Nordea **Press release**

Copenhagen, Helsinki, Oslo, Stockholm, 10 February 2009

Year-end Report 2008

Solid performance despite rapid economic slowdown

- **Income EUR 8,200m (EUR 7,886m 2007), up 4%**
- **Net interest income EUR 5,093m (EUR 4,282m), up 19%**
- **Expenses increased 7%**
- **Profit before loan losses EUR 3,862m (EUR 3,820m), up 1%**
- **Net loan losses EUR 466m (positive EUR 60m), loan loss ratio of 19 basis points**
- **Operating profit EUR 3,396m (EUR 3,883m), down 13%**
- **Risk-adjusted profit EUR 2,459m (EUR 2,417m), up 2%, 3.5% excluding Danish State guarantee fee**
- **Earnings per share EUR 1.03 (EUR 1.20)**
- **Proposed dividend per share EUR 0.20, (EUR 0.50), corresponding to a dividend payout ratio of 19%**
- **Continued support of customers – lending up 17%, in local currencies**
- **Total deposits up 12%, in local currencies**
- **Tier 1 ratio 9.3% (8.3%), before transition rules**
- **Rights offering and reduced 2008 dividend to strengthen core capital position by EUR 3bn**
- **Nordea expects risk-adjusted profit for 2009 at approx. the same level as in 2008 (for full outlook for 2009, see page 10)**

Strong income momentum also in fourth quarter

- **Income EUR 2,251m, up 5% compared to the fourth quarter last year, 13% higher than in the third quarter**
- **Expenses increased 7%**
- **Profit before loan losses EUR 1,101m, up 3%**
- **Net loan losses EUR 320m (positive EUR 6m), loan loss ratio of 52 basis points**
- **Operating profit EUR 781m, down 28%**

"I am proud that Nordea can report strong results for 2008 based on solid performance in all customer areas, despite the financial market turmoil and global economic recession. Even in the very difficult fourth quarter, our profit before loan losses reached the highest quarterly result so far. Loan losses increased as expected following the economic slowdown and they will remain at a high level in 2009. Our ambition on a Great Nordea remains and we continue the organic growth strategy. However, we are preparing for another challenging year by bringing down the speed of the execution of the strategy and by giving cost, risk and capital management top priority. With the proposal announced today to strengthen our capital position, we will maintain our position as one of the strongest banks in Europe", says Christian Clausen, President and Group CEO of Nordea.

Income statement

EURm	Jan-Dec 2008	Jan-Dec 2007	Change %	Q4 2008	Q4 2007	Change %	Q3 2008	Change %
Net interest income	**5,093**	4,282	19	**1,386**	1,143	21	1,296	7
Net fee and commission income	**1,883**	2,140	-12	**390**	526	-26	480	-19
Net gains/losses on items at fair value	**1,028**	1,209	-15	**325**	316	3	221	47
Equity method	**24**	41		**45**	12		-25	
Other income	**172**	214		**105**	145		24	
Total operating income	**8,200**	**7,886**	**4**	**2,251**	**2,142**	**5**	**1,996**	**13**
Staff costs	**-2,568**	-2,388	8	**-655**	-615	7	-635	3
Other expenses	**-1,646**	-1,575	5	**-461**	-429	7	-395	17
Depreciation of tangible and intangible assets	**-124**	-103	20	**-34**	-29	17	-30	13
Total operating expenses	**-4,338**	**-4,066**	**7**	**-1,150**	**-1,073**	**7**	**-1,060**	**8**
Profit before loan losses	**3,862**	**3,820**	**1**	**1,101**	**1,069**	**3**	**936**	**18**
Loan losses	**-466**	60		**-320**	6		-89	
Disposals of tangible and intangible assets	**0**	3		**0**	3		0	
Operating profit	**3,396**	**3,883**	**-13**	**781**	**1,078**	**-28**	**847**	**-8**
Income tax expense	**-724**	-753	-4	**-144**	-226	-36	-192	-25
Net profit for the period	**2,672**	**3,130**	**-15**	**637**	**852**	**-25**	**655**	**-3**

Business volumes, key items

EURbn	31 Dec 2008	31 Dec 2007	Change %	30 Sep 2008	Change %
Loans and receivables to the public	**265.1**	244.7	8	272.1	-3
Deposits and borrowings from the public	**148.6**	142.3	4	155.1	-4
of which savings deposits	**45.5**	40.8	12	46.6	-2
Assets under management	**125.6**	157.1	-20	138.9	-10
Technical provisions, Life	**28.3**	32.1	-12	30.1	-6
Equity	**17.8**	17.2	3	17.8	0
Total assets	**474.1**	389.1	22	439.8	8

Ratios and key figures

	Jan-Dec 2008	Jan-Dec 2007	Q4 2008	Q4 2007	Q3 2008
Diluted earnings per share, EUR	**1.03**	1.20	**0.25**	0.33	0.25
Share price[1], EUR	**5.00**	11.42	**5.00**	11.42	8.28
Total shareholders' return, %	**-46.9**	6.4	**-32.6**	-0.4	-2.4
Proposed/ actual dividend per share, EUR	**0.20**	0.50	**0.20**	0.50	
Equity per share[1], EUR	**6.84**	6.58	**6.84**	6.58	6.83
Shares outstanding[1], million	**2,590**	2,593	**2,590**	2,593	2,593
Diluted shares outstanding[1], million	**2,592**	2,594	**2,592**	2,594	2,595
Return on equity, %	**15.3**	19.7	**14.4**	20.2	15.0
Cost/income ratio, %	**53**	52	**51**	50	53
Tier 1 capital ratio, before transition rules[1], %	**9.3**	8.3	**9.3**	8.3	7.9
Total capital ratio, before transition rules[1], %	**12.1**	10.9	**12.1**	10.9	10.6
Tier 1 capital ratio[1], %	**7.4**	7.0	**7.4**	7.0	7.0
Total capital ratio[1], %	**9.5**	9.1	**9.5**	9.1	9.4
Tier 1 capital[1], EURm	**15,760**	14,230	**15,760**	14,230	15,275
Risk-weighted amounts[1], EURbn	**213**	205	**213**	205	218
Number of employees (full-time equivalents)[1]	**34,008**	31,721	**34,008**	31,721	33,761
Risk-adjusted profit, EURm	**2,459**	2,417	**664**	619	610
Economic profit, EURm	**1,432**	1,585	**384**	401	361
Economic capital, EURbn	**11.8**	10.2	**12.8**	10.9	12.0
EPS, risk-adjusted, EUR	**0.95**	0.93	**0.26**	0.24	0.23
RAROCAR, %	**20.8**	23.6	**21.4**	23.2	20.6
MCEV, EURm	**2,624**	3,189			

[1] End of period.

The Group

Result summary for 2008

Total income increased by 4% to EUR 8,200m and profit before loan losses increased by 1% to EUR 3,862m. Despite the financial crisis and global recession, Nordea again managed to produce a year with solid result.

The rapid economic slowdown has started to affect the Nordic countries and this is likely to continue in 2009. Nordea is therefore preparing for challenging times ahead. In adapting to the new market conditions, the speed in the organic growth is reduced and the firm attention on costs, risk and capital management is further emphasised. In addition to the cost efficiency measures and new capital targets, Nordea will focus on doing more business with existing customers and will also selectively capture business opportunities with new customers with solid credit profiles.

The organic growth strategy continued to deliver results during 2008 with increased total income, driven by strong growth in net interest income and income from the customer-driven capital markets operations.

Lending volumes increased 8% to EUR 265bn compared to one year ago. In local currencies, the lending volume growth was 17%.

In New European Markets (NEM), lending growth declined during the year and was in the fourth quarter 15%, annualised. Income in NEM increased 84% in 2008, with a cost/income ratio of 39%.

Net interest income increased strongly, driven by higher margins in corporate lending and household mortgages, and with continued volume growth, although at a lower pace towards the end of the year. Margins have increased reflecting re-pricing of credit risk and to compensate for higher liquidity premiums.

Total expenses increased 7%, including restructuring expenses of EUR 28m.

The economic slowdown has resulted in higher net loan losses and increased impaired loans. Net loan losses amounted to EUR 466m, giving a loan loss ratio of 17 basis points, excluding the losses related to the guarantees in the Danish guarantee schemes, and 19 basis points including these. Impaired loans gross increased 55% to EUR 2,224m. The increase relates mainly to the Nordic countries.

Operating profit was down 13% to EUR 3,396m, while risk-adjusted profit was up 2% to EUR 2,459m. Excluding the commission expenses related to the Danish State guarantee schemes, the increase in risk-adjusted profit was 3.5%.

Nordea reports a tier 1 ratio, before transition rules according to Basel II, of 9.3% and a core tier 1 ratio, before transition rules, of 8.5%. These ratios have been impacted by the reduced dividend ratio to 19%. The capital policy has been revised with a new target for the tier 1 ratio of 9.0% and for the total capital ratio of 11.5%. Both numbers are targets over a business cycle.

Nordea announces measures to strengthen the Group's core tier 1 capital by EUR 3bn. The Board of Directors of Nordea has resolved to increase Nordea's share capital through an underwritten discounted issue of new ordinary shares with pre-emptive rights for existing shareholders of approx. EUR 2.5bn net and secondly by proposing to reduce the dividend payment to 19% of the net profit for 2008, to be decided by the 2009 Annual General Meeting, which will increase core tier 1 capital by approx. EUR 0.5bn. The rights offering is subject to shareholder approval at an Extraordinary General Meeting to be held on 12 March 2009. Further comments to the measures to strengthen the core capital position are presented below and in a separate press release.

Income

Total income increased 4% to EUR 8,200m. Income growth was particularly strong within customer areas. Nordic Banking and Institutional & International Banking reported an income growth of 10%, supported by strong underlying business momentum and successful execution of strategic investment plans.

Net interest income

Net interest income increased 19% to EUR 5,093m, driven by a strong increase in lending and deposit volumes and re-pricing of credit risk mainly on corporate lending.

Lending to the public increased 8% and 17% in local currencies compared to one year ago. The growth rate was negatively affected by the weaker Norwegian and Swedish currencies in the fourth quarter.

Growth in corporate lending was 11% and 19% in local currencies, excluding reversed repurchase agreements, which reflects strong demand across the Nordic region and from most sectors. During the market turmoil, with scarce liquidity in capital markets, Nordea's close customer relationships and strong balance sheet have provided opportunities to support customers with their short and long-term capital needs, while still complying with the prudent risk management policy. Nordea has in general strengthened its market positions in the Nordic markets, especially on deposits.

Corporate lending margins increased during the year, reflecting re-pricing of credit risk and to compensate for increased liquidity premiums. Total income from corporate customers was up 29%, mainly driven by a strong increase in net interest income and also the customer-driven capital markets operations.

Both household mortgage lending and consumer lending increased by 1% compared to one year ago. In local currencies, growth was 9%. However, due to pressure on deposit margins and lower savings-related fees, income from business with household customers decreased by 6% compared to last year. In Nordic Banking, margins on household mortgage lending have increased during the second half of the year, mainly to compensate for the Group's increased liquidity premiums.

Total deposits increased to EUR 149bn, up 4% compared to one year ago. In local currencies, deposit volumes increased 12% in the Group, and in Nordic Banking by 14%. Market growth was 9%, which shows that Nordea's strong brand name has attracted a substantial inflow of deposits. Nordea in particular continued to attract large volumes into household savings accounts and corporate deposits. Deposit market shares have increased in all geographical markets. Margins have decreased during the fourth quarter mainly on transaction accounts as a consequence of significant rate cuts from central banks.

In Institutional & International Banking (IIB), solid income and profit growth was recorded in all divisions, as business activity continued at a high level. The total income increase of 40% was supported by strong growth in net interest income.

Net fee and commission income
Net fee and commission income decreased by 12% to EUR 1,883m, with savings-related commission income negatively affected by the weak equity markets. Adjusted for the Danish State guarantee expenses of EUR 50m, the decrease was 10%.

Savings-related commissions decreased by 18% to EUR 1,148m. Assets under Management (AuM) decreased to EUR 125.6bn, down 20% compared to one year ago and down 10% compared to the end of September 2008. Income margins decreased as a result of a change in asset mix from equities to fixed-income products, lower transaction income and a change in sales mix, ie a shift from sales of retail funds to sales of institutional products. Following challenging market conditions, total net outflow from AuM 2008 was EUR 2.0bn. The outflow was primarily concentrated to retail funds, in which an outflow of EUR 4.5bn was reported. These outflows were compensated for by a net increase in savings deposits of EUR 4.7bn during the year. Net inflow of EUR 2.1bn was reported in Nordic Private Banking and of EUR 1.1bn for Institutional clients.

Total payment commissions decreased by 1% to EUR 766m, however with a minor increase in cards commissions. Lending-related commissions continued to increase, to EUR 442m, up 12% compared to last year, with strong development in particular within Corporate Merchant Banking and Shipping, Offshore and Oil Services.

Net gains/losses on items at fair value
Net gains/losses on items at fair value decreased by 15%, or EUR 181m, to EUR 1,028m compared to 2007. In customer areas, net gains/losses were largely unchanged at EUR 1,043m (EUR 1,048m last year).

The customer-driven capital markets activities have performed very strongly in 2008, despite the turbulent financial markets. A record result was achieved, especially driven by significant activity within risk management products in the interest rate and foreign exchange areas, resulted in a strong increase in net gains in Nordic Banking and Institutional & International Banking. This more than compensated for specific valuation losses following the credit market turmoil, which have been reported earlier in the year.

The decline in net gains/losses was mainly attributable to the strong appreciation of listed and non-listed equities last year, eg the OMX holding. Income from these areas were approx. EUR 140m lower this year, of which the appreciation of OMX shares accounted for approx. EUR 90m 2007.

Secondly, the net gains/losses from Life & Pensions, decreased by 33% or EUR 92m, mainly due to the fact that revenues in Denmark, earlier recognised during the year were deferred, due to decline in the financial buffers. The deferred revenues can be available for income recognition when the financial buffers have improved.

Equity method
Income under the Equity method was EUR 24m, including a negative result from the 23% holding in Norwegian Eksportfinans, EUR -15m.

Other income
Other income was EUR 172m, including Nordea's sale of its 25% holding in NCSD Holding AB, which resulted in a gain of EUR 85m, reported in the fourth quarter 2008, of which EUR 3m reported under equity method.

Expenses
Total expenses increased by 7% to EUR 4,338m, the same growth rate as in 2007, despite the number of employees being 8% higher than in 2007.

Almost half of the cost increase related to investments in growth areas, ie Private Banking, Growth Plan Sweden, Capital Markets and New European Markets. Staff costs increased 8%, due to a higher number of employees following the growth investments and wage inflation.

Measures to manage the costs downwards
To prepare for a year of modest expected growth, a number of measurements have been taken to manage the

cost growth downwards. Due to more efficient operations, the number of employees is estimated to decrease by 2%.

Also, additional activities are under way, which should increase efficiency during coming years, mainly in the branch network, including the branches acquired from Roskilde Bank. These activities have resulted in restructuring expenses of EUR 28m. Excluding restructuring expenses, total expenses increased by 6% compared to last year.

The cost/income ratio increased to 53%, compared to 52% in 2007.

Loan losses

Net loan losses were EUR 466m, following increased provisions both for collectively and individually assessed loans as well as lower reversals and recoveries, primarily in the fourth quarter. Net loan losses also include losses related to the Danish guarantee schemes of EUR 44m.

The increases, from very low levels, result from the economic slowdown in all markets where Nordea operates. Typically, there is a lag between the start of the economic slowdown and reported net loan losses, but due to the rapid slowdown in the economic cycle, loan losses have increased faster this time. However, the reported loss levels in various sectors follow Nordea's models for a weak economic cycle.

The increase in net loan losses as well as of impaired loans stems from a large number of smaller and medium-sized exposures rather than from a few large exposures.

New provisions have been made at an early stage when impairments have been identified. The main part of net loan losses constitutes provisions for performing impaired loans. In addition, new collective provisions have been made for different subsectors.

The net loan losses in 2008 correspond to a loan loss ratio of 17 basis points, excluding the guarantee losses in Denmark, and 19 basis points including these.

A large part of the net loan losses is seen in Denmark, but increases are reported in all four Nordic markets and in the Baltic countries, however from very low levels.

New collective provisions were made, net, in the amount of EUR 54m, for some sectors, including construction, real estate, pig farming and the segment consumer financing. The total collective allowances for the Baltic countries at the end of 2008 correspond to 1.42% of the lending portfolio in these countries.

Taxes

The effective tax rate for 2008 was 21%, compared to 20% last year.

Net profit

Net profit decreased by 15% to EUR 2,672m, which is attributable to the shift in loan losses. The net profit corresponds to a return on equity of 15.3%. Earnings per share were EUR 1.03 (EUR 1.20 in 2007).

Risk-adjusted profit

Risk-adjusted profit increased 2% to EUR 2,459m, compared to 2007. Excluding the Danish State guarantee fee, the increase in risk-adjusted profit was 3.5%.

Fourth quarter result 2008

Total income in the fourth quarter increased 5% compared to the fourth quarter last year. Excluding the effect from the currency depreciation, income increased by 8%. Compared to the previous quarter, total income was up 13%. Profit before loan losses was up compared to both the fourth quarter last year and to the previous quarter.

Income

Total income was EUR 2,251m. Net interest income increased 21% to EUR 1,386m, mainly as a result of the volume growth and increased lending margins reflecting re-pricing of credit risk on corporate lending. In Nordic Banking, household mortgage margins increased, mainly due to the so-called lag effect in Norway and to compensate for higher liquidity premiums. Compared to the third quarter, total income increased 13%.

Compared to the third quarter, lending decreased by 3%, mainly due to the currency effects. In local currencies, lending was up 5%.

Compared to the fourth quarter 2007, net fee and commission income decreased by 26% to EUR 390m. Total savings-related commissions decreased 24% to EUR 270m, due to the decline in AuM and decreasing income margin. Due to highly volatile financial markets, a net outflow in AuM of EUR 2.3bn was reported in the fourth quarter. Total payment commissions decreased by 7% to EUR 185m. Compared to the third quarter 2008, net fee and commission income decreased by 19%, largely due to the Danish State guarantee fee of EUR 50m.

Net gains/losses increased by 3% to EUR 325m. Compared to the third quarter, net gains/losses were up EUR 104m or 47% as a result of the high activity and strong result in the customer-driven capital markets operations.

Net gains/losses from Life & Pensions decreased compared to the fourth quarter last year, mainly due to the fact that revenues of EUR 67m in Denmark recognised earlier in the year, were deferred, due to decline in the financial buffers. The deferred revenues can be available for income recognition when financial buffers have improved. This income reversal in the fourth quarter 2008 was to some extent compensated for by recovery of losses related to credit spread risk and income on profit sharing in Sweden.

Income under the Equity method increased to EUR 45m from EUR 12m the fourth quarter 2007, of which EUR 22m relates to the minority holding in Eksportfinans.

Other income was EUR 105m, including the gain from the sale of the shares in NCSD.

Expenses

Compared to the fourth quarter last year, total expenses increased by 7% to EUR 1,150m.

Staff costs increased by 7% to EUR 655m and other expenses increased by 7% to EUR 461m, due to investments in growth areas.

Excluding restructuring expenses of EUR 28m, total expenses were up 5% in the fourth quarter compared to the fourth quarter 2007.

Loan losses

Due to the economic slowdown, higher net loan losses and increased impaired loans were reported in the fourth quarter.

Net loan losses were EUR 320m, including EUR 44m of losses for guarantees in relation to the Danish guarantee schemes, compared to positive EUR 6m last year. This corresponds to a loan loss ratio of 45 basis points, excluding the losses due to the Danish guarantee schemes, and 52 basis points including these. New provisions, including collective provisions, increased in most markets, with the main increase in Denmark, where new provisions were widely spread geographically and by industry, but with some concentration to sub suppliers to the construction sector and collective provisions for pig farming.

Taxes

The effective tax rate in the fourth quarter was 20%, compared to 21% last year. The lower effective tax rate in the fourth quarter is mainly related to the non-taxable gain from the sale of the NCSD shares.

