Nordea Press release

Copenhagen, Helsinki, Oslo, Stockholm, 10 February 2010

Fourth Quarter and Year-end Report 2009

Strong year – risk-adjusted profit up 22%

- **Income up 11% and risk-adjusted profit up 22% for the full year 2009.** Nordea showed strong development in net interest income and net gains/losses and moderate cost growth.

- **Strong development in the customer business in 2009.** The number of Gold and Private Banking customers increased by 158,000 in the Group and household lending market share in the Nordic countries increased. Income from corporate customers in the Group increased 8%, following strong business development in all areas.

- **Income and risk-adjusted profit were lower in the fourth quarter 2009.** Income in Nordic Banking and Institutional & International Banking increased 5% in the fourth quarter compared to previous quarter. Net interest income remained high and net fee and commission income continued to increase. However, lower net gains/losses and restructuring costs related to Group initiatives led to lower operating profit and risk-adjusted profit.

- **Continued stabilisation of credit quality and loan losses at expected levels.** The loan loss ratio was in line with the outlook and was 52 basis points in fourth quarter and 54 basis points* in 2009. The growth rate in impaired loans decreased further to 7% in the quarter and the provisioning ratio increased to 53% from 51%.

- **Group initiatives to support the prudent growth strategy 2010 to 2012.** To capitalise on the strong momentum in the customer business, Nordea has decided to pursue a prudent growth strategy carefully balancing opportunities and risks, thereby continuing the journey towards Great Nordea. Building on the track record and experience from previous initiatives, Nordea will launch a number of Group initiatives to further grow income, improve efficiency and IT performance to contribute to Nordea's long-term financial targets and secure compliance.

- **Outlook.** Nordea expects risk-adjusted profit to be lower in 2010 compared to 2009, due to lower income in Treasury and Markets. The result effect from Group initiatives is expected to be neutral in 2010. The credit quality continues to stabilise. However, loan losses could remain at a high level also in 2010, as it is difficult to forecast when loan losses will start to decline. (For full outlook, see page 11)

"Nordea came out of 2009 in an even stronger position, despite one of the most challenging years for decades. Risk-adjusted profit increased 22% and our capital position and cost of funding are among the best in Europe. Our customer-oriented values and relationship banking strategy have stood the test of the difficult market situation. By moving even closer to customers and helping them find solutions in the recession, we strengthened our reputation and improved customer satisfaction compared to competitors. We have established a strong platform to continue on a prudent growth track", says **Christian Clausen**, President and Group CEO of Nordea.

Summary key figures, EURm	Q4 09	Q3 09	Ch.%	Q4 08	Ch.%	2009	2008	Ch.%
Net interest income	1,299	1,321	-2	1,386	-6	5,281	5,093	4
Total operating income	2,158	2,277	-5	2,251	-4	9,073	8,200	11
Profit before loan losses	939	1,190	-21	1,101	-15	4,561	3,862	18
Net loan losses	-347	-358	-3	-320	8	-1,486	-466	
Loan loss ratio annualised, bps	52	54		52		54*	19	
Operating profit	592	832	-29	781	-24	3,075	3,396	-9
Cost/income ratio, %	56	48		51		50	53	
Risk-adjusted profit	533	729	-27	620	-14	2,786	2,279	22
Diluted earnings per share, EUR	0.11	0.15		0.19		0.60	0.79	
Return on equity, %	8.1	11.7		14.4		11.3	15.3	

*) Excluding a one-off provision of EUR 47m concerning a contested legal claim.

For further information, see page 53 for contact details.

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

Income statement[1]

EURm	**Q4 2009**	Q3 2009	Change %	Q4 2008	Change %	**Jan-Dec 2009**	Jan-Dec 2008	Change %
Net interest income	**1,299**	1,321	-2	1,386	-6	**5,281**	5,093	4
Net fee and commission income	**463**	437	6	390	19	**1,693**	1,883	-10
Net gains/losses on items at fair value	**351**	486	-28	325	8	**1,946**	1,028	89
Equity method	**15**	7	114	45	-67	**48**	24	100
Other operating income	**30**	26	15	105	-71	**105**	172	-39
Total operating income	**2,158**	**2,277**	**-5**	**2,251**	**-4**	**9,073**	**8,200**	**11**
Staff costs	**-702**	-670	5	-655	7	**-2,724**	-2,568	6
Other expenses	**-471**	-382	23	-461	2	**-1,639**	-1,646	0
Depreciation of tangible and intangible assets	**-46**	-35	31	-34	35	**-149**	-124	20
Total operating expenses	**-1,219**	**-1,087**	**12**	**-1,150**	**6**	**-4,512**	**-4,338**	**4**
Profit before loan losses	**939**	**1,190**	**-21**	**1,101**	**-15**	**4,561**	**3,862**	**18**
Net loan losses	**-347**	-358	-3	-320	8	**-1,486**	-466	
Operating profit	**592**	**832**	**-29**	**781**	**-24**	**3,075**	**3,396**	**-9**
Income tax expense	**-145**	-206	-30	-144	1	**-757**	-724	5
Net profit for the period	**447**	**626**	**-29**	**637**	**-30**	**2,318**	**2,672**	**-13**

Business volumes, key items[1]

EURbn	**31 Dec 2009**	30 Sep 2009	Change %	31 Dec 2008	Change %
Loans to the public	**282.4**	282.7	0	265.1	7
Deposits and borrowings from the public	**153.6**	148.6	3	148.6	3
of which savings deposits	**47.8**	46.8	2	45.5	5
Assets under management	**158.1**	149.2	6	125.6	26
Technical provisions, Life	**32.2**	31.2	3	28.3	14
Equity	**22.4**	21.9	2	17.8	26
Total assets	**507.5**	488.3	4	474.1	7

Ratios and key figures

	Q4 2009	Q3 2009	Q4 2008	**Jan-Dec 2009**	Jan-Dec 2008
Diluted earnings per share[2], EUR	**0.11**	0.15	0.19	**0.60**	0.79
Share price[2,3], EUR	**7.10**	6.87	3.90	**7.10**	3.90
Total shareholders' return, %	**3.8**	14.9	-32.6	**78.6**	-46.9
Proposed/ actual dividend per share, EUR	**0.25**	-	0.20	**0.25**	0.20
Equity per share[2,3], EUR	**5.56**	5.44	5.29	**5.56**	5.29
Potential shares outstanding[3], million	**4,037**	4,037	2,600	**4,037**	2,600
Weighted average number of diluted shares[3], million	**4,017**	4,022	3,355	**3,846**	3,355
Return on equity, %	**8.1**	11.7	14.4	**11.3**	15.3
Cost/income ratio, %	**56**	48	51	**50**	53
Tier 1 capital ratio, excl transition rules[3], %	**11.4**	12.0	9.3	**11.4**	9.3
Total capital ratio, excl transition rules[3], %	**13.4**	14.1	12.1	**13.4**	12.1
Tier 1 capital ratio[3], %	**10.2**	10.5	7.4	**10.2**	7.4
Total capital ratio[3], %	**11.9**	12.4	9.5	**11.9**	9.5
Tier 1 capital[3], EURm	**19,577**	20,161	15,760	**19,577**	15,760
Risk-weighted assets incl transition rules[3], EURbn	**192**	192	213	**192**	213
Loan loss ratio, basis points[4]	**52**	54	52	**54**	19
Number of employees (full-time equivalents)[3]	**33,347**	33,030	34,008	**33,347**	34,008
Risk-adjusted profit[5], EURm	**533**	729	620	**2,786**	2,279
Economic profit[5], EURm	**217**	427	354	**1,556**	1,260
Economic capital[3], EURbn	**14.1**	13.4	12.8	**13.5**	11.8
EPS, risk-adjusted[2,5], EUR	**0.12**	0.18	0.18	**0.72**	0.68
RAROCAR[5], %	**15.8**	22.3	21.0	**20.6**	19.3
MCEV, EURm	**-**	-	-	**3,244**	2,624

[1] For exchange rates used in the consolidation of Nordea Group see Note 1.

[2] 2008 restated due to rights issue.

[3] End of period.

[4] Loan loss ratio in Q2 2009 excluding a one-off provision of EUR 47m concerning a contested legal claim.

[5] Risk-adjusted profit for 2008 was restated beginning of 2009, related to the IRB approval and subsequent model alignments.

The Group
Result summary, fourth quarter 2009

The strong income generation continued in the fourth quarter, particularly in customer areas. Net interest income continued at a high level and net fee and commission increased compared to the previous quarter. Net gains/losses decreased as expected in the fourth quarter, following normalised market conditions.

Total income in the customer areas Nordic Banking and Institutional & International Banking increased 5% compared to the third quarter. In the Group, total income decreased 5% from the strong third quarter.

Net interest income decreased 2% from the previous quarter, following some continued pressure on deposit margins, slightly decreased household lending margins and lower return on the liquidity buffer managed by Group Treasury.

Household lending volumes continued to increase with increasing market shares in Nordic Banking. The decline in corporate lending seems to level out, especially towards the end of the quarter and average corporate lending margins continued up in the fourth quarter.

Net fee and commission income continued to increase in the fourth quarter, up 6% from the third quarter. This was mainly a result of stronger performance in the savings area and higher Assets under Management (AuM), which increased to EUR 158bn during the quarter. Net inflow in the quarter was EUR 3.5bn.

The customer-driven capital markets operations continued to perform strongly, with high activity and strong income in the fourth quarter. Net gains/losses were also strong in Life & Pensions, as financial buffers continued to recover. However, as expected, total net gains/losses on items at fair value decreased from the very high level during the first nine months, due to decreasing net gains/losses in Group Treasury and unallocated income in Markets Other. Net gains/losses in total decreased 28% to EUR 351m.

Total expenses increased by 12% from the third quarter and increased by 6% compared to the fourth quarter last year. Restructuring costs were included in the amount of EUR 64m, mainly related to Group initiatives. Excluding these, total expenses increased 6% from the previous quarter and 3% compared to the fourth quarter one year ago.

Net loan loss provisions in the fourth quarter amounted to EUR 347m. The loan loss ratio was 52 basis points, which was in line with Nordea's loan loss outlook.

Operating profit was down 29% from the previous quarter, mainly due to lower net gains/losses and restructuring costs of EUR 64m.

Credit quality stabilised during the autumn, supported by the economic recovery in Nordea's home markets. Impaired loans for the Group increased 7% from the third quarter. In the two previous quarters, the increases were 9% and 19% respectively. Impaired loans gross in the Group amounted to EUR 4,102m, of which EUR 535m in the Baltic countries.

Risk-adjusted profit decreased 27% compared to the previous quarter and 14% compared to the fourth quarter last year, mainly due to lower net gains/losses and restructuring costs. For the full-year 2009, risk-adjusted profit increased 22%.

The inflow of new Gold customers continued to be strong in the fourth quarter, with an increase in Nordic Banking of more than 12,100 per month. 59% of the new Gold customers were new customers in Nordea, a clearly higher portion than in the same quarter last year, reflecting Nordea's competitive offering and showing that the Nordea brand continues to attract customers. The number of Private Banking customers increased by approx. 2,000 during the fourth quarter.

Nordea reports a core tier 1 capital ratio, ie excluding hybrid loans, of 10.3% excluding transition rules according to Basel II. The tier 1 capital ratio was 11.4% and the total capital ratio was 13.4%, excluding transition rules. Including transition rules, the core tier 1 capital ratio was 9.3%, the tier 1 capital ratio was 10.2% and the total capital ratio was 11.9%.

Income
Total income decreased 5% from the high level in the third quarter, to EUR 2,158m.

Total income increased by 5% in Nordic Banking and by 6% in Institutional & International Banking (IIB) compared to the third quarter.

Total income from corporate customers was up 3%, since lending margins continued to increase and income from capital markets products increased somewhat. However, corporate lending volumes in Nordic Banking were slightly down from the previous quarter. Customer satisfaction developed positively, especially compared to peers.

Income from business with household customers was somewhat up compared to the previous quarter. Both lending and deposit volumes increased, as well as income from the savings area. However, average margins were somewhat lower in Norway and Finland. In Norway, it was mainly due to the so-called lag effect.

Customer satisfaction was strong among household customers, most notably in Norway and Denmark. Relatively, Nordea's position in Nordic markets was clearly strengthened, reflecting improved long-term competitiveness and the reputation.

Net interest income

Net interest income decreased by 2% to EUR 1,299m compared to the third quarter. The decrease was mainly due to some continued pressure on deposit margins, slightly lower household lending margins and lower net interest income in Group Treasury by EUR 21m, due to lower return on the liquidity buffer. The continued adverse effect from lower deposit margins affected net interest income by approx. EUR 10m compared to previous quarter.

Lending to the public was unchanged in the fourth quarter at EUR 282bn, but excluding reversed repurchase agreements, lending increased 1%, driven by a strong positive trend in the household segment.

Corporate lending

Corporate lending volumes were slightly down in the fourth quarter. The demand for financing of acquisitions, investments and for working capital remains subdued. During the year, Nordea provided an increasing share of corporates' financing through the corporate bond market. Nordea has been able to continue to develop business relations with customers and support existing customers, while adhering to prudent risk management policy.

Corporate lending margins continued to increase somewhat during the quarter, reflecting continued re-pricing of credit risk, especially in Finland. Also in New European markets, margins improved.

Household mortgage lending and consumer lending

Household mortgage lending increased 3% and consumer lending was up 2% compared to the previous quarter.

Total household mortgage lending margins decreased in the quarter, due to the so-called lag effect in Norway and lower margins in Finland. Adjusting for the lag effect, household mortgage lending margins were up in Norway.

The household lending market shares grew in Nordic Banking during the fourth quarter. This continues to demonstrate Nordea's strength in the customer business, not least in Finland, where the increased market share indicated a trend shift after a period of declining market shares.

Corporate and household deposits

Total deposits from the public, including repurchase agreements, increased 3% to EUR 154bn compared to the previous quarter and 3% also compared to one year ago. Corporate deposit volumes increased, reflecting Nordea's strong rating and competitive offerings. Fierce competition for savings deposits continued.

Net fee and commission income

Net fee and commission income increased 6% compared to the previous quarter to EUR 463m.

Savings-related commissions increased by 11% compared to the third quarter to EUR 302m and lending-related commissions decreased by 9%. Expenses for the Danish and Swedish state schemes were EUR 48m, largely unchanged in Denmark from the third quarter and somewhat lower in Sweden due to lower full-year expenses than earlier expected.

Savings and asset management commissions

Asset management commissions continued the positive trend and increased in the fourth quarter to EUR 139m, up 21% compared to the previous quarter as a result of strong performance in the savings area and increased Assets under Management (AuM) as well as performance fees realised in the fourth quarter and increased margins, due to an increased share of equities in the asset mix.

Nordea's strong investment performance – 86% of all investment composites outperformed their benchmarks during the year - supported a net inflow into AuM in the fourth quarter of EUR 3.5bn, equal to 9% annualised. Including a continued strong asset appreciation, total AuM increased by 6% or EUR 8.9bn to EUR 158.1bn in the fourth quarter. Nordea's AuM are now only 4% lower than the peak level in the second quarter 2007.

During the quarter, the positive development in retail funds continued and an inflow of EUR 1.1bn was reported. Nordic Private Banking also reported yet another strong quarter, with a net inflow of EUR 0.9bn.

Lending-related commissions

Lending-related commissions decreased 9% in the fourth quarter to EUR 115m compared to the strong third quarter.

In guarantees and documentary payments income was unchanged from the previous quarter.

Net gains/losses on items at fair value

The customer-driven capital markets activities continued to perform strongly, with high demand for risk management products from customers in both Nordic Banking and Institutional & International Banking. The strategy for the Group to further increase business in risk-management products with Nordea's corporate and institutional customers continued to show good results.

Net gains/losses in the two large customer areas, Nordic Banking and Institutional & International Banking, were up 10% to EUR 199m, compared to the previous quarter.

As expected, market conditions normalised in the fourth quarter. Competition in the Nordic markets from both Nordic and international banks increased, which resulted in tightening of spreads across markets. Volumes were at a lower level, in particular within the fixed income and foreign exchange areas, a result of the low economic activity and lower commercial flows from corporate customers. These market conditions have impacted Capital Markets Products, while Group Treasury has been affected by increases in long-term interest rates late in the quarter, which imposed a specific challenge.

Net gains/losses in the Markets Other, ie unallocated income, continued to benefit from effective risk management and good trading results in connection with managing the risk inherent in customer transactions, although at a lower level than in previous quarters, and hence net gains/losses decreased 35% to EUR 136m.

Net gains/losses in Group Treasury were EUR -56m compared to EUR 2m in the third quarter, mainly as a result of rise in long-term interest rates towards the end of the year and other fair value changes.

Net gains/losses in Life were also strong in the fourth quarter, however down 6% to EUR 93m. The financial buffers were 6.1% of technical provisions, or EUR 1,434m, at the end of the fourth quarter, which is an improvement of 0.9 %-points compared to the third quarter.

In total, net gains/losses decreased 28% from the high level in the previous quarters to EUR 351m.

Equity method
Income under the Equity method was EUR 15m, of which the result from the 23% holding in Eksportfinans was EUR 0m.

Other income
Other income was EUR 30m compared to EUR 26m in the previous quarter.

Expenses
Total expenses increased 12% compared to the previous quarter to EUR 1,219m. Staff costs increased 5% to EUR 702m and other expenses increased 23% to EUR 471m. Restructuring costs mainly related to Group initiatives were included with EUR 64m, of which EUR 45m in staff costs and EUR 19m in other expenses. Excluding restructuring costs, total expenses increased 6%, staff costs decreased 2% and other expenses increased 18%, due to higher expenses for IT, marketing and the acquisition of Fionia Bank.

