	300,609	290,428	280,391	276,439
Impaired loans	36	36	35	28	4,371	4,417	4,205	3,506
- Performing	4	4	4	27	2,309	2,373	2,368	1,922
- Non-performing	32	32	31	1	2,062	2,044	1,837	1,584
<b>Loans before allowances</b>	<b>21,945</b>	<b>22,259</b>	<b>18,593</b>	<b>20,460</b>	<b>304,980</b>	<b>294,845</b>	<b>284,596</b>	<b>279,945</b>
Allowances for individually assessed impaired loans	-36	-36	-35	-28	-1,510	-1,466	-1,350	-1,070
- Performing	-4	-4	-4	-27	-802	-762	-729	-586
- Non-performing	-32	-32	-31	-1	-708	-704	-621	-484
Allowances for collectively assessed impaired loans	-3	-2	-3	-2	-920	-919	-835	-615
<b>Allowances</b>	<b>-39</b>	<b>-38</b>	<b>-38</b>	<b>-30</b>	<b>-2,430</b>	<b>-2,385</b>	<b>-2,185</b>	<b>-1,685</b>
<b>Loans, carrying amount</b>	<b>21,906</b>	<b>22,221</b>	<b>18,555</b>	<b>20,430</b>	<b>302,550</b>	<b>292,460</b>	<b>282,411</b>	<b>278,260</b>

<sup>1</sup> Comparative figures have been restated as a consequence of the acquisition of Fionia Bank.

Note 7, continued

**Allowances and provisions**

	30 Jun 2010	31 Mar 2010	31 Dec 2009 <sup>1</sup>	30 Jun 2009
EURm				
Allowances for items in the balance sheet	-2,469	-2,423	-2,223	-1,715
Provisions for off balance sheet items	-334	-238	-236	-182
<b>Total allowances and provisions</b>	<b>-2,803</b>	<b>-2,661</b>	<b>-2,459</b>	<b>-1,897</b>

**Key ratios**

	30 Jun 2010	31 Mar 2010	31 Dec 2009 <sup>1</sup>	30 Jun 2009
Impairment rate, gross <sup>2</sup> , basis points	135	140	140	118
Impairment rate, net <sup>3</sup> , basis points	88	93	94	81
Total allowance rate <sup>4</sup> , basis points	76	76	73	57
Allowances in relation to impaired loans <sup>5</sup> , %	35	34	33	31
Total allowances in relation to impaired loans <sup>6</sup> , %	56	54	52	49
Non-performing, not impaired <sup>7</sup> , EURm	334	338	296	200

<sup>1</sup> Comparative figures have been restated as a consequence of the acquisition of Fionia Bank.<sup>2</sup> Individually assessed impaired loans before allowances divided by total loans before allowances.<sup>3</sup> Individually assessed impaired loans after allowances divided by total loans before allowances.<sup>4</sup> Total allowances divided by total loans before allowances.<sup>5</sup> Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.<sup>6</sup> Total allowances divided by total impaired loans before allowances.<sup>7</sup> Past due loans, not impaired due to future cash flows (included in Loans, not impaired).**Note 8 Classification of financial instruments**

EURm	Loans and receivables	Held to maturity	Held for trading	Fair value option	Derivatives		Total
					used for hedging	Available for sale	
<b>Financial assets</b>							
Cash and balances with central banks	3,432	-	-	-	-	-	3,432
Treasury bills	-	813	13,277	-	-	-	14,090
Loans to credit institutions	13,499	-	7,881	526	-	-	21,906
Loans to the public	242,113	-	15,481	44,956	-	-	302,550
Interest-bearing securities	-	14,835	21,045	19,728	-	-	55,608
Financial instruments pledged as collateral	-	-	9,743	-	-	-	9,743
Shares	-	-	3,960	11,242	-	5	15,207
Derivatives	-	-	120,250	-	1,349	-	121,599
Fair value changes of the hedged items in portfolio							
hedge of interest rate risk	1,265	-	-	-	-	-	1,265
Other assets	8,907	-	-	6,206	-	-	15,113
Prepaid expenses and accrued income	1,870	-	8	36	-	-	1,914
<b>Total 30 Jun 2010</b>	<b>271,086</b>	<b>15,648</b>	<b>191,645</b>	<b>82,694</b>	<b>1,349</b>	<b>5</b>	<b>562,427</b>
Total 31 Dec 2009	261,598	17,953	146,715	72,639	390	11	499,306
Total 30 Jun 2009	248,797	11,944	140,270	66,483	349	11	467,854

