

Copenhagen, Helsinki, Oslo, Stockholm, 29 April 2008

## Interim Report January - March 2008

### Growth strategy on track - income growth continued and profit before loan losses increased

- Income EUR 1,961m (EUR 1,873m in the first quarter 2007), up 5%
- Net interest income EUR 1,181m (EUR 1,004m), up 18%
- Risk-adjusted profit EUR 584m (EUR 576m), up 1%
- Profit before loan losses EUR 906m (EUR 881m), up 3%
- Loan losses EUR -21m (positive EUR 13m)
- Net profit EUR 687m (EUR 701m), down 2%
- Return on equity 15.8% (18.0%)
- Earnings per share EUR 0.26 (EUR 0.27)

### Continued strong growth in volumes and high customer activity, despite challenging markets

- Total lending up 14%
- Corporate lending up 18%
- Total deposits up 12%, of which volumes in savings accounts up 21%
- Number of Gold customers up 7%, number of Private Banking customers up 13%
- Increased lending margins
- Strong development in the customer-driven capital markets activities
- Strong income growth in New European Markets

*"I am pleased, that we in a period with increasing turbulence and challenging financial markets have been able to continue to grow our business, increase revenues and improve the result before loan losses. This is due to a combination of a strong balance sheet, limited exposure to the market turmoil and the continued successful execution of our organic growth strategy. The report shows that we are on track with our long-term targets and that we are consistently following our plans when it comes to both income growth and cost development. All banks now experience increasing funding costs, and increased uncertainty related to the macroeconomic outlook. However, so far we see no evidence of a slowdown in customer activities and we maintain our financial outlook for 2008", says Christian Clausen, President and Group CEO of Nordea.*

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*Nordea's vision is to be the leading Nordic bank, acknowledged for its people, creating superior value for customers and shareholders. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has around 10 million customers, approx. 1,300 branch offices and a leading net banking position with 4.9 million e-customers. The Nordea share is listed on the OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen.*

## Income statement

EURm	Q1 2008	Q1 2007	Change %	Q4 2007*	Change %
Net interest income	1,181	1,004	18	1,143	3
Net fee and commission income	495	535	-7	526	-6
Net gains/losses on items at fair value	280	291	-4	314	-11
Equity method	-18	10		12	
Other income	23	33	-30	27	-15
<b>Total operating income</b>	<b>1,961</b>	<b>1,873</b>	<b>5</b>	<b>2,022</b>	<b>-3</b>
Staff costs	-644	-585	10	-615	5
Other expenses	-384	-383	0	-429	-10
Depreciation of tangible and intangible assets	-27	-24	13	-29	-7
<b>Total operating expenses</b>	<b>-1,055</b>	<b>-992</b>	<b>6</b>	<b>-1,073</b>	<b>-2</b>
<b>Profit before loan losses</b>	<b>906</b>	<b>881</b>	<b>3</b>	<b>949</b>	<b>-5</b>
Loan losses	-21	13		6	
Disposals of tangible and intangible assets	0	1		3	
<b>Operating profit</b>	<b>885</b>	<b>895</b>	<b>-1</b>	<b>958</b>	<b>-8</b>
Income tax expense	-198	-194	2	-194	2
<b>Net profit for the period</b>	<b>687</b>	<b>701</b>	<b>-2</b>	<b>764</b>	<b>-10</b>

## Business volumes, key items

EURbn	31 Mar 2008	31 Mar 2007	Change %	31 Dec 2007	Change %
Loans and receivables to the public	254.0	222.2	14	244.7	4
Deposits and borrowings from the public	141.0	126.3	12	142.3	-1
of which savings deposits	42.8	35.5	21	40.8	5
Assets under management	146.8	162.7	-10	157.1	-7
Technical provisions, Life	31.2	31.4	-1	32.1	-3
Equity	17.8	15.9	12	17.2	3
Total assets	411.4	357.3	15	389.1	6

## Ratios and key figures

	Q1 2008	Q1 2007	Q4 2007
Earnings per share (EPS), EUR	0.26	0.27	0.33
EPS, rolling 12 months up to period end, EUR	1.19	1.23	1.20
Share price <sup>1</sup> , EUR	10.26	11.93	11.42
Total shareholders' return, %	-10.8	5.7	-0.4
Equity per share <sup>1</sup> , EUR	6.83	6.13	6.58
Shares outstanding <sup>1</sup> , million	2,593	2,589	2,593
Shares outstanding after full dilution <sup>1</sup> , million	2,594	2,589	2,594
Return on equity, % *	15.8	18.0	18.1
Cost/income ratio, % *	54	53	53
Tier 1 capital ratio <sup>1,2</sup> , %	7.2	6.8	7.0
Total capital ratio <sup>1,2</sup> , %	9.4	9.4	9.1
Tier 1 capital <sup>1,2</sup> , EURm	14,535	13,102	14,230
Risk-weighted amounts <sup>1</sup> , EURbn	201	193	205
Number of employees (full-time equivalents) <sup>1,3</sup>	32,408	29,346	31,721
Risk-adjusted profit, EURm	584	576	619
Economic profit, EURm	336	378	401
Economic capital, EURbn	11.7	9.9	10.9
EPS, risk-adjusted, EUR	0.23	0.22	0.24
RAROCAR, %	20.7	23.7	23.2

<sup>1</sup> End of period.

<sup>2</sup> Including the result for the first three months. According to Swedish FSA rules (excluding the unaudited result for Q1): Tier 1 capital EUR 14,140m (31 Mar 2007: EUR 12,724m), capital base EUR 18,445m (31 Mar 2007: EUR 17,721m), Tier 1 capital ratio 7.0% (31 Mar 2007: 6.6%), total capital ratio 9.2% (31 Mar 2007: 9.2%).

<sup>3</sup> Number of employees 31 Mar 2007 excluding Orgresbank, as Orgresbank was not included in the Income Statement.

\* For comparison reasons the refund from the Finnish deposit guarantee system in Q4 2007 of EUR 120m reported as Other income has been excluded. For full income statement 2007 see page 27.

## The Group

### Result summary first quarter 2008

Nordea reports continued strong income growth in the first quarter 2008, mainly driven by an accelerated growth in net interest income, supported by positive trends both in lending and deposits. Income growth has been particularly strong in the corporate segment. The income growth underlines Nordea's robustness in volatile markets and also shows the strength of the large and broad customer base. Lending margins to both corporate and personal customers have stabilised and started to increase during the first quarter.

Total income increased by 5% to EUR 1,961m, compared to the first quarter last year. Net interest income increased 18% to EUR 1,181m, following the momentum in the organic growth strategy and the strong impact from growth in lending when the pressure on margins has levelled out. The capital markets activities, which are customer-driven, continued to be at a high level, contributing to high net gains. As in 2007, the negative impact on the result from market turmoil has been limited and is estimated at approx. EUR 30m.

Also, the market turmoil had limited effect on Nordea's funding operations as Nordea continued to benefit from a solid funding name, a well diversified business profile and a strong balance sheet.

Customers' lower risk appetite has meant outflow from retail funds and inflow into savings deposits accounts. Therefore, the different income lines should during the current market situation be seen in one context, in particular in the savings area. The decrease in net commission income of 7% should be seen against this background and that international equity markets were down 16% during the quarter, which together with the net outflow from retail funds affected Assets under Management.

The increase in total expenses was in line with the earlier communicated guidance and kept at an unchanged growth rate, 6.4%, compared to the full year 2007. The increase in total expenses was 4.5%, when excluding the Russian operations, which were not consolidated in the income statement in the first quarter last year.

Profit before loan losses increased by 3% to EUR 906m and risk-adjusted profit was up 1% to EUR 584m. Adjusted for the result related to the minority holding in Norwegian Eksportfinans, risk-adjusted profit increased by 5%.

### Income

Total income increased by 5% to EUR 1,961m. Excluding the result from Eksportfinans, the increase was 6%. The increase in net interest income was 18% to EUR 1,181m, driven by strong increase in lending and deposit volumes and in corporate deposit margins.

Lending to the public increased by 14% compared to one year ago, to EUR 254bn, with a higher annualised growth rate during the first quarter. Deposit volumes increased by 12% to EUR 141bn, compared to one year ago.

The strong growth in corporate lending continued in the first quarter and reflects strong demand across the Nordic region and from most sectors. The growth was 18%, excluding reversed repurchase agreements, compared to one year ago. Growth within the leveraged finance area was slower in the first quarter. Income from corporate customers was up 18% in the quarter, 13% when excluding Russia.

Corporate lending margins have stabilised and the first signs that corporate margins will also increase have been seen in all markets during the first quarter of 2008. Margin adjustments are now being conducted across the region.

The margins on mortgages have stabilised and the pressure on margins, seen over several years, has levelled out. Compared to the fourth quarter last year, margins on household mortgage lending increased in the first quarter. The increase is mainly following increased margins in Norway, to some extent due to a reduced negative effect from the required time lag between increased central bank interest rates and increased customer interest rates. Also margins on consumer lending increased during the quarter compared to the fourth quarter 2007. In total, lending to personal customers increased by 13% and income from personal customers increased by 5% compared to last year.

Nordea continued to attract higher volumes into savings accounts with competitive interest rates. Part of the net increase of EUR 2.0bn during the first quarter is related to outflow from retail funds. In total, deposit margins were unchanged compared to first quarter last year, but lower than in the fourth quarter.

In Nordic Banking, corporate lending as well as deposits have been strong drivers of income growth. Business activity continued at a high level in the corporate segment and Nordea has continued to win corporate lending market shares in the higher segments of the corporate market. In Norway, total income increased by 19% compared to the first quarter last year, in Sweden by 7% and in Denmark and Finland by 3 to 4%. The strong growth in Norway was mainly related to corporate lending, but also to household lending volumes and margins, including the above-mentioned reduced lag effect in Norway.

In Institutional and International Banking (IIB), business activity continued to be at a high level during the first quarter in 2008 and robust growth was recorded in all divisions.

Assets under Management (AuM) decreased by 10% to EUR 147bn, compared to the first quarter 2007 and de-

creased 7% compared to the end of December 2007, following weak and volatile equity markets. The total net outflow from AuM during the first quarter was EUR 1.0bn, with the main net outflow being from Nordic retail funds, EUR 1.7bn, which to a large extent resulted in an inflow into savings deposits. For institutional clients, a net inflow of EUR 1.7bn was reported.

Net fee and commission income decreased by 7% to EUR 495m. Savings-related commissions decreased by 15% to EUR 303m, mainly due to a fall in Assets under Management, due to weak equity markets, lower transaction activity and partly a shift into products with lower margins. Total payment commissions increased by 6% to EUR 191m, with strong increase in cards. Lending-related commissions increased by 2% to EUR 102m. Total commission expenses increased by 7% to EUR 149m, mainly explained by strong growth in the cards area.

Net gains/losses on items at fair value decreased by 4% to EUR 280m compared to the first quarter last year. Nordea performed strongly with continued high activity of customer-driven transactions and limited negative result impact from market turmoil and from widening of credit spreads. The negative impact from the turmoil is estimated at approx. EUR 30m. However, despite this, net gains were at a continued high level.

Income under the Equity method was EUR -18m, including the negative result from the holding in Eksportfinans of EUR -23m.

Starting in March 2008, Nordea takes part in a guarantee consortium to support Norwegian Eksportfinans ASA in relation to its securities portfolio. The total size of the guarantee consortium is an amount corresponding to approx. EUR 625m. Nordea owns 23.2% of the company, with other owners being the Norwegian state and other Nordic banks.

#### **Expenses**

Total expenses increased by 6% to EUR 1,055m, the same growth rate as in 2007, despite the fact that Nordea's number of employees was 10% higher than in the first quarter 2007. More than half of the cost increase was related to investments in growth areas, ie Private Banking, Growth Plan Sweden and New European Markets, of which a large part relates to Russia. Other expenses were at an unchanged level. Excluding Russia, the underlying growth in total expenses was 4.5%.

Staff costs increased 10%, following a higher number of employees, investments in growth areas, wage inflation and higher variable salaries.

The cost/income ratio increased to 54%, compared to 53% in the first quarter last year.

#### **Loan losses**

As expected, reversals and recoveries were lower, whereas new provisions were at unchanged and modest levels compared to the previous quarters. Net loan losses of EUR 21m were recorded in the first quarter.

#### **Taxes**

The effective tax rate for the first quarter 2008 was approx. 22%, which is below the average standard tax rate of 26%, in line with the full-year outlook.

#### **Net profit**

Net profit decreased by 2% to EUR 687m, explained by the shift in loan losses, which corresponds to a return on equity of 15.8%. Earnings per share were EUR 0.26.

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

Risk-adjusted profit increased by 1% to EUR 584m, compared to the first quarter last year. Excluding the result of EUR -23m related to the minority holding in Eksportfinans, risk-adjusted profit increased by 5%.

#### **Effect of market turmoil on Nordea's funding operations**

Nordea has in general been able to conduct its funding operations as normal, with its well recognised name, its AA- rating and prudent liquidity management together with a well-diversified and strong funding base, including a stable household deposit base.

The majority of Nordea's covered bond issuance, through Nordea Hypotek and Nordea Kredit, takes place in either the Swedish or the Danish domestic covered bond markets. Both of these markets have remained fully operational during this turbulent period, meaning that Nordea has been able to conduct its ordinary funding activity of its mortgage assets. Also the short-term funding markets in the Nordic countries have been fully operational.

It is however clear that the increased costs for longer-term funding, which have already affected international banks, over time will also influence the Nordic banks. The increased cost for long-term funding is expected to lead to re-pricing of the lending book and will further support the ongoing widening of lending margins.

Despite the difficult conditions in the European long-term funding market, Nordea has, after the end of the first quarter, issued a EUR 1.5bn 3-year Euro covered bond at a price of mid swap +11 basis points. The issue represents Nordea's largest Euro covered bond to date and was acquired by a well-diversified group of investors. The strong execution underlines investors' confidence in Nordea and its asset quality.