Net profit

Compared to the fourth quarter 2007, net profit decreased 25% to EUR 637m, following the shift in net loan losses. Risk-adjusted profit increased by 7%.

Nordea’s funding operations

In the beginning of the fourth quarter, funding in the market was generally difficult, due to risk aversion among investors. The government packages came to the rescue for many financial institutions. Nordea was able to continue with its short-term funding normally. Later in the year, market conditions improved and closer to year-end, the market was more liquid and issuance activities at a high level. Nordea was able to secure its year-end funding in good time. Nordea benefits from its well recognised AA- rated bank position. All short-term programmes have been in active use.

Issuance of Swedish and Danish covered bonds was very active during the fourth quarter. In contrast to the international covered bond markets, both the Swedish and the Danish covered bond markets remained open for issuance. These two markets continued to support the bank’s long-term funding issuance. Investors’ trust in Nordea Hypotek’s name has been well reflected in the pricing. The yearly auction of Nordea Kredit covered bonds went very well, with keen participation from the market.

During the fourth quarter, the bank furthermore participated in the Norwegian Central Bank’s exchange offer, involving swap of covered bonds, backed by Norwegian assets, to Norwegian Treasury Bills.

The lending/deposit ratio including covered bonds was 133% at the end of December and excluding covered bonds 178%.

The generally increased cost of long-term funding, seen in international markets during the fourth quarter, is to a large extent compensated for by a re-pricing of the lending book.

Credit portfolio

Total lending increased to EUR 265bn, up 8% compared to one year ago. The share of lending to corporate customers increased to 57%. Lending in the Baltic countries constitutes 3% of the Group’s total lending. Lending to companies owned by private equity funds amounts to EUR 7.4bn, of which 99% are senior loans.

Some weakening has been seen in credit quality in the fourth quarter 2008, mainly in the corporate credit portfolio, with somewhat more customers being downrated than uprated. The total effect from rating migration on RWA was an increase by approx. 4.5% in 2008 in the corporate credit portfolio.

The average Expected Loss (EL) ratio used in the economic capital framework, calculated as EL divided by exposure at default (EAD), was 17 basis points as of end of 2008 (16 basis points as of end of 2007) excluding the sovereign and institution exposure classes. Nordea has the ambition to use the same parameters in internal calculations of economic capital and EL as in regulatory capital calculations. Therefore, the average EL ratio has been recalibrated as a consequence of the IRB Retail approval to be 22 basis points as of the end of 2008, based on the assumptions above. Going forward, this model change will affect the calculation of risk-adjusted profit for 2009 and 2008.

The weak economic development has started to affect impaired loans and loan losses after several years of sustained stability. Impaired loans gross in the Group increased 55% to EUR 2,224m at the end of the year compared to EUR 1,432m at the end of 2007. 62% of impaired loans gross are performing loans and 38% are non-performing loans.

The increase in impaired loans relates mainly to the Nordic countries, with the largest increase in Denmark, but increases are seen also in the other three Nordic countries, where the economic downturn has started later. In the Baltic countries and Russia, the economic downturn has also affected impaired loans and to a lesser degree individual loan losses.

The sectors in which the largest increases have been seen are construction, real estate, consumer durables and retail trade as well as the segment consumer financing.

Impaired loans net, after allowances for individually assessed loans amounted to EUR 1,463m (EUR 830m at the end of 2007), in relation to total loans and receivables were 0.50%, up 19 basis points from the end of December 2007. The corresponding ratio for the Baltic countries was 1.46%, compared to 0.31% at the end of December 2007 and for Nordic Banking 0.55%, compared to 0.37% at the end of December 2007.

Market risk

Interest-bearing securities and treasury bills were EUR 59bn at the end of 2008, of which EUR 21bn in the life insurance operations and the remaining part in the liquidity buffer and trading portfolios.

35% of the portfolio measured at fair value is Government or municipality bonds, 30% is mortgage institution bonds, 10% is corporate bonds and 25% are other types of securities. Of Nordea's total interest-bearing securities, only a limited part is marked-to-model, as presented in note 6 on page 52.

Market risk

Average market risk EURm	2008	2007
Total risk, VaR	73	38
Interest rate risk, VaR	73	30
Equity risk, VaR	17	31
Foreign exchange risk, VaR	6	5
Credit spread risk, VaR	20	4
Diversification effect	44%	41%
Structured equity option risk	21	
Commodity risk	6	7

Total average VaR market risk increased to EUR 73m in 2008 (EUR 38m in 2007). The increase was mainly due to a change of the VaR model in the second quarter 2008 and the higher volatility in the market and not due to larger positions. Total VaR at the end of the year decreased to EUR 86m from EUR 110m at the end of the third quarter.

Capital position and revised capital policy

In December 2008, the bank received approval for its internal-rating-based (IRB) models for its Retail credit portfolio. This has an impact on RWA causing a reduction of approx. 14%.

At the end of 2008, Nordea's risk-weighted amounts (RWA) were EUR 169bn before transition rules, compared to EUR 171bn one year ago and EUR 194bn at the end of September 2008. The RWA has been reduced by effects of the IRB Retail approval and currency depreciations and at the same time been increased by lending volume growth and rating migration. RWA including transition rules increased by EUR 9bn to EUR 213bn, compared to one year ago.

The capital base has been positively affected by the net profit for the period and negatively from the impact of currency translations.

Before transition rules, the tier 1 ratio was 9.3% and the total capital ratio was 12.1%. Including transition rules, the tier 1 ratio was 7.4% and the total capital ratio was 9.5%. The core tier 1 ratio, ie excluding hybrid loans, before transition rules was 8.5% and including transition rules 6.7%.

Economic Capital increased by 17% to EUR 12.8bn at the end of 2008 compared to last year, mainly reflecting the growth in lending volumes. Compared to the end of the third quarter, Economic Capital increased by 7%.

The capital policy and the capital targets have been revised. The revised capital policy states that over a business cycle, the target for the tier 1 ratio is 9% and the target for the total capital ratio is 11.5%.

Rights offering and reduced 2008 dividend to strengthen core capital position by EUR 3bn

Nordea announces measures to strengthen the Group's core tier 1 capital by EUR 3bn. The Board of Directors of Nordea has resolved to increase Nordea's share capital through an underwritten discounted issue of new ordinary shares with pre-emptive rights for existing shareholders of approx. EUR 2.5bn net and secondly by proposing to reduce the dividend payment to 19% of the net profit for 2008, to be decided by the 2009 Annual General Meeting, which will increase core tier 1 capital by approx. EUR 0.5bn. The rights offering is subject to shareholder approval at an Extraordinary General Meeting to be held on 12 March 2009.

Nordea's Board of Directors and Group Executive Management believes it is responsible to act pro-actively to best position the bank for the risks and the opportunities arising from the prevailing extraordinarily challenging market conditions. In particular, Nordea is seeking to achieve the following objectives, which will be facilitated by the proposed capital strengthening measures.

Maintain position as one of the stronger banks in Europe. Nordea aims to be one of the strongest banks in Europe in terms of profitability, efficiency, capitalisation, liquidity, funding and ultimately shareholder value generation, measured by total shareholder return (TSR). With European banks raising considerable amounts of capital in response to investors' and other stakeholders' requirements for higher capital ratios, the competitive landscape is changing. The proposed capital raising is expected to position Nordea as one of the best capitalised banks in Europe. Furthermore, the capital raising is expected to support Nordea's current strong credit rating thereby retaining the current favourable funding position relative to peers.

Establish an additional capital cushion in light of reduced visibility in the market and economic outlook. Nordea is expecting capital position to be impacted by the economic downturn, primarily through increased loan losses and adverse rating migration in the loan portfolio resulting in higher risk weighted assets. In line with its prudent risk management policies and in light of an economic outlook which is more uncertain than usual, Nordea believes it is appropriate to establish an additional capital buffer above its existing target capital ratios to cover such potential negative effects.

Provide flexibility to exploit high credit quality business opportunities arising from the market dislocation. Due to the deleveraging and general retrenchment by competitors in existing core markets, Nordea sees the potential to selectively capture high quality opportunities at expanding margins. Such opportunities predominantly include demand for funding by customers with solid credit profiles who are subject to the general credit shortage in the market. Nordea believes that its continued support of such high quality customers in the current environment, while applying its usual stringent risk management policies, will enhance profitability and reinforce long-term customer relationships.

Proposed capital strengthening measures provide a fair, transparent market solution. The capital strengthening measures are fully transparent and secure fair treatment of shareholders through the application of pre-emptive rights. The proposed rights offering and dividend reduction will reinforce Nordea's capital base with straight equity, addressing investors' preference for high quality, core tier 1 capital.

Further comments to the measures to strengthen the core capital position are presented in a separate press release.

Nordea share

During 2008, the share price of Nordea on the NASDAQ OMX Nordic Exchange depreciated from SEK 108 to SEK 54.70. Total shareholder return (TSR) was -46.9%. Nordea was number two of 20 in the European peer group, where the average TSR was -67%.

Dividend

The Board of Directors will propose to the AGM a dividend of EUR 0.20 per share (EUR 0.50), corresponding to a payout ratio of 19% of net profit. Total proposed dividend amounts to EUR 519m.

The ex-dividend date for the Nordea share is 3 April 2009. The proposed record date for the dividend is 7 April, and dividend payments will be made on 16 April.

Profit sharing and incentive systems

In 2008, a total of approx. EUR 81m was provided for under Nordea's incentive systems, including the ordinary profit-sharing scheme for all employees and the Long-Term Incentive Programmes for top managers.

For 2008, each employee can receive a maximum of EUR 3,200, of which EUR 2,000 is based on a pre-determined level of risk-adjusted profit, an additional EUR 600 based on the level of customer satisfaction and an additional EUR 600 based on Nordea's relative performance compared to a Nordic peer group as measured by return on equity.

The profit-sharing scheme for 2009 has been changed to better reflect Nordea's aim to strengthen the customer relations. The criterion customer satisfaction will be changed to relative customer satisfaction. The possible maximum outcome for the three parameters is unchanged. If all performance criteria are met, the cost of the scheme will amount to a maximum of approx. EUR 100m.

The Annual General Meeting 2008 approved a Long Term Incentive Programme (LTIP), LTIP 2008, for top managers. To be part of the programme, the participants had to lock in Nordea shares and thereby align their interest and perspectives with the shareholders. The participants were granted a number of rights to acquire matching and performance shares, which can be exercised after two years at the earliest, conditional on continued employment and fulfilment of certain performance criteria, being growth in risk-adjusted profit per share and Total Shareholder Return (TSR) compared to Nordic and European financial companies.

The Board of Directors has decided to propose a Long Term Incentive Programme (LTIP 2009) to the AGM 2009. The programme is proposed to have the same structure as LTIP 2008. The proposal for LTIP 2009 will be presented to the shareholders in the notice of the AGM 2009.

Orgresbank

Nordea has in the fourth quarter agreed with the minority shareholders to exercise its right to acquire the remaining 17.7% of JSB Orgresbank from the two management shareholders and the European Bank for Reconstruction and Development. The transaction with the European Bank for Reconstruction and Development is subject to regulatory approvals and is expected to be completed in the first quarter of 2009.

Nordea will subsequently increase the equity capital of JSB Orgresbank through a new issue of approx. EUR 100m. Following the transaction, Nordea will own 100% of JSB Orgresbank, of which Nordea has been a majority owner since 29 March 2007. Nordea has already consolidated Orgresbank to 100% in the accounts.

Life & Pensions

Nordea has conducted a capital injection of EUR 200m into the wholly-owned subsidiary Nordea Life Holding, to strengthen the solvency of the Life subgroup. The capital injection is not affecting the tier 1 ratio in the Nordea Group, but has lowered the total capital ratio by 9 basis points.

Pension liabilities

The total obligation in pension plans (Defined Benefit Plans) has increased from EUR 2,775m to EUR 2,830m during 2008. The increase is mainly due to a significant increase in unrecognised losses, following lower discount rates, but also to new earned pension rights. The increase is to a large extent offset by changes in exchange rates. The fair value of plan assets has decreased from EUR 2,407m to EUR 2,099m as a consequence of the general market turmoil and changes in exchange rates. Total unrecognised actuarial losses amounts to EUR 559m at the end of 2008, which will lead to a limited increase in the pension cost as from 2009.

State schemes for financial stability

State schemes for financial stability and amendments to these have been presented by the governments in the Nordic countries during the autumn 2008 and the beginning of 2009. Generally, Nordea welcomes the State schemes for financial stability and is currently evaluating the schemes and the amendments.

Denmark

In early October 2008, Danish Parliament agreed with banks to set up a guarantee scheme valid for two years, until the end of September 2010, which guarantees the claims of unsecured creditors, excluding covered bonds and subordinated debt, against losses in the participating banks.

Nordea decided for commercial reasons that Nordea Bank Danmark A/S would participate in the scheme. Nordea guarantees the payment of its portion of DKK 10bn to cover any losses under the guarantee scheme and will pay its portion of an annual guarantee commission of DKK 7.5bn annually for two years. If losses exceed these amounts, additional losses of up to DKK 10bn should also be covered by further guarantee commissions. The total payments for all participating banks are hence capped to DKK 35bn.

The scheme is expected to cost Nordea an annual commission expense of approx. EUR 180-200m, and possible additional expenses for the guarantee of at maximum approx. EUR 500m, which would be reported as loan losses.

In early 2009, Nordea benefitted from the Danish scheme by issuing a EUR 1.5bn senior bond in Denmark at the price of mid-swap +38 basis points.

A second Danish State scheme was launched in January 2009, aiming to ensure sufficient capital in the financial sector. The second scheme contains extended guarantees for banks' debt securities and deposits as well as a scheme for injections of tier 1 capital into participating and eligible banks.

This second scheme is open for participation until the end of June 2009. Nordea is evaluating whether or not to join the second scheme.

Finland

In Finland, a new regulation has been presented, which opens the possibility for the Finnish state to provide and invest in capital instruments and grant state guarantees to the refunding of Finnish banks up to a maximum value of EUR 50bn. A market-based fee will be charged for guarantees. Guarantees are granted until 30 April 2009, and limited to the amounts becoming due up to that date. At a later date, the Government will carry out a separate evaluation of the need to continue granting guarantees.

In February 2009, the Government will submit to Parliament a proposal for state capital investment in deposit-taking banks, in the form of subordinated loans, which can be considered as core capital.

Nordea has to date not joined the Finnish scheme.

Norway

In Norway, stabilising efforts have so far been focused on liquidity measures through the Norwegian Central Bank with a NOK 350bn facility with banks, where government bonds are swapped for covered bonds.

The Norwegian Government has announced a new stability plan that aims at providing adequate access to financing from banks to households and corporates. The amount allocated to the plan is NOK 100bn, which is evenly divided between two initiatives.

The government will establish a Government Bond Fund of NOK 50bn for the purpose of buying bonds issued by Norwegian corporates in the primary or second hand market. The Government Finance Fund of NOK 50bn can make investments in banks in the shape of hybrid bonds or preference capital, thus aimed improving the capital ratio.

Further details of the conditions will be developed in legislation and regulations to follow, and also in individual agreements with respective banks seeking capital injections under the plan.

During the fourth quarter, Nordea has participated in swap facilities under the present Norwegian scheme.

Sweden

The Swedish government, following the agreements made in the EU, introduced in late October a support system for the banking system with mainly four parts: short-term liquidity supply through activities by the National Debt Office and the Central Bank; a guarantee programme, a system for banks' middle-term funding planned to be running until the end of April 2009; a long-term solvency support system, a Stability fund; and assignment to the FSA to examine that the support also benefits household and corporate customers. The amount of the deposit guarantee has also been increased to SEK 500,000.

The Swedish guarantee programme has been amended in late January 2009 and in early February, a capital injection programme for solid banks has been introduced, introducing availability for banks to issue new shares or hybrid loans on market terms to the State, as a participant on ordinary terms in a new shares issue. Changes are also proposed in the fee structure for issues of debt securities under the State guarantee, making fees deductable from the compulsory fee to the Stability fund.

The level of the compulsory fee will be presented in early February 2009 and the fee is expected to have result effect to Nordea already in 2009.

Nordea welcomes the amendments to the scheme, but has up to this date not joined the Swedish scheme.

Annual General Meeting

The Annual General Meeting of shareholders will be held on Thursday 2 April 2009 at Cirkus, Djurgårdsslätten 43-45, Stockholm at 13.00 (CET). Prior to the AGM, information meeting for shareholders will be held on 12 March in Helsinki and 19 March in Copenhagen.

Outlook 2009

Due to the prevailing market conditions, the provided outlook is associated with an unusually high degree of uncertainty.

The macroeconomic development in the Nordic countries has during the latter part of the autumn shown a sharp slowdown and GDP growth is in 2009 expected to be negative. Nordea is therefore preparing for a challenging year. In addition to firm attention on cost, risk and capital management, the focus in 2009 will be to continue doing more business with existing customers, and on a selective basis attracting new customers with solid credit profiles in prioritised segments. Market lending growth is expected to be lower in 2009, compared to 2008, however Nordea sees potential for growth somewhat more than the market.

Cost growth is expected to be somewhat lower than in 2008, as cost growth is managed downwards adjusting operations to the prevailing market conditions.

The high speed at which the global and Nordic economies now are weakening means that the credit portfolio will be affected. Based on the current macroeconomic outlook, Nordea anticipates net loan losses in 2009 broadly in line with the annualised rate of the fourth quarter 2008. The uncertainty regarding future loan loss levels is however significant.

Risk-adjusted-profit is in 2009 expected to be at approx. the same level as in 2008.

The effective tax rate is expected to be in the range of 23-25%.

Quarterly development

EURm	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Jan-Dec 2008	Jan-Dec 2007
Net interest income	1,386	1,296	1,230	1,181	1,143	5,093	4,282
Net fee and commission income (spec. 1)	390	480	518	495	526	1,883	2,140
Net gains/losses on items at fair value	325	221	198	284	316	1,028	1,209
Equity method	45	-25	22	-18	12	24	41
Other income	105	24	24	19	145	172	214
Total operating income	**2,251**	**1,996**	**1,992**	**1,961**	**2,142**	**8,200**	**7,886**
General administrative expenses (spec. 2):							
Staff costs	-655	-635	-634	-644	-615	-2,568	-2,388
Other expenses	-461	-395	-406	-384	-429	-1,646	-1,575
Depreciation of tangible and intangible assets	-34	-30	-33	-27	-29	-124	-103
Total operating expenses	**-1,150**	**-1,060**	**-1,073**	**-1,055**	**-1,073**	**-4,338**	**-4,066**
Profit before loan losses	**1,101**	**936**	**919**	**906**	**1,069**	**3,862**	**3,820**
Loan losses	-320	-89	-36	-21	6	-466	60
Disposals of tangible and intangible assets	0	0	0	0	3	0	3
Operating profit	**781**	**847**	**883**	**885**	**1,078**	**3,396**	**3,883**
Income tax expense	-144	-192	-190	-198	-226	-724	-753
Net profit for the period	**637**	**655**	**693**	**687**	**852**	**2,672**	**3,130**
Diluted earnings per share (EPS), EUR	0.25	0.25	0.27	0.26	0.33	1.03	1.20
EPS, rolling 12 months up to period end, EUR	1.03	1.11	1.15	1.19	1.20	1.03	1.20

Spec. 1 Net fee and commission income, EURm	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Jan-Dec 2008	Jan-Dec 2007
Asset Management commissions	115	130	141	146	192	532	762
Life insurance	71	62	70	67	74	270	270
Brokerage	53	47	63	54	59	217	260
Custody	20	22	18	24	19	84	79
Deposits	11	12	10	12	10	45	37
Total savings related commissions	270	273	302	303	354	1,148	1,408
Payments	105	107	106	104	111	422	434
Cards	80	91	86	87	89	344	342
Total payment commissions	185	198	192	191	200	766	776
Lending	63	83	85	68	49	299	258
Guarantees and documentary payments	39	35	35	34	34	143	136
Total lending related commissions	102	118	120	102	83	442	394
Other commission income	33	42	53	48	40	176	156
Fee and commission income	**590**	**631**	**667**	**644**	**677**	**2,532**	**2,734**
Life insurance	-12	-18	-17	-20	-17	-67	-68
Payment expenses	-73	-74	-73	-67	-81	-287	-270
State guarantee fees	-50	-	-	-	-	-50	-
Other commission expenses	-65	-59	-59	-62	-53	-245	-256
Fee and commission expenses	**-200**	**-151**	**-149**	**-149**	**-151**	**-649**	**-594**
Net fee and commission income	**390**	**480**	**518**	**495**	**526**	**1,883**	**2,140**

Spec. 2 General administrative expenses, EURm	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Jan-Dec 2008	Jan-Dec 2007
Staff	-655	-635	-634	-644	-615	-2,568	-2,388
of which variable salaries	-61	-49	-53	-64	-63	-227	-219
Information technology[1]	-167	-144	-135	-130	-150	-576	-538
Marketing	-28	-19	-30	-25	-35	-102	-104
Postage, telephone and office expenses	-51	-49	-50	-53	-52	-203	-197
Rents, premises and real estate expenses	-94	-92	-94	-89	-96	-369	-351
Other	-121	-91	-97	-87	-96	-396	-385
Total	**-1,116**	**-1,030**	**-1,040**	**-1,028**	**-1,044**	**-4,214**	**-3,963**

[1] 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 -172m in Q4 2008 (Q4 2007: EUR -169m) and for 2008 EUR -666m (2007: EUR -654m).