EURm	Held for trading	Fair value option	Derivatives		Other financial liabilities	Total
			used for hedging			
<b>Financial liabilities</b>						
Deposits by credit institutions	17,515	10,657	-	-	26,061	54,233
Deposits and borrowings from the public	8,620	5,553	-	-	146,749	160,922
Liabilities to policyholders, investment contracts	-	7,699	-	-	-	7,699
Debt securities in issue	6,263	28,019	-	-	103,822	138,104
Derivatives	117,747	-	492	-	-	118,239
Fair value changes of the hedged items in portfolio						
hedge of interest rate risk	-	-	-	-	1,763	1,763
Other liabilities	7,491	4,794	-	-	13,406	25,691
Accrued expenses and prepaid income	3	524	-	-	1,326	1,853
Subordinated liabilities	-	-	-	-	8,190	8,190
<b>Total 30 Jun 2010</b>	<b>157,639</b>	<b>57,246</b>	<b>492</b>	<b>301,317</b>	<b>516,694</b>	
Total 31 Dec 2009	106,166	55,458	660	291,954	454,238	
Total 30 Jun 2009	105,237	41,758	717	277,552	425,264	

**Note 9 Financial instruments****Determination of fair value from quoted market prices or valuation techniques**

30 Jun 2010, EURm	Quoted prices in active markets for same instrument (Level 1)		Valuation technique using observable data <i>Of which Life</i> (Level 2)		Valuation technique using non- observable data <i>Of which Life</i> (Level 3)		Total
<b>Assets</b>							
Loans to credit institutions	-	-	8,407	-	-	-	8,407
Loans to the public	-	-	60,437	-	-	-	60,437
Debt securities <sup>1</sup>	47,403	17,991	14,258	2,632	1,733	1,658	63,394
Shares <sup>2</sup>	10,906	8,235	56	27	4,644	2,854	15,606
Derivatives	434	1	119,016	-	2,149	-	121,599
Other assets	-	-	6,206	-	-	-	6,206
Prepaid expenses and accrued income	-	-	44	-	-	-	44
<b>Liabilities</b>							
Deposits by credit institutions	-	-	28,172	-	-	-	28,172
Deposits and borrowings from the public	-	-	14,173	-	-	-	14,173
Liabilities to policy holders	-	-	7,699	7,699	-	-	7,699
Debt securities in issue	28,019	-	6,263	-	-	-	34,282
Derivatives	345	2	115,768	9	2,126	6	118,239
Other liabilities	-	-	12,285	-	-	-	12,285
Accrued expenses and prepaid income	-	-	527	-	-	-	527

<sup>1</sup> Of which EUR 13,277m Treasury bills and EUR 40,773m Interest-bearing securities (the portion held at fair value in Note 8). EUR 9,344m relates to the balance sheet item Financial instruments pledged as collateral.

<sup>2</sup> EUR 399m relates to the balance sheet item Financial instruments pledged as collateral.

**Collateralised Debt Obligations (CDO) - Exposure<sup>1</sup>**

Nominals EURm	Bought protection	<i>Of which Life</i>	Sold protection	<i>Of which Life</i>
CDOs, gross	2,868	-	3,195	615
Hedged exposures	1,455	-	1,455	-
<b>CDOs, net<sup>2</sup></b>	<b>1,413<sup>3</sup></b>	<b>-</b>	<b>1,740<sup>4</sup></b>	<b>615</b>
<i>Of which:</i>				
- Equity	254	-	476	139
- Mezzanine	276	-	582	335
- Senior	883	-	682	141

<sup>1</sup> First-To-Default (FTD) swaps are not classified as CDOs and are therefore not included in the table. Net bought protection amounts to EUR 113m and net sold protection to EUR 105m. Both bought and sold protection are, to the predominant part, investment grade.