#### **Credit portfolio**

Total lending increased by 14% to EUR 254bn at the end of March 2008. The share of lending to corporate custom-

ers was 55%. There was no major change in the composition of the credit portfolio.

Credit quality in the well diversified lending portfolio remained strong.

### **Market risk**

The total risk level in Nordea's trading and investment activities was at an unchanged level at the end of March 2008 compared to the end of December 2007.

Interest rate risk VaR was EUR 63m and equity risk VaR was EUR 5m, a decrease reflecting the divestment of the OMX shares. Credit spread risk VaR was EUR 14m and foreign exchange risk VaR was EUR 3m. Total VaR was EUR 60m, including a diversification effect of 29%. Commodity risk was in total EUR 10m.

Interest-bearing securities and treasury bills were EUR 50bn at the end of March, of which EUR 19bn in the life insurance operations and the remaining part in the liquidity buffer, managed by Group Treasury, and in the trading portfolio in Markets. The liquidity buffer at the end of March amounted to approx. EUR 20bn.

Of Nordea's total interest-bearing securities, only a limited part is marked-to-model.

### **Capital position and capital management**

At the end of March, Nordea's risk-weighted amounts (RWA) were EUR 176bn excluding transition rules, compared to EUR 171bn at the end of December 2007. The increase is explained mainly by volume increases. However, RWA including transition rules decreased with more than EUR 3bn to EUR 201bn, following the next step in the Basel II implementation.

Excluding transition rules, the tier 1 ratio was 8.2% and the total capital ratio was 10.7%. Including transition rules, the tier 1 ratio was 7.2% and the total capital ratio was 9.4%.

The FSA has in March 2008 completed its assessment of Nordea's Internal Capital Adequacy Assessment Process (ICAAP) and has concluded that Nordea's capital is adequate in relation to its risks. During 2008, Nordea has an ongoing approval process for its internal rating based (IRB) models for its Retail credit portfolio. RWA after full implementation of Basel II are expected to be 35% lower than in Basel I.

Economic Capital increased by 18% to EUR 11.7bn at the end of March compared to one year ago, mainly reflecting the growth in lending volumes. Compared to the end of 2007, the increase was 7%.

### **Extended customer and product reporting**

In order to further increase the transparency towards investors, the reporting for customer segments and product groups has, in line with previous communication, been further granulated in the first quarter 2008. The main customer segments are reported individually on pages 18-19.

Income and product results are reported for major product groups on pages 20-24. Capital Markets Products is now reported as a product group, instead of previously Markets.

### **Nordea share**

During the first quarter, the share price of Nordea on the OMX Nordic Exchange depreciated from SEK 108.0 to SEK 96.3. Total shareholder return (TSR) was -10.8%. Nordea was number 8 out of 20 in the peer group, where the average TSR was -14.2%.

The Annual General Meeting (AGM) of Nordea Bank AB (publ) decided on a dividend of EUR 0.50 per share for 2007.

### **New members of the Board of Directors**

Stine Bosse, Svein Jacobsen, Heidi M Petersen and Björn Wahlroos were elected new board members by the AGM.

The board members Kjell Aamot, Harald Arnkværn, Birgitta Kantola and Claus Høeg Madsen had declined re-election.

### **Mandate to repurchase own shares**

The AGM authorised the Board of Directors, for the period until the next annual general meeting, to decide on repurchase of own shares up to a number not exceeding the equivalent of 10 per cent of the total number of shares.

Considering the current difficult financial market conditions, repurchases of shares in the near future are not planned.

### **Long term incentive programme**

The AGM decided to introduce a Long Term Incentive Programme 2008 ("LTIP 2008"), based on the same principles as LTIP 2007, comprising up to 400 managers and other key employees in the Nordea Group, who are considered to be of significant importance for the Nordea group's development.

### **Nordea transfers its institutional global custody operations to JPMorgan**

Nordea has signed an agreement to sell its institutional global custody business to JPMorgan. The business will be transferred to JPMorgan over a period of 12 to 18 months and Nordea will provide its customers with full service throughout the transition period.

The transaction will have a limited effect on Nordea's income statement. The transaction is subject to inter alia regulatory approval, and is expected to be closed in the third quarter 2008.

#### **New members of Group Executive Management**

Ari Kaperi and Michael Rasmussen have been appointed new members of Nordea's Group Executive Management as per 1 June 2008. Ari Kaperi will become Head of Institutional & International Banking and Michael Rasmussen will become Head of Banking Products & Group Operations.

Fredrik Rystedt will join Nordea as new Chief Financial Officer and member of Group Executive Management, starting at the latest 1 October 2008.

As part of Nordea's top management transition process, Markku Pohjola will retire on 31 July 2008, and Tom Ruud will leave Nordea during the fourth quarter of 2008. Arne Liljedahl will leave Nordea by the end of 2008, following transfer of his duties to the new Head of Group Corporate Centre and CFO. Lena Eriksson has been appointed Board Secretary as per 1 May 2008 and will consequently leave Group Executive Management. She will continue as Head of Group Legal and Executive Vice President.

#### **Next steps in the development of the operating model**

In parallel with the changes of executive management, the next steps in developing the Group's operating model are taken. To further strengthen customer orientation, local market focus and teamwork, the decision-making structure within Nordic Banking will be simplified. A new position as national Head of Banking responsible for customer relations will be established in each of the four Nordic markets reporting to the Head of Nordic Banking.

Product development and product management will be enhanced by the establishment of a new product area, Capital Markets & Savings headed by Gunn Wærsted.

High quality and efficiency in product deliveries, technology and support will be targeted in the new combined product and operations area, Banking Products & Group Operations headed by Michael Rasmussen.

#### **Outlook 2008**

The difficulties prevailing in the international credit markets since summer 2007 accelerated during the latter part of the first quarter 2008. As a consequence, uncertainty regarding the global macroeconomic outlook for 2008 has increased. It is becoming increasingly evident that also the Nordic economies will be affected.

Despite a somewhat weaker macroeconomic outlook, Nordea still experiences strong customer activity in almost all areas, evidenced by a continued strong lending growth. The lending growth is expected to be somewhat lower in the remaining part of the year, but still at a high level, and margins are expected to increase.

The financial outlook for 2008 is kept unchanged. The growth in risk-adjusted profit is expected to be in the range of 5-10%.

Following earlier communicated investment plans for 2008, the cost growth is for this year expected to be somewhat higher than in 2007.

The overall quality of the credit portfolio remains strong. A change in macroeconomic outlook is likely to influence the credit climate over time. For the full-year 2008, Nordea expects some net loan loss charges, as reversals of previously made provisions are likely to decrease.

## Quarterly development

EURm	Q1 2008	Q4 2007*	Q3 2007	Q2 2007	Q1 2007
Net interest income	1,181	1,143	1,092	1,043	1,004
Net fee and commission income (note 1)	495	526	531	548	535
Net gains/losses on items at fair value	280	314	264	318	291
Equity method	-18	12	10	9	10
Other income	23	27	17	39	33
<b>Total operating income</b>	<b>1,961</b>	<b>2,022</b>	<b>1,914</b>	<b>1,957</b>	<b>1,873</b>
General administrative expenses (note 2):					
Staff costs	-644	-615	-596	-592	-585
Other expenses	-384	-429	-372	-391	-383
Depreciation of tangible and intangible assets	-27	-29	-25	-25	-24
<b>Total operating expenses</b>	<b>-1,055</b>	<b>-1,073</b>	<b>-993</b>	<b>-1,008</b>	<b>-992</b>
<b>Profit before loan losses</b>	<b>906</b>	<b>949</b>	<b>921</b>	<b>949</b>	<b>881</b>
Loan losses	-21	6	13	28	13
Disposals of tangible and intangible assets	0	3	-2	1	1
<b>Operating profit</b>	<b>885</b>	<b>958</b>	<b>932</b>	<b>978</b>	<b>895</b>
Income tax expense	-198	-194	-171	-162	-194
<b>Net profit for the period</b>	<b>687</b>	<b>764</b>	<b>761</b>	<b>816</b>	<b>701</b>
Earnings per share (EPS), EUR	0.26	0.33	0.29	0.31	0.27
EPS, rolling 12 months up to period end, EUR	1.19	1.20	1.21	1.26	1.23
<b>Note 1 Net fee and commission income, EURm</b>	<b>Q1 2008</b>	<b>Q4 2007</b>	<b>Q3 2007</b>	<b>Q2 2007</b>	<b>Q1 2007</b>
Asset Management commissions	146	192	182	196	192
Life insurance	67	74	63	67	66
Brokerage	54	59	65	68	68
Custody	24	19	19	20	21
Deposits	12	10	9	9	9
Total savings related commissions	303	354	338	360	356
Payments	104	111	108	107	108
Cards	87	89	92	88	73
Total payment commissions	191	200	200	195	181
Lending	68	49	70	71	68
Guarantees and documentary payments	34	34	35	35	32
Total lending related commissions	102	83	105	106	100
Other commission income	48	40	40	39	37
<b>Fee and commission income</b>	<b>644</b>	<b>677</b>	<b>683</b>	<b>700</b>	<b>674</b>
Life insurance	-20	-17	-15	-15	-21
Payment expenses	-67	-81	-69	-65	-55
Other commission expenses	-62	-53	-68	-72	-63
<b>Fee and commission expenses</b>	<b>-149</b>	<b>-151</b>	<b>-152</b>	<b>-152</b>	<b>-139</b>
<b>Net fee and commission income</b>	<b>495</b>	<b>526</b>	<b>531</b>	<b>548</b>	<b>535</b>
<b>Note 2 General administrative expenses, EURm</b>	<b>Q1 2008</b>	<b>Q4 2007</b>	<b>Q3 2007</b>	<b>Q2 2007</b>	<b>Q1 2007</b>
Staff	644	615	596	592	585
of which variable salaries	64	63	44	55	57
Information technology <sup>1</sup>	130	150	138	126	124
Marketing	25	35	17	29	23
Postage, telephone and office expenses	53	52	41	51	53
Rents, premises and real estate expenses	89	96	86	84	85
Other	87	96	90	101	98
<b>Total</b>	<b>1,028</b>	<b>1,044</b>	<b>968</b>	<b>983</b>	<b>968</b>

<sup>1</sup> Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc, but excluding IT expenses in the Life operations, were EUR 167m in Q1 2008 (Q1 2007: EUR 157m).

\* For comparison reasons the refund from the Finnish deposit guarantee system in Q4 2007 of EUR 120m reported as Other income has been excluded. For full income statement 2007 see page 27.

Customer Areas										Other				Group		
EURm	Nordic Banking		Inst. & International Banking		Other customer operations		Total customer areas			Group Corporate Centre		Group Functions and Eliminations		Nordea Group		
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Change	Jan-Mar		Jan-Mar		Jan-Mar		Change
	2008	2007	2008	2007	2008	2007	2008	2007		2008	2007	2008	2007	2008	2007	%
<b>Customer responsible units</b>																
Net interest income	971	854	133	80	19	12	1,123	946	19	39	24	19	34	1,181	1,004	18
Net fee and commission income	399	452	64	61	41	36	504	549	-8	-1	-2	-8	-12	495	535	-7
Net gains/losses on items at fair value	130	103	67	42	78	129	275	274	0	19	41	-14	-24	280	291	-4
Equity method	3	7	-23	2	0	0	-20	9		0	4	2	-3	-18	10	
Other income	8	2	1	2	1	6	10	10	0	1	2	12	21	23	33	-30
<b>Total operating income</b>	<b>1,511</b>	<b>1,418</b>	<b>242</b>	<b>187</b>	<b>139</b>	<b>183</b>	<b>1,892</b>	<b>1,788</b>	<b>6</b>	<b>58</b>	<b>69</b>	<b>11</b>	<b>16</b>	<b>1,961</b>	<b>1,873</b>	<b>5</b>
Staff costs	-294	-274	-46	-25	-116	-107	-456	-406	12	-11	-10	-177	-169	-644	-585	10
Other expenses	-477	-452	-67	-55	7	2	-537	-505	6	-28	-27	181	149	-384	-383	0
Depreciation of tangible and intangible assets	-8	-4	-2	-2	-2	-2	-12	-8	50	0	0	-15	-16	-27	-24	13
<b>Total operating expenses</b>	<b>-779</b>	<b>-730</b>	<b>-115</b>	<b>-82</b>	<b>-111</b>	<b>-107</b>	<b>-1,005</b>	<b>-919</b>	<b>9</b>	<b>-39</b>	<b>-37</b>	<b>-11</b>	<b>-36</b>	<b>-1,055</b>	<b>-992</b>	<b>6</b>
<i>of which allocations</i>	<i>-380</i>	<i>-349</i>	<i>-47</i>	<i>-41</i>	<i>0</i>	<i>0</i>	<i>-427</i>	<i>-390</i>	<i>9</i>	<i>-22</i>	<i>-25</i>	<i>449</i>	<i>415</i>	<i>0</i>	<i>0</i>	
Loan losses	-10	34	-7	-21	0	0	-17	13		0	0	-4	0	-21	13	
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0		0	0	0	1	0	1	
<b>Operating profit</b>	<b>722</b>	<b>722</b>	<b>120</b>	<b>84</b>	<b>28</b>	<b>76</b>	<b>870</b>	<b>882</b>	<b>-1</b>	<b>19</b>	<b>32</b>	<b>-4</b>	<b>-19</b>	<b>885</b>	<b>895</b>	<b>-1</b>
<b>Balance sheet, EURbn</b>																
Loans and receivables to the public	213	187	26	18	12	12	251	217	16	0	0			254	222	14
Other assets	26	21	8	7	36	36	70	64	9	18	12			157	135	16
<b>Total assets</b>	<b>239</b>	<b>208</b>	<b>34</b>	<b>25</b>	<b>48</b>	<b>48</b>	<b>321</b>	<b>281</b>	<b>14</b>	<b>18</b>	<b>12</b>			<b>411</b>	<b>357</b>	<b>15</b>
Deposits and borrowings from the public	114	100	25	22	6	7	145	129	12	0	0			141	126	12
Other liabilities	117	101	8	2	41	40	166	143	16	18	12			252	215	17
<b>Total liabilities</b>	<b>231</b>	<b>201</b>	<b>33</b>	<b>24</b>	<b>47</b>	<b>47</b>	<b>311</b>	<b>272</b>	<b>14</b>	<b>18</b>	<b>12</b>			<b>393</b>	<b>341</b>	<b>15</b>
Equity	0	0	0	0	0	0	0	0		0	0			18	16	13
<b>Total liabilities and equity</b>	<b>231</b>	<b>201</b>	<b>33</b>	<b>24</b>	<b>47</b>	<b>47</b>	<b>311</b>	<b>272</b>	<b>14</b>	<b>18</b>	<b>12</b>			<b>411</b>	<b>357</b>	<b>15</b>
Economic capital	8	7	1	1	1	1	10	9	11	0	0			12	10	18
RAROCAR, %	24	26	30	47										21	24	
<b>Other segment items</b>																
Capital expenditure, EURm	0	4	8	2	1	7	9	13		0	0			65	49	



## Nordic Banking

- **Income growth 7%**
- **High corporate customer activity**
- **Double-digit volume growth in lending and deposits**

Within Nordic Banking, Nordea services 8.8 million personal customers, of whom 6.8 million signed-in for the customer programme and 600,000 active corporate customers. The business is conducted in the four Nordic markets.