Customer areas

EURm	Banking Denmark Jan-dec 2008	Banking Denmark Jan-dec 2007	Banking Finland Jan-dec 2008	Banking Finland Jan-dec 2007	Banking Norway Jan-dec 2008	Banking Norway Jan-dec 2007	Banking Sweden Jan-dec 2008	Banking Sweden Jan-dec 2007	Nordic Functions NB Jan-dec 2008	Nordic Functions NB Jan-dec 2007	Total Nordic Banking Jan-dec 2008	Total Nordic Banking Jan-dec 2007
Net interest income	1,192	1,036	1,146	1,065	686	544	1,123	984	59	37	4,206	3,666
Net fee and commission income	413	489	415	509	161	170	540	604	1	0	1,530	1,772
Net gains/losses on items at fair value	173	155	128	111	95	80	121	114	0	0	517	460
Equity method	20	25	-9	0	0	0	0	0	0	0	11	25
Other income	5	2	8	11	8	7	1	15	3	5	25	40
Total operating income	**1,803**	**1,707**	**1,688**	**1,696**	**950**	**801**	**1,785**	**1,717**	**63**	**42**	**6,289**	**5,963**
Staff costs	-376	-360	-292	-292	-170	-163	-318	-300	-4	-25	-1,160	-1,140
Other expenses	-497	-462	-476	-455	-291	-283	-621	-632	-16	-4	-1,901	-1,836
Depreciations of tangible and intangible assets	-5	-2	-4	-2	-7	-4	-9	-8	-21	-10	-46	-26
Total operating expenses	**-878**	**-824**	**-772**	**-749**	**-468**	**-450**	**-948**	**-940**	**-41**	**-39**	**-3,107**	**-3,002**
Loan losses	-192	1	-65	60	-66	7	-76	-26	-3	13	-402	55
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**733**	**884**	**851**	**1,007**	**416**	**358**	**761**	**751**	**19**	**16**	**2,780**	**3,016**
Balance sheet, EURbn												
Loans and receivables to the public	68	63	52	48	35	37	59	60	0	0	214	207
Other assets	0	0	2	-4	1	1	30	28	0	0	33	25
Total assets	**68**	**63**	**54**	**44**	**36**	**38**	**89**	**88**	**0**	**0**	**247**	**233**
Deposits and borrowings from the public	34	32	36	30	17	19	31	29	0	0	117	110
Other liabilities	32	29	16	12	18	18	56	57	0	0	122	117
Total liabilities	**66**	**61**	**52**	**42**	**35**	**37**	**87**	**86**	**0**	**0**	**239**	**226**
Equity	3	2	2	2	1	1	2	2	0	0	8	7
Total liabilities and equity	**68**	**63**	**54**	**44**	**36**	**38**	**89**	**88**	**0**	**0**	**247**	**234**
Economic capital	3	2	2	2	1	1	2	2	0	0	8	7
RAROCAR, %	22	27	30	38	23	18	25	24			25	26
Other segment items												
Capital expenditure, EURm											18	34

Customer areas

EURm	Baltic countries Jan-dec 2008	Baltic countries Jan-dec 2007	Poland Jan-dec 2008	Poland Jan-dec 2007	Russia Jan-dec 2008	Russia Jan-dec 2007	Total New European Markets Jan-dec 2008	Total New European Markets Jan-dec 2007	Financial Institutions Jan-dec 2008	Financial Institutions Jan-dec 2007	Shipping, Oil Services & International Jan-dec 2008	Shipping, Oil Services & International Jan-dec 2007	Other IIB Jan-dec 2008	Other IIB Jan-dec 2007	Total IIB Jan-dec 2008	Total IIB Jan-dec 2007
Net interest income	100	68	94	52	149	56	336	168	73	65	221	170	26	21	656	424
Net fee and commission income	39	34	16	16	22	7	75	57	146	136	51	54	15	10	287	257
Net gains/losses on items at fair value	13	5	33	21	6	-1	53	26	181	138	33	13	4	1	271	178
Equity method	0	0	0	0	0	0	0	0	0	0	0	0	-12	1	-12	1
Other income	1	0	3	4	1	1	6	4	9	0	1	0	-1	4	15	8
Total operating income	**153**	**106**	**146**	**92**	**178**	**63**	**470**	**255**	**409**	**339**	**306**	**237**	**32**	**37**	**1,217**	**868**
Staff costs	-28	-21	-34	-23	-52	-26	-118	-72	-31	-31	-41	-37	-2	-3	-192	-143
Other expenses	-28	-24	-40	-28	-24	-12	-95	-67	-153	-143	-10	-13	-17	-20	-275	-243
Depreciations of tangible and intangible assets	-2	-1	-5	-4	-1	-1	-9	-7	0	0	-1	0	0	-1	-10	-8
Total operating expenses	**-58**	**-46**	**-80**	**-56**	**-77**	**-39**	**-222**	**-146**	**-184**	**-174**	**-52**	**-50**	**-18**	**-24**	**-477**	**-394**
Loan losses	-32	-1	-1	-1	-18	1	-46	-1	-14	0	-10	2	-45	4	-115	5
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**62**	**59**	**66**	**35**	**83**	**25**	**202**	**108**	**210**	**165**	**244**	**189**	**-32**	**17**	**625**	**479**
Balance sheet, EURbn																
Loans and receivables to the public															33	25
Other assets															9	9
Total assets															**42**	**34**
Deposits and borrowings from the public															26	31
Other liabilities															15	2
Total liabilities															**41**	**33**
Equity															1	0
Total liabilities and equity															**42**	**33**
Economic capital															1	1
RAROCAR, %															42	38
Other segment items																
Capital expenditure, EURm															2	9

	Customer areas					Other				Group		
	Other customer operations		**Total customer areas**			**Group Corporate Centre**		**Group Functions and Eliminations**		**Nordea Group**		
	Jan-dec		**Jan-dec**			**Jan-dec**		**Jan-dec**		**Jan-dec**		
EURm	**2008**	**2007**	**2008**	**2007**	**%**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**%**
Net interest income	60	65	4,922	4,155	18%	160	107	11	20	5,093	4,282	19%
Net fee and commission income	101	176	1,918	2,205	-13%	-3	-9	-32	-56	1,883	2,140	-12%
Net gains/losses on items at fair value	255	410	1,043	1,048	0%	50	156	-65	5	1,028	1,209	-15%
Equity method	0	0	-1	26		0	5	25	10	24	41	-41%
Other income	9	9	49	57	-14%	87	24	36	133	172	214	-20%
Total operating income	**426**	**660**	**7,932**	**7,491**	**6%**	**294**	**283**	**-25**	**112**	**8,200**	**7,886**	**4%**
Staff costs	-474	-434	-1,826	-1,717	6%	-41	-39	-701	-632	-2,568	-2,388	8%
Other expenses	-10	-11	-2,186	-2,090	5%	-99	-110	639	625	-1,646	-1,575	5%
Depreciations of tangible and intangible assets	-9	-10	-65	-44	49%	0	0	-59	-59	-124	-103	20%
Total operating expenses	**-493**	**-455**	**-4,077**	**-3,851**	**6%**	**-140**	**-149**	**-121**	**-66**	**-4,338**	**-4,066**	**7%**
Loan losses	0	0	-517	60		0	0	51	0	-466	60	
Disposals of tangible and intangible assets	0	1	0	1		0	0	0	2	0	3	
Operating profit	**-67**	**206**	**3,338**	**3,701**	**-10%**	**154**	**134**	**-95**	**48**	**3,396**	**3,883**	**-13%**
Balance sheet, EURbn												
Loans and receivables to the public	16	10	263	242	9%	0	0			265	245	18%
Other assets	36	37	78	71	10%	19	15			209	144	45%
Total assets	**52**	**47**	**341**	**314**	**9%**	**19**	**15**			**474**	**389**	**22%**
Deposits and borrowings from the public	11	8	154	149	4%	0	0			149	142	5%
Other liabilities	40	38	177	157	13%	19	15			307	230	33%
Total liabilities	**51**	**46**	**331**	**305**	**8%**	**19**	**15**			**456**	**372**	**23%**
Equity	0	0	9	7	-	0	0			18	17	11%
Total liabilities and equity	**51**	**46**	**340**	**313**	**9%**	**19**	**15**			**474**	**389**	**22%**
Economic capital	1	1	10	9	7%	0	0			12	10	16%
RAROCAR, %										21	24	
Other segment items												
Capital expenditure, EURm	4	6	24	49		0	0			294	275	

Nordic Banking

- **Income growth of 5% in 2008**
- **Expenses increased 3% in 2008**
- **Balanced growth with deposits growing faster than lending**
- **Risk-adjusted profit increased 8% in 2008**

Business development

A well-balanced growth continued both in the household and corporate customer segments in the fourth quarter.

The weakening of SEK and NOK versus EUR had significant effects on volume and result development reported in EUR compared to 2007.

With reported deposit growth of 6%, and 14% in local currencies, deposit volumes increased faster than lending. In local currencies, total lending growth was 12%, whereas the reported growth was 3%.

As in previous quarters, growth in lending to core customers continued, thus demonstrating that there is no stop in new lending. However, margins on corporate lending increased reflecting re-pricing of credit risk and to compensate for higher liquidity premiums.

Nordea adhered to the relationship strategy keeping the traditional corporate business, while complying with prudent risk policy. This strategy has shown its strength and with 17% income growth, the corporate business is the important driver for income growth. The composition of income growth is significantly shifting from volume growth to margins.

Household mortgage margins increased in Nordic Banking, due to the so-called lag effect in Norway and compensation for higher liquidity premiums. Reported mortgage margins in Nordic Banking are in the three markets except Denmark, measured against the internal short funding rate, the Treasury rate, and do not reflect increased liquidity premiums on long-term funding. The cost for the increased liquidity premiums is therefore to a large extent accounted for on Nordea Group level. Taking the full liquidity cost into account, actual mortgage margins are lower than reported.

The financial crisis has in general caused customers to become more risk-averse. As a result, volume has migrated from investment funds and deposits have been the clear beneficiary. Deposit volumes developed favourably due to active handling of the outflow from retail funds and channelling it into savings deposit accounts.

Deposit margins declined reflecting the many interest rate cuts by central banks during the fourth quarter.

Result in the fourth quarter

In the fourth quarter, income in Nordic Banking decreased by 1% to EUR 1,530m. With unchanged currency rates, the increase was 3%. Net interest income increased by 14% to EUR 1,110m reflecting both volume growth in lending and increased corporate lending margins.

Net fee and commission income decreased by 36% to EUR 274m, impacted by lower income from savings and life insurance products and the payment to the State guarantee scheme in Denmark, where EUR 40m of Nordea's total payment of EUR 50m is included in Nordic Banking. Net gains/losses on items at fair value increased 6% to EUR 143m, reflecting a strong underlying demand for risk management products.

Total expenses decreased by 3% to EUR 777m.

Net loan losses in the fourth quarter amounted to EUR 313m. Approx. half of the total net loan losses stem from Denmark, of which EUR 44m is related to losses from the guarantee in the Danish guarantee schemes. This means that the Danish schemes in total cost Nordea EUR 94m in the fourth quarter.

The number of employees in Nordic Banking increased by 4% or approx. 670 full-time equivalents (FTEs) compared to one year ago. The increased number of employees was part of the planned expansion to support the growth strategy and also includes 205 FTEs from the acquisition of branches from Svensk Kassaservice and 144 FTEs from the acquisition of branches from Roskilde Bank.

Operating profit decreased 39% to EUR 440m, largely explained by increased net loan losses and the cost for the State guarantee fee. RAROCAR was 23% (26% last year) and the cost/income ratio was unchanged at 51%.

Result 2008

In 2008, income in Nordic Banking increased 5% to EUR 6,289m. Net interest income increased 15% to EUR 4,206m. Total expenses increased 3% to EUR 3,107m. In local currencies, income increased by 7% and expenses would have increased by 5%.

Net fee and commission income fell 14% to EUR 1,530m, impacted by lower income from savings products and the above-mentioned payment to the State guarantee scheme in Denmark.

Net loan losses amounted to EUR 402m or 17 basis points of total loans and receivables excluding the losses from the Danish guarantee schemes and 19 basis points including these.

Operating profit was down 8% to EUR 2,780m. RAROCAR decreased to 25% (26%) and the cost/income ratio decreased to 49% (50%).

Focus 2009

The corporate business will maintain the focus on the relationship strategy and continue pricing according to the new capital, liquidity and risk situation. Increased share of wallet with the existing customers, by increased cross selling, will also be prioritised. Risk management will remain high on the agenda in 2009.

Based on Nordea's strong position in the household operations, the focus will be to continue to attract new customers especially to the prioritised Gold and Private Banking segments. The work on further developing the distribution system and right sizing the branch network based on the geographical location of prioritised segments will continue in 2009.

Nordic Banking, operating profit total

EURm	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	2008	2007	Nordic functions Q4 2008	Nordic functions Q4 2007
Net interest income	1,110	1,103	1,022	971	973	4,206	3,666	18	11
Net fee and commission income	274	417	440	399	426	1,530	1,772	1	1
Net gains/losses on items at fair value	143	103	141	130	135	517	460	-1	0
Equity method	-2	-2	12	3	5	11	25	0	0
Other operating income	5	1	11	8	10	25	40	1	1
Total income incl. allocations	**1,530**	**1,622**	**1,626**	**1,511**	**1,549**	**6,289**	**5,963**	**19**	**13**
Staff costs	-284	-290	-292	-294	-293	-1,160	-1,140	-2	-6
Other expenses	-478	-471	-475	-477	-495	-1,901	-1,836	-5	1
Depreciations etc.	-15	-14	-9	-8	-9	-46	-26	-7	-4
Expenses incl. allocations	**-777**	**-775**	**-776**	**-779**	**-797**	**-3,107**	**-3,002**	**-14**	**-9**
Profit before loan losses	**753**	**847**	**850**	**732**	**752**	**3,182**	**2,961**	**5**	**4**
Loan losses	-313	-61	-18	-10	-30	-402	55	0	-32
Operating profit	**440**	**786**	**832**	**722**	**722**	**2,780**	**3,016**	**5**	**-28**
Cost/income ratio, %	51	48	48	52	51	49	50		
RAROCAR, %	23	26	27	24	26	25	26		
Other information, EURbn									
Lending	214.1	221.7	220.8	213.5	207.2				
Deposits	117.1	119.7	116.1	114.2	110.1				
Economic capital	8.1	8.3	8.2	7.7	7.4				
Number of employees (FTEs)	17,253	17,162	16,817	16,688	16,580				

Nordic Banking total, lending and deposit margins

Lending margins, %	Q4 2008	Q3 2008	Q4 2007	Deposit margins, %	Q4 2008	Q3 2008	Q4 2007
To corporate customers	1.12	0.96	0.86	From corporate customers	0.85	0.95	0.99
To household customers				From household customers	1.58	1.83	1.83
- Mortgage lending	0.79	0.61	0.51				
- Consumer lending	3.29	3.06	3.04				
Total lending margins	1.18	1.01	0.91	Total deposit margins	1.22	1.40	1.43

Banking Denmark

Business development

During the fourth quarter, the positive development in both the corporate and the household customer segments continued with well-balanced growth in lending and deposits. The growth rate decelerated somewhat during the year.

In the corporate segment, lending margins continued to reflect re-pricing of credit risk and compensation for higher liquidity premiums. Total corporate lending volume showed growth of 9% compared to the fourth quarter last year, mainly driven by segment Large and Corporate Merchant Banking.

Nordea has managed to attract a substantial amount of fixed-term deposits. Growth in corporate deposits was 12% compared to last year, which is considerably higher than the loan growth and has led to increased market share for corporate deposits.

Total lending to the household customer segments showed growth of 8%. The market share in mortgage lending in Denmark increased slightly. The mix in bank lending is changing as collateralised lending is increasing more than non-collateralised.

Savings products continued to suffer from the weak equity markets. However, as customers are being more risk-averse, high increase is seen of volumes within savings deposits.

During the autumn, a guarantee scheme and a company to take care of financial institutions in default were established by the Danish State. The scheme and the company are financed by a contribution from the financial sector. Nordea’s total contribution amounts to approx. EUR 180-200m annually in fees and possible additional expenses for the guarantee of at maximum approx. EUR 500m, which would be reported as loan losses.

The integration process following the acquisition in September of nine branches from Roskilde Bank is progressing according to plans including a screening process regarding credit quality and the subsequent returning of customers of inferior credit quality to Roskilde Bank. The integration process is expected to be finalised during the second quarter of 2009.

Result in the fourth quarter

Total income in Banking Denmark decreased 1% compared to the fourth quarter 2007 and was negatively impacted by savings commissions and the payment to the State guarantee scheme. This was balanced by increased corporate margins and the volume growth in both lending and deposits. Total expenses increased 8% compared to the fourth quarter 2007, mainly due to integration costs in relation to the takeover of branches from Roskilde Bank.

In the fourth quarter, net loan losses of EUR 151m were recorded. This includes new collective provisions of EUR 30m and losses and provisions of EUR 44m connected to the above mentioned Danish guarantee schemes. Net loan losses for individually assessed loans amounted to EUR 77m. The total net loan losses were widely spread geographically and by industry, with some concentration to sub suppliers to the construction sector and collective provisions for pig farming. For the full year 2008, the loan loss ratio was 24 basis points of lending excluding the losses from the Danish guarantee schemes and 31 basis points including these.

Compared to the other Nordic countries, the economic downturn in Denmark is regarded to be further progressed in the credit cycle.