<sup>2</sup> Net exposure disregards exposure where bought and sold tranches are completely identical in terms of reference pool attachment, detachment, maturity and currency.

<sup>3</sup> Of which investment grade EUR 1,409m and sub investment grade EUR 4m.

<sup>4</sup> Of which investment grade EUR 1,575m, sub investment grade EUR 23m and not rated EUR 142m.

**Credit Default Swaps (CDS) - Exposure**

CDSs (derivatives) are used for hedging exposure in CDOs as well as Credit Bonds. The net position from bought protection amounts to EUR 2,087m and the net position from sold protection amounts to EUR 800m.

**Note 10 Derivatives**

Fair value EURm	30 Jun 2010		31 Dec 2009		30 Jun 2009	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<b>Derivatives held for trading</b>						
Interest rate derivatives	99,235	97,377	61,053	59,413	58,210	57,304
Equity derivatives	956	1,013	914	1,074	905	743
Foreign exchange derivatives	17,845	17,045	10,953	9,761	14,674	13,244
Credit derivatives	1,258	1,273	1,224	1,238	2,873	2,790
Other derivatives	956	1,039	888	897	1,049	970
<b>Total</b>	<b>120,250</b>	<b>117,747</b>	<b>75,032</b>	<b>72,383</b>	<b>77,711</b>	<b>75,051</b>
<b>Derivatives used for hedging</b>						
Interest rate derivatives	658	296	267	278	265	245
Equity derivatives	0	1	1	2	1	2
Foreign exchange derivatives	691	195	122	380	83	470
<b>Total</b>	<b>1,349</b>	<b>492</b>	<b>390</b>	<b>660</b>	<b>349</b>	<b>717</b>
<b>Total fair value</b>						
Interest rate derivatives	99,893	97,673	61,320	59,691	58,475	57,549
Equity derivatives	956	1,014	915	1,076	906	745
Foreign exchange derivatives	18,536	17,240	11,075	10,141	14,757	13,714
Credit derivatives	1,258	1,273	1,224	1,238	2,873	2,790
Other derivatives	956	1,039	888	897	1,049	970
<b>Total</b>	<b>121,599</b>	<b>118,239</b>	<b>75,422</b>	<b>73,043</b>	<b>78,060</b>	<b>75,768</b>
<b>Nominal amount</b>						
EURm				30 Jun 2010	31 Dec 2009	30 Jun 2009
<b>Derivatives held for trading</b>						
Interest rate derivatives				4,262,684	3,587,802	3,573,567
Equity derivatives				19,015	19,866	20,724
Foreign exchange derivatives				901,045	716,414	714,887
Credit derivatives				66,660	78,669	101,021
Other derivatives				16,096	16,947	13,722
<b>Total</b>				<b>5,265,500</b>	<b>4,419,698</b>	<b>4,423,921</b>
<b>Derivatives used for hedging</b>						
Interest rate derivatives				28,539	22,286	20,872
Equity derivatives				33	34	44
Foreign exchange derivatives				6,029	5,253	14,755
<b>Total</b>				<b>34,601</b>	<b>27,573</b>	<b>35,671</b>
<b>Total nominal amount</b>						
Interest rate derivatives				4,291,223	3,610,088	3,594,439
Equity derivatives				19,048	19,900	20,768
Foreign exchange derivatives				907,074	721,667	729,642
Credit derivatives <sup>1</sup>				66,660	78,669	101,021
Other derivatives				16,096	16,947	13,722
<b>Total</b>				<b>5,300,101</b>	<b>4,447,271</b>	<b>4,459,592</b>

<sup>1</sup> The net position from credit derivatives is disclosed in Note 9.