### Business development

During the first quarter 2008, business development with both corporate and personal customers continued to be strong, leveraging Nordea's relationship strategy and the cross-selling possibilities in the customer programme.

Corporate customers have continued their high activity, which has kept the growth in corporate lending at a high level and Nordea continued to win corporate lending market shares in the upper segments of the corporate market. Therefore, corporate lending as well as deposits have been strong drivers of income growth. Volume growth in both lending and deposits were 14% from first quarter 2007.

Despite fierce competition, Nordea strengthened its market position and managed to achieve stabilised margins. The first signs that margins will also increase in the total Nordic market have been seen during the first quarter of 2008. The aim is to benefit from the increased risk awareness and opportunities for higher margins in the market.

Also, margins on corporate deposit have in general been stable.

During the market turmoil, the liquidity in the capital markets has been scarce. Nordea's strong customer relationships and strong balance sheet enabled Nordea to support its customers through difficult market conditions still complying with Nordea's prudent risk management policy.

Nordea has had continued success in advising corporate customers to hedge their market risk by using risk management products. These products continued to be a significant growth driver during the first quarter.

Commission fees from lending picked up in the first quarter after a weak development during the fourth quarter 2007. In total, income from corporate customers increased by 11%.

Also with personal customers, business interaction continued to be strong and all areas leveraged Nordea's cross-selling possibilities through the customer programme and the concept of 360-degree meetings introduced in 2007.

The housing markets have slowed down, however Nordea continued to report a strong volume growth in mortgage lending in all markets, to a total of EUR 84bn, up 10% compared to the first quarter 2007. The decrease in margins on mortgages, which has been seen over several years, has levelled out, indicating that the decline in net interest income from mortgages has been brought to a halt and that volume growth will have full impact on income.

Volume growth within collateralised consumer lending was 12%. The main driver is Home-equity products (Home-flex), also reporting stable margins.

Non-collateralised consumer lending, comprising general consumer loans, overdraft facilities and revolving credits on cards continued to show growth, mainly in the Gold segment. This product line is an integrated part of Nordea's household offering and customers are advised to use the favourable terms offered by Nordea instead of taking loans from other suppliers. Volume growth for non-collateralised lending was 8% and margins were slightly lower.

Compared to first quarter last year, household deposits contributed significantly to net interest income growth. Nordea pursues a strategy to offer customers transaction accounts linked to a wide range of payment tools and savings accounts with highly competitive interest rates. Compared to one year ago, deposit volumes increased by 14%. During the first quarter, deposits in general were stable, but with savings accounts increasing by EUR 2.0bn. Average margins on total deposits were stable compared to the same period last year, but slightly lower compared to fourth quarter 2007.

### Result

In the first quarter, income in Nordic Banking increased by 7% to EUR 1,511m. In Norway, the income increased by 19%, in Sweden by 7% and in Denmark and Finland by 3 to 4%. The strong growth in Norway was mainly related to corporate lending, but also to household lending volumes and margins, partly related to a reduced negative effect of the required time lag between increased central bank interest rates and increased customer interest rates.

Net interest income increased by 14% to EUR 971m mainly reflecting strong volume growth in lending of 14%. Corporate lending margins were down from the first quarter last year, but increased marginally in the first quarter this year compared to the fourth quarter last year. The deposit growth was also strong, 14%, with unchanged margins from household customers and increased margins from corporate customers.

Net commission income decreased by 12% to EUR 399m, impacted by lower income from retail funds. This is explained by declining equity markets and lower market values, but also by a substitution effect, with customers shifting out of equity funds, with higher margins than money market and mixed funds.

Net gains/losses increased by 26% to EUR 130m, reflecting the successful selling of capital markets products to corporate customers.

Total expenses increased by 7% to EUR 779m. Loan losses amounted to EUR 10m.

The number of employees in Nordic Banking increased by 3% or approx. 500 FTEs compared to one year ago and by 108 FTEs during the first quarter. The increased number of employees supported the growth strategy.

Operating profit was unchanged at EUR 722m.

RAROCAR was 24% (26%) and the cost/income ratio was 52% (51%).

**Nordic Banking, operating profit by market**

EURm	Total		Nordic Banking Denmark		Nordic Banking Finland		Nordic Banking Norway		Nordic Banking Sweden		Nordic Functions	
	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Net interest income	971	854	271	244	273	250	153	125	262	227	12	8
Net fee and commission income	399	452	107	128	110	136	41	39	141	148	0	1
Net gains/losses on items at fair value	130	103	46	34	35	25	22	19	26	26	1	-1
Equity method	3	7	3	7	0	0	0	0	0	0	0	0
Other operating income	8	2	1	0	2	-2	4	2	1	1	0	1
<b>Total income incl. allocations</b>	<b>1,511</b>	<b>1,418</b>	<b>428</b>	<b>413</b>	<b>420</b>	<b>409</b>	<b>220</b>	<b>185</b>	<b>430</b>	<b>402</b>	<b>13</b>	<b>9</b>
Staff costs	-294	-274	-96	-88	-75	-69	-43	-38	-79	-73	-1	-6
Other expenses	-477	-452	-121	-116	-118	-108	-74	-70	-162	-158	-2	0
Depreciations etc.	-8	-4	-1	0	-1	0	-1	-1	-1	-2	-4	-1
<b>Expenses incl. allocations</b>	<b>-779</b>	<b>-730</b>	<b>-218</b>	<b>-204</b>	<b>-194</b>	<b>-177</b>	<b>-118</b>	<b>-109</b>	<b>-242</b>	<b>-233</b>	<b>-7</b>	<b>-7</b>
<b>Profit before loan losses</b>	<b>732</b>	<b>688</b>	<b>210</b>	<b>209</b>	<b>226</b>	<b>232</b>	<b>102</b>	<b>76</b>	<b>188</b>	<b>169</b>	<b>6</b>	<b>2</b>
Loan losses	-10	34	-2	0	-2	22	-4	0	-2	4	0	8
<b>Operating profit</b>	<b>722</b>	<b>722</b>	<b>208</b>	<b>209</b>	<b>224</b>	<b>254</b>	<b>98</b>	<b>76</b>	<b>186</b>	<b>173</b>	<b>6</b>	<b>10</b>
Cost/income ratio, %	52	51	51	49	46	43	54	59	56	58		
RAROCAR, %	24	26	22	26	34	38	18	17	21	21		
<b>Other information, EURbn</b>												
Lending	213.5	187.3	63.6	56.5	48.6	43.5	38.0	32.2	63.3	55.1		
Deposits	114.2	99.9	32.1	29.3	32.6	26.4	19.6	17.6	29.9	26.6		
Economic capital	7.7	6.8	2.4	2.0	1.7	1.6	1.4	1.1	2.2	2.0		
Number of employees (FTEs)	16,688	16,155	4,926	4,866	5,469	5,326	1,827	1,746	4,463	4,214		

**Nordic Banking, lending and deposit margins**

	Q1	Q4	Q1		Q1	Q4	Q1
Lending margins, %	2008	2007	2007	Deposit margins, %	2008	2007	2007
To corporate customers	0.87	0.86	0.90	From corporate customers	0.96	0.99	0.92
To personal customers				From personal customers	1.77	1.83	1.77
- Mortgage	0.55	0.51	0.55				
- Consumer	3.07	3.04	3.29				
Total lending margins	0.94	0.91	0.97	Total deposit margins	1.38	1.43	1.36

**Nordic Banking, key figures per quarter**

EURm	Q1	Q4	Q3	Q2	Q1
	2008	2007	2007	2007	2007
Total operating income	1,511	1,549	1,489	1,507	1,418
Total operating expenses	-779	-797	-728	-747	-730
Loan losses	-10	-30	10	41	34
<b>Operating profit</b>	<b>722</b>	<b>722</b>	<b>771</b>	<b>801</b>	<b>722</b>
RAROCAR, %	24	26	27	29	26
Cost/income ratio, %	52	51	49	50	51
Customer base: Personal customers, million	8.8	8.8	8.8	8.8	8.8
of which in customer programme, million	6.8	6.8	7.4	7.4	7.4
Corporate customers, million	0.6	0.6	0.6	0.6	0.6
Number of employees (full-time equivalents)	16,688	16,580	16,609	16,367	16,155

## Institutional and International Banking

- **Solid income growth in all divisions**
- **Customer activity remained high, despite financial turmoil**
- **11 new branches in Poland**

Institutional and International Banking (IIB) has the global customer responsibility for financial institutions and shipping, offshore and oil services companies. In addition, Nordea's banking activities in Poland, the Baltic countries and Russia are a part of Institutional and International Banking. The activities comprise full-service banking operations in these markets.

### Business development

#### *Financial institutions*

First quarter 2008 proved to be strong for Financial Institutions Division, reporting strong double-digit income growth despite continued turmoil in the financial markets. Increased cross-selling of capital markets-related products was a major growth factor. Nordea strengthened its market position, capturing substantial deals as well as being awarded major mandates during the quarter, owing to the proven relationship management process.

In March, Nordea announced the agreement to sell the institutional global custody business to JPMorgan. Nordea is the Nordic leader in institutional global custody, but has decided to focus on areas where it can add long-term value. The transaction has total assets of nearly EUR 200bn in scope and the transition will take place over a 12 to 18 months period. The announcement was well received by the customers and the market in general.

Nordea's sub-custody business had a strong first quarter, as transaction volumes in Securities Services rose by 48% compared to the first quarter 2007, reaching more than 6 million transactions.

#### *Shipping, offshore and oil services*

Business activity in the shipping, offshore and oil services segments remained strong and demand was driven by the positive market fundamentals, high new building and M&A activity. The turmoil in the financial markets has put upward pressure on pricing and tightening on structure and financial covenants. These factors contributed to the robust double-digit income growth in the first quarter.

Nordea has continued to capitalise on its strong relationships, securing attractive mandates and further consolidated its position as a top provider of financial services to the shipping, offshore and oil services industries world wide. During the first quarter 2008, Nordea participated in 10 syndicated loan transactions and was awarded two attractive mandates amounting to in total USD 3bn.

Despite the difficult credit markets in the first quarter, Nordea has successfully syndicated all its transactions within these segments, positioning the bank well for future business opportunities. In recognition of its strong structuring and execution capabilities within shipping financing, Nordea was awarded Public Debt Deal of the Year by the Marine Money Internationals magazine following the financing of new tankers for a Russian tanker company.

#### *New European Markets*

In New European Markets Division, the strong business trend continued in the quarter, despite a slowdown in the Baltic markets. In total, income increased by 135% and in Poland and the Baltic countries by 40%. Total lending increased by 106%, compared to one year ago. Lending growth in the Baltic countries was 65%, with an annualised growth rate in the first quarter of approx. 30%. Nordea has applied a prudent credit policy in the region and has therefore been able to grow the business volumes with sustained credit quality.

Nordea reported growth rates in household mortgage lending twice the average market growth in the region, with an increase of 69% in Poland and the Baltic countries. Higher growth in deposits offset the lower sales of investment funds to the personal customer segment. As part of the household strategy, comprehensive training programmes were launched and the emphasis on customer advisory meetings is in focus. This should allow for higher growth in the household segment. The number of Gold customers increased by 66% compared to one year ago.

New European Markets continued the successful implementation of its two major strategic initiatives. The network development in Poland progressed well with 11 new branches opening during the first quarter. The plan for 2008 is to continue to open more than one new branch per week in Poland and the Baltic countries. The new sales capacity will primarily target personal customers and SMEs.

The integration of Orgresbank has continued according to plan. Business activity in Russia was strong in the first quarter, fuelled by increasing lending volumes. The lending to large Russian corporates has been more successful than originally anticipated as Nordea financed several blue-chip companies.

Following an issue of new shares directed to Nordea, conducted in order to adjust the capital to increased volumes, Nordea's stake in Orgresbank in Russia has increased to approx. 82% from just above 75%. The increase does not have any effect on the financial statements, as Orgresbank has been fully consolidated in Nordea since the completion of the acquisition.

**Result**

Business activity within IIB was on a high level during the first quarter in 2008 and robust growth was recorded in all divisions. The market turmoil has not had any major impact on financial performance of IIB. Total income reached EUR 242m for the quarter, up 29% including the contribution from Russia, which was consolidated as of the second quarter in 2007. The Russian operations contributed with a total income of EUR 38m in the quarter.

Net interest income increased by 66% compared to previous year, supported by high growth in lending as well as deposit volumes. Lending volumes increased by 40% and deposits grew by 16%. Net commission income reached EUR 64m, reflecting high customer activity despite the prevailing market conditions.