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

	Q4 2008	Q3 2008	Q4 2007
Income statement, EURm			
Net interest income	327	303	275
Net fee and commission income	45	126	107
Net gains/losses on items at fair value	52	31	43
Equity method	2	3	5
Other operating income	1	1	1
Total income incl. allocations	**427**	**464**	**431**
Staff costs	-93	-91	-91
Other expenses	-135	-120	-121
Depreciations etc.	-3	-1	-1
Expenses incl. allocations	**-231**	**-212**	**-213**
Profit before loan losses	**196**	**252**	**218**
Loan losses	-151	-32	-7
Operating profit	**45**	**220**	**211**
Cost/income ratio, %	54	46	49
RAROCAR, %	18	24	25
Economic capital	2.6	2.6	2.2
Number of employees (FTEs)	5,149	4,969	4,961

	Q4 2008	Q3 2008	Q4 2007
Lending margins, %			
To corporate customers	1.21	1.10	0.94
To household customers			
- Mortgage	0.49	0.49	0.49
- Consumer	3.83	3.62	3.62
Total lending margins	1.25	1.16	1.09
Deposit margins, %			
From corporate customers	0.49	0.46	0.55
From household customers	1.82	1.62	1.56
Total deposit margins	1.10	0.97	1.03
Volumes, EURbn			
Lending to corporates	30.1	28.8	27.5
Lending to households	37.9	37.2	35.2
Total lending	**68.0**	**66.0**	**62.7**
Deposits from corporates	14.1	15.5	12.6
Deposits from households	19.5	19.6	19.0
Total deposits	**33.6**	**35.1**	**31.6**
Market shares, %			
Mortgage lending	15.6	15.5	15.4
Total household lending	15.2	15.1	15.0
Household deposits	21.1	21.1	21.1
Corporate lending[1]	21.1	21.1	19.9
Corporate deposits[1]	30.2	30.6	25.4

[1] Excluding financial institutions

Banking Finland

Business development

Nordea kept its leading position in corporate lending. Total corporate lending showed an increase of 11% compared to last year. New corporate loans to Corporate Merchant Banking and segment Large customers were granted with increased margin levels, reflecting re-pricing of credit risk and to compensate for higher liquidity premiums.

Corporate deposits have also developed very well and Nordea maintained its clearly leading market position.

The many opportunities for sales of risk management products to corporate customers, which the high market volatility has opened for, were successfully captured.

Nordea has succeeded well in growing consumer lending and has kept the market share on a high level. The cooperation with Stockmann has resulted in issuances of 345,000 new cards by the end of year 2008.

The uncertain outlook for the investment market has urged customers to favour deposits, which has resulted in outflow from funds and partly insurance savings products.

Result in the fourth quarter

Total income in Banking Finland decreased 9% compared to the fourth quarter 2007. Net interest income increased slightly, driven by lending margin increases and volume growth. This did not fully compensate for the adverse effect on income growth from low savings fee and commission income.

In fourth quarter, the total expenses decreased by 4% compared to the fourth quarter last year.

Profit before loan losses decreased 14% from the same quarter last year. The net loan losses were EUR 38m, mostly stemming from the trade and services sector. For the full year 2008, the loan loss ratio was 14 basis points of total lending.

Operating profit decreased 34% compared to fourth quarter 2007.

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

	Q4 2008	Q3 2008	Q4 2007		Q4 2008	Q3 2008	Q4 2007
Income statement, EURm				**Lending margins, %**			
Net interest income	290	306	277	To corporate customers	1.01	0.84	0.92
Net fee and commission income	75	110	117	To household customers			
Net gains/losses on items at fair value	28	24	34	- Mortgage	0.87	0.60	0.58
Equity method	-4	-5	0	- Consumer	3.14	3.04	2.84
Other operating income	2	0	3	Total lending margins	1.17	0.97	0.96
Total income incl. allocations	**391**	**435**	**431**	**Deposit margins, %**			
Staff costs	-72	-74	-74	From corporate customers	1.02	1.35	1.47
Other expenses	-121	-118	-128	From household customers	1.36	1.92	2.00
Depreciations etc.	-1	-1	-1	Total deposit margins	1.24	1.72	1.82
Expenses incl. allocations	**-194**	**-193**	**-203**	**Volumes, EURbn**			
Profit before loan losses	**197**	**242**	**228**	Lending to corporates	26.1	26.2	23.5
Loan losses	-38	-19	14	Lending to households	26.0	25.7	24.0
Operating profit	**159**	**223**	**242**	**Total lending**	**52.1**	**51.9**	**47.5**
				Deposits from corporates	13.3	11.9	10.4
Cost/income ratio, %	50	44	47	Deposits from households	22.4	22.1	20.0
RAROCAR, %	25	34	31	**Total deposits**	**35.7**	**34.0**	**30.4**
Economic capital	2.0	1.9	1.9	**Market shares, %**			
				Mortgage lending	30.6	30.7	30.8
Number of employees (FTEs)	5,420	5,457	5,421	Total household lending	30.3	30.4	30.5
				Household deposits	32.0	32.5	32.2
				Corporate lending[1]	36.7	37.5	37.9
				Corporate deposits[1]	42.3	42.4	42.2

[1] Excluding financial institutions

Banking Norway

Business development

Despite the turmoil, the general positive trend in business volumes continued within both the corporate and the personal customer segments with higher growth rates in deposits than in lending.

Corporate lending margins increased compared to the third quarter this year, reflecting re-pricing of credit risk and to compensate for higher liquidity premiums.

Lending margins to the household customers have increased continuously during 2008, due to increased liquidity premiums and the so-called lag-effect.

The weakening of NOK versus EUR gave significant effects on volumes and result development compared to fourth quarter 2007.

Total reported lending decreased by 6%, but increased by 16% in local currency compared to fourth quarter 2007. Corporate lending volume increased by 2% and by 25% in local currency, mainly driven by segment Large and Corporate Merchant Banking. Reported lending to household customers decreased by 14%, but increased by 7% in local currency.

The competition for deposits has been fierce. Total reported deposits decreased by 9% and increased by 13% in local currency, compared to the end of 2007. Corporate deposits decreased by 8% and increased by 13% in local currency compared to the fourth quarter 2007. Total volume on deposits from household customers decreased by 9%, but increased by 13% in local currency compared to end 2007.

Result in the fourth quarter

Total income in Banking Norway increased by 14% and 26% in local currency, driven by increased lending margins. Net interest income increased by 29%.

Total expenses decreased by 3% and increased 6% in local currency.

Net loan losses increased, both due to individual provisions and collective provisions. Net loan losses in the fourth quarter were EUR 60m, including collective provisions for residential real estate of EUR 25m. The loan loss ratio for 2008 was 18 basis points.

Reported operating profit decreased by 29% compared to fourth quarter 2007 and 15% in local currency.

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

	Q4 2008	Q3 2008	Q4 2007
Income statement, EURm			
Net interest income	186	183	144
Net fee and commission income	34	46	49
Net gains/losses on items at fair value	24	24	20
Equity method	0	0	0
Other operating income	1	-1	1
Total income incl. allocations	**245**	**252**	**214**
Staff costs	-42	-43	-44
Other expenses	-71	-72	-74
Depreciations etc.	-2	-3	-1
Expenses incl. allocations	**-115**	**-118**	**-119**
Profit before loan losses	**130**	**134**	**95**
Loan losses	-60	-4	3
Operating profit	**70**	**130**	**98**
Cost/income ratio, %	47	47	56
RAROCAR, %	25	23	19
Economic capital	1.3	1.5	1.3
Number of employees (FTEs)	1,878	1,877	1,800

	Q4 2008	Q3 2008	Q4 2007
Lending margins, %			
To corporate customers	1.45	1.30	0.98
To household customers			
- Mortgage	1.11	0.75	0.36
- Consumer	5.39	4.76	4.11
Total lending margins	1.40	1.15	0.82
Deposit margins, %			
From corporate customers	0.62	0.74	0.88
From household customers	0.81	1.29	1.63
Total deposit margins	**0.69**	**0.94**	**1.14**
Volumes, EURbn			
Lending to corporates	19.4	21.5	19.1
Lending to households	15.6	18.2	18.1
Total lending	**35.0**	**39.7**	**37.2**
Deposits from corporates	11.1	12.3	12.1
Deposits from households	6.1	7.0	6.7
Total deposits	**17.2**	**19.3**	**18.8**
Market shares, %			
Mortgage lending	10.9	11.0	11.1
Total household lending	10.7	10.7	10.8
Household deposits	8.7	8.6	8.5
Corporate lending[1]	15.5	15.0	14.7
Corporate deposits[1]	18.4	16.7	17.5

[1] Excluding shipping

Banking Sweden

Business development

In the fourth quarter, business development with the corporate and personal customers remained strong resulting in a balanced growth of lending and deposits.

Corporate lending margins increased in the fourth quarter compared with the previous quarter. The reported mortgage margins to household customers increased in the fourth quarter, reflecting re-pricing of credit risk and to compensate for higher liquidity premiums.

The weakening of SEK versus EUR gave significant effects on volume and income development compared to fourth quarter 2007.

Total reported lending decreased by 1%, but increased by 14% in local currency compared to end 2007. Total reported deposits increased by 4% and by 21% in local currency.

The growth in corporate lending volumes continued in the fourth quarter, not least among customers in the Merchant Banking segment. The efforts to acquire new deposit volume to fund the lending growth have been successful, materialising in a strong growth in corporate deposit volume. Reported corporate deposit volumes increased 12%, and 30% in local currency, while reported corporate lending volumes increased by 3%, and 19% in local currency compared to the end of 2007.

The lending volumes to household customers continued to grow, though at a slightly slower pace as the demand for new housing loans decreased.

The growth in deposit volumes from household customers remained strong measured in local currency. Following the market turbulence, a number of new customers have chosen to place their deposits in Nordea, leading to improved market shares. The reported volume of deposits from household customers decreased 3%, but increased by 13% in local currency while reported lending to household customers decreased 6% and increased by 9% in local currency compared to the end of 2007.

Despite strong sales in fourth quarter of index-linked bonds, the savings-related commission income decreased following the continued downturn in the stock markets.

The branches acquired from Svensk Kassaservice (SKS) are now fully integrated in the Nordea branch network. The number of FTEs increased by 406, mainly due to the integration of branches from SKS.

Result in the fourth quarter

Reported total income decreased by 3%, but increased 7% in local currency, with a strong contribution from net interest income, which increased by 9% reported and 19% in local currency. Reported net fee and commission income decreased by 22% and by 13% in local currency, mainly related to the decline in assets under management in the investment funds and insurance areas.

Reported total expenses decreased by 12% and by 2% in local currency.

Net loan losses increased following provisions related to corporate customers. The main increases were seen in the sectors retail trade and consumer durables. The loan loss ratio for 2008 was 13 basis points.

Profit before loan losses was up 9% and 19% in local currency. Increased loan losses however led to a 19% fall in operating profit.

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

	Q4 2008	Q3 2008	Q4 2007
Income statement, EURm			
Net interest income	289	297	266
Net fee and commission income	119	135	152
Net gains/losses on items at fair value	40	24	38
Equity method	0	0	0
Other operating income	0	0	4
Total income incl. allocations	**448**	**456**	**460**
Staff costs	-75	-82	-78
Other expenses	-146	-156	-173
Depreciations etc.	-2	-4	-2
Expenses incl. allocations	**-223**	**-242**	**-253**
Profit before loan losses	**225**	**214**	**207**
Loan losses	-64	-6	-8
Operating profit	**161**	**208**	**199**
Cost/income ratio, %	50	53	55
RAROCAR, %	27	24	26
Economic capital	2.2	2.3	2.0
Number of employees (FTEs)	4,802	4,856	4,396

	Q4 2008	Q3 2008	Q4 2007
Lending margins, %			
To corporate customers	0.91	0.72	0.67
To household customers			
- Mortgage	0.79	0.66	0.60
- Consumer	2.18	1.90	2.05
Total lending margins	0.97	0.79	0.75
Deposit margins, %			
From corporate customers	1.02	1.27	1.27
From household customers	1.72	2.03	2.06
Total deposit margins	1.38	1.66	1.70
Volumes, EURbn			
Lending to corporates	32.6	35.1	31.8
Lending to households	26.4	29.0	28.0
Total lending	**59.0**	**64.1**	**59.8**
Deposits from corporates	15.4	14.8	13.7
Deposits from households	15.2	16.5	15.6
Total deposits	**30.6**	**31.3**	**29.3**
Market shares, %			
Mortgage lending	14.8	14.9	14.9
Total household lending	13.7	14.0	14.0
Household deposits	18.4	17.8	17.8
Corporate lending	13.8	14.1	13.3
Corporate deposits	22.2	21.3	20.1

Institutional & International Banking

- **Income growth 40% in 2008**
- **Operating profit up 30%**
- **Net loan losses 47 basis points of total lending in 2008**
- **Lending growth levelled out in the fourth quarter**

Business development

Financial Institutions

The fourth quarter 2008 proved to be strong for Financial Institutions, as Nordea was well positioned to gain business volumes as the activity level picked up. In the wake of continued uncertainty and volatility, Nordea was increasingly perceived as a dependable and attractive counterparty and further strengthened its position.

During the quarter, several Capital Markets transactions were attracted, and successfully executed, as institutional customers were very active in risk management and asset-liability management products.

The positive trend continued for Nordea's sub-custody business throughout the year despite subdued equity markets. Transaction volumes increased by 35%, in 2008, reaching more than 27 million.

Risk management is high on the agenda and focus remains on attracting business with counterparties that are less affected by the ongoing turmoil as well as on the customer transitions in the ongoing global custody project with JP Morgan.

Shipping, Oil Services & International

Despite negative market environment, Shipping, Oil Services and International enjoyed continued robust business activity in the fourth quarter, fuelling income growth.

The strong position as provider of financial services to the shipping, offshore and oil services industries globally was maintained. All syndicated loan transactions were successfully closed, despite the challenging credit markets. In 2008, Nordea was book runner for 42 syndicated shipping loans, with an aggregated volume of USD 12.5bn indicating a 15% market share.

During the year, credit terms and conditions have been tightened considerably. Pricing of new transactions continued to pick up in the fourth quarter.

The shipping market weakened further in the latter part of the year. In particular, the container and dry bulk sectors were hammered, suffering from collapsed freight rates following the economic downturn and the increased uncertainty about global trade. Nordea's exposure to the shipping industry is however well-diversified with an underweight towards the troubled sectors. Impaired loans net, after allowances for individually assessed loans, amounted to EUR 55m or 0.40% of total loans and receivables. The corresponding figures at the end of the third quarter were EUR 3m or 0.02%. Net loan losses were at low level of EUR 10m for the year 2008, all of which in the fourth quarter. Still, the development in the shipping market affected the overall credit quality and proactive risk management will remain in focus in 2009.

Fewer new transactions are expected following the continued financial turmoil. Demand in the oil and offshore segment remains high, as oil supply continues to be tight. Prolonged oil prices at current level could however dampen spending on exploration and production investments going forward.

New European Markets

In New European Markets (NEM), the good business development continued in the fourth quarter, despite challenging macroeconomic development especially in the Baltic countries and in Russia. Lending volume growth however levelled out compared to previous quarters. In local currencies, lending increased 12% and deposits 18% from the end of the third quarter to the end of the fourth quarter.

The trend with raised lending margins continued in the fourth quarter, while competition for deposits has been strong. During 2008, the number of Gold customers, a major income driver in the household business, increased by 60% to 75,000.

Increased distribution capacity in Poland, with 60 new branches opened during the year, enabled a strong income development, especially in the household customer segment. The new sales capacity primarily targets affluent household customers and SMEs.

In the Baltic countries, steady income growth continued. Following the recession, lending growth from the third quarter declined and was due to the bank's commitment to support existing core customers as well as Nordic customers doing business in the Baltic countries, pre-empted by high attention on risk management.

Also in Russia, the previous strong volume growth levelled off in the fourth quarter, while margins picked up significantly reflecting scarce lending supply. Increased business with large Russian corporates was a major income driver in 2008. Also household customers were gained in line with the long-term ambition to build a well balanced banking business in Russia.

The economic slowdown has affected the credit quality, especially in the Baltic countries where the average rating of credit exposures deteriorated in the fourth quarter.

In New European Markets, impaired loans net, after allowances for individually assessed loans, amounted to EUR 143m (EUR 137m in the third quarter). In the Baltic countries, net impaired loans amounted to EUR 112m or 1.46% of total loans, almost unchanged from the end of the third quarter when impaired loans net were EUR 105m or 1.45%. The total collective allowances for the Baltic countries at the end of 2008 correspond to 1.42% of the lending portfolio.

Result in the fourth quarter
In the fourth quarter, the strong income development continued in all divisions.

Even though lending growth levelled off in the fourth quarter, increased credit margins and a good development of non-lending related income supported the income growth. In the fourth quarter, total income increased to EUR 397m, up 71% compared to the same quarter last year. Net loan losses were EUR 67m, of which EUR 24m related to the Baltic countries and EUR 18m to Russia. Operating profit was EUR 206m, up 31%.

Result 2008
The business activity within IIB remained at a high level during 2008 and strong growth was recorded in all divisions. Total income reached EUR 1,217m for the year, up 40%.

Higher business volumes in combination with increased lending margins fuelled net interest income. Net gains/losses increased following high customer demand for capital markets products. Total expenses amounted to EUR 477m in 2008, up 21%. The main drivers behind the increase were higher investments in New European Markets and the resulting higher number of employees. The number of full-time equivalents (FTEs) was approx. 5,130 by the end of 2008, a growth of approx. 940 FTEs in 2008.

Profit before loan losses amounted to EUR 740m in 2008, up 56%. Operating profit increased by 30%, including net loan losses of EUR 115m. Of net loan losses, EUR 58m was related to the Baltic countries, including collective provisions of EUR 26m in the unit IIB Other. The loan loss ratio for the full year 2008 was for IIB 47 basis points of total lending, for Shipping, Oil Services & International 9 basis points and for New European Markets 47 basis points. In the Baltic countries, the loan loss ratio was 106 basis points, of which 48 basis points refer to collective provisions reported in the first and third quarter in the unit IIB Other.

RAROCAR strengthened to 42% in 2008 and the cost/income ratio improved to 39% reflecting high income and improved operating efficiency.

Focus 2009
Focus in 2009 includes supporting core customers, balanced growth and high attention on risk management including proactive handling of impaired loans following the global macroeconomic challenges and prolonged financial turmoil. The level of new growth investments will be lower than in the previous years. The reduced pace however supports the ambition to increase the share of wallet of selected financial institutions and shipping customers by leveraging the strong customer relationships. New European Markets will continue to capitalise the investments made in distribution capacity in 2007 and 2008. Branch openings will be restricted to Poland and volume growth is expected to level out further.

Institutional & International Banking, operating profit by area

EURm	Total Q4 2008	Total Q4 2007	Baltic countries Q4 2008	Baltic countries Q4 2007	Poland Q4 2008	Poland Q4 2007	Russia Q4 2008	Russia Q4 2007	New European Markets total Q4 2008	New European Markets total Q4 2007	Financial Institutions Q4 2008	Financial Institutions Q4 2007	Shipping, Oil Services & Int'l Q4 2008	Shipping, Oil Services & Int'l Q4 2007	Other Q4 08	Other Q4 07
Net interest income	206	129	31	19	26	18	54	27	109	60	19	18	71	45	8	6
Net fee and commission income	63	58	12	8	3	5	0	2	15	16	37	26	9	13	2	4
Net gains/losses on items at fair value	92	39	6	4	9	5	4	-3	21	6	57	30	10	3	3	0
Equity method	25	4	0	0	0	0	0	0	0	0	0	0	0	0	25	4
Other operating income	11	2	0	0	1	1	0	0	2	1	8	0	1	0	0	0
Tot. income incl. alloc.	**397**	**232**	**49**	**31**	**39**	**29**	**58**	**27**	**147**	**83**	**121**	**74**	**91**	**61**	**38**	**14**
Staff costs	-49	-44	-7	-7	-9	-6	-14	-11	-31	-24	-8	-9	-11	-10	1	-1
Other expenses	-71	-65	-8	-7	-9	-6	-7	-5	-25	-19	-40	-37	-2	-3	-4	-6
Depreciations etc.	-4	-2	-1	0	-1	-1	0	0	-2	-2	0	0	-1	0	-1	0
Expenses incl. allocations	**-124**	**-111**	**-16**	**-14**	**-19**	**-13**	**-21**	**-17**	**-58**	**-45**	**-48**	**-46**	**-14**	**-13**	**-4**	**-7**
Profit before loan losses	**273**	**121**	**34**	**17**	**20**	**16**	**38**	**10**	**89**	**38**	**73**	**28**	**77**	**48**	**34**	**7**
Loan losses[1]	-67	36	-24	-1	-2	-2	-18	1	-44	-2	-14	0	-12	0	3	38
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**206**	**157**	**9**	**16**	**18**	**14**	**19**	**11**	**45**	**36**	**59**	**28**	**65**	**48**	**37**	**45**
Cost/income ratio, %	31	48	33	45	49	45	36	63	39	54	40	62	15	21		
RAROCAR, %	59	33	33	26	41	37	43	29	36	27	132	38	54	36		
Other info, EURbn																
Lending	33.1	24.6	7.7	5.5	3.8	2.7	3.8	1.6	15.3	9.8	2.0	1.9	13.8	11.1	1.9	1.8
Deposits	25.7	30.9	1.8	1.4	2.0	1.7	0.9	0.6	4.7	3.7	14.5	20.3	6.4	6.7	0.1	0.1
Economic capital	1.3	1.0	0.3	0.2	0.1	0.1	0.2	0.1	0.7	0.4	0.2	0.2	0.4	0.4	0.1	0.0
Number of empl. (FTEs)	5,134	4,194	1,161	1,013	1,542	1,110	1,679	1,368	4,402	3,506	411	404	295	264	26	20

[1] Loan losses in New European Markets total include in the fourth quarter 2008 items in the unit New European Markets other, not shown in the table.