**Note 11 Capital adequacy****Capital Base**

EURm	30 Jun 2010	31 Dec 2009	30 Jun 2009
Core Tier 1 capital	18,564	17,766	17,585
Tier 1 capital	20,491	19,577	19,034
Total capital base	24,336	22,926	22,497

**Capital requirement**

EURm	30 Jun 2010 Capital requirement	30 Jun 2010 RWA requirement	31 Dec 2009 Capital requirement	31 Dec 2009 RWA requirement	30 Jun 2009 Capital requirement	30 Jun 2009 RWA
<b>Credit risk</b>	<b>13,134</b>	<b>164,176</b>	<b>12,250</b>	<b>153,123</b>	<b>12,208</b>	<b>152,587</b>
IRB	10,263	128,287	9,655	120,692	9,549	119,361
- of which corporate	7,532	94,144	7,060	88,249	7,065	88,308
- of which institutions	725	9,069	821	10,262	882	11,024
- of which retail	1,902	23,770	1,673	20,912	1,514	18,930
- of which other	104	1,304	101	1,269	88	1,099
Standardised	2,871	35,889	2,595	32,431	2,659	33,226
- of which sovereign	65	815	70	871	39	491
- of which retail	758	9,470	711	8,887	647	8,080
- of which other	2,048	25,604	1,814	22,673	1,973	24,655
<b>Market risk</b>	<b>486</b>	<b>6,069</b>	<b>431</b>	<b>5,386</b>	<b>378</b>	<b>4,721</b>
- of which trading book, VaR	176	2,197	107	1,335	127	1,583
- of which trading book, non-VaR	232	2,895	267	3,341	196	2,453
- of which FX, non-VaR	78	977	57	710	55	685
<b>Operational risk</b>	<b>1,176</b>	<b>14,704</b>	<b>1,057</b>	<b>13,215</b>	<b>1,048</b>	<b>13,101</b>
Standardised	1,176	14,704	1,057	13,215	1,048	13,101
<b>Sub total</b>	<b>14,796</b>	<b>184,949</b>	<b>13,738</b>	<b>171,724</b>	<b>13,634</b>	<b>170,409</b>
<b>Adjustment for transition rules</b>						
Additional capital requirement according to transition rules	1,676	20,954	1,611	20,134	1,740	21,747
<b>Total</b>	<b>16,472</b>	<b>205,903</b>	<b>15,349</b>	<b>191,858</b>	<b>15,374</b>	<b>192,156</b>

**Capital ratio**

	30 Jun 2010	31 Dec 2009	30 Jun 2009
Core Tier I ratio, %, incl profit	9.0	9.3	9.2
Tier I ratio, %, incl profit	10.0	10.2	9.9
Capital ratio, %, incl profit	11.8	11.9	11.7

**Analysis of capital requirements**

Exposure class, 30 Jun 2010	Average risk weight (%)	Capital requirement (EURm)
Corporate	60%	7,532
Institutions	20%	725
Retail IRB	17%	1,902
Sovereign	2%	65
Other	82%	2,910
<b>Total credit risk</b>		<b>13,134</b>

**Note 12 Risks and uncertainties**

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

Nordea's main risk exposure is credit risk. The Group also assumes risks such as market risk, liquidity risk, operational risk and life insurance risk. For further information on risk composition, see the Annual Report.

The financial crisis and the deteriorating macroeconomic situation have not had material impact on Nordea's financial position. However, the macroeconomic development remains uncertain, as communicated in the Outlook on page 8.

None of the above exposures and risks is expected to have any significant adverse effect on the Group or its financial position in the medium term.

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 in the next six months.

**Note 13 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 include the Board of Directors, the Chief Executive Officer 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. 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.

During the second quarter 2010, an associated undertaking in the Group acquired the shares in a company in which Nordea had an insignificant influence. The acquiring company is still, after the transaction, an associated undertaking in the Group and continues to be accounted for under the equity method.

## Nordea Bank AB (publ)

### Accounting policies

The financial statements for the parent company, Nordea Bank AB (publ) are prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and IFRS with the amendments and exceptions following the recommendation RFR 2.3 "Accounting for Legal Entities" issued by the Swedish Financial Reporting Board and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11). Under RFR 2.3, the parent company shall apply all standards and interpretations issued by the IASB and IFRIC to the extent possible within the framework of Swedish accounting legislation and considering the close tie between financial reporting and taxation. The recommendation sets out the exceptions and amendments to IFRS that shall be made.

### Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2009 Annual Report, except for the classification of lending commissions and pension expenses in the income statement, which were changed in the first quarter. More informa-

tion on the classification of lending commissions can be found in Note 1 for the Group, while more information on the classification of pension expenses follows below.