Net gains/losses on items at fair value increased by 60% to EUR 67m compared with the first quarter 2007.

Income under the Equity method was negatively impacted by the result of EUR -23m from the minority holding in Norwegian Eksportfinans.

Total expenses amounted to EUR 115m in the first quarter 2008, up 40%, mainly due to the increased investments within New European Markets, and also increased variable salaries. The number of full-time equivalents was 4,516 by the end of March 2008, up 85% compared to one year ago. The growth in number of staff in first quarter 2008, equal to 322 full-time equivalents, is mainly attributable to New European Markets.

Profit before loan losses in the first quarter 2008 was up 21% to EUR 127m and was, when excluding the result from the minority holding in Eksportfinans, up 43%. The profit growth is attributable to higher business volumes and limited net loan losses. Orgresbank contributed with a profit before loan losses of EUR 20m. RAROCAR was 30% in the first quarter 2008 and the cost/income ratio was 48%.

## Institutional and International Banking, operating profit by area

EURm	Total		Financial Institutions		Shipping, Oil services & International		New European Markets		of which Russia		Other	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Net interest income	133	80	17	14	45	39	65	22	28	-	6	5
Net fee and commission income	64	61	34	36	9	11	17	12	7	-	4	2
Net gains/losses on items at fair value	67	42	51	34	5	3	11	5	3	-	0	0
Equity method	-23	2	0	0	0	0	0	0	0	-	-23	2
Other operating income	1	2	0	0	0	0	1	1	0	-	0	1
<b>Total income incl. allocations</b>	<b>242</b>	<b>187</b>	<b>102</b>	<b>84</b>	<b>59</b>	<b>53</b>	<b>94</b>	<b>40</b>	<b>38</b>	<b>-</b>	<b>-13</b>	<b>10</b>
Staff costs	-46	-25	-7	-7	-10	-8	-28	-10	-13	-	-1	0
Other expenses	-67	-55	-39	-34	-4	-4	-20	-12	-5	-	-4	-5
Depreciations etc.	-2	-2	0	0	0	0	-2	-2	0	-	0	0
<b>Expenses incl. allocations</b>	<b>-115</b>	<b>-82</b>	<b>-46</b>	<b>-41</b>	<b>-14</b>	<b>-12</b>	<b>-50</b>	<b>-24</b>	<b>-18</b>	<b>-</b>	<b>-5</b>	<b>-5</b>
<b>Profit before loan losses</b>	<b>127</b>	<b>105</b>	<b>56</b>	<b>43</b>	<b>45</b>	<b>41</b>	<b>44</b>	<b>16</b>	<b>20</b>	<b>-</b>	<b>-18</b>	<b>5</b>
Loan losses	-7	-21	0	0	0	0	0	0	0	-	-7	-21
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	-	0	0
<b>Operating profit</b>	<b>120</b>	<b>84</b>	<b>56</b>	<b>43</b>	<b>45</b>	<b>41</b>	<b>44</b>	<b>16</b>	<b>20</b>	<b>-</b>	<b>-25</b>	<b>-16</b>
Cost/income ratio, %	48	44	45	49	24	23	53	60	47	-		
RAROCAR, %	30	47	60	72	37	43	22	26	22	-		
<b>Other information, EURbn</b>												
Lending	25.7	18.3	2.5	1.7	10.6	9.9	10.8	5.2	1.8	-		
Deposits	25.2	21.7	16.5	14.5	4.8	4.7	3.7	2.4	0.4	-		
Economic capital	1.1	0.6	0.3	0.2	0.3	0.3	0.5	0.2	0.2	-		
Number of employees (FTEs)	4,516	2,446	414	389	290	263	3,794	1,773	1,531	-	18	21

## New European Markets, lending and deposit margins

	Q1 2008 <sup>1</sup>	Q4 2007	Q1 2007		Q1 2008 <sup>1</sup>	Q4 2007	Q1 2007
Lending margins, %				Deposit margins, %			
To corporate customers	1.48	1.08	0.89	From corporate customers	1.54	1.52	1.21
To personal customer	1.38	1.20	1.29	From personal customers	1.25	1.47	1.35

<sup>1</sup> Margins include Russia from first quarter 2008.

## Institutional and International Banking, key figures per quarter

EURm	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Total operating income	242	233	215	233	187
Total operating expenses	-115	-111	-100	-101	-82
Loan losses	-7	36	3	-13	-21
<b>Operating profit</b>	<b>120</b>	<b>158</b>	<b>118</b>	<b>119</b>	<b>84</b>
RAROCAR, %	30	33	37	42	47
Cost/income ratio, %	48	48	47	43	44
Number of employees (full-time equivalents)	4,516	4,194	3,858	3,639	2,446

## Other customer operations

The customer operations, which are not included in Nordic Banking or Institutional and International Banking, are included under Other customer operations, as well as results not allocated to any of the customer areas. Other customer operations include International Private Banking and Funds as well as customer operations within Life and Pensions.

## International Private Banking and Funds

International Private Banking and Funds is responsible for the Group's advisory services to wealthy individuals 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

Assets under Management (AuM) in Nordea's international private banking and fund distribution businesses decreased by EUR 1.8bn in the first quarter, of which EUR 0.7bn stemmed from a net outflow and EUR 1.1bn from market depreciation. This resulted in AuM of EUR 11.4bn. The lower AuM and lower customer activity affected the income for International Private Banking and Funds, which was EUR 31m at the end of March, down 38% from last year. Operating profit was EUR 10m, down 66% from first quarter last year.

### *International Private Banking*

The difficult market conditions in the first quarter 2008 lowered the International Private Banking customers' activity and risk appetite. As a result of the negative development in the equity markets, AuM decreased by 6% to EUR 8.9bn. The changed customer behaviour reduced lending to EUR 1.4bn. Deposits increased by EUR 0.4bn to EUR 2.2bn, due to the customers' reallocation of assets. Total income was EUR 22m, down EUR 6m compared with the first quarter last year. During the first quarter of 2008, International Private Banking continued its strategy of improving efficiency and quality towards the customers. Margins were retained at a reasonable level in spite of strong global competition.

### *European Fund Distribution*

The European Fund Distribution business was also affected by the equity market downturn in the first quarter, which made distributors of funds reallocate their assets towards cash and deposits, on behalf of their clients. Net outflow was EUR 0.6bn, mainly concentrated to a few of the equity funds. The new externally managed European Alpha Fund generated a net inflow in the first quarter of EUR 33m. During the first quarter, European Fund Distribution continued its strategy of product diversification by in-sourcing new high quality products from external partners.

## 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 and Pensions' own sales force, brokers and tied agents. The Life customer operation also includes the Polish life business.

### Business development and result

Within the Nordic Life customer operations, gross written premiums were at the same level as in the first quarter last year. In the Danish corporate operations, which is a major part of Nordic Life customer operations, premiums increased by 3% from the first quarter last year.

The Polish life business continued its strong premium growth in the first quarter 2008. The Polish Life company more than doubled its premiums and the Pillar II Company, Nordea PTE, increased premiums by 26%, leaving total Polish premiums at EUR 160m or 15% of total Nordea premiums.

Life customer operations generated an income of EUR 82m in the first quarter, up 14% from the first quarter last year. The operating profit reached EUR 33m, up 6%. The result for Life customer operations is included in the product result for Life and Pensions, see page 24.

## Other

The customer operations "Other" mainly includes the result in Capital Markets Products, which is not allocated to Nordic Banking or Institutional and International Banking. For the presentation of Capital Markets Products' product result, see page 21.

Net gains/losses on items at fair value in the first quarter 2008 were lower than last year, due to the negative effects from market turmoil this year and the fact that the first quarter last year was exceptionally strong.

## Other customer operations, by unit

EURm	Total		International Private Banking and Funds		Life		Other	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Net interest income	19	12	15	10	0	0	4	2
Net fee and commission income	41	36	18	31	20	14	3	-9
Net gains/losses on items at fair value	78	129	-2	4	61	57	19	68
Equity method	0	0	0	0	0	0	0	0
Other income	1	6	0	5	1	1	0	0
<b>Total operating income</b>	<b>139</b>	<b>183</b>	<b>31</b>	<b>50</b>	<b>82</b>	<b>72</b>	<b>26</b>	<b>61</b>
Staff costs	-116	-107	-13	-14	-30	-25	-73	-68
Other expenses	7	2	-7	-5	-18	-15	32	22
Depreciations	-2	-2	-1	-1	-1	-1	0	0
<b>Total operating expenses</b>	<b>-111</b>	<b>-107</b>	<b>-21</b>	<b>-20</b>	<b>-49</b>	<b>-41</b>	<b>-41</b>	<b>-46</b>
Loan losses	0	0	0	0	0	0	0	0
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0
<b>Operating profit</b>	<b>28</b>	<b>76</b>	<b>10</b>	<b>30</b>	<b>33</b>	<b>31</b>	<b>-15</b>	<b>15</b>
<b>Balance sheet, EURbn</b>								
Loans and receivables to the public	12	12	2	2	1	1	9	9
Other assets	36	36	2	2	34	34	0	0
<b>Total assets</b>	<b>48</b>	<b>48</b>	<b>4</b>	<b>4</b>	<b>35</b>	<b>35</b>	<b>9</b>	<b>9</b>
Deposits and borrowings from the public	6	7	3	3	1	2	2	2
Other liabilities	41	40	1	1	33	32	7	7
<b>Total liabilities</b>	<b>47</b>	<b>47</b>	<b>4</b>	<b>4</b>	<b>34</b>	<b>34</b>	<b>9</b>	<b>9</b>
Economic capital	1	1	0	0	1	1	0	0



## Group Corporate Centre

- **Nordea continues to benefit from prudent liquidity management and low investment risk**
- **Covered bond markets in Sweden and Denmark were fully operational during the turbulent period**

Group Corporate Centre is responsible for the Group's finance, accounting, planning and control activities, the Group's capital management and the Group Treasury operations, including funding, asset and liability management and the Group's own market risk-taking in financial instruments (excluding investments within insurance).

### Business development

The financial markets turmoil continued in the first quarter 2008, with the shakiness of the credit markets now also spreading with a vengeance to the equity markets. Signs of the US economy being on a brink of a recession, while housing markets continued to plummet, fuelled fears.

Credit spreads widened sharply during the quarter. Money market liquidity improved initially but, with renewed problems in the US banking sector, money market risk premiums rose back almost to the highs seen last year. Euribor rates rose to almost three quarters of a percentage point above risk-free rates.

Nordea has benefited from its focus on prudent liquidity management and low investment risk, as the financial turmoil has proven these to be important. Liquidity risk management practices need to be tailored to the business and characteristics of each company, the market and the way it participates in it.

Nordea, thanks to its well recognised name, its AA- rating and prudent liquidity management, together with a well diversified and strong funding base, including a stable household deposit base, has been able to conduct its funding operations in general as normal.

The majority of Nordea's covered bond issuance, through Nordea Hypotek and Nordea Kredit, takes place in either the Swedish or the Danish domestic covered bond markets. Both of these markets have remained fully operational during this turbulent period. Nordea has therefore been able to conduct its ordinary funding activity of its mortgage assets. Issuance during the first quarter 2008 amounted to EUR 3bn.

Access to a large domestic market has once again proved valuable in times of external shocks. Both the Danish and the Swedish markets have a long history and very good track record of providing liquidity for both issuers and investors.

Concerning investment risk, Nordea continues to benefit from an investment strategy with limited long-only credit and equity market exposure.

The internal pension funds result was protected by an even lower than normal equity exposure during the quarter.

At the end of March, the price risk on Group Treasury's interest rate positions, calculated as VaR, was EUR 19m, compared to EUR 11m at the end of March 2007. The risk related to equities, calculated as VaR, was EUR 6m compared to EUR 24m at the end of March 2007.

The structural interest income risk (SIIR) was EUR 238m assuming increased market rates by 100 basis points and EUR -268m assuming decreased market rates by 100 basis points.

### Result

Total operating income in the first quarter was EUR 58m, a strong increase compared to EUR 39m in the fourth quarter 2007, explained by a strong funding and investment performance. Total expenses were EUR 39m. Operating profit was EUR 19m, compared to EUR -1m in the fourth quarter 2007 and EUR 32m in the first quarter 2007.

### Group Corporate Centre, key figures per quarter

EURm	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest income	39	30	32	21	24
Net fee and commission income	-1	-2	-2	-3	-2
Net gains/losses on items at fair value	19	10	81	24	41
Equity method	0	0	1	0	4
Other income	1	1	3	18	2
<b>Total operating income</b>	<b>58</b>	<b>39</b>	<b>115</b>	<b>60</b>	<b>69</b>
<b>Total operating expenses</b>	<b>-39</b>	<b>-40</b>	<b>-34</b>	<b>-38</b>	<b>-37</b>
<b>Operating profit</b>	<b>19</b>	<b>-1</b>	<b>81</b>	<b>22</b>	<b>32</b>
Number of employees (full-time equivalents)	238	232	238	234	238

## 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 personal customer segments and into Nordic and other customer segments. The presented customer segments do not comprise all volumes or result items within the Group.

### Corporate customers

#### Corporate Merchant Banking and Large corporate customers

The two upper segments of corporate customers, Corporate Merchant Banking and Large corporate customers contribute 49% of total income on corporate customers and financial institutions. Income growth in these segments was 16% compared to the first quarter 2007.

The strategy for these customers is to provide highly competent partnership service from centralised competence centre. 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

Customers in other corporate segments are served in selected branches. Income growth from these segments was 3%, due to the fact that margin increases have not yet had effect for customers in these segments.

#### New European Markets' corporate customers

The volume growth in the corporate segment was strong in the first quarter, further fuelled by the contribution from Orgresbank which was not consolidated in Nordea Group in the first quarter of 2007. The lending volumes reached EUR 7.4bn in the quarter, up approx. 120%.