New European Markets, lending and deposit margins

Lending margins, %	Q4 2008[1]	Q3 2008[1]	Q4 2007	Deposit margins, %	Q4 2008[1]	Q3 2008[1]	Q4 2007
To corporate customers	2.01	1.67	1.06	From corporate customers	1.84	1.39	1.48
To household customer	1.61	1.47	1.18	From household customers	0.91	1.17	1.42

[1] Margins include Russia from the first quarter 2008.

Institutional & International Banking, key figures per quarter

EURm	2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008	2007	Q4 2007
Total operating income	1,217	397	279	299	242	868	232
Total operating expenses	-477	-124	-120	-118	-115	-394	-111
Loan losses	-115	-67	-28	-13	-7	5	36
Operating profit	**625**	**206**	**131**	**168**	**120**	**479**	**157**
RAROCAR, %	42	59	40	37	30	38	33
Cost/income ratio, %	39	31	43	39	48	45	48
Number of employees (full-time equivalents)	5,134	5,134	5,013	4,766	4,516	4,194	4,194

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 result that has not been allocated to any of the customer areas. Other customer operations include International Private Banking & Funds as well as customer operations within Life & Pensions.

International Private Banking & Funds

International Private Banking & Funds is responsible for the Group's advisory services to wealthy individuals, who are resident outside Nordea's home markets. It is also the Group's platform for distribution of funds in Europe. Nordea funds are licensed for sale across 16 European countries.

Business development and result

International Private Banking reported a net outflow in Assets under Management (AuM) of EUR 0.3bn in the fourth quarter. The outflow was, however, primarily a result of customers reducing their loan facilities. AuM in International Private Banking ended at EUR 6.8bn, down 14% from the third quarter as a result of market depreciation. Due to the relative strong position of the Nordea Group in the current market environment, International Private Banking experienced a transfer of customers from banks in distress during the fourth quarter. Such activity is expected to bring new customers to the bank also in the beginning of 2009.

In the fourth quarter, Fund Distribution reported a net outflow of EUR 0.1bn as clients continued to reallocate towards cash and transaction activities were reduced. The majority of the outflows was related to the value product range, which now comprises 35% of the EUR 1.6bn AuM in Fund Distribution. Several interesting funds were launched in the fourth quarter, which are expected to contribute positively to flows and result when the fund market sentiment changes.

Due to market depreciation, total AuM in International Private Banking & Funds ended at EUR 8.4bn, down 16% compared to the third quarter and 36% compared to year end 2007. The decrease in AuM combined with reduced transaction activities, affected income negatively. Fourth quarter income was at EUR 22m, down 50% compared to the fourth quarter last year and 2008 full year income was EUR 116m, down 37% compared to 2007. As a consequence of reduced earnings, operating costs were reduced during 2008.

Focus 2009

Optimising the cost base to fit structural changes in the market will continue in 2009. Furthermore, International Private Banking will continue to pursue growth possibilities, and Fund Distribution will continue to pursue its multi-boutique strategy by extending the insourced product range.

Life customer operations

The customer operation Life includes the Life Insurance operations outside Nordea Bank's distribution network. This includes sales to Nordic customers through Life & Pensions' own sales force, brokers and tied agents. The Life customer operation also includes the Polish life business

Business development and result

Year-on-year growth in gross written premiums was driven by the Polish and Danish operations. Growth was, however, stalled in the fourth quarter, mainly due to the financial slow down in the economies.

In Poland, gross written premiums were up 49% in 2008 compared to 2007. However, gross written premiums in the fourth quarter were EUR 86m, down 30% compared to the fourth quarter last year, reflecting a stable growth in pension premiums and a lower contribution from sales of life insurance.

Gross written premiums in the Danish operation exceeded the fourth quarter last year by 9%, and 2008 gross written premiums exceeded 2007 by 19%. The strong premium growth is mainly a result of the ability to attract new corporate customers.

Life customer operations generated an income of EUR 65m in the fourth quarter and EUR 281m 2008 full year, down 47% and 22% respectively from same periods last year. The reduction is due to a reversal of the accrued fee income in the Danish business of EUR 67m from the first nine months 2008. The operating profit was EUR 15m in the fourth quarter and EUR 76m 2008 full year.

The result for Life customer operations is included in the result for Life & Pensions, see page 37.

Other

The customer operations "Other" mainly includes the result in Capital Markets Products, which is not allocated to Nordic Banking or Institutional & International Banking. For the presentation of Capital Markets Products' product result, see page 34.

Other customer operations, by unit

EURm	Total Q4 2008	Total Q4 2007	International Private Banking & Funds Q4 2008	International Private Banking & Funds Q4 2007	Life Q4 2008	Life Q4 2007	Other Q4 2008	Other Q4 2007
Net interest income	14	19	10	13	0	0	3	6
Net fee and commission income	22	54	14	27	39	28	-31	-1
Net gains/losses on items at fair value	72	126	-2	3	22	99	52	24
Equity method	0	0	0	0	0	0	0	0
Other income	4	-2	0	0	4	-3	0	1
Total operating income	**111**	**197**	**22**	**43**	**65**	**123**	**24**	**30**
Staff costs	-119	-115	-12	-14	-24	-27	-83	-74
Other expenses	-8	-14	-8	-7	-25	-25	25	18
Depreciations	-2	-4	-1	-2	-1	-1	0	0
Total operating expenses	**-130**	**-133**	**-22**	**-23**	**-50**	**-53**	**-59**	**-56**
Loan losses	-3	0	-3	0	0	0	0	0
Disposals of tangible and intangible assets	0	1	0	1	0	0	0	0
Operating profit	**-22**	**65**	**-2**	**21**	**15**	**70**	**-35**	**-26**
Balance sheet, EURbn:								
Loans and receivables to the public	15	10	1	2	2	1	12	7
Other assets	35	37	2	2	33	35	0	0
Total assets	**50**	**47**	**3**	**4**	**35**	**36**	**12**	**7**
Deposits and borrowings from the public	8	8	2	3	3	3	3	2
Other liabilities	43	38	1	1	33	32	9	5
Total liabilities	**49**	**46**	**3**	**4**	**34**	**35**	**12**	**7**
Economic capital	1	1	0	0	1	1	0	0

EURm	Total 2008	Total 2007	Int'l Private Banking & Funds 2008	Int'l Private Banking & Funds 2007	Life 2008	Life 2007	Other 2008	Other 2007
Net interest income	60	65	49	44	0	0	11	21
Net fee and commission income	101	176	66	113	81	81	-46	-18
Net gains/losses on items at fair value	255	410	0	15	191	283	64	112
Equity method	0	0	0	0	0	0	0	0
Other income	9	9	0	11	9	-3	0	1
Total operating income	**426**	**660**	**116**	**183**	**281**	**360**	**29**	**116**
Staff costs	-474	-434	-51	-55	-117	-103	-306	-276
Other expenses	-10	-11	-29	-23	-83	-74	103	86
Depreciations	-9	-10	-4	-5	-5	-4	0	0
Total operating expenses	**-493**	**-456**	**-84**	**-83**	**-204**	**-181**	**-204**	**-190**
Loan losses	-3	0	-3	0	0	0	0	0
Disposals of tangible and intangible assets	0	1	0	1	0	0	0	0
Operating profit	**-70**	**206**	**29**	**101**	**76**	**179**	**-175**	**-74**

Group Corporate Centre

- **Continued benefit from strong and diversified funding base**
- **Prudent liquidity management**
- **Flexible investment approach and firm risk management**

Business development

During the fourth quarter, financial markets experienced unprecedented volatility as the financial crisis turned into the third worst stock market development in the last 100 years. The determined response from central banks and governments resulted in lower yields and improved liquidity conditions into year end.

In this extreme market environment, Group Treasury has been able to generate a solid result from prudent liquidity management, a flexible investment approach and firm risk management.

At the end of December 2008, the price risk on Group Treasury's interest rate positions, calculated as VaR, was EUR 38m, compared to EUR 34m at the end of September 2008. The risk related to equities, calculated as VaR, was EUR 27m, compared to EUR 4m at the end of September 2008.

The structural interest income risk (SIIR) was EUR 55m assuming increased market rates by 100 basis points and EUR -218m assuming decreased market rates by 100 basis points. The large decrease in the SIIR assuming increased market rates was mainly due to positions for liquidity risk management including positions anticipating lower interest rates and increased bond holdings.

In line with its prudent liquidity management, Nordea has executed a securitisation transaction of part of its Finnish household mortgage portfolio, allowing for additional eligible ECB collateral within its liquidity portfolio. The portfolio represents high-quality mortgage loans. The customers are not affected in any way by this transaction. The transaction of EUR 7.5bn was closed on 17 October.

Result in the fourth quarter

Operating profit in Group Corporate Centre was EUR 188m, up from EUR -1m in the fourth quarter last year. The strong result is based on high income generation coming from strong investment return and solid performance in the funding operations, both benefitting from lower short-term interest rates. The result was positively affected by EUR 85m in gains from the sale of the Group's holding in NCSD, mainly reported as Other income.

Group Corporate Centre, key figures per quarter

EURm	2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008	2007	Q4 2007
Net interest income	160	96	6	20	39	107	30
Net fee and commission income	-4	0	-3	0	-1	-9	-2
Net gains/losses on items at fair value	50	42	44	-56	19	156	10
Equity method	0	0	0	0	0	5	0
Other income	87	87	1	-1	1	24	1
Total operating income	**293**	**225**	**48**	**-38**	**58**	**283**	**38**
Total operating expenses	**-140**	**-37**	**-32**	**-32**	**-39**	**-149**	**-40**
Operating profit	**153**	**188**	**16**	**-70**	**19**	**134**	**-1**
Number of employees (full-time equivalents)	255	255	241	235	238	232	232

Customer segments

The financial disclosure is extended by presenting the business development and the development in income, volumes and margins for the main customer segments. The segments are divided into corporate and household customer segments and into Nordic and other customer segments. The customer segments presented do not comprise all volumes or result items within the Group.

Corporate customers

Nordea's strategy in time of financial crises is to back our house-bank corporate customers through difficult market conditions meeting them with a fair price reflecting increasing risk and funding cost. Following the house-bank philosophy Nordea stood firm on expecting increased wallet share as a prerequisite for continued customer relationship.

Due to the significantly increased liquidity premiums on long-term funding, Nordea has initiated an effort to restructure the maturity profile of the corporate lending book.

Building on the relationship strategy and the well established prudent risk management policy focus has been to realise a controlled volume growth significantly shifting income growth components from volume to margins. Corporate lending margins increased reflecting re-pricing of credit risk and to compensate for higher liquidity premiums.

Corporate customer show high loyalty to Nordea and has appreciated the house-bank philosophy by which they have been able to count on their bank through the financial crises. Furthermore Nordea improved the position in the corporate market by selective customer acquisition of profitable, creditworthy and high rated corporate customers.

Nordea continued assisting corporate customers hedging their market risk in volatile market conditions, resulting in income growth on risk management products.

Corporate Merchant Banking and Large corporate customers

The two upper segments of corporate customers, Corporate Merchant Banking and Large corporate customers contributed to 51% of total income on corporate customers and financial institutions. Income growth in these segments was 29% compared to the fourth quarter 2007, 35% in local currencies. Lending was up 13%.

The strategy for these customers is to provide highly competent partnership service from centralised competence centres. The customers in Corporate Merchant Banking are served from one central unit in each country, whereas the customers in segment Large are served from 63 corporate service units located in major urban areas.

Other corporate customers (medium and small)

Customers in other corporate segments are served in selected branches. Reported income from these segments decreased by 3%, but increased by 3% in local currencies. The income development is reflecting decreasing lending volumes combined with increasing lending margins reflecting re-pricing of credit risk and to compensate for higher liquidity premiums. Deposit volumes have been stable in combination with decreasing margins.

New European Markets' corporate customers

The strong business momentum was largely maintained in the fourth quarter. Lending growth however levelled out compared with previous quarters. Total lending to corporate customers amounted to EUR 10.7bn by the end of 2008. The trend with higher lending margins continued in the fourth quarter 2008. Compared to the fourth quarter 2007, income was up 64%, reaching EUR 82m, driven by higher business volumes in all countries.

In the changed market environment, focus will be to increase share of wallet with existing core customers and supporting Nordic customers in the area.

Household customers

The premium segments Nordic Private Banking and Gold contribute to 66% of total income on household customers.

Nordic Private Banking

In the top household segment, Private Banking, the number of Nordic Private Banking customers increased by 6% in 2008 and net inflow in 2008 was EUR 2.1bn, whereas a net outflow of EUR 0.1bn was realised in the fourth quarter. New customers were both Nordic Banking customers now qualifying for Private Banking and customers who chose to leave their existing banking relation in favour of Nordea.

The high activity level among customers was also evident in the fourth quarter. Customers continued to decrease exposure to equity markets by moving funds into deposits. This explains partly why net interest income increased 17%, whereas net commission income was down 44% compared to the same quarter last year. The change in sales mix led to a decrease in average income margin compared to fourth quarter last year.

The continued turmoil in equity markets caused a deprecation of Assets under Management to EUR 36.1bn. This development combined with a decreasing income margin impacted income negatively. Thus income decreased with 35% compared to fourth quarter last year.

In 2009, the focus will be on continuing to realise sizeable growth opportunities by tapping the pool of potential Private Banking customers within Nordea's customer base and through acquiring customers from competitors.

Gold customers

The Gold segment in the long run achieves profitable growth by increasing sale of the entire product range by pro-actively offering customers 360-degree meetings covering all aspects of their financial affairs. In a market situation where customers' financial affairs are of utmost priority, Nordea has experienced a record high level of customer meeting activity close to doubling the number of 360-degree meetings per personal banking adviser compared to the fourth quarter 2007.

Nordea's proactive approach and customer centric 360-degree advisory service have been appreciated by our customers. Moreover, Nordea's credibility and stability had a positive impact on customer loyalty and the acquisition of new Gold customers.

Income growth in the Gold segment was 1% reported and 6% in local currencies compared to the same quarter last year. The income was affected by customers being risk adverse and the downturn in the equity market, causing a sharp reduction in fee income on savings. A successful development of the product mix to meet the increased competition in this area led to a 5% increase in volumes in savings accounts and a 14% increase in local currencies.

Customers elevated to Gold customers are offered Nordea's best services and prices. The decrease in margin from elevating customers to the Gold level is more than compensated for by increased product penetration.

The focus on developing the potential in the customer base continues to be successful with a 5% increase in the number of Gold customers, compared to one year ago.

New European Markets' household customers

The household customer segment demonstrated continued strong business development in the fourth quarter. Growth was especially strong in Poland, supported by the branch network expansion. Deposit volumes increased by 60% compared to one year ago, supported by strong growth in number of customers. By the end of the year, Nordea had 746,000 customers, up 27% compared to one year ago, while the number of Gold customers increased by 60% to almost 75,000. Increased number of Gold customers is fundamental in the household customer segment strategy. Total income amounted to EUR 32m in the fourth quarter, up 68%.

Corporate customer segments and financial institutions, key figures[1]

	Corporate Merchant Banking and Large corporate customers		Other corporate customers				Nordic corporate customers	
	Q4 2008	Q4 2007	Q4 2008	Q4 2007			Q4 2008	Q4 2007
Number of customers, '000	24	20						
Income, EURm	538	417	225	231			763	648
Volumes, EURbn[1]								
Lending	85.3	75.2	22.9	26.7			108.2	101.9
Deposits	34.4	29.6	19.5	19.3			53.9	48.9
Margins, %								
Lending	1.11	0.82	1.28	0.96			1.12	0.86
Deposits	0.52	0.52	1.39	1.64			0.85	0.99

	New European Markets corporate customers[2]		Shipping customers		Financial institutions		Corporate and financial institutions Total	
	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007
Number of customers, '000	79	70	2	2	1	1		
Income, EURm	82	50	90	61	122	74	1,057	833
Volumes, EURbn[1]								
Lending	10.7	6.8	13.8	11.1	2.0	1.9	134.7	121.7
Deposits	3.2	2.6	6.4	6.7	14.5	20.3	78.0	78.6
Margins, %								
Lending	2.01	1.06	1.27	0.93	0.69	0.34	1.20	0.87
Deposits	1.84	1.48	0.39	0.41	0.32	0.31	0.75	0.78

[1] Volumes exclude reversed repurchase agreements and repurchase agreements. Income in the segments excludes the Danish guarantee fee expenses.
[2] Margins for the fourth quarter 2007 do not include Russia.

Household customer segments, key figures

	Nordic Private Banking		Gold customers		Other household customers		Nordic household customers	
	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007
Number of customers, '000	83	78	2,510	2,397				
Income, EURm	76	117	480	475	234	255	790	847
Volumes, EURbn								
Lending	4.5	4.1	90.5	88.5	10.9	12.7	105.9	105.3
Deposits	6.2	5.0	40.6	38.6	16.4	17.6	63.2	61.2
Assets under Management	36.1	45.7						
Margins, %								
Lending	0.84	0.60	1.05	0.75	2.71	2.23	1.25	0.96
Deposits	0.69	0.73	1.28	1.56	2.28	2.59	1.58	1.83

	New European Markets household customers		International Private Banking				Household customers Total	
	Q4 2008	Q4 2007	Q4 2008	Q4 2007			Q4 2008	Q4 2007
Number of customers, '000	746	588	12	11				
Income, EURm	32	19	22	28			844	894
Volumes, EURbn								
Lending	4.6	3.0	0.9	1.4			111.3	109.7
Deposits	1.6	1.0	1.7	2.2			66.5	64.4
Assets under Management			6.8	9.6				
Margins, %								
Lending	1.61	1.18	0.78	0.84			1.26	0.96
Deposits	0.91	1.42	0.59	0.63			1.54	1.78

Product groups

For lending and deposit product groups, volumes, income and margins are presented. For other major product groups, income - and for some product groups, product results - are presented. The presentation includes activities in the Nordic countries, New European Markets and other markets. The product groups presented do not comprise all volumes or result items within the Group.

Corporate lending

Corporate lending income growth continued strong in the fourth quarter, up 60% from the fourth quarter last year, following the continued high level of customer activity. Reported corporate lending volumes have increased steadily in 2008, up 20% from the end of 2007. Margins increased 0.37 %-points to 1.19 %-points compared with the fourth quarter 2007.

Household mortgage lending

Income growth was reported on household mortgage lending in the fourth quarter, driven by volume growth of 4% and increased margins. Reported volumes decreased compared with the previous quarter, but increased in local currencies by 9%. Margins increased due to the so-called lag effect in Norway and to compensate for higher liquidity premiums. Taking the full liquidity cost into account, actual mortgage margins are lower than reported.

Consumer lending

Income growth continued in other consumer lending with 11% growth supported by reported volume growth of 6%, and 11% in local currencies and increased margins, reflecting re-pricing of credit risk and to compensate for higher liquidity premiums. Margins increased 0.29 %-points to 3.09% compared with the fourth quarter 2007.