### Classification of pension expenses

The classification of pension expenses in the income statement has been changed. All components within pension expenses are, as from the first quarter, classified as "Staff costs". Previously only the change in recognised pension provisions, including special wage tax, was classified as "Staff costs", while the other components were classified as "Appropriations". The comparable figures have been restated accordingly and the impact is, together with the impact on 2010, disclosed in the below table.

EURm	Jan-Jun 2010		Jan-Jun 2009		Full year 2009	
	Re-stated	Pre policy change	Re-stated	Re-ported	Re-stated	Re-ported
Staff costs	-373	-325	-325	-283	-644	-595
Appropriations	-	-48	-	-42	-3	-52

### Income statement

EURm	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Full year 2009
<b>Operating income</b>					
<i>Interest income</i>	352	431	718	1,043	1,793
<i>Interest expense</i>	-228	-259	-440	-721	-1,127
Net interest income	124	172	278	322	666
<i>Fee and commission income</i>	212	171	363	308	614
<i>Fee and commission expense</i>	-44	-39	-77	-74	-158
Net fee and commission income	168	132	286	234	456
Net result from items at fair value	-33	98	38	147	152
Dividends	0	0	300	300	973
Other operating income	28	35	54	63	123
<b>Total operating income</b>	<b>287</b>	<b>437</b>	<b>956</b>	<b>1,066</b>	<b>2,370</b>
<b>Operating expenses</b>					
General administrative expenses:					
Staff costs	-179	-144	-373	-325	-644
Other expenses	-119	-107	-242	-209	-443
Depreciation, amortisation and impairment charges of tangible and intangible assets	-27	-26	-54	-51	-106
<b>Total operating expenses</b>	<b>-325</b>	<b>-277</b>	<b>-669</b>	<b>-585</b>	<b>-1,193</b>
<b>Profit before loan losses</b>	<b>-38</b>	<b>160</b>	<b>287</b>	<b>481</b>	<b>1,177</b>
Net loan losses	1	-39	-12	-103	-165
Impairment of securities held as financial non-current assets	-102	-	-102	-	-
<b>Operating profit</b>	<b>-139</b>	<b>121</b>	<b>173</b>	<b>378</b>	<b>1,012</b>
Appropriations	-	-	-	-	-3
Income tax expense	6	-14	-4	-15	-24
<b>Net profit for the period</b>	<b>-133</b>	<b>107</b>	<b>169</b>	<b>363</b>	<b>985</b>

## Balance sheet

EURm	30 Jun 2010	31 Dec 2009	30 Jun 2009
<b>Assets</b>			
Cash and balances with central banks	187	208	166
Treasury bills	1,759	3,656	1,834
Loans to credit institutions	46,328	43,501	43,578
Loans to the public	32,237	28,860	29,301
Interest-bearing securities	14,299	17,019	11,661
Financial instruments pledged as collateral	7,186	2,276	1,973
Shares	564	682	305
Derivatives	3,027	2,421	2,613
Fair value changes of the hedged items in portfolio hedge of interest rate risk	733	332	210
Investments in group undertakings	16,503	16,165	15,969
Investments in associated undertakings	2	2	2
Intangible assets	672	701	727
Property and equipment	78	79	85
Deferred tax assets	20	20	18
Current tax assets	1	0	89
Other assets	703	1,610	323
Prepaid expenses and accrued income	889	794	733
<b>Total assets</b>	<b>125,188</b>	<b>118,326</b>	<b>109,587</b>
<b>Liabilities</b>			
Deposits by credit institutions	31,784	30,187	25,960
Deposits and borrowings from the public	34,999	34,617	33,347
Debt securities in issue	29,772	22,119	23,396
Derivatives	2,011	2,173	2,422
Fair value changes of the hedged items in portfolio hedge of interest rate risk	900	285	179
Current tax liabilities	28	34	0
Other liabilities	2,617	6,190	2,434
Accrued expenses and prepaid income	657	453	569
Deferred tax liabilities	-	0	0
Provisions	37	30	16
Retirement benefit obligations	144	128	137
Subordinated liabilities	7,519	6,605	6,294
<b>Total liabilities</b>	<b>110,468</b>	<b>102,821</b>	<b>94,754</b>
<b>Untaxed reserves</b>	<b>5</b>	<b>5</b>	<b>2</b>
<b>Equity</b>			
Share capital	4,043	4,037	4,037
Share premium reserve	1,065	1,065	1,065
Other reserves	-	-1	-2
Retained earnings	9,607	10,399	9,731
<b>Total equity</b>	<b>14,715</b>	<b>15,500</b>	<b>14,831</b>
<b>Total liabilities and equity</b>	<b>125,188</b>	<b>118,326</b>	<b>109,587</b>
Assets pledged as security for own liabilities	7,704	2,564	2,416
Other assets pledged	8,070	6,963	8,465
Contingent liabilities	21,928	18,503	22,659
Credit commitments <sup>1</sup>	24,890	27,667	21,891
Other commitments	1,101	793	1,357