The growth in Russia was high in the quarter, not at least as Nordea successfully financed several top-tier Russian corporates. Nordea has been more successful than originally anticipated in acquiring new Russian corporate customers. The inclusion of Russia has positively contributed to the average margins for the segment, as the margins are higher in Russia than in Poland and the Baltic countries. In Poland, the growing number of branches is supporting the effort towards SME customers. Income was EUR 71m, up approx. 240%.

### Personal customers

The premium segments Nordic Private Banking and Gold contribute to 64% of total income on personal customers.

#### Nordic Private Banking

Nordic Private Banking customer growth continued in the first quarter of 2008 with an increase of 1,500 customers fuelled by strong growth in especially Norway and Sweden. The number of customers increased 13% from first quarter last year. The equity market development has led to a decrease in AuM of 7% compared to the first quarter last year. Income has been largely stable with only a minor decline of 1% compared to last year, since the decrease in AuM and lower trading activity have been compensated by the net inflow from new customers.

#### Gold customers

The Gold segment is the main engine for profitable growth by increasing penetration of the entire product range. Income growth in the Gold segment was 7% compared to the same quarter last year.

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 by increased product penetration.

The focus on developing the potential in the customer base continues to be successful with a 7% increase in the number of Gold customers, compared to one year ago. Supported by the attractiveness of Nordea's customer programme, approx. one fifth of new Gold customers are new customers to Nordea.

#### Other personal customers

The strategy is to maintain stable income growth in the group of personal customers in segment Other, also after having deployed the cross-selling mechanism to elevate customers with potential to be Gold customers. The income growth from this segment was 4%, compared to the first quarter last year.

#### New European Markets' personal customers

The business development in the personal customer segment continued to be strong in the first quarter of 2008. Lending volumes reached EUR 3.4bn, up 79% compared to the first quarter last year. The growth was supported by a 69% growth in household mortgage lending in Poland and the Baltic countries, constituting the major part of the lending volumes towards personal customers. This growth rate is around twice the market growth in the region.

Total income in the segment was EUR 20m, up 44%. The number of customers increased by 30% to 627,000, of whom 53,000 are Gold customers. The increase in number of customers is supported by the branch network development in the region. A key in this effort is the Polish market, where 11 branches were opened in the first quarter.

**Corporate customer segments and financial institutions, key figures<sup>1</sup>**

	Corporate Merchant Banking and Large corporate customers		Other corporate customers		Nordic corporate customers	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007
<b>Number of customers, '000</b>	21	20				
<b>Income, EURm</b>	436	377	230	224	665	601
<b>Volumes, EURbn<sup>1</sup></b>						
Lending	78.6	66.7	27.7	25.4	106.3	92.1
Deposits	32.0	26.9	20.1	17.8	52.1	44.7
<b>Margins, %</b>						
Lending	0.86	0.85	0.93	1.07	0.87	0.90
Deposits	0.51	0.49	1.65	1.62	0.96	0.92

	New European Markets corporate customers		Shipping customers		Financial institutions		Corporate and financial institutions Total	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007
<b>Number of customers, '000</b>	71	56	2	2	1	1		
<b>Income, EURm</b>	71	21	59	53	102	84	897	759
<b>Volumes, EURbn<sup>1</sup></b>								
Lending	7.4	3.3	10.6	9.9	2.5	1.7	126.8	107.0
Deposits	2.5	1.6	4.8	4.7	16.5	14.5	76.0	65.4
<b>Margins, %</b>								
Lending	1.48	0.89	1.00	1.00	0.39	0.32	0.91	0.90
Deposits	1.54	1.21	0.34	0.43	0.35	0.33	0.81	0.76

<sup>1</sup> Volumes are excluding reversed repurchase agreements and repurchase agreements.

**Personal customer segments, key figures**

	Nordic Private Banking <sup>1</sup>		Gold customers		Other personal customers		Nordic personal customers	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007
<b>Number of customers, '000</b>	80	71	2,420	2,268				
<b>Income, EURm</b>	83	84	459	431	256	246	798	761
<b>Volumes, EURbn</b>								
Lending	4.2	3.5	91.5	80.6	11.4	11.1	107.2	95.2
Deposits	5.4	4.0	39.5	34.1	17.2	17.1	62.1	55.2
Assets under Management	41.6	44.7						
<b>Margins, %</b>								
Lending	0.65	0.65	0.80	0.81	2.35	2.36	1.02	1.04
Deposits	0.69	0.78	1.50	1.63	2.58	2.33	1.77	1.77

<sup>1</sup> The number of customers for Nordic Private Banking during 2007 has been revised downwards, for the first quarter 2007 with approx. 5,000 customers.

	New European Markets personal customers		International Private Banking		Personal customers Total	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007
<b>Number of customers, '000</b>	627	481	11	11		
<b>Income, EURm</b>	20	14	22	28	841	803
<b>Volumes, EURbn</b>						
Lending	3.4	1.9	1.4	1.6	112.0	98.7
Deposits	1.3	0.8	2.2	1.8	65.6	57.9
Assets under Management			8.9	9.5		
<b>Margins, %</b>						
Lending	1.38	1.29	0.82	0.86	1.03	1.04
Deposits	1.25	1.35	0.61	0.72	1.72	1.73

## 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 presented product groups do not comprise all volumes or result items within the Group.

### Corporate lending

The positive trend in corporate lending income continued in the first quarter, driven by strong double-digit volume growth. Income increased by 19% to EUR 365m supported by the volume growth, as corporate banking positions have been moved forward and Nordea gained market share. Margins have stabilised during the first quarter and there are signs of margins picking up.

### Household mortgage lending

Nordea reported double-digit volume growth and stabilised margins in mortgage lending, fuelling the 15% growth in income to EUR 153m. All markets contributed to the growth.

### Consumer lending

Other consumer lending showed continued income growth as higher volumes offset the lower margins.

### Corporate and Household deposits

Both corporate and household deposit income increased, up 18% and 15% respectively, reflecting the double-digit volume growth offsetting the flat or slightly negative margin development. The positive development in volumes follows the healthy customer response to new attractive savings products launched and competitive pricing.

### Payments

Transaction volumes increased and market shares were gained in the large corporate segment, but were met on the negative side by the price pressure, due to the fierce competition. Payments income decreased 8% to EUR 102m.

### Cards

The increased number of issued cards in combination with continued higher usage resulted in a strong increase in cards income, up 5% to EUR 66m during the first quarter.

### Guarantees and documentary payments

Nordea's documentary payments operations benefited from the recent market turmoil and recorded strong business activity with volumes up 16% as well as improved margins. Guarantee volumes were fairly unchanged, compared with last year. Income for guarantees and documentary payments increased by 5% to EUR 39m.

## Product groups, key figures

	Corporate lending		Household mortgage lending		Consumer lending		Corporate deposits		Household deposits	
	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Volumes, EURbn	118.0	99.2	86.5	77.7	19.9	18.0	76.0	65.4	63.3	56.1
Income, EURm	365	306	153	133	160	153	149	126	248	216
Margins, %	0.84	0.84	0.58	0.57	2.71	2.90	0.81	0.76	1.76	1.76

EURm	Payments		Cards		Guarantees and documentary payments		Capital Markets Products		Savings products and Asset Management		Life and Pensions	
	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Income	102	111	66	63	39	37	313	312	169	219	107	103
Expenses							-107	-100	-74	-73	-48	-40
Distribution expenses							-5	-6	-35	-36	-4	-5
<b>Product result<sup>1</sup></b>							<b>201</b>	<b>206</b>	<b>60</b>	<b>110</b>	<b>55</b>	<b>58</b>

<sup>1</sup> Excluding loan losses.

## Capital Markets Products

- **Stable income, despite challenging market conditions**
- **Strong customer activity in many product areas**
- **Growth initiatives on track**

Capital Markets Products is responsible for the Group's customer-driven trading activities in the foreign exchange, fixed income, equity and commodity markets and also includes the activities within leveraged finance and corporate finance. The reporting now constitutes Capital Markets Products, instead of previously Markets.

### Business development

During the first quarter 2008, Markets experienced strong customer activity in many product areas. Following the continued market turmoil with high volatility in many product areas, business conditions were challenging, but also provided good business opportunities. The focus on risk-management products from corporate customers continued and activity levels in foreign exchange and fixed income products were high.

Customer activity in credit products was also high, as the market volatility provided good opportunities for institutional clients to increase their credit exposure and take advantage of the current high risk premiums on credit products.

In contrast, Capital Markets activity remained subdued, with little new issuance, due to the market turmoil. However, noteworthy was the EUR 300m Storebrand Livsforsikring Eurobond issue, lead managed by Nordea.

The strengthening of the corporate finance and cash equity business in order to better meet customer demand, progressed as planned. Corporate finance activity continued at a high pace, with several significant transactions announced during the quarter, including the announced merger between Post Danmark A/S and Posten AB and EQT's public offer for Securitas Systems AB. Activity in the cash equity business, however, was negatively affected by the slower market.

### Result

Strong activity in foreign exchange and fixed income contributed to the robust and stable income compared with the first quarter last year. The product result amounted to EUR 190m, despite the prevailing market conditions.

### Capital Markets Products, product result

EURm	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest income	67	67	67	55	52
Net fee and commission income	53	63	54	50	51
Net gains/losses on items at fair value	193	189	119	203	209
Other income	0	1	0	0	0
<b>Total income</b>	<b>313</b>	<b>320</b>	<b>240</b>	<b>308</b>	<b>312</b>
Staff costs	-72	-74	-61	-73	-68
Other expenses	-35	-41	-33	-34	-32
Depreciations	0	0	0	0	0
<b>Operating expenses</b>	<b>-107</b>	<b>-115</b>	<b>-94</b>	<b>-107</b>	<b>-100</b>
Distribution expenses	-5	-8	-4	-8	-6
Loan losses	-11	0	0	-11	10
<b>Product result</b>	<b>190</b>	<b>197</b>	<b>142</b>	<b>182</b>	<b>216</b>
Cost/income ratio, %	34	36	39	35	32
Economic capital	1.2	1.1	1.2	1.0	1.1
Number of employees (full-time equivalents)	1,537	1,501	1,468	1,462	1,414

## Savings products and Asset Management

- **Income and product result affected by lower assets under management, due to the equity market downturn**
- **Strong sales to institutional customers**

Savings products and Asset Management is responsible for the Group's activities within institutional investment management, investment funds, private banking and the savings market in general.

### **Business development**

The effect for Nordea of the severe equity market downturn in the first quarter 2008 was a decrease in Assets under Management (AuM) of EUR 10.3bn during the quarter, where EUR 1.0bn stemmed from a net outflow and EUR 9.3bn from market depreciation. This resulted in AuM of EUR 146.8bn, down 10% compared to the first quarter 2007. The strategic direction remains unchanged.

In the first quarter, 43% of investment return composites outperformed their benchmarks. This can partially be explained by the fact that many of the fixed income mandates have low risk benchmarks that have been difficult to match in the investment environment in the first quarter. Of the equity composites, 52% outperformed their benchmarks.

Personal customers continued to reallocate savings to savings account products with lower risk, due to the market volatility and the launch of new savings account products with attractive terms. The retail funds thus showed a net outflow of EUR 1.7bn in the first quarter. The net outflow was sensitive to national trends; in Denmark outflow from fixed income funds, in Sweden mainly outflow from equity funds and in Finland outflow from both asset classes. In Norway, on the other hand, a net inflow to retail funds

was seen. In total, savings volumes from personal customers of net EUR 1.3bn were generated in the first quarter, mainly explained by the net inflow into savings accounts.

Institutional asset management activities showed strong development in the first quarter 2008 with a net inflow of EUR 1.7bn, increasing AuM to EUR 25.9bn. The net inflow was a result of several new mandates won as well as increased inflow from existing clients, both from the Nordic and International business.

Nordic Private Banking net outflow was EUR 0.3bn in the first quarter. However, net inflow from new customers was relatively strong and on a one-year basis, the net inflow was EUR 3.6bn. AuM decreased by 9% during the first quarter, mainly due to market depreciation (see also Customer segments, page 18 for further comments).

European Fund Distribution was also affected by the equity market downturn, lowering AuM by EUR 1.1bn since beginning of the year, of which net outflow was EUR 0.6bn (see also Other customer operations page 15 for further comments).

### **Result**

The income and product result in Savings products and Asset Management was highly affected by the decreasing AuM in the first quarter 2008. Income was EUR 169m in the first quarter, down 23% compared to the first quarter last year. The equity market volatility since last summer has resulted in a lower share of equities in AuM in favour of fixed income products. This asset substitution has reduced the income margin related to AuM. The product result was EUR 60m in the first quarter, down 45%.