Compared to the same quarter last year, total expenses increased by 6% and staff costs by 7%. Excluding restructuring costs, total expenses increased 3% and staff costs increased 5%.

The number of employees (FTEs) at the end of the fourth quarter was approx. 660 lower than at the beginning of the year, a decrease of 2% including the acquisition of Fionia and 3% excluding this acquisition.

The cost/income ratio was 56%, compared to 48% in the previous quarter and 51% one year ago. Excluding restructuring costs, the cost/income ratio was 54%. The cost/income ratio in Nordic Banking was 56%, up from 51% in the third quarter, and in IIB the cost/income ratio was 38%, up from 35% in the third quarter.

Allocations to the profit-sharing scheme for all employees were EUR 35m for the fourth quarter compared to EUR 29m for the third quarter. During the fourth quarter, these allocations were accounted for in the business areas, which had a significant effect on their cost development.

Net loan losses
Net loan loss provisions were EUR 347m. Net loan losses include provisions of EUR 29m related to the Danish guarantee scheme (EUR 27m in the third quarter). Net loan losses were somewhat lower in the fourth quarter compared to the third quarter. New collective provisions net were EUR 82m in the fourth quarter.

The loan loss ratio of 52 basis points in the fourth quarter was in line with the loan loss outlook, and included 4 basis points of provisions related to the Danish guarantee scheme. In the Baltic countries, the loan loss ratio was 338 basis points.

Individual net loan losses amounted to 40 basis points, compared to 37 basis points in the third quarter, and collective provisions net amounted to 12 basis points, compared to 17 basis points in the third quarter.

In Nordic Banking, total net loan losses amounted to EUR 267m, compared to EUR 263m in the third quarter. Net loan losses were down somewhat in Finland and Sweden and up somewhat in Denmark and Norway in the fourth quarter compared to the third quarter.

Net loan losses as well as impaired loans continue to stem from a large number of smaller and medium-sized exposures rather than from a few large exposures. Impaired loans gross increased by 7%, a slower growth rate compared to the three previous quarters and the provisioning ratio amounted to 53%, up from 51% at the end of the third quarter.

In the Baltic countries, gross impaired loans, including both performing and non-performing loans, amounted to EUR 535m, or 733 basis points of loans. The increase in impaired loans was thereby limited to EUR 13m, or 2% in the quarter. This should be compared with an increase of EUR 380m in the first three quarters of 2009. Total allowances for the Baltic countries amounted to EUR 319m, of which collective allowances were EUR 188m. Total allowances amount to 437 basis points of loans and receivables, giving a provisioning ratio of 60%, up from 50% at the end of the third quarter.

Taxes
The effective tax rate for the fourth quarter was 25%, unchanged from the previous quarter.

Net profit
Net profit decreased 29% compared to the previous quarter to EUR 447m, corresponding to a return on equity of 8.1%. Diluted earnings per share were EUR 0.11 (EUR 0.15 in the third quarter 2009).

Risk-adjusted profit
Risk-adjusted profit decreased to EUR 533m, down 27% compared to the previous quarter and down 14% compared to one year ago.

For 2009, the Expected Loss (EL) ratio used for calculating risk-adjusted profit was on average 25 basis points, excluding the sovereign and institution exposure classes. For 2010, the EL ratio used for the risk-adjusted calculation is expected to be on average 27 basis points.

Result summary, full year 2009
During 2009, total income increased to EUR 9,073m, up 11% compared to last year, with a strong development in net interest income and net gains/losses. Profit before loan losses increased 18% while operating profit decreased 9%, due to the high increase in loan losses. Risk-adjusted profit increased 22% compared to last year.

Currency fluctuations had negative effects on income and result items and positive effect on balance sheet items compared to last year.

Income
Net interest income increased 4% to EUR 5,281m compared to last year. Lending and deposit volumes as well as lending margins were higher, while deposit margins were considerably lower than last year, following lower market interest rates. Lower deposit margins led to a decrease in income of approx. EUR 1.1bn, mainly in the first half of the year.

Total lending to the public, excluding reversed repurchase agreements, increased 5% compared to one year ago. In local currencies, lending, excluding reversed repurchase agreements, was unchanged.

Net fee and commission income decreased 10%, compared to last year, to EUR 1,693m, including expenses for state guarantee fees of EUR 201m. Excluding these fees, net fee and commission income was up 1%. Total lending-related commissions increased 5% to EUR 466m, while total savings-related commissions decreased 7% to EUR 1,071m, due to lower average Assets under Management and income margin, primarily as a result of a lower level of equities on average in the asset mix. Total payment commission income decreased 5% to EUR 729m.

Net gains/losses increased 89% to EUR 1,946m compared to last year, due to both strong development in the customer-driven capital markets operations and strong result in the treasury operations.

Income under the Equity method increased to EUR 48m from EUR 24m last year. Of the income, EUR 7m relates to the minority holding in Eksportfinans (last year EUR -15m).

Other income was EUR 105m compared to EUR 172m in the same period last year, which included the income of EUR 85m from the divestment of NCSD Holding AB.

Expenses
Total expenses increased 4% to EUR 4,512m, compared to last year. Staff costs increased by 6% to EUR 2,724m. Other expenses were down somewhat to EUR 1,639m.

The cost/income ratio was down to 50% from 53% last year.

Net loan losses
Loan losses were EUR 1,486m in 2009 compared to EUR 466m last year. This corresponded to a loan loss ratio, excluding the provision concerning the contested legal claim related to the debt restructuring liquidation of Swiss Air Group, of 54 basis points. These included 4 basis points of provisions related to the Danish guarantee scheme.

Taxes
The effective tax rate was 25%, compared to 21% last year.

Net profit
Compared to last year, net profit decreased by 13% to EUR 2,318m, following the higher loan losses and higher tax expenses.

Risk-adjusted profit
Risk-adjusted profit increased by 22% compared to last year to EUR 2,786m.

Market Consistent Embedded Value in Life & Pensions
The market consistent embedded value, MCEV, was at the end of 2009 EUR 3,244m, up 24% from 2008. As much as 43% of the increase in MCEV comes from the unit-linked business. Both strong sales – up 34% from last year – as well as a growth in assets of 48% contributed to the increase coming from the unit-linked business. In addition, the strengthening of financial buffers within the traditional business was an important driver for the positive development in MCEV.

Other information

Prudent growth strategy and initiatives 2010 to 2012

Nordea will pursue a prudent growth strategy for 2010 and beyond to capitalise on the strong momentum in customer business and to leverage on the bank's strong position. Nordea will carefully navigate in what is an improving but still uncertain macroeconomic environment, with full focus on credit risks and handling the changes in regulation on capital and liquidity. The prudent growth strategy is a natural continuation of the journey Nordea embarked on in 2007, with the launch of the Great Nordea vision and nine Group initiatives to support profitable organic growth.

The Board of Directors has decided on the next generation of initiatives to support the prudent growth strategy. A number of new Group initiatives will be launched focusing on growth as well as efficiency and foundation improvement initiatives. Both operational and financial experiences from the 2007 initiatives have enabled a more detailed approach in terms of priorities, scope and execution for the new Group initiatives. The growth initiatives cover most of Nordea's operations both in the Nordic region as well as in Poland. The efficiency and foundation improvement programmes focus on lean production, mainly within IT, lowering of production costs as well as reducing operational and compliance risks. They also target more cost-efficient product platforms within the cards, payment and cash management area as well as within Capital Markets were changes to the industry infrastructure and regulation put new demands on the technology platform.

Growth initiatives

Nordea has since the financial crisis experienced a very strong response from both household and corporate customers in all home markets. Both the number of customers and business volumes with existing customers have increased. Customer satisfaction has improved considerably compared to peers.

Nordea sees a unique opportunity to further strengthen its position as the leading bank in the Nordic region, complemented by growth in New European Markets. A number of initiatives are launched to enhance Nordea's position in relationship segments, through increased focus on advisory capacity, the distribution across channels and strengthening of the customer acquisition platform in the Nordic countries. In addition, branch openings in Poland will accelerate.

Increase business with existing and new Nordic banking customers

In an initiative to strengthen the future distribution, Nordea will invest to optimise the branch network, including alignment of capacity to customer potential, new formats and increased advisory capacity in the branches. As a result, there will be a relative reduction of other branch staff. The offering in non-branch channels will at the same time be upgraded to handle the further migration of transactions and sales from branches to non-branch channels.

A specific investment plan has been launched in Finland, where approx. 50-60 branches will be either relocated to areas with higher growth or be re-built to better cater for an increased number of advisory meetings in branches. In the other Nordic markets similar investments will be done to increase sales and advisory capacity.

To continue new customer acquisition, advisory capacity in Nordic Banking and Private Banking will be added, giving a continued focus on Gold customer acquisition and on Private Banking.

Strengthening the relationship with Nordea's corporate customer base

During the financial crisis, the bank has significantly improved its reputation and brand name among Nordic corporate customers, not only the very largest but also small and medium-sized corporates. This is evident from Customer surveys. The track-record during 2008 and 2009 is particularly strong within the Capital Markets area.

Initiatives within Capital Markets Products will both aim at further increased business with the corporate customers and continue the building of a top position in Nordic Corporate Finance and Equities. New recruitment will be done in both areas.

One initiative specifically aims at strengthening the position in Corporate Merchant Banking in Sweden, an area where Nordea has made significant headway in recent years and continues to see a large business potential within. Upgraded service platforms within areas like cash management, and corporate netbank as well as a strengthened execution of the relationship management process are instrumental in this initiative.

Growth plan Poland

Nordea has a strong track record in Poland from opening up 114 new branches in 2007 to 2009, which on average have reached break-even within one year. The total number of branches has thus reached a total of 158. Branch investments were slowed down in 2009, and the timing is now right to continue the expansion with a target of up to 50 new branches for 2010.

Furthermore, the corporate merchant banking capabilities in Poland will be strengthened and local top-tier corporates will, on a selective basis, be actively targeted aiming to build long-term house bank relations.

Efficiency and foundation improvement initiatives

IT performance initiatives

Within the IT area, initiatives have been launched to improve IT efficiency, decrease operational risks and reduce development and production costs over time. Some of the IT development capacity will be sourced from India and manual back-office tasks will be transferred to an operations centre in Poland. Together with a lean transformation of IT, these initiatives will free up resources to be deployed in the front line.

Product platforms

Investments in product areas are planned, to enable more efficient cards and payments platforms that will strengthen economies of scale and service capacity as the number of transactions grow.

Infrastructure upgrade

Nordea will invest in a more advanced technology platform in Markets to meet new infrastructure requirements, new regulation and increasing customer demand. A programme will be initiated to make the finance and reporting processes more efficient. Furthermore, IT resilience will be strengthened in the Group.

Time plan and investments

The initiatives and the investments will start in early 2010 and will run until 2012. For 2010, total one-off investments are expected to amount to EUR 240m, of which EUR 140m are accounted for as expenses in the income statement. The effect on running costs is expected to be neutral net of efficiency gains of EUR 60m. The total effect on the result 2010 from the initiatives is expected to be neutral when taking efficiency gains and positive income effects into account. If market conditions and customer demand remain favourable, total investments 2011 and 2012 are expected to be at approx. the same level as in 2010. Efficiency gains as well as income growth are expected to gradually increase and the result effect for 2011-12 is therefore expected to be clearly positive and contribute to fulfilment of Nordea's long-term target to double the risk adjusted profit in 7 years.

A further presentation of these initiatives will be conducted at Nordea's Capital Markets Event, held in London on 23 February 2010.

New regulations

During 2009, several key regulatory initiatives have been discussed by regulators and other standard setters in order to increase the quantity and quality of capital. In December 2009, the Basel Committee on Banking Supervision (BCBS) published a proposal of a new regulatory regime ("Basel III") to strengthen global capital and liquidity regulations, which are described in the consultative document *"Strengthening the resilience of the banking sector"* and *"International framework for liquidity risk measurement, standards and monitoring"*. A comprehensive Quantitative Impact Study will be conducted by banks during the spring 2010 based on the draft proposals. The Basel Committee is expected to issue a fully calibrated and final comprehensive framework by end 2010, and has communicated that the aim is to implement the new regulatory regime by end 2012.

The key elements of the capital proposal are to increase the quality of the capital base, strengthen the risk coverage, introduction of a supplementary leverage ratio as well as a series of measures to make the framework more countercyclical. The proposed changes in "Basel III" will lead to an increase in the quality and quantity of capital for many banks, but the magnitude of the capital effects depends on the final calibration and implementation of the proposal.

Nordea is well prepared for new capital regulations, with one of the strongest core tier 1 capital ratios among European banks and with a high portion of core equity in the capital base.

The proposed liquidity risk measures focus on elevating the resilience to liquidity stresses of internationally active banks, as well as increasing international harmonisation of liquidity risk supervision. The proposal includes two internationally consistent regulatory standards ie Liquidity coverage ratio and Net stable funding ratio. The effects are dependent on both the underlying assumptions of metrics as well as required levels.

Even though Nordea will be affected by the current proposal, Nordea is well prepared to adapt to new regulations, due to its high quality liquidity buffers, well diversified funding base, strong funding name and high proportion of long-term debt issuance.

Credit portfolio

Total lending was unchanged at EUR 282bn, compared to the previous quarter and increased 7% compared to one year ago. The share of lending to corporate customers amounted to 56%. Lending in the Baltic countries constitutes 3% of the Group's total lending.

Impaired loans increased at a slower pace in the fourth quarter than in previous quarters. The macroeconomic trend in Nordea's home markets has continued to stabilise. The total effect on risk-weighted assets (RWA) from rating migration in the portfolio was an increase by approx. 6.9% during the full year 2009. In the fourth quarter, the effect from rating migration on RWA was an increase by approx. 2.4%, mainly due to a model change concerning the IRB Retail portfolio, while the rating migration in the corporate portfolio was stable.

Impaired loans gross in the Group increased 7% to EUR 4,102m at the end of the fourth quarter, corresponding to 135 basis points of total loans and receivables. 54% of impaired loans gross are performing loans and 46% are non-performing loans. Impaired loans net, after allowances for individually assessed impaired loans amounted to EUR 2,771m (EUR 2,623m at the end of the third quarter), corresponding to 91 basis points of total loans and receivables.

The provisioning ratio increased to 53%, compared to 51% in the third quarter.

The increase in impaired loans continued to be mainly related to Denmark. The sectors with the largest increases were real estate, consumer staples and industrial capital goods.

Loan loss ratios and impaired loans

Basis points of loans	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08
Loan loss ratio annualised Group	52	54	57[1]	54	52
of which individual	40	37	41[1]	43	47
of which collective	12	17	16	11	5
Loan loss ratio, Nordic Banking	47	49	63	53	56
Loan loss ratio, IIB	104	122	92	89	115
Loan loss ratio, Baltic countries	338[2]	322[2]	214[2]	119[2]	131
Impaired loans ratio gross, Group (bps)	135	128	118	100	77
of which performing	54%	57%	55%	62%	62%
of which non-performing	46%	43%	45%	38%	38%
Total allowance ratio, Group (bps)	71	65	57	49	40
Provisioning ratio, Group[3]	53%	51%	49%	48%	53%

[1] Excluding the provision concerning the legal claim, contested by Nordea, related to the debt restructuring liquidation of Swiss Air Group.
[2] Loan loss ratio including collective provisions for the Baltic countries reported in the unit IIB Other.
[3] Total allowances in relation to gross impaired loans.

Market risk

Interest-bearing securities and treasury bills were EUR 80bn at the end of the fourth quarter, of which EUR 24bn in the life insurance operations and the remaining part in the liquidity buffer and trading portfolios.

38% of the portfolio measured at fair value comprises government or municipality bonds, 31% is mortgage bonds, 12% is corporate bonds and 19% are other types of securities. Of Nordea's total interest-bearing securities, only a limited part is marked-to-model, as presented in note 9 on page 46.

Total Value at Risk (VaR) market risk increased to EUR 114m in the fourth quarter compared to EUR 79m in the third quarter.

Market risk

EURm	Q4 2009	Q3 09	Q2 09	Q4 08
Total risk, VaR	114	79	98	86
Interest rate risk, VaR	111	85	98	74
Equity risk, VaR	38	29	18	31
Foreign exchange risk, VaR	19	12	16	17
Credit spread risk, VaR	24	36	34	30
Diversification effect	41%	51%	41%	44%

Capital position

At the end of the fourth quarter, Nordea's risk-weighted assets (RWA) were EUR 171.7bn excluding transition rules, up 1.9% compared to the previous quarter and also up 1.9% compared to one year ago, when RWA were EUR 168.6bn. During the fourth quarter, the changes in RWA were mainly due to model changes and increased market risk. RWA including transition rules amounted to EUR 191.9bn at the end of 2009.

The core tier 1 capital ratio, ie excluding hybrid loans, was excluding transition rules 10.3%, the tier 1 capital ratio was 11.4% and the total capital ratio was 13.4%. Including transition rules, the core tier 1 capital ratio was 9.3%, the tier 1 capital ratio was 10.2% and the total capital ratio was 11.9%.

The tier 1 capital ratio and the total capital ratio are well above the targets in Nordea's capital policy. The capital policy states that over a business cycle, the target for the tier 1 capital ratio is 9% and the target for the total capital ratio is 11.5%. The capital base of EUR 22.9bn exceeds the Pillar 1 capital requirements of EUR 13.7bn excluding transition rules by EUR 9.2bn. The tier 1 capital of EUR 19.6bn exceeds the Pillar 1 capital requirements (excluding transitions rules) by EUR 5.8bn.

The hybrid capital constituted 9.3% of the tier 1 capital, a decrease from 10.6% in the third quarter. The portion of hybrid capital is low compared to the statutory limit of 30%.