Corporate and Household deposits

Corporate deposit income remained largely unchanged, while household deposits started to decrease in the fourth quarter 2008, down 9% compared to the fourth quarter 2007. Volumes decreased in the fourth quarter, due to currency rates but increased in local currencies.

Payments

Nordea continued to gain market share in the large corporate segment. Competition remained fierce, putting pressure on prices and income decreased 10% compared to the fourth quarter 2007.

Cards

The number of issued cards as well as the usage continued to increase in the fourth quarter. However, income has decreased 7% compared to the fourth quarter 2007, due to higher issuing costs and lower annual fees.

Guarantees and documentary payments

Guarantee and documentary payment income continued to increase in the fourth quarter and income growth of 20% was reported compared with the same quarter 2007. Documentary payment business has continued to benefit from the prolonged market turmoil and business activity has remained high.

Product groups, key figures

	Corporate lending		Household mortgage lending		Consumer lending		Corporate deposits		Household Deposits	
	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007
Volumes, EURbn	132.6	110.4	88.2	85.1	20.5	19.4	78.0	78.6	66.5	64.4
Income, EURm[1]	512	321	208	146	178	160	142	144	225	247
Margins, %	1.19	0.82	0.85	0.53	3.09	2.80	0.75	0.78	1.54	1.78

[1] Income excluding hedged income.

	Payments		Cards		Guarantees and documentary payments		Capital Markets Products		Savings Products & Asset Management		Life & Pensions	
EURm	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007	Q4 2008	Q4 2007
Income	117	130	66	71	42	35	405	320	137	217	75	146
Expenses							-123	-115	-73	-82	-50	-51
Distribution expenses							-6	-8	-33	-37	-2	-4
Product result[2]							**276**	**197**	**31**	**98**	**22**	**91**

[2] Excluding loan losses.

Capital Markets Products

- **Continued challenging market conditions**
- **High customer activity continued with strong demand for corporate risk management products**
- **Strong activity led to record result in the fourth quarter**
- **Strongest year result ever**

Business development

The fourth quarter was once again dominated by severe market conditions, characterised by turbulent equity markets, widening credit spreads and extreme interest rate and foreign exchange volatility. Even in the times of volatile and illiquid markets, Nordea remained focused on staying in the market and executing customer transactions and volumes.

The strong customer activity, which Markets has experienced during the last many quarters continued, again with a strong focus on risk management products. As in previous quarters, risk management products were in strong demand from corporate customers across all product lines to hedge the market volatility. Demand for commodity risk hedging products was also relatively strong, albeit from a small base. Institutional demand increased compared to the more subdued activity during the most recent quarters. This included demand for both foreign exchange and interest rate products, and institutions also increased their demand for equity products in the fourth quarter.

Markets' increased focus on the equities business continues to gain positive momentum. 2008 has shown a significant increase in general customer satisfaction within the equity area and an increase in Nordea's market share.

The equity area will remain a focal point for 2009, as well as general risk management products. The effort to increase the penetration of risk management products to Nordea's corporate customers will continue. Another focal point in 2009 will be corporate restructurings, as the conditions for M&A and capital markets advisory business have changed and impacted the behaviour and need of corporations.

Result in the fourth quarter

Transaction volumes were record high in the fourth quarter, in particular within the fixed income and FX areas. The fact that Nordea remained focused and continued to quote prices also when liquidity was a problem, meant that Nordea could benefit from general margin increases when credit spreads widened significantly. Good risk management results also contributed positively. Lower net fee and commission income was explained by the fact that corporate finance and other advisory capital markets business being lower due to the difficult market conditions for these types of transactions. In total, the fourth quarter result was the highest ever product result of EUR 276m, which is an increase of 40% compared to the fourth quarter last year.

Result 2008

The full year product result of EUR 845m is also very satisfactory with an increase of 15% compared to 2007. The good result is a result of continued strong customer demand, especially for corporate risk management products, record transaction volumes and a very strong risk management focus.

Capital Markets Products, product result

EURm	2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008	2007	Q4 2007
Net interest income	313	85	86	75	67	241	67
Net fee and commission income	201	31	52	65	53	218	63
Net gains/losses on items at fair value	819	289	143	194	193	720	189
Other income	0	0	0	0	0	1	1
Total income	**1,333**	**405**	**281**	**334**	**313**	**1,180**	**320**
Staff costs	-305	-83	-68	-82	-72	-276	-74
Other expenses	-154	-40	-41	-38	-35	-140	-41
Depreciations	0	0	0	0	0	0	0
Operating expenses	**-459**	**-123**	**-109**	**-120**	**-107**	**-416**	**-115**
Distribution expenses	-18	-6	-2	-5	-5	-26	-8
Loan losses	-11	0	0	0	-11	-1	0
Product result	**845**	**276**	**170**	**209**	**190**	**737**	**197**
Cost/income ratio, %	34	30	39	36	34	35	36
Economic capital, EURbn	1.2	1.3	1.3	0.8	1.2	1.1	1.1
Number of employees (full-time equivalents)	1,630	1,630	1,590	1,567	1,537	1,501	1,501

Savings Products & Asset Management

- **Continued substitution of investment products with savings deposits**
- **Strong investment performance of equity mandates**
- **Income and product result down, due to lower AuM and lower average income margin**

Business development

Nordea's Assets under Management (AuM) decreased to EUR 125.6bn and a net outflow of EUR 2.3bn was reported in the fourth quarter. Primarily as a result of market depreciation, AuM was 10% lower than in the third quarter and 20% lower than at year end 2007.

The relative performance of equity mandates was strong in 2008, despite volatile equity markets and large negative absolute returns. In total, 81% of the equity composites outperformed benchmark. Especially Stable equity and Nordic equities performed well. However, increasing risk premiums and reduced liquidity affected investment return negatively for fixed income products with different levels of exposure to credits. All in all, 43% of the composites outperformed benchmark.

With a diverse savings product portfolio, Nordea managed to cope with the turbulent market environment in the fourth quarter and in total, new household savings amounted to EUR 1.7bn. As risk appetite among retail customers continued to be low, the majority of the inflow was seen in savings deposits at the expense of investment products. Inflow was reported in equity funds, whereas outflow from money market and fixed income funds continued. Consequently, retail funds showed an outflow of EUR 1.1bn. However, fund flows improved towards the end of the quarter. The market volatility was also reflected in a high number of equity trades, especially through Nordea's Online trading services.

The institutional asset management business reported a net inflow of EUR 1.1bn in 2008. However, in the fourth quarter the Nordic business reported a net outflow due to clients divesting in order to mitigate risk. The international institutional business reported a positive inflow in the fourth quarter, based upon demand for the well-performing equity products.

In 2008, the number of Nordic Private Banking customers increased by 6%. In the fourth quarter, customers continued to decrease their exposure to equity markets by moving funds into deposits, with a net outflow of EUR 0.1bn (see page 30 for more information on Nordic Private Banking).

International Private Banking reported a net outflow of EUR 0.3bn in the fourth quarter as a result of customers reducing their loan facilities. During the quarter, new customers were acquired from distressed banks. Fund Distribution reported a net outflow of EUR 0.1bn as clients continued to reallocate towards cash (see page 27 for more information on International Private Banking & Funds).

Life & Pensions reported a full-year growth in gross written premiums of 12%. Net inflow was neutral and AuM EUR 36.1bn by the end of the fourth quarter. (see page 37 for more information on Life & Pensions)

Result

Savings Products & Asset Management income consists of income related to funds, international private banking and institutional mandates including life mandates (AuM of EUR 80bn) as well as income from a few savings products not related to AuM.

Income in the fourth quarter was EUR 137m and 2008 full year income was EUR 626m, down 37% and 27% respectively compared to the same periods last year. The decrease in income was a consequence of the decrease in AuM and a decrease in income margin of 14 basis points and 11 basis points respectively compared to the fourth quarter last year and 2007 full year.

Three elements caused the decrease in income margin. Firstly, continued imbalances in sales mix, ie a shift in sales from retail funds towards sales of institutional products. Margins on retail funds are relatively higher. Secondly, negative equity market returns reduced the equity asset class by 14 %-points from year end 2007. A reduction of this asset class had a negative impact on income margin, as equities are a relatively higher margin product compared to other asset types. Finally, although transaction margins were back at more normalised levels in the fourth quarter, the generally low investment activity level during 2008 led to a decrease in transaction income margin.

Product result in the fourth quarter was EUR 31m and for the full year EUR 194m, down 68% and 52% respectively compared to the same periods last year. The decrease in product result was a direct consequence of the decrease in income as costs were down 11% compared to the fourth quarter last year and down 3% compared to 2007 full year. Reduction in cost base was a result of lower staff costs.

Focus 2009

Optimising the cost base to fit the structural changes in the market will continue to be in focus in 2009. Furthermore, focus will be on adjusting the asset management product offering to meet customer needs and continuing implementation of a targeted savings product offering.

Assets under Management (AuM), volumes and net inflow

EURbn	Q4 2008	Q4 Net inflow	2008 Net inflow	2007 Net inflow	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Nordic Retail funds	21.9	-1.1	-4.5	-2.7	26.7	29.6	30.3	34.4
European Fund Distribution	1.6	-0.1	-0.8	-1.8	2.1	2.4	2.5	3.6
Private Banking activities								
Nordic Private Banking	36.1	-0.1	2.1	3.7	40.2	41.9	41.6	45.7
International Private Banking	6.8	-0.3	-0.6	0.6	7.9	8.3	8.9	9.6
Institutional clients	23.1	-0.7	1.1	-2.5	25.0	25.7	25.9	24.9
Life & Pensions	36.1	0.0	0.6	0.3	37.0	37.7	37.6	38.8
Total	**125.6**	**-2.3**	**-2.0**	**-2.4**	**138.9**	**145.6**	**146.8**	**157.1**

Savings Products & Asset Management, key figures per quarter

EURm	2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008	2007	Q4 2007
Net interest income	54	11	13	13	17	51	14
Net fee and commission income	572	128	142	148	154	782	200
Net gains/losses on items at fair value	0	-2	-1	5	-2	15	3
Equity method	0	0	0	0	0	0	0
Other income	0	0	0	0	0	7	0
Total income	**626**	**137**	**154**	**166**	**169**	**855**	**217**
of which related to AuM	526	***115***	***129***	***136***	***146***	***729***	***184***
Staff costs	-156	***-41***	-37	-39	-39	-167	-42
Other expenses	-140	***-33***	-36	-36	-35	-138	-40
Operating expenses	-295	**-73**	**-73**	**-75**	**-74**	**-305**	**-82**
Distribution expenses in Nordic Banking	-137	***-33***	-34	-35	-35	-147	-37
Product result	**194**	**31**	**47**	**56**	**60**	**403**	**98**
of which income in Nordic Banking	*472*	***107***	*115*	*117*	***133***	***586***	***146***
Cost/income ratio, %	69	78	70	66	64	53	55
Income related to AuM, margins (%)	0.56	0.56	0.55	0.56	0.59	0.67	0.70
Assets under Management, EURbn[1]	80	80	90	94	97	103	103
of which (%)							
Equity	*25*	*25*	*31*	*33*	*32*	*39*	*39*
Fixed income and Other	*75*	*75*	*69*	*67*	*68*	*61*	*61*
Economic capital	244	244	259	259	143	143	143
Number of employees (full-time equivalents)	1,083	1,083	1,089	1,069	1,062	1,040	1,040

[1] The difference compared to total Assets under Management, EUR 125.6bn, is related to assets within Nordic Private Banking and Life & Pensions assets not managed by Savings Products & Asset Management.

Life & Pensions

- **Gross written premiums up 12% in 2008**
- **Competitive product offering increased sales and market share**
- **Product result down, due to constraints on financial buffers affecting fee income**
- **Continuous strong focus at risk management**

Business development

Despite financial crises, Life & Pensions reported a full-year growth in gross written premiums of 12%. In the fourth quarter, the slowdown in the Nordic economies impacted sales, and gross written premiums were down 13% compared to the fourth quarter 2007.

Overall, premium growth contributed to a net inflow of 0.6bn in 2008, whereas net flow was neutral in the fourth quarter. Assets under Management were EUR 36.1bn at year end, down 2% compared to third quarter and down 7% compared to the end of 2007. The reduction in AuM was a result of market depreciation.

The re-launch of the product “Placera” and the lift of the transfer ban had a strong positive impact on Swedish gross sales in 2008, which was up 49% compared to 2007. In the fourth quarter, transfer rights opened for the “ITP” privately-employed white-collar workers’ pension schemes. Nordea Life & Pensions gained 5,125 new polices and is by far the leading pension provider within this segment of the Swedish pension market.

In the fourth quarter, the “IPS”, an individual pension scheme product (Unit Linked), was successfully introduced in Norway. The Norwegian Life & Pensions business captured a market share of 33% and is thus the leading pension provider in terms of gross written premiums.

On a Nordic level, Nordea took the leading position within the life and pensions business with a Nordic market share of 10%, based on total gross written premiums.

The market consistent embedded value, MCEV, was at the end of 2008 EUR 2,624m, down 18% from 2007. The reduction was a result of the lower financial buffers.

Result

Fourth quarter product result was EUR 22m, down 76% compared to the same quarter last year, and 2008 full year product result was EUR 177m, down 35% compared to 2007. The result was negatively impacted by a reversal of the accrued fee income in the Danish business of EUR 67m from the first three quarters of 2008 and no fee income recognised from the Finnish business. The reversed and missing fee income is linked to constraints on financial buffers in Denmark and Finland, implying a temporarily inability to take fees. All in all, these factors affected the result negatively with approx. EUR 100m. The reversed accrued fees from Denmark can be available for income recognition once financial buffers have improved. The reduced fee contribution in the fourth quarter was to some extent compensated for by a strong Swedish profit sharing contribution as a result of an excellent investment performance.

The financial buffers, which are policyholders’ unallocated bonus reserves, have decreased with EUR 927m in the fourth quarter and EUR 1,558m during the full year, to meet the effects from negative value changes on the investment portfolios. Hence, there is no net effect directly affecting the result in the Nordea Group, except from the reversed fee income described above. The financial buffers were EUR 673m or 3% of the technical provisions at the end of the year.

Focus 2009

The primary focus for Life & Pension in 2009 is to regain financial strength through increased financial buffers and keeping operating expenses in control. A second priority is to take the bancassurance business to the next level.

Life & Pensions, key figures per quarter

EURm	2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008	2007	Q4 2007
Profit drivers							
Traditional insurance:							
Fee contribution/ profit sharing	5	-72	20	26	31[1]	173	59
Contribution from cost result	-1	11	-8	-1	-3	-3	-1
Contribution from risk result	43	17	8	12	6	30	11
Return on shareholders' equity and other profits	83	59	7	6	11[1]	29	12
Total profit Traditional	130	15	27	43	45	229	81
Total profit Unit linked	59	9	20	16	14	62	14
Estimated distribution expenses in Nordic Banking	-12	-2	-3	-3	-4	-17	-4
Product result	**177**	**22**	**44**	**56**	**55**	**274**	**91**
of which income in Nordic Banking	*98*	***8***	***31***	***31***	***28***	***124***	*33*
Key figures							
Premiums written, net of reinsurance	4,222	902	1,045	1,197	1,078	3,780	1,038
of which from Traditional business	2,539	508	670	733	628	2,208	646
of which from Unit-linked business	1,683	394	375	464	450	1,572	392
Operating expenses	197	50	47	52	48	175	51
Investment assets:							
Bonds	18,322	18,322	17,063	16,658	16,418	15,799	15,799
Equities	1,451	1,451	3,179	3,645	3,807	4,772	4,772
Alternative investments	2,513	2,513	2,848	2,789	2,736	2,788	2,788
Property	2,998	2,998	3,114	3,143	3,158	3,178	3,178
Unit linked	6,977	6,977	6,578	7,002	6,896	7,349	7,349
Total investment assets	32,261	32,261	32,782	33,237	33,014	33,885	33,885
Investment return, %	-1.6	0.3	0.0	-0.4	-1.5	3.6	0.4
Technical provisions	28,281	28,281	30,116	31,410	31,227	32,118	32,118
of which financial buffers[2]	673	673	1,600	2,035	1,491	2,231	2,231
Economic capital	889	889	1,051	1,084	1,096	1,136	1,136
Number of employees (full-time equivalents)	1,353	1,353	1,350	1,327	1,292	1,252	1,252

[1] The first quarter 2008 has been restated between Fee contribution/ profit sharing and Return on shareholders' equity and other profits.
[2] The financial buffers for the third quarter and the second quarter have been restated due to introduction of new regime for recognition of liabilities at market value in Finland. Total financial buffers have been reclassified as well.

Customer areas																				
	Banking Denmark					Banking Finland					Banking Norway					Banking Sweden				
EURm	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4
Customer responsible units	**2008**	**2008**	**2008**	**2008**	**2007**	**2008**	**2008**	**2008**	**2008**	**2007**	**2008**	**2008**	**2008**	**2008**	**2007**	**2008**	**2008**	**2008**	**2008**	**2007**
Net interest income	327	303	291	271	275	290	306	277	273	277	186	183	164	153	144	289	297	275	262	266
Net fee and commission income	45	126	135	107	107	75	110	120	110	117	34	46	40	41	49	119	135	145	141	152
Net gains/losses on items at fair value	52	31	44	46	43	28	24	41	35	34	24	24	25	22	20	40	24	31	26	38
Equity method	2	3	12	3	5	-4	-5	0	0	0	0	0	0	0	0	0	0	0	0	0
Other income	1	1	2	1	1	2	0	4	2	3	1	-1	4	4	1	0	0	0	1	4
Total operating income	**427**	**464**	**484**	**428**	**431**	**391**	**435**	**442**	**420**	**431**	**245**	**252**	**233**	**220**	**214**	**448**	**456**	**451**	**430**	**460**
Staff costs	-93	-91	-96	-96	-91	-72	-74	-71	-75	-74	-42	-43	-42	-43	-44	-75	-82	-82	-79	-78
Other expenses	-135	-120	-121	-121	-121	-121	-118	-119	-118	-128	-71	-72	-74	-74	-74	-146	-156	-157	-162	-173
Depreciations of tangible and intangible assets	-3	-1	0	-1	-1	-1	-1	-1	-1	-1	-2	-3	-1	-1	-1	-2	-4	-2	-1	-2
Total operating expenses	**-231**	**-212**	**-217**	**-218**	**-213**	**-194**	**-193**	**-191**	**-194**	**-203**	**-115**	**-118**	**-117**	**-118**	**-119**	**-223**	**-242**	**-241**	**-242**	**-253**
Loan losses	-151	-32	-7	-2	-7	-38	-19	-6	-2	14	-60	-4	2	-4	3	-64	-6	-4	-2	-8
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**45**	**220**	**260**	**208**	**211**	**159**	**223**	**245**	**224**	**242**	**70**	**130**	**118**	**98**	**98**	**161**	**208**	**206**	**186**	**199**
Balance sheet, EURbn																				
Loans and receivables to the public	68	66	65	64	63	52	52	51	49	48	35	40	40	38	37	59	64	65	63	60
Other assets	0	1	0	0	0	2	2	-4	-4	-4	1	1	2	1	1	30	30	30	28	28
Total assets	**68**	**67**	**65**	**64**	**63**	**54**	**54**	**47**	**45**	**44**	**36**	**41**	**41**	**39**	**38**	**89**	**94**	**95**	**91**	**88**
Deposits and borrowings from the public	34	35	33	32	32	36	34	33	33	30	17	19	19	20	19	31	31	31	30	29
Other liabilities	32	29	29	30	29	16	18	12	10	12	18	20	21	18	18	56	61	62	59	57
Total liabilities	**66**	**64**	**62**	**62**	**61**	**52**	**52**	**45**	**43**	**42**	**35**	**39**	**40**	**38**	**37**	**87**	**92**	**93**	**89**	**86**
Equity	3	3	3	2	2	2	2	2	2	2	1	2	2	1	1	2	2	2	2	2
Total liabilities and equity	**68**	**67**	**65**	**64**	**63**	**54**	**54**	**47**	**45**	**44**	**36**	**41**	**42**	**39**	**38**	**89**	**94**	**95**	**91**	**88**
Economic capital	3	3	3	2	2	2	2	2	2	2	1	2	2	1	1	2	2	2	2	2
Other segment items																				
Capital expenditure, EURm																				