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

EURbn	Q1 2008	Q1 Net inflow	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Nordic Retail funds	30.3	-1.7	34.4	36.7	37.8	37.0
European Fund Distribution	2.5	-0.6	3.6	4.5	5.4	5.8
Private Banking activities						
Nordic Private Banking	41.6	-0.3	45.7	46.1	46.8	44.7
International Private Banking	8.9	-0.1	9.6	9.8	9.8	9.5
Institutional clients	25.9	1.7	24.9	26.9	26.3	27.5
Life and Pensions	37.6	0.0	38.8	38.9	38.8	38.2
<b>Total</b>	<b>146.8</b>	<b>-1.0</b>	<b>157.1</b>	<b>162.9</b>	<b>164.9</b>	<b>162.7</b>

**Savings products and Asset Management, key figures per quarter**

EURm	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest income	17	14	12	12	13
Net fee and commission income	154	200	185	198	199
Net gains/losses on items at fair value	-2	3	3	6	3
Equity method	0	0	0	0	0
Other income	0	0	0	3	4
<b>Total income</b>	<b>169</b>	<b>217</b>	<b>200</b>	<b>219</b>	<b>219</b>
<i>of which related to AuM</i>	<i>141</i>	<i>185</i>	<i>169</i>	<i>190</i>	<i>185</i>
Staff costs	-39	-42	-41	-43	-41
Other expenses	-35	-40	-33	-33	-32
<b>Operating expenses</b>	<b>-74</b>	<b>-82</b>	<b>-74</b>	<b>-76</b>	<b>-73</b>
Distribution expenses in Nordic Banking	-35	-37	-37	-37	-36
<b>Product result</b>	<b>60</b>	<b>98</b>	<b>89</b>	<b>106</b>	<b>110</b>
<i>of which income within Nordic Banking</i>	<i>133</i>	<i>146</i>	<i>141</i>	<i>149</i>	<i>150</i>
Cost/income ratio, %	64	55	56	52	50
Income related to AuM, margins (bps)	57	70	61	69	68
Assets under management, EURbn	97	103	109	110	110
<i>of which, in %</i>					
<i>Fixed income</i>	<i>45</i>	<i>45</i>	<i>41</i>	<i>41</i>	<i>40</i>
<i>Equity</i>	<i>29</i>	<i>30</i>	<i>31</i>	<i>32</i>	<i>33</i>
<i>Other</i>	<i>26</i>	<i>25</i>	<i>28</i>	<i>27</i>	<i>27</i>
Economic capital	143	143	143	157	158
Number of employees (full-time equivalents)	1,062	1,040	1,027	1,004	1,003

## Life and Pensions

- Large premium growth in Sweden and Poland
- The product result slightly down

Life and Pensions is responsible for the Group's activities within life insurance and pensions.

### Business development

Life and Pensions' premiums increased overall by 6%, compared to first quarter last year. A very successful re-launch of Placera in Sweden, an endowment insurance product, contributed to an increase in Swedish premiums by 69%. Polish premiums also contributed significantly to premiums growth. Net inflow was close to zero in the first quarter 2008, resulting in AuM of EUR 37.6bn.

Life and Pensions' investment return and buffers were hit by the volatile financial markets and increases in credit spreads in the first quarter. The investment return was -1.5% in the first quarter and as a consequence, the financial buffers were reduced to EUR 1.5bn, equal to 6.7% of Life provisions with bonus rights. This is 3.3 %-points lower than at the end of 2007.

### Result

Life and Pensions' product result was also affected by the equity market downturn despite having a conservative investment strategy and risk profile. The product result was EUR 55m in the first quarter of 2008, down 5% compared to the first quarter last year. The product result was also influenced negatively by the profit-sharing model in Norway.

### Life and Pensions, key figures per quarter

EURm	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
<b>Profit drivers</b>					
Traditional insurance:					
Fee contribution/ profit sharing	47	59	39	38	37
Contribution from cost result	-3	-1	0	-1	-1
Contribution from risk result	6	11	7	7	5
Return on shareholders' equity/ other profits	-5	12	-1	12	6
Total profit Traditional	45	81	45	56	47
Total profit Unit linked	14	14	17	15	16
Estimated distribution expenses in Nordic Banking	-4	-4	-4	-4	-5
<b>Total Product result</b>	<b>55</b>	<b>91</b>	<b>58</b>	<b>67</b>	<b>58</b>
<i>of which income within Nordic Banking</i>	<b>28</b>	<b>33</b>	<b>28</b>	<b>31</b>	<b>32</b>
<b>Key figures</b>					
Premiums written, net of reinsurance	1,078	1,038	905	816	1,021
of which from Traditional business	628	646	498	459	605
of which from Unit-linked business	450	392	407	357	416
Total operating expenses	48	51	42	42	40
Investment assets:					
Bonds	16,418	15,799	15,994	15,572	15,756
Equities	3,807	4,772	4,855	5,070	4,938
Alternative investments	2,736	2,788	2,700	2,555	2,395
Property	3,158	3,178	3,094	3,014	2,991
Unit linked	6,896	7,349	7,498	7,398	6,967
<b>Total investment assets</b>	<b>33,014</b>	<b>33,885</b>	<b>34,141</b>	<b>33,609</b>	<b>33,047</b>
Investment return, %	-1.5	0.4	1.3	0.8	1.0
Technical provisions	31,227	32,118	32,442	32,041	31,406
of which financial buffers	1,491	2,231	2,451	2,503	2,337
Economic capital	1,096	1,136	1,121	1,157	1,110
Number of employees (full-time equivalents)	1,292	1,252	1,258	1,210	1,197



Customer Areas															
Nordic Banking						Inst. & International Banking					Other customer operations				
EURm	Q1	Q4	Q3	Q2	Q1	Q1	Q4	Q3	Q2	Q1	Q1	Q4	Q3	Q2	Q1
Customer responsible units	2008	2007	2007	2007	2007	2008	2007	2007	2007	2007	2008	2007	2007	2007	2007
Net interest income	971	973	939	900	854	133	129	112	103	80	19	19	16	18	12
Net fee and commission income	399	426	433	461	452	64	58	69	69	61	41	48	34	52	36
Net gains/losses on items at fair value	130	135	102	120	103	67	39	38	59	42	78	126	46	109	129
Equity method	3	5	8	5	7	-23	4	-6	1	2	0	0	0	0	0
Other income	8	10	7	21	2	1	3	2	1	2	1	1	5	0	6
<b>Total operating income</b>	<b>1,511</b>	<b>1,549</b>	<b>1,489</b>	<b>1,507</b>	<b>1,418</b>	<b>242</b>	<b>233</b>	<b>215</b>	<b>233</b>	<b>187</b>	<b>139</b>	<b>194</b>	<b>101</b>	<b>179</b>	<b>183</b>
Staff costs	-294	-293	-286	-287	-274	-46	-44	-38	-36	-25	-116	-115	-99	-113	-107
Other expenses	-477	-495	-434	-455	-452	-67	-65	-60	-63	-55	7	-14	-1	2	2
Depreciation of tangible and intangible assets	-8	-9	-8	-5	-4	-2	-2	-2	-2	-2	-2	-3	-2	-2	-2
<b>Total operating expenses</b>	<b>-779</b>	<b>-797</b>	<b>-728</b>	<b>-747</b>	<b>-730</b>	<b>-115</b>	<b>-111</b>	<b>-100</b>	<b>-101</b>	<b>-82</b>	<b>-111</b>	<b>-132</b>	<b>-102</b>	<b>-113</b>	<b>-107</b>
<i>of which allocations</i>	<i>-380</i>	<i>-388</i>	<i>-351</i>	<i>-354</i>	<i>-349</i>	<i>-47</i>	<i>-43</i>	<i>-39</i>	<i>-42</i>	<i>-41</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Loan losses	-10	-30	10	41	34	-7	36	3	-13	-21	0	0	0	0	0
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
<b>Operating profit</b>	<b>722</b>	<b>722</b>	<b>771</b>	<b>801</b>	<b>722</b>	<b>120</b>	<b>158</b>	<b>118</b>	<b>119</b>	<b>84</b>	<b>28</b>	<b>63</b>	<b>-1</b>	<b>66</b>	<b>76</b>
<b>Balance sheet, EURbn</b>															
Loans and receivables to the public	213	207	200	195	187	26	25	23	21	18	12	10	12	11	12
Other assets	26	25	11	23	21	8	9	8	8	7	36	37	37	37	36
<b>Total assets</b>	<b>239</b>	<b>232</b>	<b>211</b>	<b>218</b>	<b>208</b>	<b>34</b>	<b>34</b>	<b>31</b>	<b>29</b>	<b>25</b>	<b>48</b>	<b>47</b>	<b>49</b>	<b>48</b>	<b>48</b>
Deposits and borrowings from the public	114	110	107	103	100	25	31	25	25	22	6	8	7	7	7
Other liabilities	117	115	97	108	101	8	2	5	3	2	41	38	41	40	40
<b>Total liabilities</b>	<b>231</b>	<b>225</b>	<b>204</b>	<b>211</b>	<b>201</b>	<b>33</b>	<b>33</b>	<b>30</b>	<b>28</b>	<b>24</b>	<b>47</b>	<b>46</b>	<b>48</b>	<b>47</b>	<b>47</b>
Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>231</b>	<b>225</b>	<b>204</b>	<b>211</b>	<b>201</b>	<b>33</b>	<b>33</b>	<b>30</b>	<b>28</b>	<b>24</b>	<b>47</b>	<b>46</b>	<b>48</b>	<b>47</b>	<b>47</b>
Economic capital	8	7	7	7	7	1	1	1	1	1	1	1	1	1	1
<b>Other segment items</b>															
Capital expenditure, EURm	0	11	3	16	4	8	5	2	3	2	1	4	-1	-4	7

Other											Group				
Group Corporate Centre						Group Functions and Eliminations					Nordea Group				
EURm	Q1	Q4	Q3	Q2	Q1	Q1	Q4	Q3	Q2	Q1	Q1	Q4	Q3	Q2	Q1
Customer responsible units	2008	2007	2007	2007	2007	2008	2007	2007	2007	2007	2008	2007	2007	2007	2007
Net interest income	39	30	32	21	24	19	-8	-7	1	34	1,181	1,143	1,092	1,043	1,004
Net fee and commission income	-1	-2	-2	-3	-2	-8	-4	-3	-31	-12	495	526	531	548	535
Net gains/losses on items at fair value	19	10	81	24	41	-14	4	-3	6	-24	280	314	264	318	291
Equity method	0	0	1	0	4	2	3	7	3	-3	-18	12	10	9	10
Other income	1	1	3	18	2	12	12	0	-1	21	23	27	17	39	33
<b>Total operating income</b>	<b>58</b>	<b>39</b>	<b>115</b>	<b>60</b>	<b>69</b>	<b>11</b>	<b>7</b>	<b>-6</b>	<b>-22</b>	<b>16</b>	<b>1,961</b>	<b>2,022</b>	<b>1,914</b>	<b>1,957</b>	<b>1,873</b>
Staff costs	-11	-10	-9	-10	-10	-177	-153	-164	-146	-169	-644	-615	-596	-592	-585
Other expenses	-28	-30	-25	-28	-27	181	175	148	153	149	-384	-429	-372	-391	-383
Depreciation of tangible and intangible assets	0	0	0	0	0	-15	-15	-13	-16	-16	-27	-29	-25	-25	-24
<b>Total operating expenses</b>	<b>-39</b>	<b>-40</b>	<b>-34</b>	<b>-38</b>	<b>-37</b>	<b>-11</b>	<b>7</b>	<b>-29</b>	<b>-9</b>	<b>-36</b>	<b>-1,055</b>	<b>-1,073</b>	<b>-993</b>	<b>-1,008</b>	<b>-992</b>
<i>of which allocations</i>	-22	-27	-22	-23	-25	449	458	412	419	415	0	0	0	0	0
Loan losses	0	0	0	0	0	-4	0	0	0	0	-21	6	13	28	13
Disposals of tangible and intangible assets	0	0	0	0	0	0	2	-2	1	1	0	3	-2	1	1
<b>Operating profit</b>	<b>19</b>	<b>-1</b>	<b>81</b>	<b>22</b>	<b>32</b>	<b>-4</b>	<b>16</b>	<b>-37</b>	<b>-30</b>	<b>-19</b>	<b>885</b>	<b>958</b>	<b>932</b>	<b>978</b>	<b>895</b>
<b>Balance sheet, EURbn</b>															
Loans and receivables to the public	0	0	0	0	0						254	245	239	230	222
Other assets	18	15	16	14	12						157	144	148	145	135
<b>Total assets</b>	<b>18</b>	<b>15</b>	<b>16</b>	<b>14</b>	<b>12</b>						<b>411</b>	<b>389</b>	<b>387</b>	<b>375</b>	<b>357</b>
Deposits and borrowings from the public	0	0	0	0	0						141	142	135	133	126
Other liabilities	18	15	16	14	12						252	230	236	226	215
<b>Total liabilities</b>	<b>18</b>	<b>15</b>	<b>16</b>	<b>14</b>	<b>12</b>						<b>393</b>	<b>372</b>	<b>371</b>	<b>359</b>	<b>341</b>
Equity	0	0	0	0	0						18	17	16	16	16
<b>Total liabilities and equity</b>	<b>18</b>	<b>15</b>	<b>16</b>	<b>14</b>	<b>12</b>						<b>411</b>	<b>389</b>	<b>387</b>	<b>375</b>	<b>357</b>
Economic capital	0	0	0	0	0						12	11	10	10	10
<b>Other segment items</b>															
Capital expenditure, EURm	0	0	0	0	0						65	119	57	50	49

## Income statement

EURm	Note	Q1 2008	Q1 2007	Full year 2007
<b>Operating income</b>				
<i>Interest income</i>		3,763	2,902	12,909
<i>Interest expense</i>		-2,582	-1,898	-8,627
Net interest income		1,181	1,004	4,282
<i>Fee and commission income</i>		644	674	2,734
<i>Fee and commission expense</i>		-149	-139	-594
Net fee and commission income		495	535	2,140
Net gains/losses on items at fair value	2	280	291	1,187
Profit from companies accounted for under the equity method		-18	10	41
Dividends		4	0	22
Other operating income		19	33	214
<b>Total operating income</b>		<b>1,961</b>	<b>1,873</b>	<b>7,886</b>
<b>Operating expenses</b>				
General administrative expenses:				
Staff costs		-644	-585	-2,388
Other expenses		-384	-383	-1,575
Depreciation, amortisation and impairment charges of tangible and intangible assets		-27	-24	-103
<b>Total operating expenses</b>		<b>-1,055</b>	<b>-992</b>	<b>-4,066</b>
Loan losses	3	-21	13	60
Disposals of tangible and intangible assets		0	1	3
<b>Operating profit</b>		<b>885</b>	<b>895</b>	<b>3,883</b>
Income tax expense		-198	-194	-753
<b>Net profit for the period</b>		<b>687</b>	<b>701</b>	<b>3,130</b>
<b>Attributable to:</b>				
Shareholders of Nordea Bank AB (publ)		686	700	3,121
Minority interests		1	1	9
<b>Total</b>		<b>687</b>	<b>701</b>	<b>3,130</b>
Earnings per share, EUR		0.26	0.27	1.20
Earnings per share, after full dilution, EUR		0.26	0.27	1.20