Nordea regularly performs stress tests as part of the capital planning process. The Finnish Financial Supervisory Authority performed stress tests during the third quarter for the major banks in Finland and concluded that stability in the financial sector was satisfactory.

At the end of 2009, Economic Capital (EC) was EUR 14.1bn, compared to EUR 13.4bn at the end of September.

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

Nordea's funding operations
Nordea issued approx. EUR 6.5bn of long-term debt during the fourth quarter, of which approx. EUR 2.1bn represented issuance of covered bonds in the Swedish domestic covered bond market. In the senior markets, Nordea made its first issue under the recently established US 144a MTN programme in the form of a USD 2bn dual tranche transaction. The transaction opened up the important US domestic market for Nordea senior-term funding.

The liquidity buffer, held by Group Treasury, is composed of highly liquid central bank eligible securities and amounted to EUR 56.5bn at the end of the fourth quarter. The portion of long-term funding was as of the end of 2009 66%.

Acquisition of Fionia Bank completed
The acquisition of Fionia Bank, excluding the “bad bank” part, from Finansiel Stabilitet A/S, was completed in November 2009. Fionia has a customer portfolio comprising 75,000 household customers and 9,500 corporate customers and 29 branches.

Nordea share
During the fourth quarter, the share price of Nordea on the NASDAQ OMX Nordic Exchange appreciated from SEK 70.20 to SEK 72.90.

Total shareholder return (TSR) during 2009 was 78.6%. Nordea was number seven of 20 in the European peer group, where the average TSR was 55.4%.

As of 8 February 2010, Nordea's TSR from the beginning of the year was -7.8%, making the Nordea share one of the 13 best performing shares among European banks in Nordea's peer group. This adds to the strong track record from 2006 to 2008, where Nordea each year was among the top 3 performing shares.

Mandate to repurchase and convey own shares
In order to be able to adjust the company's capital structure to the capital need existing at any time and to use own shares as payment in connection with acquisitions or in order to finance such acquisitions, the Board of Directors proposes to the AGM on 25 March 2010 an authorisation to decide on repurchase own shares on a regulated market where the company's shares are listed, or by means of an acquisition offer directed to all shareholders. The authorisation is limited so that Nordea's holdings of own shares is maximum 10% of all shares. The Board of Directors further proposes an authorisation to decide on conveyance of own shares, to be used as payment for or financing of acquisitions of companies or businesses. Conveyance may be made in another way than on a regulated market and with deviation from shareholders' pre-emptive rights.

During the recent year, no mandate to repurchase own shares has been in place, mainly due to the financial crisis.

The Board of Director proposes to the AGM on 25 March 2010 that Nordea may continuously repurchase own shares in order to facilitate its securities operations. Nordea's holding of such shares may not exceed 1% of all shares.

Dividend
The Board of Directors proposes to the AGM a dividend of EUR 0.25 per share (EUR 0.20), corresponding to a payout ratio of 43% of net profit, which is in line with the dividend policy. Total proposed dividend amounts to EUR 1,006m.

The ex-dividend date for the Nordea share is 26 March 2010. The proposed record date for the dividend is 30 March, and dividend payments will be made on 8 April.

Performance-related salaries
Performance-related salaries in Nordea include variable salary parts and bonuses. Members of Nordea's Group Executive Management do not receive any performance-related salaries for 2009. For other areas, Nordea has made reservations for various forms of performance-related salaries for 2009, which have been reviewed to comply with the principles endorsed by G20. Also, more than 50 managers and material risk takers will defer payment of half their earned performance-related salary for 2009 over three years. Payment of the deferred performance-related salary takes place in cash in three pro rata installments. The amount paid each year will be adjusted (upwards or downwards) linked to Nordea's future performance (the Nordea TSR in accordance with Thomson Reuter's methodology), in line with the G20 endorsed principles. The payment obligations for the deferral will be hedged by Nordea entering into an equity swap arrangement with a third party, why the financial impact on Nordea will be very limited.

Nordea already complies with most of the presented principles; in 2004 Economic Profit was introduced as the base for bonus schemes, taking market and credit risk into account, as well as netting of different units' performance. Full fair value adjustments in performance metrics were introduced in 2006. These compensations structures have been constructed not to encourage excessive risk-taking and have contributed to maintaining the bank's financial stability and profitability through the financial crisis.

To maintain Nordea's position as a leading European bank – including in areas directly exposed to global competition: capital markets, investment banking and asset management – the compensation schemes cannot deviate substantially from international market standards. Nordea aims at having competitive, but not market-leading remunerations. Total income in these globally competitive areas, which are vital in Nordea's business model, was approx. EUR 3bn in 2009, contributing to a large part of Nordea's total operating profit.

Nordea offers performance-related salaries in the form of bonus schemes only to selected groups of employees in specific areas or units, within the areas Capital Markets Products, Savings Products & Asset Management, International Private Banking & Funds and Group Treasury. Within other areas or units, variable salary parts are offered to selected managers, specialists and key employees.

The calculated provisions for performance-related salaries in 2009 amounted to EUR 278m, of which EUR 212m as part of bonus schemes in these areas. The payout ratio – total staff costs including fixed salaries and bonuses in relation to total income – for the areas or units with bonus schemes decreased to 16.4% in 2009 compared to 20.5% in 2008. Nordea thus continues to have payout ratios on approx. half the level of most of international peers.

The provisions for performance-related salaries in the fourth quarter amounted to EUR 34m, a decrease from EUR 70m in the third quarter.

Variable salary parts in other areas or units amounted to EUR 66m in 2009. The size of these remuneration schemes is capped – normally to 3 months worth of fixed salary – and based on balanced scorecard target fulfilment, such as customer satisfaction, leadership and risk and credit management.

In Sweden, the cost for bonuses and variable salary parts was EUR 58m, including social costs, which is 21% of the Group's total cost for performance-related salaries.

For 2010, internal policies and procedures are to make sure that the performance-related salaries do not contribute to unnecessary risk-taking for Nordea or the customers. In addition, more staff will be comprised by the rules on deferred performance-related salaries from 2010 for Nordea to be compliant with the new regulatory requirements.

Performance-related salaries, including social costs

EURm	2009	2008
Bonuses, bonus areas or units	212	170
Variable salary parts, other areas or units	66	62
Total variable salary parts and bonuses, Group	278	232
Payout ratio, bonus areas or units*	16.4%	20.5%
Bonus ratio, bonus areas or units**	6.2%	7.0%

*) Fixed salaries and bonuses in relation to total income.
**) Bonuses in relation to total income.

Profit sharing and Long Term incentives

In 2009, a total of approx. EUR 106m was provided for under Nordea's ordinary profit-sharing scheme for all employees and the Long Term Incentive Programmes for managers and key employees.

For 2009, each employee can receive a maximum of EUR 3,200, of which EUR 2,000 is based on a pre-determined level of risk-adjusted profit, an additional EUR 600 based on the level of relative customer satisfaction and an additional EUR 600 based on Nordea's relative performance compared to a Nordic peer group as measured by return on equity.

The profit-sharing scheme for 2010 is suggested to replace current return on equity measure with Nordea's relative performance compared to a Nordic peer group as measured by total shareholder return. The possible maximum outcome for the three parameters is unchanged. If all performance criteria are met, the cost of the scheme will amount to a maximum of approx. EUR 100m.

The Annual General Meeting 2009 approved a Long Term Incentive Programme (LTIP), LTIP 2009, for up to 400 managers and key employees. To be part of the programme, the participants had to lock in Nordea shares and thereby align their interest and perspectives with the shareholders. The participants were granted a number of rights to acquire matching and performance shares, which can be exercised after two years at the earliest, conditional on continued employment and, for performance shares, fulfilment of certain performance criteria, being growth in risk-adjusted profit per share and Total Shareholder Return (TSR) compared to Nordic and European financial companies.

Annual General Meeting

The Annual General Meeting will be held on Thursday 25 March 2010 at Aula Magna, at Stockholm University, Stockholm at 13.00 (CET). Prior to the AGM, information meetings for shareholders will be held on 9 March in Copenhagen and 11 March in Helsinki.

Outlook 2010

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

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

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

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

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

Nordea expects the effective tax rate to be around 26%.

Quarterly development, Group

EURm	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Jan-Dec 2009	Jan-Dec 2008
Net interest income	1,299	1,321	1,305	1,356	1,386	5,281	5,093
Net fee and commission income	463	437	412	381	390	1,693	1,883
Net gains/losses on items at fair value	351	486	594	515	325	1,946	1,028
Equity method	15	7	17	9	45	48	24
Other operating income	30	26	31	18	105	105	172
Total operating income	**2,158**	**2,277**	**2,359**	**2,279**	**2,251**	**9,073**	**8,200**
General administrative expenses:							
Staff costs	-702	-670	-687	-665	-655	-2,724	-2,568
Other expenses	-471	-382	-392	-394	-461	-1,639	-1,646
Depreciation of tangible and intangible assets	-46	-35	-37	-31	-34	-149	-124
Total operating expenses	**-1,219**	**-1,087**	**-1,116**	**-1,090**	**-1,150**	**-4,512**	**-4,338**
Profit before loan losses	**939**	**1,190**	**1,243**	**1,189**	**1,101**	**4,561**	**3,862**
Net loan losses	-347	-358	-425	-356	-320	-1,486	-466
Operating profit	**592**	**832**	**818**	**833**	**781**	**3,075**	**3,396**
Income tax expense	-145	-206	-200	-206	-144	-757	-724
Net profit for the period	**447**	**626**	**618**	**627**	**637**	**2,318**	**2,672**
Diluted earnings per share (EPS), EUR	0.11	0.15	0.15	0.19	0.19	0.60	0.79
EPS, rolling 12 months up to period end, EUR	0.60	0.68	0.72	0.78	0.79	0.60	0.79

Quarterly development, Customer areas

Nordic Banking, operating profit, volumes and margins

EURm	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Change Q409/ Q309	Q409/ Q408	2009	2008
Net interest income	974	981	978	1,005	1,129	-1%	-14%	3,938	4,275
Net fee and commission income	423	380	373	341	274	11%	54%	1,517	1,531
Net gains/losses on items at fair value	138	119	145	150	143	16%	-3%	552	517
Equity method & other income	19	7	18	11	3	171%		55	35
Total income incl. allocations	**1,554**	**1,487**	**1,514**	**1,507**	**1,549**	**5%**	**0%**	**6,062**	**6,358**
Staff costs	-353	-290	-288	-292	-283	22%	25%	-1,223	-1,161
Total expenses incl. allocations	**-874**	**-764**	**-762**	**-760**	**-779**	**14%**	**12%**	**-3,160**	**-3,111**
Profit before loan losses	**680**	**723**	**752**	**747**	**770**	**-6%**	**-12%**	**2,902**	**3,247**
Net Loan losses	-267	-263	-335	-286	-313	2%	-15%	-1,151	-402
Operating profit	**413**	**460**	**417**	**461**	**457**	**-10%**	**-10%**	**1,751**	**2,845**
Cost/income ratio, %	56	51	50	50	50			52	49
RAROCAR, %	15	15	17	16	19			16	20
Number of employees (FTEs)	16,582	16,394	16,721	16,860	17,117	1%	-3%	16,582	17,117
Volumes, EURbn:									
Lending to corporates	107.1	107.4	108.1	109.6	108.2	0%	-1%		
Lending to households	119.5	116.1	111.1	108.3	105.9	3%	13%		
Total Lending	**226.6**	**223.5**	**219.2**	**217.9**	**214.1**	**1%**	**6%**		
Corporate deposits	57.3	52.9	53.0	54.8	53.9	8%	6%		
Household deposits	68.3	66.7	65.8	64.4	63.2	2%	8%		
Total deposits	**125.6**	**119.6**	**118.8**	**119.2**	**117.1**	**5%**	**7%**		
Margins, %:									
Corporate lending	1.50	1.47	1.38	1.33	1.12				
Household mortgage lending	0.85	0.90	0.93	1.03	0.79				
Consumer lending	4.01	4.03	3.84	3.76	3.29				
Total lending margins	**1.45**	**1.46**	**1.41**	**1.42**	**1.18**				
Corporate deposits	0.22	0.23	0.34	0.47	0.85				
Household deposits	0.09	0.15	0.37	0.60	1.58				
Total deposits margins	**0.15**	**0.19**	**0.35**	**0.53**	**1.22**				

Historical information has been restated due to organisational changes.

Institutional & International Banking, operating profit and volumes

EURm	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Change Q409/ Q309	Q409/ Q408	2009	2008
Net interest income	197	189	182	185	208	4%	-5%	753	660
Net fee and commission income	75	59	59	53	59	27%	27%	246	274
Net gains/losses on items at fair value	61	62	85	82	92	-2%	-34%	290	271
Equity method	-1	-1	0	5	25	0%	-104%	3	-12
Other income	15	19	21	2	11	-21%	36%	57	15
Total income incl. allocations	**347**	**328**	**347**	**327**	**395**	**6%**	**-12%**	**1,349**	**1,208**
Staff costs	-51	-45	-48	-48	-49	13%	4%	-192	-190
Total expenses incl. allocations	**-133**	**-115**	**-121**	**-117**	**-122**	**16%**	**9%**	**-486**	**-466**
Profit before loan losses	**214**	**213**	**226**	**210**	**273**	**0%**	**-22%**	**863**	**742**
Net Loan losses	-82	-96	-73	-70	-71	-15%	15%	-321	-99
Operating profit	**132**	**117**	**153**	**140**	**202**	**13%**	**-35%**	**542**	**643**
Cost/income ratio, %	38	35	35	36	31			36	39
RAROCAR, %	25	27	30	28	43			27	33
Number of employees (FTEs)	5,096	5,005	5,050	5,051	5,114			5,096	5,114
Volumes, EURbn:									
Total lending	30.8	30.5	31.4	31.9	31.6	1%	-3%		
Total deposits	20.2	21.3	24.0	26.1	25.6	-5%	-21%		

Historical information has been restated as IIB Other previously included the business unit Emerging Markets,

which now is included in Other customer operations in the unit Other.

Nordic Banking

Banking Denmark

Business development

Banking Denmark's customer development was strong in the fourth quarter. The number of Gold customers increased by 32,600 or 5.4% from one year ago, thus reflecting Nordea's strong brand and competitive offering through the loyalty programme and advisory services. This led to growth in volume and increasing market share in both deposit and lending to household customers. Customer satisfaction increased from 2008 to 2009 and is now the best among peers.

Nordea's corporate lending volumes continued to grow at stable margins in a stagnating Danish market. The market share for corporate deposits is back at the pre-crisis level, reflecting a defensive pricing.

The acquisition of Fionia Bank A/S was successfully finalised late November, when FSA and other relevant authorities approved the transaction. Nordea thereby acquired a customer portfolio comprising 75,000 household customers and 9,500 corporate customers and a solid foundation for strengthening the position in the Funen region further – fully in line with the growth strategy. The integration process is expected to be completed during the second half of 2010.

Result

Income in the fourth quarter increased 4% compared to the third quarter, primarily due to higher commission income from savings products.

Expenses in the fourth quarter were 10% higher than in third quarter, with approx. half of the increase due to the acquisition of Fionia Bank. The total number of employees (FTEs) decreased by 76 from the third quarter (excluding 306 FTEs in Fionia Bank), reflecting ongoing efficiency measures in the branch network.

Net loan losses were EUR 153m, up EUR 10m compared to the previous quarter. Provisions related to the Danish guarantee scheme amounted to EUR 29m, which was EUR 2m higher than in the third quarter. The loan loss ratio was 72 basis points excluding these provisions (68 basis points in the third quarter 2009) and 89 basis points including these (83 basis points).

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

						Change			
EURm	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q409/ Q309	Q409/ Q408		
Net interest income	339	338	334	338	332	0%	2%		
Net fee and commission income	106	90	84	84	45	18%	136%		
Net gains/losses on items at fair value	35	42	48	54	52	-17%	-33%		
Equity method & other income	15	5	14	8	4	200%	275%		
Total income incl. allocations	**495**	**475**	**480**	**484**	**433**	**4%**	**14%**		
Staff costs	-112	-96	-100	-100	-92	17%	22%		
Total expenses incl. allocations	**-253**	**-231**	**-231**	**-232**	**-235**	**10%**	**8%**		
Profit before loan losses	**242**	**244**	**249**	**252**	**198**	**-1%**	**22%**		
Net Loan losses	-153	-143	-207	-142	-151	7%	1%		
Operating profit	**89**	**101**	**42**	**110**	**47**	**-12%**	**89%**		
Cost/income ratio, %	51	49	48	48	54				
RAROCAR, %	19	19	20	18	13				
Number of employees (FTEs)	5,190	4,960	5,034	5,088	5,146	5%	1%		
Volumes, EURbn:									
Lending to corporates	30.5	29.6	30.4	29.5	30.1	3%	1%		
Lending to households	40.3	39.2	38.5	38.0	37.9	3%	6%		
Total Lending	**70.8**	**68.8**	**68.9**	**67.5**	**68.0**	**3%**	**4%**		
Corporate deposits	13.9	13.2	13.6	15.4	14.1	5%	-1%		
Household deposits	22.4	20.6	20.7	20.0	19.5	9%	15%		
Total deposits	**36.3**	**33.8**	**34.3**	**35.4**	**33.6**	**7%**	**8%**		
Margins, %:						**Market shares, %:**			
Corporate lending	1.65	1.66	1.57	1.44	1.21		Q409	Q309	Q408
Household mortgage lending	0.49	0.49	0.49	0.50	0.49	Corp.lending [1)]	20.5	20.9	20.0
Consumer lending	4.71	4.73	4.51	4.34	3.83	Househ.lending	16.2	16.0	15.6
Total lending margins	**1.58**	**1.57**	**1.50**	**1.43**	**1.25**	HH mortg.lending	15.5	15.5	15.6
Corporate deposits	0.21	0.25	0.31	0.42	0.49	Corp.deposits [1)]	23.4	25.3	28.7
Household deposits	0.19	0.45	0.80	1.33	1.82	Househ.deposits	21.6	21.5	21.7
Total deposits margins	**0.20**	**0.35**	**0.54**	**0.83**	**1.10**	[1)] *Excl. Financial institutions*			

Banking Finland

Business development

Banking Finland continued to increase the customer activities and business activities in general met expectations during the fourth quarter. Demand in the household segment started to show positive signs during the fourth quarter. Due to the macroeconomic development, the business environment stayed stagnated in the corporate segment.