Customer areas

	Nordic Functions NB					Baltic countries					Poland					Russia				
EURm	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Customer responsible units	**2008**	**2008**	**2008**	**2008**	**2007**	**2008**	**2008**	**2008**	**2008**	**2007**	**2008**	**2008**	**2008**	**2008**	**2007**	**2008**	**2008**	**2008**	**2008**	**2007**
Net interest income	18	14	15	12	11	31	25	23	21	19	26	26	23	19	18	54	37	30	28	27
Net fee and commission income	1	0	0	0	1	12	11	9	7	8	3	5	5	4	5	0	6	9	7	2
Net gains/losses on items at fair value	-1	0	0	1	0	6	3	3	1	4	9	10	8	6	5	4	0	-1	3	-2
Equity method	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other income	1	1	1	0	1	0	0	0	1	0	1	1	1	0	1	0	0	1	0	0
Total operating income	**19**	**15**	**16**	**13**	**13**	**49**	**39**	**35**	**30**	**31**	**39**	**42**	**36**	**30**	**29**	**58**	**43**	**39**	**38**	**27**
Staff costs	-2	0	-1	-1	-6	-7	-7	-7	-7	-7	-9	-10	-8	-8	-6	-14	-13	-12	-13	-11
Other expenses	-5	-5	-4	-2	1	-8	-6	-7	-6	-7	-9	-12	-10	-9	-6	-7	-6	-6	-5	-5
Depreciations of tangible and intangible assets	-7	-5	-5	-4	-4	-1	-1	0	0	0	-1	-2	-1	-1	-1	0	0	-1	0	-1
Total operating expenses	**-14**	**-10**	**-10**	**-7**	**-9**	**-16**	**-14**	**-14**	**-13**	**-14**	**-19**	**-24**	**-19**	**-17**	**-13**	**-21**	**-19**	**-19**	**-18**	**-17**
Loan losses	0	0	-3	0	-32	-24	-6	-2	0	-1	-2	0	0	0	-2	-18	0	0	0	1
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**5**	**5**	**3**	**6**	**-28**	**9**	**19**	**19**	**16**	**17**	**18**	**18**	**17**	**13**	**14**	**19**	**24**	**20**	**20**	**11**
Balance sheet, EURbn																				
Loans and receivables to the public																				
Other assets																				
Total assets																				
Deposits and borrowings from the public																				
Other liabilities																				
Total liabilities																				
Equity																				
Total liabilities and equity																				
Economic capital																				
Other segment items																				
Capital expenditure, EURm																				

Customer areas

EURm Customer responsible units	Financial Institutions Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Shipping, Oil Services & International Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Other IIB Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Other customer operations Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net interest income	19	16	21	17	18	71	56	49	45	45	8	4	7	3	3	14	12	15	19	19
Net fee and commission income	37	38	37	34	26	9	13	20	9	13	2	5	4	3	4	22	13	33	34	54
Net gains/losses on items at fair value	57	35	37	51	30	10	13	5	5	3	3	0	0	0	-1	72	17	80	87	126
Equity method	0	0	0	0	0	0	0	0	0	0	25	-23	9	-23	4	0	0	0	0	0
Other income	8	0	0	0	0	1	0	0	0	0	0	0	0	0	2	4	3	2	1	-2
Total operating income	**121**	**89**	**95**	**102**	**74**	**91**	**82**	**74**	**59**	**61**	**38**	**-14**	**20**	**-17**	**11**	**111**	**45**	**129**	**140**	**197**
Staff costs	-8	-8	-8	-7	-9	-11	-10	-10	-10	-10	1	0	-4	-2	-1	-119	-113	-125	-117	-115
Other expenses	-40	-37	-36	-39	-37	-2	-3	-1	-4	-3	-4	-5	-7	-4	-7	-8	-4	-5	7	-14
Depreciations of tangible and intangible assets	0	0	0	0	0	-1	0	0	0	0	-1	0	0	-1	0	-2	-1	-3	-2	-4
Total operating expenses	**-48**	**-45**	**-44**	**-46**	**-46**	**-14**	**-13**	**-11**	**-14**	**-13**	**-4**	**-5**	**-10**	**-6**	**-8**	**-130**	**-117**	**-133**	**-112**	**-133**
Loan losses	-14	0	0	0	0	-12	1	1	0	0	3	-23	-12	-7	38	-3	0	0	0	0
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Operating profit	**59**	**44**	**51**	**56**	**28**	**65**	**70**	**64**	**45**	**48**	**37**	**-42**	**-3**	**-29**	**41**	**-22**	**-72**	**-4**	**29**	**65**
Balance sheet, EURbn																				
Loans and receivables to the public																15	16	18	12	10
Other assets																35	36	36	36	37
Total assets																**50**	**52**	**54**	**48**	**47**
Deposits and borrowings from the public																8	11	8	6	8
Other liabilities																41	40	45	41	38
Total liabilities																**49**	**51**	**53**	**47**	**46**
Equity																0	0	0	0	0
Total liabilities and equity																**49**	**51**	**53**	**47**	**46**
Economic capital																1	1	1	1	1
Other segment items																				
Capital expenditure, EURm																				

	Customer areas					Other										Group				
	Total Customer areas					Group Corporate Centre					Group Functions and Eliminations					Nordea Group				
EURm	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net interest income	1,333	1,279	1,190	1,123	1,121	96	6	20	39	30	-43	11	20	19	-8	1,386	1,296	1,230	1,181	1,143
Net fee and commission income	359	507	556	497	538	0	-2	0	-1	-2	32	-25	-38	-1	-10	390	480	518	495	526
Net gains/losses on items at fair value	304	181	272	284	300	42	44	-56	19	10	-21	-4	-18	-19	8	325	221	198	284	318
Equity method	23	-25	21	-20	9	0	0	0	0	0	22	0	1	2	3	45	-25	22	-18	12
Other income	19	5	15	10	11	87	0	-1	1	1	-1	19	10	8	131	105	24	24	19	143
Total operating income	**2,037**	**1,948**	**2,055**	**1,893**	**1,979**	**225**	**48**	**-37**	**58**	**39**	**-11**	**1**	**-25**	**10**	**124**	**2,251**	**1,996**	**1,992**	**1,961**	**2,142**
Staff costs	-451	-451	-466	-457	-452	-11	-10	-10	-11	-10	-193	-175	-158	-176	-153	-655	-635	-634	-644	-615
Other expenses	-556	-544	-547	-537	-574	-26	-22	-23	-28	-30	122	171	164	181	175	-461	-395	-406	-384	-429
Depreciations of tangible and intangible assets	-21	-18	-14	-12	-15	0	0	0	0	0	-13	-12	-19	-15	-14	-34	-30	-33	-27	-29
Total operating expenses	**-1,029**	**-1,013**	**-1,027**	**-1,006**	**-1,041**	**-37**	**-32**	**-33**	**-39**	**-40**	**-84**	**-16**	**-13**	**-10**	**8**	**-1,150**	**-1,060**	**-1,073**	**-1,055**	**-1,073**
Loan losses	-383	-89	-31	-17	6	0	0	0	0	0	63	0	-5	-4	0	-320	-89	-36	-21	6
Disposals of tangible and intangible assets	0	0	0	0	1	0	0	0	0	0	0	0	0	0	2	0	0	0	0	3
Operating profit	**625**	**847**	**996**	**871**	**945**	**188**	**16**	**-70**	**19**	**-1**	**-32**	**-16**	**-43**	**-5**	**134**	**781**	**847**	**883**	**885**	**1,078**
Balance sheet, EURbn																				
Loans and receivables to the public	263	271	268	251	242	0	0	0	0	0						265	272	270	254	245
Other assets	78	80	72	70	71	19	14	11	18	15						209	168	161	157	144
Total assets	**341**	**351**	**340**	**321**	**313**	**19**	**14**	**11**	**18**	**15**						**474**	**440**	**431**	**411**	**389**
Deposits and borrowings from the public	154	157	150	145	149	0	0	0	0	0						149	155	147	141	142
Other liabilities	177	184	180	166	155	19	14	11	18	15						307	267	267	252	230
Total liabilities	**331**	**341**	**330**	**311**	**304**	**19**	**14**	**11**	**18**	**15**						**456**	**422**	**414**	**393**	**372**
Equity	9	10	0	0	0	0	0	0	0	0						18	18	17	18	17
Total liabilities and equity	**340**	**351**	**330**	**311**	**304**	**19**	**14**	**11**	**18**	**15**						**474**	**440**	**431**	**411**	**389**
Economic capital	10	10	10	10	9	0	0	0	0	0						12	12	12	12	11
Other segment items																				
Capital expenditure, EURm	24	34	17	12	20											55	83	91	65	119

Income statement

EURm	Note	Q4 2008	Q4 2007	Jan-Dec 2008	Jan-Dec 2007
Operating income					
Interest income		*4,591*	*3,530*	*16,753*	*12,909*
Interest expense		*-3,205*	*-2,387*	*-11,660*	*-8,627*
Net interest income		1,386	1,143	5,093	4,282
Fee and commission income		*590*	*677*	*2,532*	*2,734*
Fee and commission expense		*-200*	*-151*	*-649*	*-594*
Net fee and commission income		390	526	1,883	2,140
Net gains/losses on items at fair value	2	325	316	1,028	1,209
Profit from companies accounted for under the equity method		45	12	24	41
Other operating income		105	145	172	214
Total operating income		**2,251**	**2,142**	**8,200**	**7,886**
Operating expenses					
General administrative expenses:					
Staff costs		-655	-615	-2,568	-2,388
Other expenses		-461	-429	-1,646	-1,575
Depreciation, amortisation and impairment charges of tangible and intangible assets		-34	-29	-124	-103
Total operating expenses		**-1,150**	**-1,073**	**-4,338**	**-4,066**
Loan losses	3	-320	6	-466	60
Disposals of tangible and intangible assets		0	3	0	3
Operating profit		**781**	**1,078**	**3,396**	**3,883**
Income tax expense		-144	-226	-724	-753
Net profit for the period		**637**	**852**	**2,672**	**3,130**
Attributable to:					
Shareholders of Nordea Bank AB (publ)		638	847	2,671	3,121
Minority interests		-1	5	1	9
Total		**637**	**852**	**2,672**	**3,130**
Basic earnings per share, EUR		0.25	0.33	1.03	1.20
Diluted earnings per share, EUR		0.25	0.33	1.03	1.20

Balance sheet

EURm	Note	31 Dec 2008	31 Dec 2007
Assets			
Cash and balances with central banks		3,157	5,020
Treasury bills		6,545	5,193
Loans and receivables to credit institutions	4	23,903	24,262
Loans and receivables to the public	4	265,100	244,682
Interest-bearing securities		44,830	38,782
Financial instruments pledged as collateral		7,937	4,790
Shares		10,669	17,644
Derivatives	7	86,838	31,498
Fair value changes of the hedged items in portfolio hedge of interest rate risk		413	-105
Investments in associated undertakings		431	366
Intangible assets		2,535	2,725
Property and equipment		375	342
Investment property		3,334	3,492
Deferred tax assets		64	191
Current tax assets		344	142
Retirement benefit assets		168	123
Other assets		14,604	7,724
Prepaid expenses and accrued income		2,827	2,183
Total assets		**474,074**	**389,054**
Of which assets customer bearing the risk		*8,715*	*11,344*
Liabilities			
Deposits by credit institutions		51,932	30,077
Deposits and borrowings from the public		148,591	142,329
Liabilities to policyholders		29,238	32,280
Debt securities in issue		108,989	99,792
Derivatives	7	85,538	33,023
Fair value changes of the hedged items in portfolio hedge of interest rate risk		532	-323
Current tax liabilities		458	300
Other liabilities		17,998	22,860
Accrued expenses and prepaid income		3,278	2,762
Deferred tax liabilities		1,053	703
Provisions		115	73
Retirement benefit obligations		340	462
Subordinated liabilities		8,209	7,556
Total liabilities		**456,271**	**371,894**
Equity	8		
Minority interests		78	78
Share capital		2,600	2,597
Other reserves		-888	-160
Retained earnings		16,013	14,645
Total equity		**17,803**	**17,160**
Total liabilities and equity		**474,074**	**389,054**
Assets pledged as security for own liabilities		34,698	17,841
Other assets pledged		10,807	6,304
Contingent liabilities		26,287	24,254
Derivative commitments		3,802,101	3,405,332
Credit commitments[1]		85,416	81,607
Other commitments		3,018	5,399

[1] Including unutilised portion of approved overdraft facilities of EUR 49,145m (31 dec 2007: 43,437m).

Statement of recognised income and expense

EURm	Jan-Dec 2008	Jan-Dec 2007
Currency translation differences during the year	-1,233	-26
Currency hedging	691	-24
Available-for-sale investments:		
Valuation gains/losses taken to equity	-	1
Transferred to profit or loss on sale for the year	-6	-
Cash flow hedges:		
Gains/losses taken to equity	-7	-
Tax on items taken directly to or transferred from equity	-173	0
Net income recognised directly in equity	**-728**	**-49**
Net profit for the year	2,672	3,130
Total recognised income and expense for the year	**1,944**	**3,081**
Attributable to:		
Shareholders of Nordea Bank AB (publ)	1,943	3,072
Minority interests	1	9
Total	**1,944**	**3,081**

Cash flow statement

EURm	Jan-Dec 2008	Jan-Dec 2007
Operating activities		
Operating profit	3,396	3,883
Adjustments for items not included in cash flow	-612	-292
Income taxes paid	-534	-591
Cash flow from operating activities before changes in operating assets and liabilities	2,250	3,000
Changes in operating assets and liabilities	8,599	1,419
Cash flow from operating activities	10,849	4,419
Investing activities		
Sale/acquisition of business operations	-81	14
Property and equipment	-150	-139
Intangible assets	-127	-119
Investments in debt securities, held to maturity	-10,938	-149
Other financial fixed assets	112	42
Cash flow from investing activities	-11,184	-351
Financing activities		
New share issue	3	3
Issued/amortised subordinated liabilities	490	-315
Repurchase of own shares incl change in trading portfolio	-10	8
Dividend paid	-1,297	-1,271
Cash flow from financing activities	-814	-1,575
Cash flow for the year	**-1,149**	**2,493**
Cash and cash equivalents at beginning of year	**7,097**	**4,650**
Exchange rate difference	-1,254	-46
Cash and cash equivalents at end of year	**4,694**	**7,097**
Change	**-1,149**	**2,493**

Cash and cash equivalents	31 Dec	31 Dec
The following items are included in cash and cash equivalents (EURm):	2008	2007
Cash and balances with central banks	3,157	5,020
Loans and receivables to credit institutions, payable on demand	1,537	2,077

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

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

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

Notes to the financial statements

Note 1 Accounting policies

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) 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 Act on Annual Accounts of Credit Institutions and Securities Companies (1995:1559), the recommendation RFR 1.1 "Supplementary Accounting Rules for Groups" and UFR statements issued by the Swedish Financial Reporting Board as well as the accounting regulations of the Financial Supervisory Authority (FFFS 2008:25), 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 2007 Annual Report, except for the presentation of treasury bills and other eligible bills presented separately below.

Presentation of treasury bills and other eligible bills

The balance sheet line "Treasury bills and other eligible bills" has been changed to "Treasury bills". Central- and local government securities are classified as "Treasury bills" and any other interest bearing security as "Interest-bearing securities". The impact on the applicable balance sheet lines is described in the table below.

	31 Dec 2008		31 Dec 2007	
EURm	Re-stated	Pre policy change	Re-stated	Re-ported
Treasury bills	6,545	11,550	5,193	8,503
Interest-bearing securities	44,830	39,825	38,782	35,472

Exchange rates

EUR 1 = SEK	Jan-Dec 2008	Jan-Dec 2007
Income statement (average)	9.6043	9.2498
Balance sheet (at end of period)	10.9361	9.4572
EUR 1 = DKK		
Income statement (average)	7.4560	7.4505
Balance sheet (at end of period)	7.4532	7.4588
EUR 1 = NOK		
Income statement (average)	8.2088	8.0147
Balance sheet (at end of period)	9.8512	7.9738
EUR 1 = PLN		
Income statement (average)	3.5020	3.7790
Balance sheet (at end of period)	4.1483	3.6022

Note 2 Net gains/losses on items at fair value

EURm	Q4 2008	Q4 2007	Jan-Dec 2008	Jan-Dec 2007
Shares/participations and other share-related instruments	-1,234	-217	-3,125	827
Interest-bearing securities and other interest-related instruments	523	66	830	63
Other financial instruments	-117	52	90	103
Foreign exchange gains/losses	359	109	670	568
Investment properties	88	170	167	432
Change in technical provisions[1], Life insurance	11	-85	320	-866
Change in collective bonus potential, Life insurance	674	199	2,025	41
Insurance risk income, Life insurance	74	63	282	256
Insurance risk expense, Life insurance	-53	-41	-231	-215
Total	**325**	**316**	**1,028**	**1,209**

Of which Life insurance

EURm	Q4 2008	Q4 2007	Jan-Dec 2008	Jan-Dec 2007
Shares/participations and other share-related instruments	-1,104	-407	-2,990	268
Interest-bearing securities and other interest-related instruments	429	161	751	148
Other financial instruments	-6	-1	-9	-3
Foreign exchange gains/losses	-90	41	-121	225
Investment properties	87	169	164	429
Change in technical provisions[1]	11	-85	320	-866
Change in collective bonus potential	674	199	2,025	41
Insurance risk income	74	63	282	256
Insurance risk expense	-53	-41	-231	-215
Total	**22**	**99**	**191**	**283**

[1] Premium income amounts to EUR 240m for Q4 2008 and EUR 2,077m for Jan-Dec 2008 (Q4 2007: EUR 635m, Jan-Dec 2007: EUR 2,274m).

Note 3 Loan losses

EURm	Q4 2008	Q4 2007	Jan-Dec 2008	Jan-Dec 2007
Loan losses divided by class, net				
Loans and receivables to credit institutions	-14	8	-14	9
- of which write-offs and provisions	-14	0	-16	-1
- of which reversals and recoveries	0	8	2	10
Loans and receivables to the public	-278	-57	-401	-2
- of which write-offs and provisions	-434	-162	-815	-451
- of which reversals and recoveries	156	105	414	449
Off-balance sheet items[1]	-28	55	-51	53
- of which write-offs and provisions	-28	11	-58	-22
- of which reversals and recoveries	0	44	7	75
Total	**-320**	**6**	**-466**	**60**
Specification of Loan losses				
Changes of allowance accounts in the balance sheet	-296	-6	-442	30
- of which Loans and receivables	-267	-61	-391	-23
- of which Off-balance sheet items[1]	-29	55	-51	53
Changes directly recognised in the income statement	-24	12	-24	30
- of which realised loan losses	-35	-13	-89	-55
- of which realised recoveries	11	25	65	85
Total	**-320**	**6**	**-466**	**60**

[1] Included in Provisions in the balance sheet.