## Balance sheet

EURm	Note	31 Mar 2008	31 Dec 2007	31 Mar 2007
<b>Assets</b>				
Cash and balances with central banks		2,232	5,020	2,771
Treasury bills and other eligible bills		10,228	8,503	8,137
Loans and receivables to credit institutions	4	28,189	24,262	27,502
Loans and receivables to the public	4	253,964	244,682	222,238
Interest-bearing securities		33,940	35,472	26,912
Financial instruments pledged as collateral		5,687	4,790	10,392
Shares		16,818	17,644	20,174
Derivatives	6	38,516	31,498	23,559
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-37	-105	-77
Investments in associated undertakings		394	366	407
Intangible assets		2,737	2,725	2,438
Property and equipment		348	342	338
Investment property		3,495	3,492	3,180
Deferred tax assets		112	191	345
Current tax assets		224	142	147
Retirement benefit assets		127	123	85
Other assets		12,000	7,724	7,037
Prepaid expenses and accrued income		2,384	2,183	1,759
<b>Total assets</b>		<b>411,358</b>	<b>389,054</b>	<b>357,344</b>
<i>Of which assets customer bearing the risk</i>		<i>10,635</i>	<i>11,344</i>	<i>9,519</i>
<b>Liabilities</b>				
Deposits by credit institutions		40,700	30,077	36,348
Deposits and borrowings from the public		140,994	142,329	126,340
Liabilities to policyholders		31,391	32,280	31,562
Debt securities in issue		100,969	99,792	90,204
Derivatives	6	40,464	33,023	24,327
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-152	-323	-364
Current tax liabilities		267	300	285
Other liabilities		27,049	22,860	20,758
Accrued expenses and prepaid income		3,244	2,762	2,804
Deferred tax liabilities		713	703	626
Provisions		73	73	96
Retirement benefit obligations		437	462	462
Subordinated liabilities		7,402	7,556	7,987
<b>Total liabilities</b>		<b>393,551</b>	<b>371,894</b>	<b>341,435</b>
<b>Equity</b>				
Minority interests	7	79	78	46
Share capital		2,597	2,597	2,594
Other reserves		-204	-160	-193
Retained earnings		15,335	14,645	13,462
<b>Total equity</b>		<b>17,807</b>	<b>17,160</b>	<b>15,909</b>
<b>Total liabilities and equity</b>		<b>411,358</b>	<b>389,054</b>	<b>357,344</b>
Assets pledged as security for own liabilities		24,439	17,841	22,921
Other assets pledged		5,854	6,304	1,264
Contingent liabilities		21,875	24,254	23,807
Commitments excluding derivatives		101,039	87,006	77,544
Derivative commitments		3,674,787	3,405,332	2,941,158

## Statement of recognised income and expense

EURm	Jan-Mar 2008	Jan-Mar 2007	Full year 2007
Currency translation differences during the period	-88	-51	-26
Currency hedging	44	-31	-24
Available-for-sale investments:			
Valuation gains/losses taken to equity	0	0	1
Tax on items taken directly to or transferred from equity	0	0	0
Net income recognised directly in equity	-44	-82	-49
Net profit for the period	687	701	3,130
<b>Total recognised income and expense for the period</b>	<b>643</b>	<b>619</b>	<b>3,081</b>
<b>Attributable to:</b>			
Shareholders of Nordea Bank AB (publ)	642	618	3,072
Minority interests	1	1	9
<b>Total</b>	<b>643</b>	<b>619</b>	<b>3,081</b>

## Cash flow statement

EURm	Jan-Mar 2008	Jan-Mar 2007	Full year 2007
<i>Operating activities</i>			
Operating profit	885	895	3,883
Adjustments for items not included in cash flow	312	404	-292
Income taxes paid	-215	-298	-591
Cash flow from operating activities before changes in operating assets and liabilities	982	1,001	3,000
Changes in operating assets and liabilities	-4,593	-1,121	1,419
Cash flow from operating activities	-3,611	-120	4,419
<i>Investing activities</i>			
Sale/acquisition of group undertakings	-	-40	14
Property and equipment	-27	-36	-139
Intangible assets	-35	-10	-119
Other financial fixed assets	61	-67	-107
Cash flow from investing activities	-1	-153	-351
<i>Financing activities</i>			
New share issue	-	-	3
Issued/amortised subordinated liabilities	-	-115	-315
Repurchase of own shares incl change in trading portfolio	2	-31	8
Dividend paid	-	-	-1,271
Cash flow from financing activities	2	-146	-1,575
<b>Cash flow for the period</b>	<b>-3,610</b>	<b>-419</b>	<b>2,493</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>7,097</b>	<b>4,650</b>	<b>4,650</b>
Exchange rate difference	-3	-23	-46
<b>Cash and cash equivalents at end of period</b>	<b>3,484</b>	<b>4,208</b>	<b>7,097</b>
<b>Change</b>	<b>-3,610</b>	<b>-419</b>	<b>2,493</b>
<b>Cash and cash equivalents</b>	31 Mar	31 Mar	31 Dec
The following items are included in cash and cash equivalents (EURm):	<u>2008</u>	<u>2007</u>	<u>2007</u>
Cash and balances with central banks	2,232	2,771	5,020
Loans and receivables to credit institutions, payable on demand	1,252	1,437	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 principles

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the EU. Additional requirements in accordance with the Swedish Act on Annual Accounts of Credit Institutions and Securities Companies (1995:1559) (ÅRKL), the recommendation RFR 1.1 "Supplementary Accounting Rules for Groups" of the Swedish Financial Reporting Board as well as the accounting regulations of the Financial Supervisory Authority (FFFS 2006:16), with amendments (FFFS 2007:28), 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 Annual Report 2007.

#### Exchange rates

	Jan-Mar 2008	Jan-Dec 2007	Jan-Mar 2007
<b>EUR 1 = SEK</b>			
Income statement (average)	9.4003	9.2498	9.1878
Balance sheet (at end of period)	9.3844	9.4572	9.3432
<b>EUR 1 = DKK</b>			
Income statement (average)	7.4538	7.4505	7.4521
Balance sheet (at end of period)	7.4571	7.4588	7.4510
<b>EUR 1 = NOK</b>			
Income statement (average)	7.9643	8.0147	8.1686
Balance sheet (at end of period)	8.0574	7.9738	8.1248
<b>EUR 1 = PLN</b>			
Income statement (average)	3.5732	3.7790	3.8853
Balance sheet (at end of period)	3.5225	3.6022	3.8592

#### Note 2 Net gains/losses on items at fair value

	Jan-Mar 2008	Jan-Mar 2007	Full year 2007
<b>EURm</b>			
Shares/participations and other share-related instruments	-1,353	170	805
Interest-bearing securities and other interest-related instruments	227	296	63
Other financial instruments	120	-8	103
Foreign exchange gains/losses	244	76	568
Investment properties, Life	24	43	432
Change in technical provisions, Life <sup>1</sup>	271	-222	-866
Change in collective bonus potential, Life	739	-65	41
Insurance risk income, Life	69	67	256
Insurance risk expense, Life	-61	-66	-215
<b>Total</b>	<b>280</b>	<b>291</b>	<b>1,187</b>

<sup>1</sup> Premium income amounts to EUR 522m for Jan-Mar 2008 (Jan-Mar 2007: EUR 666m, Jan-Dec 2007: EUR 2.274m).

**Note 3 Loan losses**

EURm	Jan-Mar 2008	Jan-Mar 2007	Full year 2007
<b>Loan losses divided by class, net</b>			
Loans and receivables to credit institutions	-1	0	9
- of which write-offs and provisions	-2	0	-1
- of which reversals and recoveries	1	0	10
Loans and receivables to the public	-14	14	-2
- of which write-offs and provisions	-131	-118	-451
- of which reversals and recoveries	117	132	449
Off-balance sheet items <sup>1</sup>	-6	-1	53
- of which write-offs and provisions	-8	-9	-22
- of which reversals and recoveries	2	8	75
<b>Total</b>	<b>-21</b>	<b>13</b>	<b>60</b>

**Specification of Loan losses**

Changes of allowance accounts in the balance sheet	-16	7	30
- of which Loans and receivables	-10	8	-23
- of which Off-balance sheet items <sup>1</sup>	-6	-1	53
Changes directly recognised in the income statement	-5	6	30
- of which realised loan losses	-20	-10	-55
- of which realised recoveries	15	16	85
<b>Total</b>	<b>-21</b>	<b>13</b>	<b>60</b>

<sup>1</sup> Included in Provisions in the balance sheet.**Note 4 Loans and receivables and their impairment**

	Total		
EURm	31 Mar 2008	31 Dec 2007	31 Mar 2007
Loans and receivables, not impaired	281,632	268,469	249,306
Impaired loans and receivables:	1,443	1,432	1,466
- Performing	928	924	966
- Non-performing	515	508	500
<b>Loans and receivables before allowances</b>	<b>283,075</b>	<b>269,901</b>	<b>250,772</b>
Allowances for individually assessed impaired loans	-562	-603	-668
- Performing	-306	-307	-352
- Non-performing	-256	-296	-316
Allowances for collectively assessed impaired loans	-360	-354	-364
<b>Allowances</b>	<b>-922</b>	<b>-957</b>	<b>-1,032</b>

<b>Loans and receivables, carrying amount</b>	<b>282,153</b>	<b>268,944</b>	<b>249,740</b>
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	Credit institutions			The public		
EURm	31 Mar 2008	31 Dec 2007	31 Mar 2007	31 Mar 2008	31 Dec 2007	31 Mar 2007
Loans and receivables, not impaired	28,193	24,264	27,512	253,439	244,205	221,794
Impaired loans and receivables:	7	8	8	1,436	1,424	1,458
- Performing	6	7	6	922	917	960
- Non-performing	1	1	2	514	507	498
<b>Loans and receivables before allowances</b>	<b>28,200</b>	<b>24,272</b>	<b>27,520</b>	<b>254,875</b>	<b>245,629</b>	<b>223,252</b>
Allowances for individually assessed impaired loans	-7	-8	-8	-555	-595	-660
- Performing	-6	-7	-6	-300	-300	-346
- Non-performing	-1	-1	-2	-255	-295	-314
Allowances for collectively assessed impaired loans	-4	-2	-10	-356	-352	-354
<b>Allowances</b>	<b>-11</b>	<b>-10</b>	<b>-18</b>	<b>-911</b>	<b>-947</b>	<b>-1,014</b>
<b>Loans and receivables, carrying amount</b>	<b>28,189</b>	<b>24,262</b>	<b>27,502</b>	<b>253,964</b>	<b>244,682</b>	<b>222,238</b>



Note 4, continued

**Reconciliation of allowance accounts for impaired loans**

	Credit institutions		The public		Total		Total
	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	
<b>Loans and receivables, EURm</b>							
<b>Opening balance at 1 Jan 2008</b>	<b>-8</b>	<b>-2</b>	<b>-595</b>	<b>-352</b>	<b>-603</b>	<b>-354</b>	<b>-957</b>
Provisions	0	-2	-86	-24	-86	-26	-112
Reversals	1	0	80	21	81	21	102
<b>Changes through the income statement</b>	<b>1</b>	<b>-2</b>	<b>-6</b>	<b>-3</b>	<b>-5</b>	<b>-5</b>	<b>-10</b>
Allowances used to cover write-offs	0	0	44	0	44	0	44
Currency translation differences	0	0	2	-1	2	-1	1
<b>Closing balance at 31 Mar 2008</b>	<b>-7</b>	<b>-4</b>	<b>-555</b>	<b>-356</b>	<b>-562</b>	<b>-360</b>	<b>-922</b>
<b>Opening balance at 1 Jan 2007</b>	<b>-7</b>	<b>-13</b>	<b>-757</b>	<b>-341</b>	<b>-764</b>	<b>-354</b>	<b>-1,118</b>
Provisions	0	0	-60	-48	-60	-48	-108
Reversals	-	0	78	38	78	38	116
<b>Changes through the income statement</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>-10</b>	<b>18</b>	<b>-10</b>	<b>8</b>
Allowances used to cover write-offs	-	-	45	0	45	0	45
Currency translation differences	0	3	33	-3	33	0	33
<b>Closing balance at 31 Mar 2007</b>	<b>-7</b>	<b>-10</b>	<b>-661</b>	<b>-354</b>	<b>-668</b>	<b>-364</b>	<b>-1,032</b>

**Allowances and provisions**

	31 Mar 2008	31 Dec 2007	31 Mar 2007
EURm			
Allowances for items in the balance sheet	-922	-957	-1,032
Provisions for off balance sheet items	-60	-55	-71
<b>Total allowances and provisions</b>	<b>-982</b>	<b>-1,012</b>	<b>-1,103</b>

**Key ratios**

	31 Mar 2008	31 Dec 2007	31 Mar 2007
Impairment rate, gross <sup>1</sup> , %	0.5	0.5	0.6
Impairment rate, net <sup>2</sup> , %	0.3	0.3	0.3
Total allowance rate <sup>3</sup> , %	0.3	0.4	0.4
Allowance rate, impaired loans <sup>4</sup> , %	38.9	42.1	45.6
Non-performing loans and receivables, not impaired <sup>5</sup> , EURm	119	98	92