Nordea stayed on track with strong relationship banking to corporate customers, however corporate lending volumes decreased compared to the previous quarter. Nordea kept its leading position in the corporate segment. Average margins continued to increase, due to re-pricing of risk.

Household lending volumes, especially mortgage loans, kept rising in the fourth quarter, and Nordea's market share increased.

The pressure on deposit margins continued. Savings deposits stayed a fiercely competitive area and the deposit rates offered on the market continued at higher than market rate levels.

In the household segment, the customer contact policy has been a focal area resulting in an increase of over 29,900 Gold customers or 3.4% compared to one year ago.

Banking Finland recruited over 200 new personal banking advisers, relationship managers and savings specialists during the fourth quarter, continuing the structural change in personnel. Nordea also opened four new branches in Helsinki and other growth areas.

Result

Total income increased by 4% compared to the third quarter. Total net interest income showed only a small decrease from previous quarter despite decreasing corporate lending volume and lower deposit margins. Net fee and commission income improved via increased business activities. Net gains/losses on items at fair value showed a strong increase from the third quarter. Staff costs increased as a result of restructuring reservations. The number of employees was 65 FTEs higher than in the end of the third quarter.

Net loan losses were EUR 42m, arising mainly from corporate sector. The loan loss ratio was 32 basis points (38 basis points in the third quarter).

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

							Change			
EURm	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008		Q409/ Q309	Q409/ Q408		
Net interest income	186	191	199	212	295		-3%	-37%		
Net fee and commission income	126	117	117	106	75		8%	68%		
Net gains/losses on items at fair value	39	29	45	34	28		34%	39%		
Equity method & other income	1	0	2	1	-3			-133%		
Total income incl. allocations	**352**	**337**	**363**	**353**	**395**		**4%**	**-11%**		
Staff costs	-91	-76	-71	-78	-72		20%	26%		
Total expenses incl. allocations	**-225**	**-196**	**-193**	**-201**	**-194**		**15%**	**16%**		
Profit before loan losses	**127**	**141**	**170**	**152**	**201**		**-10%**	**-37%**		
Net Loan losses	-42	-50	-44	-50	-38		-16%	11%		
Operating profit	**85**	**91**	**126**	**102**	**163**		**-7%**	**-48%**		
Cost/income ratio, %	64	58	53	57	49					
RAROCAR, %	11	12	16	14	21					
Number of employees (FTEs)	5,156	5,091	5,271	5,316	5,378		1%	-4%		
Volumes, EURbn:										
Lending to corporates	22.6	23.1	24.4	25.4	26.1		-2%	-13%		
Lending to households	27.4	27.0	26.5	26.1	26.0		1%	5%		
Total Lending	**50.0**	**50.1**	**50.9**	**51.5**	**52.1**		**0%**	**-4%**		
Corporate deposits	13.6	12.4	12.5	12.7	13.3		10%	2%		
Household deposits	22.1	21.8	22.1	22.2	22.4		1%	-1%		
Total deposits	**35.7**	**34.2**	**34.6**	**34.9**	**35.7**		**4%**	**0%**		
Margins, %:						**Market shares, %:**				
Corporate lending	1.32	1.27	1.14	1.09	1.01			Q409	Q309	Q408
Household mortgage lending	0.83	0.90	0.86	0.93	0.87	Corp.lending [1)]		34.3	34.8	36.7
Consumer lending	3.54	3.61	3.34	3.39	3.14	Househ.lending		30.6	30.5	30.3
Total lending margins	**1.36**	**1.38**	**1.26**	**1.27**	**1.17**	HH mortg.lending		30.6	30.5	30.6
Corporate deposits	0.14	0.18	0.40	0.56	1.02	Corp.deposits [1)]		40.4	39.8	42.3
Household deposits	-0.07	-0.05	0.26	0.33	1.36	Househ.deposits		31.1	31.2	32.0
Total deposits margins	**0.01**	**0.03**	**0.31**	**0.42**	**1.24**	[1)] *Excl. Financial institutions*				

Banking Norway

Business development

Nordea continued to increase the customer activities in both the household and corporate segments during the fourth quarter. Demand in the household segment developed positively.

Corporate lending volumes were slightly down in the fourth quarter and Nordea lost market share. At the same time, Nordea was very active as an arranger of corporate bond issues in an expanding bond market. The lending margins for corporate customers increased and reflected an increase in the lending fees, which are part of net interest income.

The number of Gold customers continued to grow and increased by 17,100 or 9% from last year. Acquisitions of new customers made a significant contribution. The customer satisfaction increased notably from 2008 to 2009 and is now the best among peers.

Growth in household lending was maintained with a positive development in market share for mortgage lending. Mortgage lending margins decreased, due to the lag effect compared to the third quarter.

Household deposits margins increased, but fierce competition still put pressure on underlying margins. Household customers continued to move their savings from bank accounts to investment funds and Nordea continued to see a positive development in sales of new funds. Investment fund market shares increased by 1 %-point during the fourth quarter in the household segment.

Result

Total income increased by 6% from previous quarter and by 12% from the same quarter last year, mainly driven by increased corporate lending margins and significantly increases in net gains/losses on items at fair value. The underlying household lending margins increased by almost 10 basis points from the third quarter, but lag effects from interest rate changes (six weeks notice) are significantly smaller than in the third quarter. Total expenses were up 21% mainly driven by restructuring expenses.

Net loan losses were EUR 47m and the loan loss ratio was 53 basis points (35 basis points in the third quarter).

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

							Change			
	Q4	Q3	Q2	Q1	Q4		Q409/	Q409/		
EURm	2009	2009	2009	2009	2008		Q309	Q408		
Net interest income	201	202	201	210	189		0%	6%		
Net fee and commission income	46	42	43	37	35		10%	31%		
Net gains/losses on items at fair value	30	17	22	25	24		76%	25%		
Equity method & other income	2	1	2	1	1		100%	100%		
Total income incl. allocations	**279**	**262**	**268**	**273**	**249**		**6%**	**12%**		
Staff costs	-54	-41	-42	-41	-42		32%	29%		
Total expenses incl. allocations	**-137**	**-113**	**-115**	**-114**	**-119**		**21%**	**15%**		
Profit before loan losses	**142**	**149**	**153**	**159**	**130**		**-5%**	**9%**		
Net Loan losses	-47	-31	-35	-34	-60		52%	-22%		
Operating profit	**95**	**118**	**118**	**125**	**70**		**-19%**	**36%**		
Cost/income ratio, %	49	43	43	42	48					
RAROCAR, %	13	13	15	17	19					
Number of employees (FTEs)	1,810	1,842	1,864	1,863	1,859		-2%	-3%		
Volumes, EURbn:										
Lending to corporates	21.7	22.0	21.4	21.6	19.4		-1%	12%		
Lending to households	20.8	19.7	18.3	17.6	15.6		6%	33%		
Total Lending	**42.5**	**41.7**	**39.7**	**39.2**	**35.0**		**2%**	**21%**		
Corporate deposits	14.0	13.4	12.7	12.5	11.1		4%	26%		
Household deposits	7.6	7.6	7.3	7.0	6.1		0%	25%		
Total deposits	**21.6**	**21.0**	**20.0**	**19.5**	**17.2**		**3%**	**26%**		
Margins, %:						**Market shares, %:**				
Corporate lending	1.95	1.87	1.81	1.86	1.45			Q409	Q309	Q408
Household mortgage lending	1.25	1.44	1.64	2.01	1.11	Corp.lending [1)]		15.0	15.3	15.8
Consumer lending	7.03	7.27	7.22	7.04	5.39	Househ.lending		11.2	11.1	10.7
Total lending margins	**1.75**	**1.81**	**1.87**	**2.05**	**1.40**	HH mortg.lending		11.5	11.4	10.9
Corporate deposits	0.27	0.23	0.29	0.31	0.62	Corp.deposits [1)]		17.9	17.7	19.0
Household deposits	0.02	-0.14	-0.21	-0.33	0.81	Househ.deposits		8.6	8.7	8.7
Total deposits margins	**0.18**	**0.09**	**0.11**	**0.08**	**0.69**	[1)] *Excl. Shipping and Financial institutions*				

Banking Sweden

Business development

The high activity level continued in the fourth quarter. This resulted in increased growth in the number of Gold customers, up by 49,800 or 6.4% from last year, of which 16,200 or 2.0% in the fourth quarter.

In the household sector, the sales were strong both regarding savings and lending volumes. In the savings side, total sales continued to be at a high level and there was also a continued trend that the customers transfer from fixed rate deposits to investment products. Nordea captured the top position in the Swedish market for net savings in investment funds. On the lending side, the sales of mortgage lending remained on a high level.

In the corporate sector, the demand for new lending started to normalise and gradually increase, especially in the last month of the quarter. Lending margins continued to increase, reflecting a continued re-pricing of credit risk. The growth in corporate deposit volumes was firm at the end of fourth quarter. Deposit margins, both corporate and household, decreased somewhat and remain at a historically low level as a result of the short-term market interest rates.

Result

Total income increased 4% compared to the third quarter. Net interest income was unchanged since the growth in lending margins was outweighed by lower deposit margins. Net fee and commission income increased 11% from the third quarter. The main sources of the income growth are savings income, following strong sales of investment products and increasing assets under management, and growing income in the card business. Net gains/losses increased by 6% following increasing sales of structured products and a higher activity level in the fourth quarter compared to third quarter. Total expenses were up 15% mainly driven by restructuring expenses.

Loan losses continued to decrease. The losses in the fourth quarter of EUR 22m is related to provisions for corporate customers. The loan loss ratio was 15 basis points (26 basis points in the third quarter).

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

							Change			
	Q4	Q3	Q2	Q1	Q4		Q409/	Q409/		
EURm	2009	2009	2009	2009	2008		Q309	Q408		
Net interest income	234	233	225	234	295		0%	-21%		
Net fee and commission income	146	132	130	113	119		11%	23%		
Net gains/losses on items at fair value	33	31	31	38	40		6%	-18%		
Equity method & other income	0	0	0	0	0					
Total income incl. allocations	**413**	**396**	**386**	**385**	**454**		**4%**	**-9%**		
Staff costs	-96	-74	-74	-73	-75		30%	28%		
Total expenses incl. allocations	**-243**	**-211**	**-208**	**-202**	**-217**		**15%**	**12%**		
Profit before loan losses	**170**	**185**	**178**	**183**	**237**		**-8%**	**-28%**		
Net Loan losses	-22	-38	-46	-60	-64		-42%	-66%		
Operating profit	**148**	**147**	**132**	**123**	**173**		**1%**	**-14%**		
Cost/income ratio, %	59	53	54	53	48					
RAROCAR, %	15	15	16	16	24					
Number of employees (FTEs)	4,423	4,497	4,548	4,590	4,732		-2%	-7%		
Volumes, EURbn:										
Lending to corporates	32.4	32.7	32.0	33.1	32.6		-1%	-1%		
Lending to households	30.9	30.2	27.7	26.7	26.4		2%	17%		
Total Lending	**63.3**	**62.9**	**59.7**	**59.8**	**59.0**		**1%**	**7%**		
Corporate deposits	16.0	13.9	14.1	14.3	15.4		15%	4%		
Household deposits	16.1	16.7	15.7	15.1	15.2		-4%	6%		
Total deposits	**32.1**	**30.6**	**29.8**	**29.4**	**30.6**		**5%**	**5%**		
Margins, %:						**Market shares, %:**				
Corporate lending	1.19	1.18	1.10	1.05	0.91			Q409	Q309	Q408
Household mortgage lending	0.91	0.89	0.88	0.93	0.79	Corp.lending [1)]		17.0	17.0	17.0
Consumer lending	2.66	2.61	2.53	2.51	2.18	Househ.lending		13.8	13.8	13.7
Total lending margins	**1.19**	**1.17**	**1.13**	**1.12**	**0.97**	HH mortg.lending		14.9	14.9	14.8
Corporate deposits	0.24	0.26	0.36	0.57	1.02	Corp.deposits [1)]		18.2	18.6	20.4
Household deposits	0.25	0.28	0.43	0.80	1.72	Househ.deposits		17.7	18.1	18.4
Total deposits margins	**0.24**	**0.27**	**0.40**	**0.69**	**1.38**	[1)] *Excl. Financial institutions*				

Institutional & International Banking

Shipping, Oil Services & International

Business development

As a result of increased business activity, including restructuring of existing loans, Shipping, Offshore and Oil Services reported strong income growth in the fourth quarter. Lending margins continued to trend up, while pressure on deposit margins remained. On-balance volumes were largely unchanged in the quarter.

Market sentiment in the loan capital markets continued to improve with respect to high quality credits and well structured transactions with reputable companies. Nordea closed a number of transactions with strong names bolstering income in the quarter. The main focus remained on managing the risk in the existing portfolio.

Throughout the financial crisis, Nordea successfully placed loan transactions in the syndicated loans market. Total volume arranged as well as number of transactions were lower compared to 2008, reflecting a decline in lending volumes to the shipping industry and significantly less new money raised. Terms and conditions have tightened considerably over the year and credit pricing increased.

The majority of shipping segments witnessed a strengthening in the fourth quarter compared to the first nine months of 2009. The dry bulk segment continued to perform strong, while the tank segments crude, product and chemical improved to some extent, yet from very low levels. While seasonally patterns in trade may explain some of the improvement, it seems as if the low point in demand has been surpassed. However, phase-out of public spending stimulus and normalisation of monetary policy will challenge demand simultaneously as major shipping segments face additional fleet growth in 2010. In general, the shipping market is expected to remain at low levels for some time. In addition, unfinanced capital expenditures continue to be high posing further challenges to the maritime industry.

Decreased investments on exploration and production coupled with oversupply in certain segments, resulted in lower earnings for many offshore and oil services companies in 2009. Whilst 2010 can be challenging for offshore and oil services, the long-term fundamentals remain strong.

Nordea’s exposure to the shipping, offshore and oil services industries is well diversified. However, proactive risk management will remain high on the agenda in 2010 as developments within the shipping industry remain uncertain.

At year-end, impaired loans gross amounted to EUR 256m or 198 basis points of total loans, compared with EUR 245m at the end of the third quarter.

Result

Further increased lending margins and higher business activity in the quarter fuelled income amounting to EUR 107m, up 20% compared with previous quarter. Operating profit increased 62% to EUR 81m reflecting lower net loan loss provisions. The loan loss ratio was 38 basis points compared with 78 basis points in the previous quarter.

Financial Institutions

Business development

The global financial markets showed signs of losing steam in the fourth quarter of 2009, as witnessed by the major indices trading in narrow bands and volatility falling below pre-Lehman levels along with a continued contraction in credit spreads. Overall market sentiment was cautiously positive and many participants stayed passive, which led to suppressed activity towards the year-end.

Increased appetite for risk resulted in an increased inflow of funds to asset managers and hedge funds. Nordea’s strategy to strengthen the equities offering has paid off with improved equities rankings reported in independent surveys during the quarter as well as an increased satisfaction amongst the customers.

Central Counterparty Clearing (CCP) mechanism for cash equity trading was launched during the quarter in Denmark, Finland and Sweden resulting in lower custody transaction volumes. In Norway, the launch is planned for the first quarter 2010.

Nordea is well placed to take advantage of further recovery in business activity during 2010, although the timing and strength of the recovery is uncertain. Markets-related services are the main vehicle for growth facilitating further cross-selling towards Nordic as well as international clients. Nordea’s standing and unique placing power allows for attractive opportunities related to further refinancing and restructuring within the financial sector at large.

Proactive risk management will remain high on the agenda going into 2010 acknowledging the ambition to uphold high credit quality, efficient capital usage and avoid negative surprises as growth resumes.

Result

In fourth quarter, income decreased due to lower markets income as markets moved sideways along with normalised spreads. Prevailing low-interest environment and increasing reinvestment of excess liquidity was negative on net interest income on deposits.

Total income was EUR 90m, down 11% from previous quarter. Operating profit was EUR 44m.