Note 4 Loans and receivables and their impairment

	Credit institutions		The public		Total	
EURm	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
Loans and receivables, not impaired	23,893	24,264	264,056	244,205	287,949	268,469
Impaired loans and receivables:	33	8	2,191	1,424	2,224	1,432
- Performing	32	7	1,357	917	1,389	924
- Non-performing	1	1	834	507	835	508
Loans and receivables before allowances	**23,926**	**24,272**	**266,247**	**245,629**	**290,173**	**269,901**
Allowances for individually assessed impaired loans	-20	-8	-742	-595	-762	-603
- Performing	-19	-7	-437	-300	-456	-307
- Non-performing	-1	-1	-305	-295	-306	-296
Allowances for collectively assessed impaired loans	-3	-2	-405	-352	-408	-354
Allowances	**-23**	**-10**	**-1,147**	**-947**	**-1,170**	**-957**
Loans and receivables, carrying amount	**23,903**	**24,262**	**265,100**	**244,682**	**289,003**	**268,944**

Note 4, continued

Reconciliation of allowance accounts for impaired loans

	Credit institutions		The public		Total		
Loans and receivables, EURm	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Total
Opening balance at 1 Jan 2008	**-8**	**-2**	**-595**	**-352**	**-603**	**-354**	**-957**
Provisions	-14	-3	-541	-185	-555	-188	-743
Reversals	1	2	228	121	229	123	352
Changes through the income statement	**-13**	**-1**	**-313**	**-64**	**-326**	**-65**	**-391**
Allowances used to cover write-offs	0	0	129	0	129	0	129
Reclassification	-	-	4	-	4	-	4
Currency translation differences	1	0	33	11	34	11	45
Closing balance at 31 Dec 2008	**-20**	**-3**	**-742**	**-405**	**-762**	**-408**	**-1,170**
Opening balance at 1 Jan 2007	**-7**	**-13**	**-757**	**-341**	**-764**	**-354**	**-1,118**
Provisions	0	-1	-230	-166	-230	-167	-397
Reversals	0	10	238	126	238	136	374
Changes through the income statement	**0**	**9**	**8**	**-40**	**8**	**-31**	**-23**
Allowances used to cover write-offs	0	0	150	0	150	0	150
Reclassification	-	-1	-	33	-	32	32
Currency translation differences	-1	3	4	-4	3	-1	2
Closing balance at 31 Dec 2007	**-8**	**-2**	**-595**	**-352**	**-603**	**-354**	**-957**

Allowances and provisions

EURm	31 Dec 2008	31 Dec 2007
Allowances for items in the balance sheet	-1,170	-957
Provisions for off balance sheet items	-100	-55
Total allowances and provisions	**-1,270**	**-1,012**

Key ratios

	31 Dec 2008	31 Dec 2007
Impairment rate, gross[1], %	0.77	0.53
Impairment rate, net[2], %	0.50	0.31
Total allowance rate[3], %	0.40	0.35
Allowance rate, impaired loans[4], %	34.26	42.11
Non-performing loans and receivables, not impaired[5], EURm	142	98

[1] Individually assessed impaired loans and receivables before allowances divided by total loans and receivables before allowances, %.

[2] Individually assessed impaired loans and receivables after allowances divided by total loans and receivables before allowances, %.

[3] Total allowances divided by total loans and receivables before allowances, %.

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

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

Note 5 Classification of financial instruments

EURm	Loans and receivables	Held to maturity	Held for trading	Assets at fair value	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	3,157						3,157
Treasury bills	9	183	6,353				6,545
Loans and receivables to credit institutions	18,731		5,172				23,903
Loans and receivables to the public	217,833		11,074	36,193			265,100
Interest-bearing securities		12,045	17,559	15,177		49	44,830
Financial instruments pledged as collateral			7,937				7,937
Shares			3,745	6,917		7	10,669
Derivatives			86,520		318		86,838
Fair value changes of the hedged items in portfolio hedge of interest rate risk	413						413
Other assets	5,738			8,829			14,567
Prepaid expenses and accrued income	2,090		312				2,402
Total 31 Dec 2008	**247,971**	**12,228**	**138,672**	**67,116**	**318**	**56**	**466,361**
Total 31 Dec 2007	231,608	1,632	84,502	63,053	415	66	381,276

EURm	Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	8,133	23,202		20,597	51,932
Deposits and borrowings from the public	2,999	4,914		140,678	148,591
Liabilities to policyholders, investment contracts	4,021				4,021
Debt securities in issue	5,242	27,153		76,594	108,989
Derivatives	83,277		2,261		85,538
Fair value changes of the hedged items in portfolio hedge of interest rate risk				532	532
Other liabilities	4,056	2,641		10,780	17,477
Accrued expenses and prepaid income	614			1,763	2,377
Subordinated liabilities	1			8,208	8,209
Total 31 Dec 2008	**108,343**	**57,910**	**2,261**	**259,152**	**427,666**
Total 31 Dec 2007	57,624	37,113	699	245,760	341,196

Note 6 Financial instruments at fair value

Determination of fair value from quoted market prices or valuation techniques

EURm	Instruments with quoted prices in active markets (Level 1)	*Of which Life*	Valuation technique using observable data (Level 2)	*Of which Life*	Valuation technique using non-observable data (Level 3)	*Of which Life*	Total
Assets							
Interest-bearing securities and Treasury bills[1]	32,362	*16,360*	6,760	*2,011*	16	*9*	39,138
Of which:							
- State and sovereigns	*4,943*	*3,189*	*1,251*	*35*	-	-	6,194
- Municipalities and other public bodies	*7,454*	*1,653*	*155*	*100*	-	-	7,609
- Mortgage institutions	*10,883*	*6,897*	*608*	*156*	-	-	11,491
- Other credit institutions	*4,879*	*821*	*2,192*	*291*	-	-	7,071
- Corporates	*1,845*	*1,500*	*1,258*	*296*	*9*	*9*	3,112
- Corporates, sub-investment grade	*142*	*142*	*711*	*706*	-	-	853
- Other	*2,216*	*2,158*	*585*	*427*	*7*	-	2,808
Financial instruments pledged as collateral	7,937	-	-	-	-	-	7,937
Shares	7,682	*4,707*	848	*702*	2,139	*1,385*	10,669
Derivatives	572	-	83,318	*95*	2,630	-	86,520
Liabilities							
Debt securities in issue	27,153	-	5,242	-	-	-	32,395
Derivatives	728	*25*	79,778	*59*	2,771	-	83,277

[1] Of which EUR 6,353m Treasury bills and EUR 32,781m Interest-bearing securities (the portion held at fair value in note 5).

Special Purpose Entities (SPEs) - On balance

EURm	Purpose	Duration	Nordea's investment[1]	Total assets	Accounting treatment
Viking ABCP Conduit	Factoring	<1 years	733	801	Consolidated
CMO Denmark A/S	Collateralised Mortgage Obligation	>5 years	12	33	Consolidated
Kalmar Structured Finance A/S	Credit Linked Note	>5 years	25	142	Consolidated
Kirkas Northern Lights Ltd	Collateralised Mortgage Obligation	>5 years	8,096	8,096	Consolidated
Total			**8,866**	**9,072**	

[1] Includes all assets towards SPEs (such as bonds, subordinated loans and drawn credit facilities)

Special Purpose Entities (SPEs) - Off balance

EURm	Purpose	Duration	Nordea's investment	Total assets	Accounting treatment
Mermaid Repackaging Plc	Credit Linked Note	4 years	34	71	Not consolidated[1]

[1] Nordea is arranger of the issues structured through Mermaid Repackaging Plc but is not liquidity or credit enhancement provider.

Collateralised Debt Obligations (CDO) - Exposure

Notionals EURm	Bought protection	Sold protection
CDOs, gross	4,390	4,484
Hedged exposures	2,883	2,883
CDOs, net[1]	**1,507[2]**	**1,601[3]**
Of which:		
- Equity	*277*	*360*
- Mezzanine	*337*	*245*
- Senior	*893*	*996*

[1] Net exposure disregards exposure where bought and sold tranches are completely identical in terms of reference pool attachment, detachment, maturity and currency

[2] Of which investment grade EUR 1,503m and sub investment grade EUR 4m.

[3] Of which investment grade EUR 1,401m, sub investment grade EUR 48m and not rated EUR 152m.

When Nordea sells protection in a CDO transaction, Nordea carries the risk of losses in the reference portfolio on the occurrence of a credit event. When Nordea buys protection in a CDO transaction, any losses in the reference portfolio, in which Nordea has not necessarily invested, triggered by a credit event is then carried by the seller of protection.

The risk from CDOs is hedged with a portfolio of CDSs. The risk positions are subject to various types of market risk limits, including VaR, and the CDO valuations are subject to fair value adjustments for model risk. These fair value adjustments are recognised in the income statement.

Credit Default Swaps (CDS) - Exposure

CDSs are used for hedging exposure in CDOs as well as Credit Bonds. The net position from bought protection amounts to EUR 1,333m and the net position from sold protection amounts to EUR 2,144m.

Note 7 Derivatives

Fair value	31 Dec 2008		31 Dec 2007	
EURm	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading				
Interest rate derivatives	52,425	52,100	19,860	20,462
Equity derivatives	923	705	1,310	1,840
Foreign exchange derivatives	27,037	24,605	7,365	7,599
Credit derivatives	4,631	4,584	1,163	1,115
Other derivatives	1,504	1,283	1,385	1,308
Total	**86,520**	**83,277**	**31,083**	**32,324**
Derivatives used for hedging				
Interest rate derivatives	280	202	252	124
Equity derivatives	1	7	55	73
Foreign exchange derivatives	37	2,052	108	502
Total	**318**	**2,261**	**415**	**699**
Total fair value				
Interest rate derivatives	52,705	52,302	20,112	20,586
Equity derivatives	924	712	1,365	1,913
Foreign exchange derivatives	27,074	26,657	7,473	8,101
Credit derivatives	4,631	4,584	1,163	1,115
Other derivatives	1,504	1,283	1,385	1,308
Total	**86,838**	**85,538**	**31,498**	**33,023**

Nominal amount	31 Dec	31 Dec
EURm	2008	2007
Derivatives held for trading		
Interest rate derivatives	2,939,059	2,571,356
Equity derivatives	27,385	27,334
Foreign exchange derivatives	686,889	667,979
Credit derivatives	99,208	90,476
Other derivatives	17,546	10,635
Total	**3,770,087**	**3,367,780**
Derivatives used for hedging		
Interest rate derivatives	13,940	32,918
Equity derivatives	69	253
Foreign exchange derivatives	18,005	4,381
Total	**32,014**	**37,552**
Total nominal amount		
Interest rate derivatives	2,952,999	2,604,274
Equity derivatives	27,454	27,587
Foreign exchange derivatives	704,894	672,360
Credit derivatives	99,208	90,476
Other derivatives	17,546	10,635
Total	**3,802,101**	**3,405,332**

Note 8 Equity

EURm	Share capital[1]	Other reserves	Retained earnings	Total	Minority interests	Total equity
	Attributable to shareholders of Nordea Bank AB (publ)					
Opening balance at 1 Jan 2008	**2,597**	**-160**	**14,645**	**17,082**	**78**	**17,160**
Net change in available-for-sale investments, net of tax		-6		-6		-6
Net change in cash flow hedges, net of tax		-5		-5		-5
Currency translation differences		-717		-717		-717
Net income recognised directly in equity		*-728*		*-728*		*-728*
Net profit for the year			2,671	2,671	1	2,672
Total recognised income and expense in equity		*-728*	*2,671*	*1,943*	*1*	*1,944*
Issued C-shares[3]	3			3		3
Repurchase of C-shares[3]			-3	-3		-3
Share-based payments[3]			7	7		7
Dividend for 2007			-1,297	-1,297		-1,297
Purchases of own shares[2]			-10	-10		-10
Other changes				0	-1	-1
Closing balance at 31 Dec 2008	**2,600**	**-888**	**16,013**	**17,725**	**78**	**17,803**

EURm	Share capital[1]	Other reserves	Retained earnings	Total	Minority interests	Total equity
	Attributable to shareholders of Nordea Bank AB (publ)					
Opening balance at 1 Jan 2007	**2,594**	**-111**	**12,793**	**15,276**	**46**	**15,322**
Net change in available-for-sale investments, net of tax		1		1		1
Currency translation differences		-50		-50		-50
Net income recognised directly in equity		*-49*		*-49*		*-49*
Net profit for the year			3,121	3,121	9	3,130
Total recognised income and expense in equity		*-49*	*3,121*	*3,072*	*9*	*3,081*
Issued C-shares[4]	3			3		3
Repurchase of C-shares[4]			-3	-3		-3
Share-based payments[4]			4	4		4
Dividend for 2006			-1,271	-1,271		-1,271
Purchases of own shares[2]			11	11		11
Other changes			-10	-10	23	13
Closing balance at 31 Dec 2007	**2,597**	**-160**	**14,645**	**17,082**	**78**	**17,160**

[1] Total shares registered were 2,600 million (31 Dec 2007: 2,597 million).

[2] Refers to the change in the trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares in the trading portfolio and in the portfolio schemes at 31 Dec 2008 was 3.8 million (31 Dec 2007: 1.6 million).

[3] Refers to the Long Term Incentive Programme (LTIP 2008). LTIP 2008 was hedged by issuing 2,880,000 C-shares, the shares have been bought back and converted to ordinary shares.

[4] Refers to the Long Term Incentive Programme (LTIP 2007). LTIP 2007 was hedged by issuing 3,120,000 C-shares, the shares have been bought back and converted to ordinary shares.

Note 9 Capital adequacy

Capital Base

EURm	31 Dec 2008	31 Dec 2007
Tier 1 capital	15,760	14,230
Total capital base	20,326	18,660

Capital requirement EURm	31 Dec 2008 Capital requirement	31 Dec 2008 RWA	31 Dec 2007 Capital requirement	31 Dec 2007 RWA
Credit risk	**12,060**	**150,746**	**12,556**	**156,952**
IRB	9,537	119,207	6,709	83,865
- of which corporate	6,909	86,358	5,899	73,736
- of which institutions	1,016	12,699	744	9,302
- of which retail	1,465	18,313	66	827
- of which other	147	1,837	na	na
Standardised	2,523	31,539	5,387	67,342
- of which sovereign	75	940	19	243
- of which other	2,448	30,599	5,368	67,099
Basel I reporting entities	na	na	460	5,745
Market risk	**474**	**5,930**	**284**	**3,554**
- of which trading book, VaR	137	1,715	42	527
- of which trading book, non-VaR	270	3,372	242	3,027
- of which FX, non-VaR	67	843	0	0
Operational risk	**952**	**11,896**	**878**	**10,976**
Standardised	952	11,896	878	10,976
Sub total	**13,486**	**168,572**	**13,718**	**171,482**
Adjustment for transition rules				
Additional capital requirement according to transition rules	3,577	44,709	2,649	33,103
Total	**17,062**	**213,281**	**16,367**	**204,585**

Capital ratio

	31 Dec 2008	31 Dec 2007
Tier I ratio, %, incl profit	7.4	7.0
Capital ratio, %, incl profit	9.5	9.1

Analysis of capital requirements

Exposure class	Average risk weight (%)	Capital requirement (EURm)
Corporate	57	6,909
Institutions	26	1,016
Retail	16	1,465
Sovereign	3	75
Other	81	2,595
Total credit risk	**39**	**12,060**

Note 10 Risks and uncertainties

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

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

So far, the intensified credit market turmoil and the deteriorating macroeconomic outlook have not had material impact on Nordea's financial position. However, uncertainty and risk levels are increasing.

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

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

Nordea Bank AB (publ)
Income statement

EURm	Q4 2008	Q4 2007	Jan-Dec 2008	Jan-Dec 2007
Operating income				
Interest income	*939*	*775*	*3,646*	*2,741*
Interest expense	*-751*	*-679*	*-3,123*	*-2,381*
Net interest income	188	96	523	360
Fee and commission income	*147*	*165*	*622*	*618*
Fee and commission expense	*-37*	*-50*	*-154*	*-155*
Net fee and commission income	110	115	468	463
Net gains/losses on items at fair value	-17	36	-13	194
Dividends	1,770	1,170	2,063	1,323
Other operating income	113	32	190	127
Total operating income	**2,164**	**1,449**	**3,231**	**2,467**
Operating expenses				
General administrative expenses:				
Staff costs	-160	-149	-632	-596
Other expenses	-115	-134	-473	-514
Depreciation, amortisation and impairment charges of tangible and intangible assets	-25	-25	-103	-101
Total operating expenses	**-300**	**-308**	**-1,208**	**-1,211**
Loan losses	-60	40	-80	25
Impairment of securities held as financial non-current assets	-26	-	-26	-
Disposals of tangible and intangible assets	0	0	0	0
Operating profit	**1,778**	**1,181**	**1,917**	**1,281**
Appropriations	-6	-12	-40	-44
Income tax expense	-14	-37	11	-34
Net profit for the period	**1,758**	**1,132**	**1,888**	**1,203**

Balance sheet

EURm	31 Dec 2008	31 Dec 2007
Assets		
Cash and balances with central banks	276	296
Treasury bills	2,098	567
Loans and receivables to credit institutions	43,855	36,824
Loans and receivables to the public	29,240	26,640
Interest-bearing securities	10,080	5,216
Financial instruments pledged as collateral	3,097	2,806
Shares	1,107	2,034
Derivatives	3,562	1,281
Fair value changes of the hedged items in portfolio hedge of interest rate risk	27	-4
Investments in group undertakings	15,866	15,488
Investments in associated undertakings	2	30
Intangible assets	757	819
Property and equipment	81	53
Deferred tax assets	28	34
Current tax assets	76	52
Other assets	2,099	1,940
Prepaid expenses and accrued income	783	402
Total assets	**113,034**	**94,478**
Liabilities		
Deposits by credit institutions	34,713	24,275
Deposits and borrowings from the public	33,457	32,296
Debt securities in issue	17,949	13,839
Derivatives	2,756	1,581
Fair value changes of the hedged items in portfolio hedge of interest rate risk	42	-69
Current tax liabilities	0	0
Other liabilities	4,229	4,014
Accrued expenses and prepaid income	465	341
Deferred tax liabilities	0	2
Provisions	3	2
Retirement benefit obligations	118	129
Subordinated liabilities	6,829	6,151
Total liabilities	**100,561**	**82,561**
Untaxed reserves	**2**	**7**
Equity		
Share capital	2,600	2,597
Other reserves	-5	5
Retained earnings	9,876	9,308
Total equity	**12,471**	**11,910**
Total liabilities and equity	**113,034**	**94,478**
Assets pledged as security for own liabilities	3,360	3,054
Other assets pledged	9,504	7,270
Contingent liabilities	21,947	14,066
Derivative commitments	104,378	299,852
Credit commitments[1]	22,831	27,696
Other commitments	1,308	1,778

[1] Including unutilised portion of approved overdraft facilities of EUR 9,166m (31 dec 2007: 10,620m).

For further information:

- A press and analyst conference with management will be arranged on 10 February 2009 at 10.00 CET, at Smålandsgatan 17, Stockholm.
- An international telephone conference for analysts with management will be arranged on 10 February at 14.00 CET. (Please dial +44 (0) 203 037 9110, access code Nordea, ten minutes in advance.) The telephone conference can be monitored live on www.nordea.com. An indexed on-demand version will also be available on www.nordea.com. A replay will also be available through 17 February, by dialling +44 (0) 208 196 1998, access code 3300223#.
- An analyst and investor presentation will be arranged in London on 11 February at 8.00 GMT at Sofitel London St James, 6 Waterloo Place, London SW1Y 4AN. To attend, please contact Sharon McClafferty by telephone +44 (0) 207 905 5662 or e-mail sharon.mcclafferty@abgsc.com.
- This year-end report is available on www.nordea.com, as also an investor presentation and a fact book are.

Contacts:

Christian Clausen, President and Group CEO	+46 8 614 7804	
Fredrik Rystedt, Group CFO/EVP	+46 8 614 7812	
Johan Ekwall, Head of Investor Relations	+46 8 614 7852	(or +46 70 607 92 69)
Lauri Peltola, Head of Group Identity & Communications	+358 9 165 42325	(or +358 50 570 5606)

Financial calendar

2 April 2009 – Annual General Meeting
29 April 2009 – first quarterly report 2009
21 July 2009 – second quarterly report 2009
28 October 2009 – third quarterly report 2009

The Nordea Bank AB (publ) Annual Report and Capital adequacy and risk management Report 2008 (Pillar 3) are expected to be published in end February at www.nordea.com. The Annual Report will be available in print in the beginning of March.

Stockholm 10 February 2009

Christian Clausen
President and Group CEO

This Report has not been subject to review by the Auditors.

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 information was submitted for publication at approx. 08.00 CET on 10 February 2009.

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 level. 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.

Nordea Bank AB (publ)
Smålandsgatan 17
SE-105 71 Stockholm
www.nordea.com/ir
Tel. +46 8 614 7800
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