<sup>1</sup> Including unutilised portion of approved overdraft facilities of EUR 11,066m (31 Dec 2009: 10,095m, 30 Jun 2009: 9,296m).

**For further information:**

- A press and analyst conference with management will be arranged on 21 July 2010 at 09.30 CET, at Smålandsgatan 17, Stockholm.
- An international telephone conference for analysts with management will be arranged on 21 July at 14.30 CET. (Please dial +44 (0) 20 7138 0824, confirmation code 7068054, latest ten minutes in advance.) The telephone conference can be monitored live on [www.nordea.com](http://www.nordea.com). An indexed on-demand version will also be available on [www.nordea.com](http://www.nordea.com). A replay will also be available through 28 July, by dialling +44 (0) 20 7111 1244, access code 7068054#.
- An analyst and investor presentation will be arranged in London on 22 July at 8.00 GMT at Andaz Liverpool Street, 40 Liverpool Street, London EC2M 7QN. To attend, please contact Veronica Molina, Carnegie by e-mail [veronica.molina@carnegie.co.uk](mailto:veronica.molina@carnegie.co.uk).
- This quarterly report is available on [www.nordea.com](http://www.nordea.com), as also an investor presentation and a fact book are.

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**Financial calendar**

27 October 2010 – third quarter report 2010

The Board of Directors and the President and Group CEO certify that the half-year interim report provides a fair overview of the Parent Company's and the Group's operations, their financial position and result, and describes material risks and uncertainties that the Parent Company and other companies in the Group are facing.

Stockholm 21 July 2010

Hans Dalborg  
Chairman

Björn Wahlroos  
Vice Chairman

Kari Ahola  
Board member<sup>1</sup>

Stine Bosse  
Board member

Marie Ehrling  
Board member

Svein Jacobsen  
Board member

Tom Knutzen  
Board member

Steinar Nickelsen  
Board member<sup>1</sup>

Lars G Nordström  
Board member

Lars Oddestad  
Board member<sup>1</sup>

Sarah Russell  
Board member

Björn Savén  
Board member

Kari Stadigh  
Board member

Christian Clausen  
President and Group CEO

<sup>1</sup> Employee representative

This report is published in four additional language versions; Danish, Finnish, Norwegian and Swedish. In the event of any inconsistencies between those language versions and this English version, the English version shall prevail.

The information provided in this press release is such, which Nordea is required to disclose pursuant to the Swedish Financial Instruments Trading Act (1991:980) and/or the Swedish Securities Markets Act (2007:528).

This report contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Nordea believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward looking statements as a result of various factors. Important factors that may cause such a difference for Nordea include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate and (iii) change in interest rate and foreign exchange rate levels. This report does not imply that Nordea has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

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## **Report on Review of Interim Financial Information**

### Introduction

We have reviewed the half-year interim report of Nordea Bank AB (publ) as of June 30, 2010 and for the six-month period then ended. The Board of directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act of Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this half-year interim report based on our review.

### Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-year interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act of Credit Institutions and Securities Companies for the group and in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies for the parent company.

Stockholm 21 July 2010  
KPMG AB

Carl Lindgren  
Authorised public accountant