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

	Shipping, Oil Services & International							**Financial Institutions**						
						Change							Change	
	Q4	Q3	Q2	Q1	Q4	Q409/	Q409/	Q4	Q3	Q2	Q1	Q4	Q409/	Q409/
EURm	2009	2009	2009	2009	2008	Q309	Q408	2009	2009	2009	2009	2008	Q309	Q408
Net interest income	77	70	67	67	74	10%	4%	11	13	13	13	20	-15%	-45%
Net fee and commission income	15	15	9	10	9	0%	67%	33	32	38	31	37	3%	-11%
Net gains/losses	14	4	16	14	10	250%	40%	34	39	50	55	57	-13%	-40%
Equity method	0	0	0	0	0			0	0	0	0	0		
Other operating income	1	0	0	0	1			12	17	20	1	8	-29%	50%
Total income incl. allocations	**107**	**89**	**92**	**91**	**94**	**20%**	**14%**	**90**	**101**	**121**	**100**	**122**	**-11%**	**-26%**
Staff costs	-11	-10	-10	-10	-11	10%	0%	-8	-7	-8	-7	-8	14%	0%
Other expenses incl. depr.	-2	-2	-3	-3	-3	0%	-33%	-38	-37	-38	-39	-40	3%	-5%
Expenses incl. allocations	**-13**	**-12**	**-13**	**-13**	**-14**	**8%**	**-7%**	**-46**	**-44**	**-46**	**-46**	**-48**	**5%**	**-4%**
Profit before loan losses	**94**	**77**	**79**	**78**	**80**	**22%**	**18%**	**44**	**57**	**75**	**54**	**74**	**-23%**	**-41%**
Net Loan losses	-13	-27	-24	-32	-12	-52%	8%	0	0	0	-13	-14		
Operating profit	**81**	**50**	**55**	**46**	**68**	**62%**	**19%**	**44**	**57**	**75**	**41**	**60**	**-23%**	**-27%**
Cost/income ratio, %	12	13	14	14	15			51	44	38	46	39		
RAROCAR, %	27	27	28	28	36			36	42	85	47	132		
Lending, EURbn	12.9	12.8	13.5	14.4	13.8	1%	-7%	2.2	2.3	2.5	2.2	2.0	-4%	10%
Deposits, EURbn	4.4	4.8	5.3	6.0	6.4	-8%	-31%	10.7	12.1	14.2	16.0	14.5	-12%	-26%
Number of employees (FTEs)	304	305	303	296	295			375	376	397	407	411		
Margins, %:														
Corporate lending	1.70	1.53	1.44	1.33	1.27			0.76	0.77	0.84	0.80	0.69		
Corporate deposits	0.14	0.15	0.16	0.17	0.39			0.17	0.20	0.22	0.22	0.32		

New European Markets

Business development

Income as well as business volumes increased in the quarter, especially in the Polish market. Recession further affected credit quality and collateral values in the Baltic countries, resulting in additional provisions for loan losses.

The upward trend for corporate as well as household lending margins was maintained. Deposit margins continued to be under pressure following lower market interest rates in the Baltic countries combined with continued fierce competition in all geographical markets.

Baltic countries

Lending volumes were largely unchanged during the quarter, while deposit volumes increased. The underlying upward trend for lending margins continued. The deposit margins showed signs of stabilisation, when disregarding the effects from the volatile market interest rates in Latvia in the two preceding quarters.

Income was in line with previous quarter, but 31% lower than in the fourth quarter last year following increased level of impaired loans not generating interest income, lower deposit margins and reduced net gains.

Proactive risk management remains in focus, given the ongoing severe recession. Assets taken over, although limited in number, are handled in an efficient way. The inflow of new impaired loans was low in the quarter compared to previous quarters in 2009. Net loan losses amounted to EUR 65m, including collective provisions reported in the unit IIB Other.

Poland

The positive development in Nordea's Polish business continued in the quarter, with increasing business volumes and income. The Polish economy has been less affected by the ongoing economic downturn. The continued strong credit quality also confirms the stable situation.

Nordea Bank Polska's customer intake continued to be strong in the quarter. The number of Gold customers was 45,900 at the end of the year, 59% higher compared to end of 2008, reflecting Nordea's strong brand in the Polish market and increased branch network coverage. Nordea continued to increase the customer activities in both household and corporate segment in the fourth quarter. The mortgage loan market share increased to 4.3%.

Russia

Lending volumes were largely unchanged, while deposit volumes grew. Margins related to Nordea's targeted customer segments, ie local top-tier corporates and Nordic-related corporate customers have declined somewhat as the market liquidity is gradually returning. Non-interest income maintained the positive trend from the previous quarters as a result of continued focus on cross-selling of non-lending products.

Credit quality

The recession in the Baltic countries continued to affect credit quality and not least collateral values in the fourth quarter and additional provisions for loan losses have been made, especially related to Latvia and Lithuania.

Impaired loans gross in New European Markets were largely unchanged in the quarter, equalling 402 basis points of total loans and receivables compared with 405 basis points at the end of the third quarter.

In the Baltic countries, gross impaired loans amounted to EUR 535m or 733 basis points of total loans and receivables, compared with EUR 522m or 705 basis points at the end of the previous quarter. The increase in impaired loans was thereby limited to EUR 13m, or 2% in the quarter. This should be compared with an increase of EUR 380m in the first three quarters of 2009. The total allowances for the Baltic countries at the end of the fourth quarter corresponded to 437 basis points of the lending portfolio, an increase from 355 basis points at the end of third quarter. The provisioning ratio in the Baltic countries was 60%, up from 50% at the end of the third quarter.

The loan loss ratio for the fourth quarter was 180 basis points of total lending for New European Markets, including collective provisions reported in the unit IIB Other.

In the Baltic countries, the loan loss ratio was 338 basis points, including collective provisions reported in IIB Other.

Baltic countries, net loan losses and impaired loans

	Q4 09	Q3 09	Q2 09	Q1 09	Q4 08
Net loan losses EURm[1]	65	62	41	23	24
of which collective[1]	24	24	18	14	10
Loan loss ratio, basis points[1]	338	322	214	119	131
Gross impaired loans, EURm	535	522	418	256	142
Impaired loans ratio gross, basis points	733	705	550	342	184
Total allowances, EURm	319	263	202	160	137
Total allowance ratio, basis points	437	355	266	214	179
Provisioning ratio[2]	60%	50%	48%	62%	97%

[1] Net loan losses and loan loss ratio including collective provisions for the Baltic countries reported in the unit IIB Other.
[2] Total allowances in relation to gross impaired loans.

Result

Total income increased slightly compared with the previous quarter, driven by positive development in Poland. It was although 6% lower than in the fourth quarter of last year, impacted by weakening of the Polish and Russian currencies. When excluding currency effects, the income in the quarter was higher than in the corresponding quarter of last year, as lower income in the Baltic countries was more than offset by higher income in Poland and Russia.

Higher expenses and increased provisions for loan losses caused operating profit to decline compared with previous quarter. The total number of employees (FTEs) increased by 94 from the third quarter.

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

	New European Markets					Change		IIB Other				
EURm	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q409/ Q309	Q409/ Q408	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Net interest income	106	103	99	102	112	3%	-5%	3	3	3	3	2
Net fee and commission inc.	20	14	14	14	15	43%	33%	7	-2	-2	-2	-2
Net gains/losses	13	19	19	13	21	-32%	-38%	0	0	0	0	4
Equity method	0	0	0	0	0			-1	-1	0	5	25
Other operating income	2	2	1	1	2			0	0	0	0	0
Total income incl. alloc.	**141**	**138**	**133**	**130**	**150**	**2%**	**-6%**	**9**	**0**	**1**	**6**	**29**
Staff costs	-28	-27	-29	-30	-31	4%	-10%	-4	-1	-1	-1	1
Other expenses incl. depr.	-40	-29	-30	-25	-27	38%	48%	-2	-2	-2	-2	-3
Expenses incl. allocations	**-68**	**-56**	**-59**	**-55**	**-58**	**21%**	**17%**	**-6**	**-3**	**-3**	**-3**	**-2**
Profit before loan losses	**73**	**82**	**74**	**75**	**92**	**-11%**	**-21%**	**3**	**-3**	**-2**	**3**	**27**
Net Loan losses	-63	-49	-37	-14	-44	29%	43%	-6	-20	-12	-11	-1
Operating profit	**10**	**33**	**37**	**61**	**48**	**-70%**	**-79%**	**-3**	**-23**	**-14**	**-8**	**26**
Cost/income ratio, %	48	41	44	42	39							
RAROCAR, %	19	23	21	22	25							
Lending, EURbn	15.3	15.0	14.9	14.8	15.3	2%	0%	0.4	0.4	0.5	0.5	0.5
Deposits, EURbn	5.1	4.4	4.5	4.1	4.7	16%	9%					
Number of employees (FTEs)	4,410	4,316	4,343	4,342	4,402			7	8	7	6	6
Margins, %:												
Corporate lending	2.38	2.34	2.03	2.23	1.94							
Household lending	1.79	1.68	1.58	1.62	1.61							
Corporate deposits	0.74	1.06	1.13	1.44	1.78							
Household deposits	0.43	0.51	0.44	0.24	0.91							

	Baltic countries					Poland					Russia				
EURm	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Net interest income	26	22	25	28	33	29	23	20	20	27	51	57	54	55	55
Net fee and commission inc.	11	8	8	8	12	5	5	5	3	3	4	2	1	3	0
Net gains/losses	-2	4	9	9	6	9	10	9	8	9	6	6	2	-3	4
Equity method	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other operating income	0	0	0	0	0	1	1	1	0	1	1	0	0	0	0
Total income incl. alloc.	**35**	**34**	**42**	**45**	**51**	**44**	**39**	**35**	**31**	**40**	**62**	**65**	**57**	**55**	**59**
Staff costs	-4	-7	-8	-8	-7	-10	-9	-9	-8	-9	-12	-10	-11	-13	-14
Other expenses incl. depr.	-14	-10	-8	-8	-9	-17	-11	-13	-12	-10	-10	-6	-7	-5	-7
Expenses incl. allocations	**-18**	**-17**	**-16**	**-16**	**-16**	**-27**	**-20**	**-22**	**-20**	**-19**	**-22**	**-16**	**-18**	**-18**	**-21**
Profit before loan losses	**17**	**17**	**26**	**29**	**35**	**17**	**19**	**13**	**11**	**21**	**40**	**49**	**39**	**37**	**38**
Net Loan losses	-59[1]	-42	-34	-13	-24	-1	0	0	-1	-2	-3	-7	-3	0	-18
Operating profit	**-42**	**-25**	**-8**	**16**	**11**	**16**	**19**	**13**	**10**	**19**	**37**	**42**	**36**	**37**	**20**
Cost/income ratio, %	51	50	38	36	31	61	51	63	65	48	35	25	32	33	36
RAROCAR, %	8	9	13	19	23	18	21	16	14	28	40	47	48	33	29
Lending, EURbn	7.3	7.4	7.6	7.5	7.7	4.6	4.1	3.8	3.6	3.8	3.4	3.5	3.5	3.7	3.8
Deposits, EURbn	2.0	1.8	2.0	1.9	1.8	2.1	1.9	1.9	1.7	2.0	1.0	0.7	0.6	0.5	0.9
Number of employees (FTEs)	1,148	1,133	1,134	1,143	1,161	1,630	1,619	1,643	1,612	1,542	1,613	1,545	1,544	1,566	1,679

[1] In addition, collective provisions for the Baltic countries are reported under IIB Other.

Other customer operations

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

International Private Banking & Funds

Asset under Management (AuM) in Nordea's international private banking and fund distribution business increased by EUR 0.7bn to EUR 11.4bn, of which EUR 0.3bn came from net inflows. The higher AuM affected the income for International Private Banking & Funds positively, which was EUR 34m, up 55% from the fourth quarter last year and almost in line with the third quarter.

For International Private Banking, improving financial markets had a positive impact on customer investment activity and on inflows. Consequently, AuM increased to EUR 8.7bn, up EUR 0.4bn from the third quarter. The two new customer units, the International Desk and the Ultra-high-net-worth desk, already showed results and reported inflows from new clients during the fourth quarter.

The European Fund Distribution business reported a net inflow of EUR 0.2bn and AuM of EUR 2.7bn. Inflows were primarily driven by the Nordic Equity Fund, European High Yield Bond Fund, and the North American Growth Fund. These funds are all important elements of the Fund Distribution multi boutique strategy. Furthermore, during the fourth quarter Fund Distribution continued its efforts to launch the distribution partnership "NorVega" with a range of well-recognised Regional Banks in Italy.

Life customer operations

The customer operation Life includes the Life Insurance operations outside Nordea Bank's branch distribution network, including sales to Nordic customers through Life & Pensions' own sales force, brokers and tied agents, and the Polish life business, and is included in the product result for Life & Pensions, see page 28.

Life & Pensions operations generated income of EUR 105m and operating profit of EUR 49m, which was down 13% and 26% respectively from third quarter. The decrease is due to the fact that fees related to the Danish business were retroactively recognised in previous quarter.

Markets Other

The customer operations "Markets Other" mainly includes the part of the result in Capital Markets Products (see page 26), which is not allocated to Nordic Banking or Institutional & International Banking. Net gains/losses on items at fair value continued to benefit from effective risk management and good trading result in connection with managing the risk inherent in customer transactions, although at a lower level than in previous quarters and therefore net gains/losses decreased 35% to EUR 136m.

Other customer operations, by unit

	International Private Banking & Funds					Life					Markets Other				
EURm	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Net interest income	10	11	9	14	10	0	0	0	0	0	5	5	4	3	3
Net fee and commission inc.	13	16	17	13	14	3	16	15	13	39	-15	-21	-13	-27	-16
Net gains/losses	10	8	7	0	-2	93	99	54	50	22	136	208	232	246	37
Equity method	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other income	1	0	0	0	0	9	6	3	2	4	0	0	0	0	0
Total income incl. alloc.	**34**	**35**	**33**	**27**	**22**	**105**	**121**	**72**	**65**	**65**	**126**	**192**	**223**	**222**	**24**
Staff costs	-11	-13	-12	-13	-12	-35	-30	-29	-30	-24	-45	-95	-109	-102	-83
Other expenses incl. depr.	-10	-8	-8	-8	-10	-21	-25	-15	-19	-26	-3	25	24	21	25
Total operating expenses	**-21**	**-21**	**-20**	**-21**	**-22**	**-56**	**-55**	**-44**	**-49**	**-50**	**-48**	**-70**	**-85**	**-81**	**-58**
Net Loan losses	0	0	0	0	-3	0	0	0	0	0	0	0	0	0	0
Operating profit	**13**	**14**	**13**	**6**	**-2**	**49**	**66**	**28**	**16**	**15**	**78**	**122**	**138**	**141**	**-34**
Lending, EURbn	1.7	1.5	1.8	2.0	1.0	2.0	2.0	1.7	1.7	2.0	16.6	19.5	19.7	15.9	12.0
Deposits, EURbn	2.6	2.6	2.5	3.0	2.0	4.0	4.0	3.4	3.4	3.0	4.9	4.9	3.2	1.9	3.0

Group Corporate Centre

Business development

Financial markets continued their gradual recovery during the fourth quarter supported by central banks maintaining low interest rates and government fiscal stimulus.

Equity markets continued higher into year-end and credit spreads tightened further. Longer-term yields increased towards the end of the year, due to market concerns about the magnitude of government debt issuance during 2010.

Financial markets' focus in 2010 will remain on the gradual unwinding of liquidity operations by central banks

Nordea continued to benefit from a very strong funding position with access to all relevant markets and all programmes are in active use.

There is a clear change in the investor behaviour after the ECB one-year auction in July. Nordea has seen money market investors prolonging their maturities, even going up to one year. There has been ample liquidity in the market, which has pushed the yields down. The focus is now on the central banks' exit strategies and the changes these will bring into the market.

Nordea issued approx. EUR 6.5bn of long-term debt during the fourth quarter, of which approx. EUR 2.1bn represented issuance of covered bonds in the Swedish domestic covered bond market. In the senior markets Nordea made its first issue under the recently established US 144a MTN programme in the form of a USD 2bn dual tranche transaction. The transaction opened up the important US domestic market for Nordea senior term funding.

The liquidity buffer, held by Group Treasury, is composed of highly liquid central bank eligible securities and amounted to EUR 56.5bn at the end of the fourth quarter.

At the end of the year, the price risk on Group Treasury's interest-rate positions, calculated as VaR, was EUR 92m. The risk related to equities, calculated as VaR, was EUR 38m and the risk related to credit spreads, calculated as VaR, was EUR 18m. Interest rate risk and equity risk has increased while credit spread risk has decreased compared to the end of the third quarter.

The structural interest income risk (SIIR) was EUR 148m assuming increased market rates by 100 basis points and EUR -191m assuming decreased market rates by 100 basis points (EUR 140m and EUR -239m at the end of third quarter).

Result

Total operating income in the fourth quarter was EUR 27m. Net gains/losses were EUR -56m compared to EUR 2m in the third quarter, as a result of the rise in long-term interest rates towards the end of the year and other fair value changes. Net interest income from fixed-income liquidity portfolios remained high, but decreased somewhat. Operating profit was EUR -19m.