<sup>1</sup> Individually assessed impaired loans and receivables before allowances divided by total loans and receivables before allowances, %.<sup>2</sup> Individually assessed impaired loans and receivables after allowances divided by total loans and receivables before allowances, %.<sup>3</sup> Total allowances divided by total loans and receivables before allowances, %.<sup>4</sup> Allowances for individually assessed impaired loans and receivables divided by individually assessed impaired loans and receivables before allowances, %.<sup>5</sup> 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
<b>Financial assets</b>							
Cash and balances with central banks	2,232						2,232
Treasury bills and other eligible bills	10		10,218				10,228
Loans and receivables to credit institutions	15,554		12,635				28,189
Loans and receivables to the public	211,208		8,278	34,478			253,964
Interest-bearing securities		1,553	17,046	15,291		50	33,940
Financial instruments pledged as collateral			5,687				5,687
Shares			6,552	10,250		16	16,818
Derivatives			38,082		434		38,516
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-37						-37
Other assets	7,636			4,328			11,964
Prepaid expenses and accrued income	1,812		154	31			1,997
<b>Total 31 Mar 2008</b>	<b>238,415</b>	<b>1,553</b>	<b>98,652</b>	<b>64,378</b>	<b>434</b>	<b>66</b>	<b>403,498</b>
Total 31 Dec 2007	231,608	1,632	84,502	63,053	415	66	381,276
Total 31 Mar 2007	211,853	1,554	79,837	56,396	437	62	350,139

EURm	Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
<b>Financial liabilities</b>					
Deposits by credit institutions	6,963			33,737	40,700
Deposits and borrowings from the public	2,077	2,818		136,099	140,994
Liabilities to policyholders, investment contracts	4,289				4,289
Debt securities in issue	4,931	38,747		57,291	100,969
Derivatives	39,732		732		40,464
Fair value changes of the hedged items in portfolio hedge of interest rate risk				-152	-152
Other liabilities	10,910	4,975		11,164	27,049
Accrued expenses and prepaid income	7	388		2,016	2,411
Subordinated liabilities				7,402	7,402
<b>Total 31 Mar 2008</b>	<b>68,909</b>	<b>46,928</b>	<b>732</b>	<b>247,557</b>	<b>364,126</b>
Total 31 Dec 2007	57,624	37,113	699	245,760	341,196
Total 31 Mar 2007	47,474	24,855	746	236,818	309,893

**Note 6 Derivatives**

<b>Fair value</b> EURm	31 Mar 2008		31 Dec 2007		31 Mar 2007	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<b>Derivatives held for trading</b>						
Interest rate derivatives	19,674	20,261	19,860	20,462	16,240	16,311
Equity derivatives	1,124	1,519	1,310	1,840	1,080	1,497
Foreign exchange derivatives	14,065	14,903	7,365	7,599	4,227	4,250
Credit derivatives	2,344	2,271	1,163	1,115	656	625
Other derivatives	875	778	1,385	1,308	919	898
<b>Total</b>	<b>38,082</b>	<b>39,732</b>	<b>31,083</b>	<b>32,324</b>	<b>23,122</b>	<b>23,581</b>
<b>Derivatives used for hedging</b>						
Interest rate derivatives	317	95	252	124	281	281
Equity derivatives	25	37	55	73	63	93
Foreign exchange derivatives	92	600	108	502	93	372
<b>Total</b>	<b>434</b>	<b>732</b>	<b>415</b>	<b>699</b>	<b>437</b>	<b>746</b>
<b>Total fair value</b>						
Interest rate derivatives	19,991	20,356	20,112	20,586	16,521	16,592
Equity derivatives	1,149	1,556	1,365	1,913	1,143	1,590
Foreign exchange derivatives	14,157	15,503	7,473	8,101	4,320	4,622
Credit derivatives	2,344	2,271	1,163	1,115	656	625
Other derivatives	875	778	1,385	1,308	919	898
<b>Total</b>	<b>38,516</b>	<b>40,464</b>	<b>31,498</b>	<b>33,023</b>	<b>23,559</b>	<b>24,327</b>
<b>Nominal amount</b>						
EURm			31 Mar 2008	31 Dec 2007	31 Mar 2007	
<b>Derivatives held for trading</b>						
Interest rate derivatives			2,780,940	2,571,356	2,228,526	
Equity derivatives			62,054	27,334	24,532	
Foreign exchange derivatives			685,800	667,979	535,765	
Credit derivatives			93,339	90,476	82,802	
Other derivatives			16,538	10,635	7,545	
<b>Total</b>			<b>3,638,671</b>	<b>3,367,780</b>	<b>2,879,170</b>	
<b>Derivatives used for hedging</b>						
Interest rate derivatives			30,244	32,918	52,305	
Equity derivatives			202	253	504	
Foreign exchange derivatives			5,670	4,381	9,179	
<b>Total</b>			<b>36,116</b>	<b>37,552</b>	<b>61,988</b>	
<b>Total nominal amount</b>						
Interest rate derivatives			2,811,184	2,604,274	2,280,831	
Equity derivatives			62,256	27,587	25,036	
Foreign exchange derivatives			691,470	672,360	544,944	
Credit derivatives			93,339	90,476	82,802	
Other derivatives			16,538	10,635	7,545	
<b>Total</b>			<b>3,674,787</b>	<b>3,405,332</b>	<b>2,941,158</b>	

## Note 7 Equity

Attributable to shareholders of Nordea Bank AB (publ)						
EURm	Share capital <sup>1</sup>	Other reserves	Retained earnings	Total	Minority interests	Total equity
<b>Opening balance at 1 Jan 2008</b>	<b>2,597</b>	<b>-160</b>	<b>14,645</b>	<b>17,082</b>	<b>78</b>	<b>17,160</b>
Net change in available-for-sale investments, net of tax		0		0		0
Currency translation differences		-44		-44		-44
<i>Net income recognised directly in equity</i>		-44		-44		-44
Net profit for the period			686	686	1	687
<i>Total recognised income and expense in equity</i>		-44	686	642	1	643
Share-based payments			3	3		3
Purchases of own shares <sup>2</sup>			1	1		1
Other changes				0	0	0
<b>Closing balance at 31 Mar 2008</b>	<b>2,597</b>	<b>-204</b>	<b>15,335</b>	<b>17,728</b>	<b>79</b>	<b>17,807</b>

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

Attributable to shareholders of Nordea Bank AB (publ)						
EURm	Share capital <sup>1</sup>	Other reserves	Retained earnings	Total	Minority interests	Total equity
<b>Opening balance at 1 Jan 2007</b>	<b>2,594</b>	<b>-111</b>	<b>12,793</b>	<b>15,276</b>	<b>46</b>	<b>15,322</b>
Net change in available-for-sale investments, net of tax		0		0		0
Currency translation differences		-82		-82		-82
<i>Net income recognised directly in equity</i>		-82		-82		-82
Net profit for the period			700	700	1	701
<i>Total recognised income and expense in equity</i>		-82	700	618	1	619
Purchases of own shares <sup>2</sup>			-31	-31		-31
Other changes				0	-1	-1
<b>Closing balance at 31 Mar 2007</b>	<b>2,594</b>	<b>-193</b>	<b>13,462</b>	<b>15,863</b>	<b>46</b>	<b>15,909</b>

<sup>1</sup> Total shares registered was 2,597 million (31 Dec 2007: 2,597 million, 31 Mar 2007: 2,594 million).

<sup>2</sup> 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 Mar 2008 was 1.2 million (31 Dec 2007: 1.6 million, 31 Mar 2007: 5.2 million).

<sup>3</sup> Refers to the Long Term Incentive Programme 2007 (LTIP 2007). The programme was hedged by issuing 3,120,000 C-shares, which were later bought back and converted into ordinary shares.

**Note 8 Capital adequacy****Capital Base\***

	31 Mar 2008
EURm	Basel II
Tier 1 capital	14,535
Total capital base	18,840

	31 Mar 2008	31 Mar 2008
	Capital requirement	Basel II RWA
EURm		
<b>Credit risk</b>	<b>12,790</b>	<b>159,870</b>
IRB foundation	6,980	87,243
- of which corporate	6,107	76,333
- of which institutions	733	9,164
- of which other	140	1,746
Standardised	5,810	72,627
- of which retail	4,178	52,231
- of which sovereign	17	208
- of which other	1,615	20,188
<b>Market risk</b>	<b>365</b>	<b>4,564</b>
- of which trading book, VaR	63	787
- of which trading book, non-VaR	302	3,777
- of which FX, non-VaR	0	0
<b>Operational risk</b>	<b>952</b>	<b>11,896</b>
Standardised	952	11,896
<b>Sub total</b>	<b>14,106</b>	<b>176,330</b>
<b>Adjustment for transition rules</b>		
Additional capital requirement according to transition rules	2,008	25,082
<b>Total</b>	<b>16,113</b>	<b>201,412</b>

**Capital ratio**

	31 Mar 2008
	Basel II
Tier I ratio, %	7.2
Capital ratio, %	9.4

**Analysis of capital requirements**

	Average risk weight (%)	Capital requirement (EURm)
Exposure class		
Corporate	55	6,107
Institutions	23	733
Retail	45	4,178
Sovereign	1	17
Other	99	1,755
<b>Total credit risk</b>		<b>12,790</b>

\* Including the result for the first three months. According to Swedish FSA rules (excluding the unaudited result for Q1): Tier 1 capital EUR 14.140m, capital base EUR 18.445m, Tier 1 capital ratio 7,0% and total capital ratio 9,2%.

**Note 9 Risks and uncertainties**

Nordea's revenue base reflects the Group's business with a large and diversified customer base, comprising both personal and corporate customers, representing different geographic areas and industries. Nordea has mainly an exposure to the macroeconomic and industry specific economic development in the geographical areas in which the Group operates.

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 2007.

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	Q1 2008	Q1 2007	Full year 2007
<b>Operating income</b>			
<i>Interest income</i>	827	656	2,741
<i>Interest expense</i>	-724	-578	-2,381
Net interest income	103	78	360
<i>Fee and commission income</i>	161	148	618
<i>Fee and commission expense</i>	-41	-32	-155
Net fee and commission income	120	116	463
Net gains/losses on items at fair value	-3	-53	192
Dividends	293	0	1,325
Other operating income	21	27	127
<b>Total operating income</b>	<b>534</b>	<b>168</b>	<b>2,467</b>
<b>Operating expenses</b>			
General administrative expenses:			
Staff costs	-163	-147	-596
Other expenses	-122	-129	-514
Depreciation, amortisation and impairment charges of tangible and intangible assets	-25	-26	-101
<b>Total operating expenses</b>	<b>-310</b>	<b>-302</b>	<b>-1,211</b>
Loan losses	-8	7	25
Disposals of tangible and intangible assets	0	0	0
<b>Operating profit</b>	<b>216</b>	<b>-127</b>	<b>1,281</b>
Appropriations	-12	-11	-44
Income tax expense	9	32	-34
<b>Net profit for the period</b>	<b>213</b>	<b>-106</b>	<b>1,203</b>

## Nordea Bank AB (publ)

### Balance sheet

EURm	31 Mar 2008	31 Dec 2007	31 Mar 2007
<b>Assets</b>			
Cash and balances with central banks	170	296	256
Treasury bills and other eligible bills	598	567	534
Loans and receivables to credit institutions	39,728	36,824	41,748
Loans and receivables to the public	28,575	26,640	22,873
Interest-bearing securities	4,225	5,216	3,646
Financial instruments pledged as collateral	3,760	2,806	647
Shares	2,818	2,034	2,823
Derivatives	1,268	1,281	992
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-1	-4	-1
Investments in group undertakings	15,598	15,488	16,855
Investments in associated undertakings	30	30	30
Intangible assets	803	819	845
Property and equipment	57	53	50
Deferred tax assets	34	34	38
Current tax assets	90	52	95
Other assets	937	1,940	514
Prepaid expenses and accrued income	459	402	374
<b>Total assets</b>	<b>99,149</b>	<b>94,478</b>	<b>92,319</b>
<b>Liabilities</b>			
Deposits by credit institutions	26,029	24,275	27,993
Deposits and borrowings from the public	33,102	32,296	28,921
Debt securities in issue	16,066	13,839	12,565
Derivatives	1,580	1,581	1,264
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-45	-69	-77
Current tax liabilities	0	0	0
Other liabilities	3,574	4,014	2,814
Accrued expenses and prepaid income	536	341	460
Deferred tax liabilities	2	2	3
Provisions	7	2	26
Retirement benefit obligations	131	129	133
Subordinated liabilities	6,043	6,151	6,341
<b>Total liabilities</b>	<b>87,025</b>	<b>82,561</b>	<b>80,443</b>
<b>Untaxed reserves</b>	<b>7</b>	<b>7</b>	<b>5</b>
<b>Equity</b>			
Share capital	2,597	2,597	2,594
Other reserves	5	5	-
Retained earnings	9,515	9,308	9,277
<b>Total equity</b>	<b>12,117</b>	<b>11,910</b>	<b>11,871</b>
<b>Total liabilities and equity</b>	<b>99,149</b>	<b>94,478</b>	<b>92,319</b>
Assets pledged as security for own liabilities	4,033	3,054	2,378
Other assets pledged	6,205	7,270	667
Contingent liabilities	15,581	14,066	14,022
Commitments excluding derivatives	30,588	29,474	26,850
Derivative commitments	468,863	299,852	295,022



**For further information:**

- A press conference with the management will be arranged on 29 April 2008 at 10.00 CET, at Smålandsgatan 17, Stockholm.
- An analyst conference will be arranged on 29 April at 14.00 CET at Smålandsgatan 17, Stockholm.
- A telephone conference with management will be arranged on 29 April at 16.00 CET.  
(Please dial +44 (0) 208 817 9301, access code Nordea, ten minutes in advance.) The telephone conference can be monitored live on [www.nordea.com](http://www.nordea.com). An indexed on-demand version will also be available on [www.nordea.com](http://www.nordea.com). A replay will also be available through 6 May, by dialling +44 (0) 207 769 6425, access code 1230715#.
- This interim report is available on [www.nordea.com](http://www.nordea.com). An investor presentation and a fact book are available on [www.nordea.com](http://www.nordea.com).

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**Financial calendar**

22 July – interim report for the second quarter 2008

23 October – interim report for the third quarter 2008

Stockholm 29 April 2008

Christian Clausen, President and Group CEO

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.

This report has not been subject to review by the auditors.

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 08.00 CET on 29 April 2008.

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.

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