Group Corporate Centre, key figures per quarter

EURm	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	2009	2008
Net interest income	86	107	114	83	96	390	100
Net fee and commission income	-4	-2	0	-1	0	-7	-4
Net gains/losses on items at fair value	-56	2	67	71	42	85	7
Equity method	0	0	0	0	0	0	0
Other income[1]	0	3	0	4	87	7	88
Total operating income[1]	**27**	**110**	**181**	**157**	**225**	**475**	**191**
Total operating expenses[1]	**-45**	**-37**	**-37**	**-36**	**-37**	**-155**	**-140**
Operating profit	**-19**	**73**	**144**	**121**	**188**	**320**	**51**
Number of employees (full-time equivalents)[1]	605	602	585	576	576	605	576

[1] Restated due to organisational changes

Customer segments

Corporate customer segments and financial institutions, key figures[1 2]

	Corporate Merchant Banking			Large corporate customers			Other corporate customers			Nordic corporate customers		
	Q4 09	Q3 09	Q4 08	Q4 09	Q3 09	Q4 08	Q4 09	Q3 09	Q4 08	Q4 09	Q3 09	Q4 08
Number of customer '000 (EOP)	5.7	5.7	5.9	19.1	18.4	18.2						
Income, EURm	328	311	287	263	257	248	186	181	225	777	749	760
Volumes, EURbn												
Lending	42.6	42.6	43.2	41.5	43.7	42.0	23.0	21.1	23.0	107.1	107.4	108.2
Deposit	21.9	19.0	17.1	16.5	15.5	17.3	18.9	18.4	19.5	57.3	52.9	53.9
Margins, pct p.a.												
Lending	1.44%	1.36%	1.01%	1.43%	1.43%	1.08%	1.69%	1.72%	1.35%	1.50%	1.47%	1.12%
Deposit	0.14%	0.14%	0.34%	0.24%	0.26%	0.62%	0.31%	0.33%	1.37%	0.22%	0.23%	0.85%

	New European Markets corporate customers			Shipping, Oil services and International customers			Financial Institutions			Corporate and Financial Institutions Total		
	Q4 09	Q3 09	Q4 08	Q4 09	Q3 09	Q4 08	Q4 09	Q3 09	Q4 08	Q4 09	Q3 09	Q4 08
Number of customer '000 (EOP)	89	86	79	1	1	1	1	1	1			
Income, EURm	90	92	82	107	89	94	90	101	122	1,064	1,031	1,058
Volumes, EURbn												
Lending	10.0	10.0	10.7	12.9	12.8	13.8	2.2	2.3	2.0	132.2	132.5	134.7
Deposit	3.5	2.8	3.1	4.4	4.8	6.4	10.7	12.1	14.5	75.9	72.6	77.9
Margins, pct p.a.												
Lending	2.38%	2.34%	1.94%	1.70%	1.53%	1.27%	0.76%	0.77%	0.69%	1.57%	1.53%	1.20%
Deposit	0.74%	1.06%	1.78%	0.14%	0.15%	0.39%	0.17%	0.20%	0.32%	0.23%	0.25%	0.75%

Household customer segments, key figures

	Nordic Private Banking			Gold customers			Other household customers			Nordic household customers		
	Q4 09	Q3 09	Q4 08	Q4 09	Q3 09	Q4 08	Q4 09	Q3 09	Q4 08	Q4 09	Q3 09	Q4 08
Number of customer '000 (EOP)	87	85	83	2,603	2,567	2,474						
Income, EURm	88	90	75	453	435	482	163	173	230	704	698	787
Volumes, EURbn												
Lending	5.9	5.5	5.0	103.3	100.0	89.9	10.3	10.6	10.9	119.5	116.1	105.9
Deposit	7.4	7.3	8.4	44.5	43.2	39.0	16.4	16.2	15.8	68.3	66.7	63.2
Assets under Management	45.8	42.8	36.1									
Margins, pct p.a.												
Lending	1.05%	1.10%	0.92%	1.19%	1.21%	1.03%	3.24%	3.31%	2.70%	1.41%	1.45%	1.25%
Deposit	0.04%	0.11%	0.63%	0.01%	0.06%	1.26%	0.28%	0.34%	2.23%	0.09%	0.15%	1.58%

	New European Markets household customers			International Private Banking						Household customers Total		
	Q4 09	Q3 09	Q4 08	Q4 09	Q3 09	Q4 08				Q4 09	Q3 09	Q4 08
Number of customer '000 (EOP)	871	845	746	12	12	12						
Income, EURm	37	34	32	20	19	22				761	751	841
Volumes, EURbn												
Lending	5.3	5.0	4.6	1.1	1.0	0.9				125.9	122.1	111.4
Deposit	1.6	1.6	1.6	1.8	1.8	1.7				71.7	70.1	66.5
Assets under Management				8.7	8.3	6.8						
Margins, pct p.a.												
Lending	1.79%	1.68%	1.61%	0.91%	0.87%	0.78%				1.42%	1.46%	1.25%
Deposit	0.43%	0.51%	0.91%	0.37%	0.37%	0.59%				0.11%	0.16%	1.54%

[1] Volumes are excluding reversed repurchase agreements and repurchase agreements.

[2] 2008 figures are restated due to reclassification of customers and alignment of euro conversion principles.

Product groups

Product groups, key figures

	Corporate lending			Household mortgage lending			Consumer lending			Corporate deposits			Household deposits			Finance company products		
	Q4	Q3	Q4	Q4	Q3	Q4	Q4	Q3	Q4	Q4	Q3	Q4	Q4	Q3	Q4	Q4	Q3	Q4
	09	09	08	09	09	08	09	09	08	09	09	08	09	09	08	09	09	08
Income, EURm	537	524	445	237	236	211	184	179	152	48	53	142	50	56	224	118	108	106
of which net interest income	505	493	434	222	223	199	172	168	142	44	49	138	46	53	220	90	89	84
Volumes, EURbn	119.9	119.6	121.7	98.4	96.0	86.4	18.4	18.0	16.8	75.9	72.6	77.9	71.7	70.1	66.5	12.9	12.9	13.9
Margins, %	1.49	1.43	1.14	0.87	0.90	0.85	3.58	3.59	3.06	0.23	0.25	0.75	0.11	0.16	1.54	2.60	2.60	2.16

	Payments			Cards			Guarantees and documentary payments			Capital Markets Products			Savings Products & Asset Management			Life & Pensions		
	Q4	Q3	Q4	Q4	Q3	Q4	Q4	Q3	Q4	Q4	Q3	Q4	Q4	Q3	Q4	Q4	Q3	Q4
EURm	09	09	08	09	09	08	09	09	08	09	09	08	09	09	08	09	09	08
Income	88	91	103	64	67	59	47	47	41	461	519	405	194	157	137	145	151	75
of which net commission income	81	81	80	41	44	43	42	42	35				180	141	132	36	40	39
Expenses										-115	-135	-123	-93	-74	-73	-54	-53	-50
Distribution expenses										-5	-6	-6	-33	-36	-33	-4	-3	-2
Product result[1]										**341**	**378**	**276**	**68**	**47**	**31**	**87**	**94**	**22**
Transaction volumes[2]	465	441	450	271	270	249	25	22	22									

[1] Excluding loan losses

[2] Payments: # Payments

Cards: # Cards payments

Guarantees and doc payments: # New issuances

Assets under Management

Assets under Management (AuM), volumes and net inflow

EURbn	Q4 2009	Net inflow Q4	Q3 2009	Q2 2009	Q1 2009	Q4 2008	2009 net inflow	2008 net inflow
Nordic Retail funds	30.7	1.1	28.2	24.4	21.7	21.9	3.3	-4.5
European Fund Distribution	2.7	0.2	2.4	1.9	1.6	1.6	0.5	-0.8
Nordic Private Banking	45.8	0.9	42.8	39.3	35.8	36.1	2.9	1.3
International Private Banking	8.7	0.1	8.3	7.5	7.0	6.8	0.6	-0.6
Institutional clients	28.1	0.3	27.2	25.6	23.1	23.1	1.4	1.2
Life & Pensions	42.2	0.8	40.3	37.8	36.1	36.1	1.2	0.6
Total	**158.1**	**3.5**	**149.2**	**136.5**	**125.3**	**125.6**	**9.8**	**-2.8**

Capital Markets Products

Business development

Market conditions in the fourth quarter were relatively stable across all markets with only the Dubai crisis causing some volatility towards the end of November. Equity markets continued the positive trend from previous quarters while interest rates in general were unchanged or decreased further. Volatility continued to be at a relatively low level in most markets.

Competition in the Nordic markets from both Nordic and international banks increased in the fourth quarter. The intensified competition resulted in a tightening of spreads across markets.

Demand from corporate customers for fixed income and foreign currency products were somewhat lower, due to a combination of weak macro-economic activity and the approaching year-end. However, there were early signs of improvements in activity related to corporate imports and exports towards the end of the quarter. Demand for commodities products was relatively benign.

Demand from institutional customers for credit bonds continued to be strong, while equity activity was more moderate. Customer recognition of Nordea's efforts within the equity area is increasing, which is witnessed by Equity Prospera's customer rating for 2009 published in the fourth quarter, which showed progress in all the Nordic countries compared to 2008. Also, Nordea consolidated the lead position in the Nordic markets for primary equity issuance. Transactions executed include rights issues for Gunnebo, Kemira and Royal Unibrew.

Market volumes of primary bond issuance picked up somewhat in the fourth quarter. Nordea executed some important transactions for Nordic issuers, including the Republic of Finland's EUR 3bn benchmark bond, a euro benchmark issue for AP Møller Maersk (EUR 750m) and a number of issuances in local currencies in the domestic Nordic markets, eg Swedish Steel AB (SEK 1.5bn), Oslo Kommune (NOK 4bn) and Gjensidige Bank (NOK 1.8bn).

Activity in the Nordic syndicated loan markets also picked up in the fourth quarter. Nordea executed transactions for several Nordic companies and thereby firmly cemented the lead position as mandated lead arranger and bookrunner of Nordic syndicated loans.

Result

Volumes continued to be at a lower level, in particular within the fixed income and foreign exchange areas, as a result of the lower economic activity and lower commercial flows from corporate customers. Margins also were under pressure. Nordea continued to benefit from good risk management and good trading results in connection with managing the risk inherent in customer transactions, although lower than in previous quarters.

In total, the fourth quarter result was good with a product result of EUR 341m, which is a decrease of 10% compared to the third quarter this year and an increase of 24% compared to the fourth quarter last year.

Capital Markets Products, product result

EURm	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	2009	2008
Net interest income	77	83	80	82	85	322	313
Net fee and commission income	34	36	60	27	31	157	201
Net gains/losses on items at fair value	350	400	452	505	289	1,707	819
Other income	0	0	0	0	0	0	0
Total income	**461**	**519**	**592**	**614**	**405**	**2186**	**1333**
Staff costs	-45	-95	-109	-102	-83	-351	-305
Other expenses	-70	-40	-43	-46	-40	-199	-154
Operating expenses	**-115**	**-135**	**-152**	**-148**	**-123**	**-550**	**-459**
Distribution expenses	-5	-6	-5	-4	-6	-20	-18
Net loan losses	0	0	0	0	0	0	0
Product result	**341**	**378**	**435**	**462**	**276**	**1,616**	**856**
Cost/income ratio, %	25	26	26	24	30	25	34
Economic capital, EURbn	2.3	2.4	2.4	2.2	1.3	2.3	1.2
Number of employees (full-time equivalents)	1,716	1,648	1,652	1,649	1,630	1,716	1,630

Savings Products & Asset Management

Business development

Nordea's Assets under Management (AuM) increased to EUR 158.1bn in the fourth quarter, up EUR 8.9bn or 6% from the third quarter. Net inflow of EUR 3.5bn, the strongest quarter in six years, positive development of the market, and strong investment performance contributed to the increase in AuM.

Financial markets continued to be strong during the last quarter of 2009. The strong relative performance of Nordea continued with 86% of all investment composites outperformed their benchmarks during the year. Despite previous year's financial turmoil and performance challenges within the fixed income area, 70% of all investment composites outperformed their benchmarks over the past 36 months. The strong performance was seen both within equity and fixed income portfolios. As a result, Nordea's average Morningstar rating increased in all four Nordic countries.

The institutional asset management business developed positively in the fourth quarter and generated inflow of EUR 0.3bn, and AuM increased to EUR 28.1bn (excluding Nordea Life & Pension mandate). The inflow was seen from existing as well as new customers and especially in the Danish market.

The total net sales of savings products to household customers were EUR 1.5bn in the fourth quarter. Flows from deposits to investment products further increased among household customers during fourth quarter, and a retail fund inflow of EUR 1.1bn was captured. The inflow was seen within all main fund categories and especially in the Swedish market, which developed very positively in the fourth quarter and throughout 2009 in general. Equity trading volumes also remained high at EUR 0.4bn in the fourth quarter.

Result

Savings Products & Asset Management income consist of income related to funds, international private banking and institutional mandates, including Nordea Life & Pensions' mandate (AuM of EUR 101bn) as well as income from a few savings products not related to AuM.

Total income in the fourth quarter was EUR 194m, up 24% from the third quarter. The increase was primarily driven by performance fees, of which the best quarterly result in three years was reported confirming the strong investment performance during 2009. Further, the increase in AuM of and the continued change in product and asset mix in favour of equities and retail funds, affected the income positively.

As a result of the increase in income and strict cost control, the product result ended at EUR 68m, up 45% from the third quarter.

Life & Pensions

Life & Pensions is responsible for the Group's activities within life insurance and pensions to household and corporate customers in the Nordic markets and New European Markets.

Business development

Gross written premiums were EUR 1,222m, highest ever for a single quarter and up 16% from third quarter and 35% from the fourth quarter last year. The shift towards unit-linked products continued and exceeded in volume for the fourth quarter the traditional products by 23%. Gross written premiums in unit-linked products were up 34% from previous quarter and 71% compared to the fourth quarter last year. This unit link development is particularly prominent in Finland, where 90% of premiums stem from the "Selekta Capital" offering, and in Sweden, where continued strong growth in sales of the endowment "Placera" was recorded.

Life & Pensions' market share of the Swedish ITP transfer market was unchanged at 63%, which has generated premium income of almost EUR 117m in 2009.

Total assets under management were up 5% from third quarter, ending at EUR 38bn, supported by a very strong investment process. A slight decrease in the long-term interest rate and performance on equities continued to build up of financial buffers. The financial buffers increased to EUR 1,434m, and were at the end of the fourth quarter 6.1% of technical provisions related to traditional business, which is an increase of 0.9% from previous quarter.

The market consistent embedded value, MCEV, was at the end of 2009 EUR 3,244m, up 24% from 2008. As much as 43% of the increase in MCEV comes from the unit-linked business. Both strong sales – up 34% from last year – as well as a growth in assets of 48% contributed to the increase coming from the unit-linked business. In addition, the strengthening of financial buffers within the traditional business was an important driver for the positive development in MCEV.

MCEV Life & Pensions

EURm	2009	2008
MCEV values		
Denmark	1,253	1,040
Finland	803	648
Norway	661	558
Sweden	314	208
Poland	212	171
Total	**3,244**	**2,624**
Value of new business		
Traditional business (APE)	45	50
Unit-linked (APE)	159	121
Risk products	6	6
New business margin		
Traditional business	22.3%	18.8%
Unit-linked	44.7%	45.1%
Risk products	20.8%	31.3%

(APE=Annual Premium Equivalent)

Result

Life & Pensions generated in the fourth quarter a strong product result of EUR 87m, only EUR 7m lower than previous quarter in which fees in Denmark were retroactively recognised for the first nine months.

Savings Products & Asset Management, key figures per quarter

EURm	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	2009	2008
Total income	**194**	**157**	**142**	**128**	**137**	**621**	**626**
of which related to Assets under Management (AuM)	*158*	*120*	*105*	*101*	*115*	*485*	*526*
Staff costs	-52	-38	-37	-36	-40	-163	-155
Other expenses	-41	-36	-35	-35	-33	-147	-140
Operating expenses	**-93**	**-74**	**-72**	**-71**	**-73**	**-310**	**-295**
Distribution expenses in Nordic Banking	-33	-36	-35	-34	-33	-137	-137
Product result	**68**	**47**	**35**	**23**	**31**	**174**	**194**
of which income within Nordic Banking	*143*	*113*	*110*	*98*	*107*	*464*	*472*
Cost/income ratio, %	65	70	75	82	78	72	69
Income related to AuM, margin (basis points)	65	52	50	50	56	55	56
AuM (managed by Savings Products & Asset Management), EURbn	101	96	87	80	80	101	80
of which Equties, %	*32*	*30*	*27*	*23*	*25*	*32*	*25*
of which Fixed income and Other, %	*68*	*70*	*73*	*77*	*75*	*68*	*75*
Economic capital, EURbn	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Number of employees (full-time equivalents)	1,067	1,053	1,054	1,075	1,083	1,067	1,083

Life & Pensions, key figures per quarter

EURm	Q4 2009	Q3 2009	Q2 2009	Q1 2008	Q4 2008	2009	2008
Profit drivers							
Traditional insurance:							
Fee contribution/profit sharing	20	55	5	4	-72	84	5
Contribution from cost result	-4	3	3	2	11	4	-1
Contribution from risk result	6	9	12	6	17	32	43
Return on shareholders' equity/other profits	53	13	22	22	59	111	83
Total profit Traditional	**75**	**80**	**42**	**34**	**15**	**231**	**130**
Total profit Unit-linked	**16**	**17**	**11**	**9**	**9**	**54**	**59**
Estimated distribution expenses in Nordic Banking	-4	-3	-4	-2	-2	-13	-12
Total Product result	**87**	**94**	**49**	**41**	**22**	**271**	**177**
of which income within Nordic Banking	*48*	*31*	*26*	*28*	*8*	*133*	*98*
Key figures							
Gross premiums written	1,222	1,051	1,013	1,105	902	4,391	4,222
of which from Traditional business	547	548	491	658	508	2,244	2,539
of which from Unit-linked business	674	503	522	447	394	2,146	1,683
Investment return %	1.8	3.8	1.1	0.3	0.3	6.4	-1.6
Technical provisions	32,218	31,226	29,597	28,736	28,281	32,218	28,281
Financial buffers	1,434	1,203	857	610	673	1,434	673
Investment assets, EURbn	38.0	36.2	33.9	32.4	32.3	38.0	32.3
of which bonds, %	*52*	*54*	*55*	*58*	*57*	*52*	*57*
of which equities, %	*6*	*5*	*4*	*3*	*4*	*6*	*4*
of which alternative investments, %	*6*	*6*	*7*	*7*	*8*	*6*	*8*
of which property, %	*9*	*9*	*10*	*10*	*9*	*9*	*9*
of which unit linked, %	*27*	*26*	*24*	*21*	*22*	*27*	*22*
Economic capital, EURbn	1.1	1.0	1.1	1.1	0.9	1.0	0.9
Number of employees (full-time equivalents)	1,360	1,358	1,360	1,325	1,353	1,360	1,353

	Customer areas												Other			Group		
	Nordic Banking			Institutional & International Banking			Other customer operations			Total customer areas						Nordea Group		
	Jan-Dec			Jan-Dec			Jan-Dec			Jan-Dec			Jan-Dec			Jan-Dec		
EURm	**2009**	**2008**	**%**	**2009**	**2008**	**%**	**2009**	**2008**	**%**	**2009**	**2008**	**%**	**2009**	**2008**	**%**	**2009**	**2008**	**%**
Net interest income	3,938	4,275	-8%	753	660	14%	61	60	2%	4,752	4,995	-5%	529	98	440%	5,281	5,093	4%
Net fee and commission income	1,517	1,531	-1%	246	274	-10%	30	102	-71%	1,793	1,907	-6%	-100	-24	317%	1,693	1,883	-10%
Net gains/losses on items at fair value	552	517	7%	290	271	7%	1,143	255	348%	1,985	1,043	90%	-39	-15		1,946	1,028	89%
Equity method	33	10	230%	3	-12		0	0		36	-2		12	26	-54%	48	24	
Other income	22	25	-12%	57	15		21	9	133%	100	49	104%	5	123	-96%	105	172	-39%
Total operating income	**6,062**	**6,358**	-5%	**1,349**	**1,208**	12%	**1,255**	**426**	194%	**8,666**	**7,992**	8%	**407**	**208**		**9,073**	**8,200**	11%
Staff costs	-1,223	-1,161	5%	-192	-190	1%	-524	-474	11%	-1,939	-1,825	6%	-785	-743	6%	-2,724	-2,568	6%
Other expenses	-1,880	-1,904	-1%	-278	-266	5%	-38	-10		-2,196	-2,180	1%	557	534	4%	-1,639	-1,646	0%
Depreciations of tangible and intangible assets	-57	-46	24%	-16	-10	60%	-10	-10	0%	-83	-66	26%	-66	-58	14%	-149	-124	20%
Total operating expenses	**-3,160**	**-3,111**	2%	**-486**	**-466**	4%	**-572**	**-494**	16%	**-4,218**	**-4,071**	4%	**-294**	**-267**	10%	**-4,512**	**-4,338**	4%
Net loan losses	-1,151	-402		-321	-99		0	-2		-1,472	-503		-14	37		-1,486	-466	
Operating profit	**1,751**	**2,845**	-38%	**542**	**643**	-16%	**683**	**-70**		**2,976**	**3,418**	-13%	**99**	**-22**		**3,075**	**3,396**	-9%
Balance sheet, EURbn																		
Loans and receivables to the public, corporate	107	108	-1%	26	27	-6%	19	14	34%	151	149	1%	0	0		156	154	1%
Loans and receivables to the public, household	120	106	13%	5	5	15%	2	1	70%	127	112	13%	0	0		127	112	13%
Other assets	36	33	7%	9	10	-12%	40	35	14%	85	79	8%	35	19	83%	225	209	8%
Total assets	**262**	**247**	6%	**40**	**42**	-5%	**61**	**50**	21%	**363**	**339**	7%	**35**	**19**	83%	**508**	**474**	7%
Deposits and borrowings from the public, corporate	57	54	6%	19	24	-23%	9	6	35%	84	84	0%	0	0		81	82	-1%
Deposits and borrowings from the public, household	68	63	8%	2	2	0%	3	2	30%	73	67	9%	0	0		73	67	9%
Other liabilities	126	120	5%	18	15	20%	48	41	18%	192	176	9%	35	19	83%	332	308	8%
Total liabilities	**252**	**238**	6%	**38**	**40**	-6%	**60**	**49**	21%	**349**	**327**	7%	**35**	**19**	83%	**485**	**456**	6%
Equity	11	10		2	2		1	1		14	12		0	0		22	18	
Total liabilities and equity	**262**	**247**	6%	**40**	**42**	-5%	**61**	**50**	21%	**363**	**339**	7%	**35**	**19**	83%	**508**	**474**	7%
Economic capital[1]	11	10	7%	2	2	31%	1	1	22%	14	12	11%	0	0		14	12	14%
RAROCAR, %[2]	16	20		27	33								0	0		21	19	
Capital expenditure, EURm	10	18		2	2	20%	14	4	253%	27	24	10%				252	294	-14%
Cost/income ratio, %	52	49		36	39		45	118								50	53	
Number of employees (FTEs)	16,582	17,117		5,096	5,114		3,490	3,390		25,168	25,621					33,347	34,008	

[1] Allocated capital to the Customer areas is based on Economic capital figures as of 31 December 2008 and includes a 20% add-on.

[2] Risk-adjusted profit for 2008 was restated beginning of 2009, related to the IRB approval and subsequent model alignments.

	Nordic Banking									
	Banking Denmark		Banking Finland		Banking Norway		Banking Sweden		Nordic Functions	
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec	
EURm	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Net interest income	1,349	1,214	788	1,161	814	699	926	1,140	61	61
Net fee and commission income	364	413	466	415	168	161	521	540	-2	2
Net gains/losses on items at fair value	179	173	147	128	94	95	133	121	-1	0
Equity method	33	20	0	-9	0	0	0	0	0	-1
Other income	9	6	4	7	6	8	0	1	3	3
Total operating income	**1,934**	**1,826**	**1,405**	**1,702**	**1,082**	**963**	**1,580**	**1,802**	**61**	**65**
Staff costs	-408	-375	-316	-289	-178	-170	-317	-321	-4	-6
Other expenses	-535	-514	-497	-479	-295	-310	-534	-587	-19	-14
Depreciations of tangible and intangible assets	-4	-5	-2	-4	-6	-7	-13	-9	-32	-21
Total operating expenses	**-947**	**-894**	**-815**	**-772**	**-479**	**-487**	**-864**	**-917**	**-55**	**-41**
Net loan losses	-645	-192	-186	-65	-147	-66	-166	-76	-7	-3
Operating profit	**342**	**740**	**404**	**865**	**456**	**410**	**550**	**809**	**-1**	**21**
Balance sheet, EURbn										
Loans and receivables to the public, corporate	31	30	23	26	22	19	32	33		
Loans and receivables to the public, household	40	38	27	26	21	16	31	26		
Other assets	1	0	3	2	1	1	31	30		
Total assets	**71**	**68**	**53**	**54**	**44**	**36**	**95**	**89**		
Deposits and borrowings from the public, corporate	14	14	14	13	14	11	16	15		
Deposits and borrowings from the public, household	22	20	22	22	8	6	16	15		
Other liabilities	32	32	14	16	20	17	60	56		
Total liabilities	**68**	**65**	**50**	**51**	**41**	**35**	**92**	**87**		
Equity	3	3	3	2	2	2	3	3		
Total liabilities and equity	**71**	**68**	**53**	**54**	**44**	**36**	**95**	**89**		
Economic capital[1]	3	3	3	2	2	2	3	3		
RAROCAR, %[2]	20	17	14	25	14	17	17	22		
Capital expenditure, EURm										
Cost/income ratio, %	49	49	58	45	44	51	55	51		
Number of employees (FTEs)	5,190	5,146	5,156	5,378	1,810	1,859	4,423	4,732		

[1] Allocated capital to the Customer areas is based on Economic capital figures as of 31 December 2008 and includes a 20% add-on.

[2] Risk-adjusted profit for 2008 was restated beginning of 2009, related to the IRB approval and subsequent model alignments.

Institutional & International Banking

EURm	Baltic countries		Poland		Russia		NEM Other		NEM Total		Financial Institutions		Shipping, Oil Services & International		Other IIB	
	Jan-Dec		**Jan-Dec**		**Jan-Dec**		**Jan-Dec**		**Jan-Dec**		**Jan-Dec**		**Jan-Dec**		**Jan-Dec**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Net interest income	101	106	92	96	217	153	0	-8	410	347	50	73	281	231	12	9
Net fee and commission income	35	38	18	17	10	21	-1	0	62	76	134	146	49	51	1	1
Net gains/losses on items at fair value	20	14	36	34	11	6	-3	0	64	54	178	181	48	32	0	4
Equity method	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	-12
Other income	0	1	3	2	1	2	2	0	6	5	50	9	1	1	0	0
Total operating income	**156**	**159**	**149**	**149**	**239**	**182**	**-2**	**-8**	**542**	**482**	**412**	**409**	**379**	**315**	**16**	**2**
Staff costs	-27	-28	-36	-34	-46	-52	-5	-4	-114	-118	-30	-32	-41	-40	-7	0
Other expenses	-37	-28	-43	-40	-26	-24	-3	-3	-109	-95	-152	-152	-9	-11	-8	-8
Depreciations of tangible and intangible assets	-3	-2	-10	-6	-2	-2	0	1	-15	-9	0	0	-1	-1	0	0
Total operating expenses	**-67**	**-58**	**-89**	**-80**	**-74**	**-78**	**-8**	**-6**	**-238**	**-222**	**-182**	**-184**	**-51**	**-52**	**-15**	**-8**
Net loan losses	-148	-32	-2	-1	-13	-18	0	0	-163	-51	-13	-14	-96	-10	-49	-24
Operating profit	**-59**	**69**	**58**	**68**	**152**	**86**	**-10**	**-14**	**141**	**209**	**217**	**211**	**232**	**253**	**-48**	**-30**
Balance sheet, EURbn																
Loans and receivables to the public, corporate	5	5	2	2	3	4			10	11	2	2	13	14	0	1
Loans and receivables to the public, household	3	3	2	2	0	0			5	5						
Other assets																
Total assets																
Deposits and borrowings from the public, corporate	1	1	1	1	1	1			4	3	11	15	4	6		
Deposits and borrowings from the public, household	1	1	1	1	0	0			2	2						
Other liabilities																
Total liabilities																
Equity																
Total liabilities and equity																
Economic capital[1]	1	0	0	0	0	0			1	1	0	0	1	1		
RAROCAR, %[2]	12	18	18	28	42	28			21	22	49	63	26	38		
Capital expenditure, EURm																
Cost/income ratio, %	43	36	60	54	31	43			44	46	44	45	13	17		
Number of employees (FTEs)	1,148	1,161	1,630	1,542	1,613	1,679	19	20	4,410	4,402	375	411	304	295	7	6

[1] Allocated capital to the Customer areas is based on Economic capital figures as of 31 December 2008 and includes a 20% add-on.

[2] Risk-adjusted profit for 2008 was restated beginning of 2009, related to the IRB approval and subsequent model alignments.

	Other customer operations						Other				Group		
	International Private Banking & Funds		Life		Markets Other		Group Corporate Centre		Group Functions and Eliminations		Nordea Group		
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		
EURm	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**%**
Net interest income	44	49	0	0	17	11	390	100	139	-2	5,281	5,093	4%
Net fee and commission income	59	67	47	81	-76	-46	-7	-4	-93	-20	1,693	1,883	-10%
Net gains/losses on items at fair value	25	0	296	191	822	64	85	7	-124	-22	1,946	1,028	89%
Equity method	0	0	0	0	0	0	0	0	12	26	48	24	
Other income	1	0	20	9	0	0	7	88	-2	35	105	172	-39%
Total operating income	**129**	**116**	**363**	**281**	**763**	**29**	**475**	**191**	**-68**	**17**	**9,073**	**8,200**	11%
Staff costs	-49	-50	-124	-117	-351	-307	-45	-38	-740	-705	-2,724	-2,568	6%
Other expenses	-31	-31	-75	-83	68	104	-110	-102	667	636	-1,639	-1,646	0%
Depreciations of tangible and intangible assets	-4	-4	-5	-5	-1	-1	0	0	-66	-58	-149	-124	20%
Total operating expenses	**-84**	**-85**	**-204**	**-205**	**-284**	**-204**	**-155**	**-140**	**-139**	**-127**	**-4,512**	**-4,338**	4%
Net loan losses	0	-2	0	0	0	0	0	0	-14	37	-1,486	-466	
Operating profit	**45**	**29**	**159**	**76**	**479**	**-175**	**320**	**51**	**-221**	**-73**	**3,075**	**3,396**	-9%
Balance sheet, EURbn													
Loans and receivables to the public, corporate			2	2	17	12	0	0			156	154	1%
Loans and receivables to the public, household	2	1	0	0	0	0	0	0			127	112	13%
Other assets	1	2	39	33	0	0	35	19			225	209	8%
Total assets	**3**	**3**	**41**	**35**	**17**	**12**	**35**	**19**			**508**	**474**	7%
Deposits and borrowings from the public, corporate			4	3	5	3	0	0			81	82	-1%
Deposits and borrowings from the public, household	3	2	0	0			0	0			73	67	9%
Other liabilities	0	1	36	31	12	9	35	19			332	308	8%
Total liabilities	**3**	**3**	**40**	**34**	**17**	**12**	**35**	**19**			**485**	**456**	6%
Equity	0	0	1	1	0	0	0	0			22	18	
Total liabilities and equity	**3**	**3**	**41**	**35**	**17**	**12**	**35**	**19**			**508**	**474**	7%
Economic capital[1]			1	1							14	12	14%
RAROCAR, %[2]											21	19	
Capital expenditure, EURm			14	4							252	294	-14%
Cost/income ratio, %	65	73	56	73			35	73			50	53	
Number of employees (FTEs)	414	407	1,360	1,353	1,716	1,630	605	576			33,347	34,008	-2%

[1] Allocated capital to the Customer areas is based on Economic capital figures as of 31 December 2008 and includes a 20% add-on.

[2] Risk-adjusted profit for 2008 was restated beginning of 2009, related to the IRB approval and subsequent model alignments.

Income statement

EURm	Note	Q4 2009	Q4 2008	Jan-Dec 2009	Jan-Dec 2008
Operating income					
Interest income		*2,392*	*4,591*	*10,973*	*16,753*
Interest expense		*-1,093*	*-3,205*	*-5,692*	*-11,660*
Net interest income		1,299	1,386	5,281	5,093
Fee and commission income		*665*	*590*	*2,468*	*2,532*
Fee and commission expense		*-202*	*-200*	*-775*	*-649*
Net fee and commission income	3	463	390	1,693	1,883
Net gains/losses on items at fair value	4	351	325	1,946	1,028
Profit from companies accounted for under the equity method		15	45	48	24
Other operating income		30	105	105	172
Total operating income		**2,158**	**2,251**	**9,073**	**8,200**
Operating expenses					
General administrative expenses:	5				
Staff costs		-702	-655	-2,724	-2,568
Other expenses		-471	-461	-1,639	-1,646
Depreciation, amortisation and impairment charges of tangible and intangible assets		-46	-34	-149	-124
Total operating expenses		**-1,219**	**-1,150**	**-4,512**	**-4,338**
Profit before loan losses		**939**	**1,101**	**4,561**	**3,862**
Net loan losses	6	-347	-320	-1,486	-466
Operating profit		**592**	**781**	**3,075**	**3,396**
Income tax expense		-145	-144	-757	-724
Net profit for the period		**447**	**637**	**2,318**	**2,672**
Attributable to:					
Shareholders of Nordea Bank AB (publ)		448	638	2,314	2,671
Non-controlling interests		-1	-1	4	1
Total		**447**	**637**	**2,318**	**2,672**
Basic earnings per share, EUR		0.11	0.19	0.60	0.79
Diluted earnings per share, EUR		0.11	0.19	0.60	0.79

Statement of comprehensive income

EURm	Q4 2009	Q4 2008	Jan-Dec 2009	Jan-Dec 2008
Net profit for the period	**447**	**637**	**2,318**	**2,672**
Currency translation differences during the period	93	-996	740	-1,233
Currency hedging of net investments in foreign operations	-25	508	-507	691
Tax on currency hedging of net investments in foreign operations	6	-132	133	-175
Available-for-sale investments:				
Valuation gains/losses during the period	0	-	1	-
Tax on valuation gains/losses during the period	0	-	0	-
Transferred to profit or loss on sale for the period	-1	-1	-1	-6
Cash flow hedges:				
Valuation gains/losses during the period	2	-3	6	-7
Tax on valuation gains/losses during the period	-1	1	-2	2
Other comprehensive income, net of tax	**74**	**-623**	**370**	**-728**
Total comprehensive income	**521**	**14**	**2,688**	**1,944**
Attributable to:				
Shareholders of Nordea Bank AB (publ)	522	15	2,684	1,943
Non-controlling interests	-1	-1	4	1
Total	**521**	**14**	**2,688**	**1,944**

Balance sheet

EURm	Note	31 Dec 2009	31 Dec 2008
Assets			
Cash and balances with central banks		11,500	3,157
Treasury bills		12,944	6,545
Loans to credit institutions	7	18,555	23,903
Loans to the public	7	282,411	265,100
Interest-bearing securities		56,155	44,830
Financial instruments pledged as collateral		11,240	7,937
Shares		13,703	10,669
Derivatives	10	75,422	86,838
Fair value changes of the hedged items in portfolio hedge of interest rate risk		763	413
Investments in associated undertakings		470	431
Intangible assets		2,947	2,535
Property and equipment		452	375
Investment property		3,505	3,334
Deferred tax assets		125	64
Current tax assets		329	344
Retirement benefit assets		134	168
Other assets		14,397	14,604
Prepaid expenses and accrued income		2,492	2,827
Total assets		**507,544**	**474,074**
Of which assets customer bearing the risk		*11,708*	*8,715*
Liabilities			
Deposits by credit institutions		52,190	51,932
Deposits and borrowings from the public		153,577	148,591
Liabilities to policyholders		33,831	29,238
Debt securities in issue		130,519	108,989
Derivatives	10	73,043	85,538
Fair value changes of the hedged items in portfolio hedge of interest rate risk		874	532
Current tax liabilities		565	458
Other liabilities		28,589	17,970
Accrued expenses and prepaid income		3,178	3,278
Deferred tax liabilities		870	1,053
Provisions		309	143
Retirement benefit obligations		394	340
Subordinated liabilities		7,185	8,209
Total liabilities		**485,124**	**456,271**
Equity			
Non-controlling interests		80	78
Share capital		4,037	2,600
Share premium reserve		1,065	-
Other reserves		-518	-888
Retained earnings		17,756	16,013
Total equity		**22,420**	**17,803**
Total liabilities and equity		**507,544**	**474,074**
Assets pledged as security for own liabilities		121,052	95,507
Other assets pledged		6,635	10,807
Contingent liabilities		22,267	26,287
Credit commitments[1]		77,619	85,416
Other commitments		2,178	3,018

[1] Including unutilised portion of approved overdraft facilities of EUR 46,462 m (31 Dec 2008: 49,145m).

Statement of changes in equity

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

EURm	Share capital[1]	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available-for-sale investments	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to shareholders of Nordea Bank AB (publ)		Other reserves:						
Opening balance at 1 Jan 2008	**2,597**	**-**	**-166**	**-**	**6**	**14,645**	**17,082**	**78**	**17,160**
Total comprehensive income	-	-	-717	-5	-6	2,671	1,943	1	1,944
Issued C-shares[4]	3	-	-	-	-	-	3	-	3
Repurchase of C-shares[4]	-	-	-	-	-	-3	-3	-	-3
Share-based payments	-	-	-	-	-	7	7	-	7
Dividend for 2007	-	-	-	-	-	-1,297	-1,297	-	-1,297
Purchases of own shares[3]	-	-	-	-	-	-10	-10	-	-10
Other changes	-	-	-	-	-	-	-	-1	-1
Closing balance at 31 Dec 2008	**2,600**	**-**	**-883**	**-5**	**0**	**16,013**	**17,725**	**78**	**17,803**

[1] Total shares registered were 4,037 million (31 Dec 2008: 2,600 million).

[2] Shares issued in relation to the Nordea rights issue.

[3] Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares at 31 Dec 2009 were 23.8 million (31 Dec 2008: 9.8 million).

[4] Refers to the Long Term Incentive Programme (LTIP). LTIP 2009 was hedged by issuing 7,250,000 C-shares (LTIP 2008: 2,880,000), the shares have been bought back and converted to ordinary shares. The total holding of own shares related to LTIP is 12.1 million (31 Dec 2008: 6.0 million).

Cash flow statement

EURm	Jan-Dec 2009	Jan-Dec 2008
Operating activities		
Operating profit	3,075	3,396
Adjustments for items not included in cash flow	2,450	-594
Income taxes paid	-816	-534
Cash flow from operating activities before changes in operating assets and liabilities	4,709	2,268
Changes in operating assets and liabilities	8,915	8,571
Cash flow from operating activities	13,624	10,839
Investing activities		
Sale/acquisition of business operations	-270	-81
Property and equipment	-130	-150
Intangible assets	-97	-126
Net investments in debt securities, held to maturity	-5,411	-10,938
Other financial fixed assets	0	111
Cash flow from investing activities	-5,908	-11,184
Financing activities		
New share issue	2,503	3
Issued/amortised subordinated liabilities	-1,122	500
Repurchase of own shares incl change in trading portfolio	-55	-10
Dividend paid	-519	-1,297
Cash flow from financing activities	807	-804
Cash flow for the period	**8,523**	**-1,149**
Cash and cash equivalents at beginning of period	**4,694**	**7,097**
Exchange rate difference	745	-1,254
Cash and cash equivalents at end of period	**13,962**	**4,694**
Change	**8,523**	**-1,149**

Cash and cash equivalents	31 Dec	31 Dec
The following items are included in cash and cash equivalents (EURm):	2009	2008
Cash and balances with central banks	11,500	3,157
Loans to credit institutions, payable on demand	2,462	1,537

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

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

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

Notes to the financial statements

Note 1 Accounting policies

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of such standards by the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the EU Commission. In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the recommendation RFR 1.2 "Supplementary Accounting Rules for Groups" and UFR statements issued by the Swedish Financial Reporting Board as well as the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25), 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 2008 Annual Report, considering also the changes in presentation described in the report for the first quarter 2009.

Changes in Group structure

On August 31, 2009 Nordea Bank Danmark A/S signed an agreement to acquire Fionia Bank, excluding the "bad bank" part, from Finansiel Stabilitet A/S. The transaction was closed on 30 November, when Nordea received final approval from the Danish regulators. 30 November is the acquisition date and the date from which the acquired assets and liabilities are recognised in Nordea. Assets and liabilities acquired are disclosed in the table below. In addition, Nordea acquired guarantees to the amount of EUR 114m.

The following purchase price allocation (PPA) has been established as of 30 November 2009. The PPA is still preliminary, and can be updated during 2010.

EURm	30 Nov. 2009
Loans to the public	746
Other assets	598
Deposits from the public	-1,192
Other liabilities	-60
Acquired net assets in accordance with IFRS	92
Purchase price, settled in cash[1)]	285
Purchase price, to be settled in cash	37
Cost of combination	**322**
Surplus value	**230**
Allocation of surplus value:	
Customer related intangible asset	51
Deferred tax asset	53
Goodwill	126

1) Including EUR 106m relating to subordinated debt converted to equity at acquisition.

A customer related intangible asset has been separated from goodwill. The part separated is related to future earnings from acquired customers. This relates, however, only to the part over which Nordea has been assessed to have sufficient control. Amortisation is made over 10 years.

Fionia has tax losses carry forward, which were not recognised in the balance sheet of Fionia. Nordea has estimated that Fionia will be able to utilise EUR 210m of these losses in the coming five years, which translates to a carrying amount of EUR 53m.

Goodwill arises mainly due to the synergies Nordea expects to achieve. Integrating the business in Fionia into Nordea's branch network will create cost synergies and more synergies will be derived from implementing Nordea's operating model in the new branches.

The impact on Nordea's net profit for the year is insignificant

Exchange rates

The consolidated financial statements are prepared in euro (EUR), the presentation currency of the parent company Nordea Bank AB (publl). The current method is used when translating the financial statements of foreign entities into EUR from their functional currency. The assets and liabilities of foreign entities have been translated at the closing rates, while items in the income statements are translated at the average exchange rate for the year. Translation differences are accounted for in other comprehensive income and accumulated in equity.

EUR 1 = SEK	Jan-Dec 2009	Jan-Dec 2008
Income statement (average)	10.6101	9.6043
Balance sheet (at end of period)	10.2701	10.9361
EUR 1 = DKK		
Income statement (average)	7.4460	7.4560
Balance sheet (at end of period)	7.4410	7.4532
EUR 1 = NOK		
Income statement (average)	8.7283	8.2088
Balance sheet (at end of period)	8.3022	9.8512
EUR 1 = PLN		
Income statement (average)	4.3189	3.5020
Balance sheet (at end of period)	4.1268	4.1483
EUR 1 = RUB		
Income statement (average)	44.0882	36.4110
Balance sheet (at end of period)	43.3452	41.5041

Note 2 Segment reporting

	Operating segments												Reconciliation		Total Group	
	Nordic Banking		New European Markets		Financial Institutions		Shipping, Oil Services & International		Other Operating segments		Total Operating segments					
	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008
Total operating income, EURm	6,062	6,358	542	482	412	409	379	315	1,780	655	9,175	8,219	-102	-19	9,073	8,200
Operating profit, EURm	1,751	2,845	141	209	217	211	232	253	951	-7	3,292	3,511	-217	-115	3,075	3,396
Loans to the public, EURbn	227	214	15	16	2	2	13	14	23	17	280	263	2	2	282	265
Deposits and borrowings from the public, EURbn	125	117	6	5	11	15	4	6	12	8	158	151	-4	-2	154	149

Reconciliation between total operating segments and financial statements

	Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008
Total Operating segments	3,292	3,511	280	263	158	151
Group functions[1]	-152	-73	-	-	-	-
Unallocated items	-160	-42	2	2	-4	-2
Differences in accounting policies[2]	95	-	-	-	-	-
Total	**3,075**	**3,396**	**282**	**265**	**154**	**149**

[1] Consists of Group Management Secretariat, Executive Management, Group Internal Audit, Group Credit and Risk Control, Human Resources and Group Identity and Communications.

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

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

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

Reportable Operating segments

Nordic Banking conducts a full service banking operation. It is Nordea's largest customer area and serves household customers and corporate customers in the Nordic markets. The branches within Nordea's banking activities in the New European Markets offer full banking services for local and Nordic corporate and personal customers in Estonia, Latvia, Lithuania, Poland and Russia. The Financial Institutions segment is responsible for Nordea's customers within the financial institution industry. The segment Shipping, Oil Services & International is responsible for Nordea's customers within the shipping, offshore and oil services industries.

Note 3 Net fee and commission income

EURm	Q4 2009	Q3 2009	Q4 2008	Jan-Dec 2009	Jan-Dec 2008
Asset Management commissions	139	115	115	454	532
Life insurance	72	71	71	271	270
Brokerage	61	60	53	226	217
Custody	21	16	20	77	84
Deposits	9	11	11	43	45
Total savings related commissions	302	273	270	1,071	1,148
Payments	102	100	105	392	422
Cards	90	86	80	337	344
Total payment commissions	192	186	185	729	766
Lending	66	79	63	283	299
Guarantees and documentary payments	49	48	39	183	143
Total lending related commissions	115	127	102	466	442
Other commission income	56	45	33	202	176
Fee and commission income	**665**	**631**	**590**	**2,468**	**2,532**
Life insurance	-16	-16	-12	-64	-67
Payment expenses	-75	-70	-73	-280	-287
State guarantee fees	-48	-52	-50	-201	-50
Other commission expenses	-63	-56	-65	-230	-245
Fee and commission expenses	**-202**	**-194**	**-200**	**-775**	**-649**
Net fee and commission income	**463**	**437**	**390**	**1,693**	**1,883**

Note 4 Net gains/losses on items at fair value

EURm	Q4 2009	Q3 2009	Q4 2008	Jan-Dec 2009	Jan-Dec 2008
Shares/participations and other share-related instruments	588	659	-1,234	1,762	-3,125
Interest-bearing securities and other interest-related instruments	445	898	523	2,537	830
Other financial instruments	-67	-23	-117	-117	90
Foreign exchange gains/losses	89	193	359	329	670
Investment properties	18	27	88	117	167
Change in technical provisions[1], Life insurance	-463	-927	11	-1,870	320
Change in collective bonus potential, Life insurance	-282	-355	674	-865	2,025
Insurance risk income, Life insurance	76	75	74	297	282
Insurance risk expense, Life insurance	-53	-61	-53	-244	-231
Total	**351**	**486**	**325**	**1,946**	**1,028**

Of which Life insurance

EURm	Q4 2009	Q3 2009	Q4 2008	Jan-Dec 2009	Jan-Dec 2008
Shares/participations and other share-related instruments	557	438	-1,104	1,382	-2,990
Interest-bearing securities and other interest-related instruments	266	798	429	1,381	751
Other financial instruments	-1	0	-6	2	-9
Foreign exchange gains/losses	-23	104	-90	99	-121
Investment properties	16	27	87	114	164
Change in technical provisions[1]	-463	-927	11	-1,870	320
Change in collective bonus potential	-282	-355	674	-865	2,025
Insurance risk income	76	75	74	297	282
Insurance risk expense	-53	-61	-53	-244	-231
Total	**93**	**99**	**22**	**296**	**191**

[1] Premium income amounts to EUR 440m for Q4 2009, EUR 223m for Q3 2009 and EUR 1,667m for Jan-Dec 2009 (Q4 2008: EUR 240m, Jan-Dec 2008: EUR 2,077m).

Note 5 General administrative expenses

EURm	Q4 2009	Q3 2009	Q4 2008	Jan-Dec 2009	Jan-Dec 2008
Staff	-702	-670	-655	-2,724	-2,568
Information technology[1]	-156	-138	-167	-593	-576
Marketing	-35	-17	-28	-83	-102
Postage, telephone and office expenses	-50	-47	-51	-190	-203
Rents, premises and real estate expenses	-88	-97	-94	-367	-369
Other	-142	-83	-121	-406	-396
Total	**-1,173**	**-1,052**	**-1,116**	**-4,363**	**-4,214**

[1] Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc, but excluding IT expenses in the Life operations, were EUR -192m in Q4 2009, EUR -202m in Q3 2009 and EUR -752m for Jan-Dec 2009 (Q4 2008: EUR -172m, Jan-Dec 2008: EUR -666m).

Note 6 Net loan losses

EURm	Q4 2009	Q3 2009	Q4 2008	Jan-Dec 2009	Jan-Dec 2008
Loan losses divided by class					
Loans to credit institutions	-2	-4	-14	-14	-14
- of which provisions	-2	-5	-14	-18	-16
- of which write-offs	0	-	-	0	-
- of which allowances used for covering write-offs	0	-	-	0	-
- of which reversals	0	1	0	4	2
Loans to the public	-314	-331	-278	-1,337	-401
- of which provisions	-376	-342	-400	-1,448	-727
- of which write-offs	-175	-126	-63	-478	-218
- of which allowances used for covering write-offs	105	60	29	277	130
- of which reversals	94	65	146	238	350
- of which recoveries	38	12	10	74	64
Off-balance sheet items[1]	-31	-23	-28	-135	-51
- of which provisions	-33	-27	-28	-177	-58
- of which reversals	2	4	0	42	7
Total	**-347**	**-358**	**-320**	**-1,486**	**-466**
Specification of Loan losses					
Changes of allowance accounts in the balance sheet	-315	-304	-296	-1,359	-442
- of which Loans, individually assessed	-203	-164	-237	-819	-326
- of which Loans, collectively assessed	-80	-119	-30	-405	-65
- of which Off-balance sheet items, individually assessed[1]	-32	-23	-28	-166	-32
- of which Off-balance sheet items, collectively assessed[1]	0	2	-1	31	-19
Changes directly recognised in the income statement	-32	-54	-24	-127	-24
- of which realised loan losses, individually assessed	-63	-65	-31	-184	-71
- of which realised loan losses, collectively assessed	-6	-1	-4	-16	-18
- of which realised recoveries, individually assessed	33	8	7	56	45
- of which realised recoveries, collectively assessed	4	4	4	17	20
Total	**-347**	**-358**	**-320**	**-1,486**	**-466**

[1] Included in Provisions in the balance sheet

Key ratios

	Q4 2009	Q3 2009	Q4 2008	Jan-Dec 2009[2]	Jan-Dec 2008
Loan loss ratio, basis points[1]	52	54	52	54	19
- of which individual	40	37	47	40	16
- of which collective	12	17	5	14	3

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

[2] Loan loss ratio in Q2 2009 excluding provision for a legal claim contested by Nordea.

Note 7 Loans and their impairment

	Total		
EURm	31 Dec 2009	30 Sep 2009	31 Dec 2008
Loans, not impaired	299,020	297,203	287,949
Impaired loans	4,102	3,851	2,224
- Performing	2,234	2,212	1,389
- Non-performing	1,868	1,639	835
Loans before allowances	**303,122**	**301,054**	**290,173**
Allowances for individually assessed impaired loans	-1,331	-1,228	-762
- Performing	-679	-635	-456
- Non-performing	-652	-593	-306
Allowances for collectively assessed impaired loans	-825	-742	-408
Allowances	**-2,156**	**-1,970**	**-1,170**
Loans, carrying amount	**300,966**	**299,084**	**289,003**

	Credit institutions			The public		
EURm	31 Dec 2009	30 Sep 2009	31 Dec 2008	31 Dec 2009	30 Sep 2009	31 Dec 2008
Loans, not impaired	18,558	16,420	23,893	280,462	280,783	264,056
Impaired loans	35	33	33	4,067	3,818	2,191
- Performing	4	28	32	2,230	2,184	1,357
- Non-performing	31	5	1	1,837	1,634	834
Loans before allowances	**18,593**	**16,453**	**23,926**	**284,529**	**284,601**	**266,247**
Allowances for individually assessed impaired loans	-35	-33	-20	-1,296	-1,195	-742
- Performing	-4	-28	-19	-675	-607	-437
- Non-performing	-31	-5	-1	-621	-588	-305
Allowances for collectively assessed impaired loans	-3	-2	-3	-822	-740	-405
Allowances	**-38**	**-35**	**-23**	**-2,118**	**-1,935**	**-1,147**
Loans, carrying amount	**18,555**	**16,418**	**23,903**	**282,411**	**282,666**	**265,100**

Note 7, continued

Reconciliation of allowance accounts for impaired loans

	Credit institutions		The public		Total		
Loans, EURm	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Total
Opening balance at 1 Jan 2009	**-20**	**-3**	**-742**	**-405**	**-762**	**-408**	**-1,170**
Provisions	-17	-1	-954	-493	-971	-494	-1,465
Reversals	2	2	150	87	152	89	241
Changes through the income statement	**-15**	**1**	**-804**	**-406**	**-819**	**-405**	**-1,224**
Allowances used to cover write-offs	0	-	278	-	278	-	278
Currency translation differences	0	-1	-28	-11	-28	-12	-40
Closing balance at 31 Dec 2009	**-35**	**-3**	**-1,296**	**-822**	**-1,331**	**-825**	**-2,156**
Opening balance at 1 Jan 2009	**-20**	**-3**	**-742**	**-405**	**-762**	**-408**	**-1,170**
Provisions	-15	-1	-700	-372	-715	-373	-1,088
Reversals	2	2	98	45	100	47	147
Changes through the income statement	**-13**	**1**	**-602**	**-327**	**-615**	**-326**	**-941**
Allowances used to cover write-offs	-	-	172	-	172	-	172
Currency translation differences	0	0	-23	-8	-23	-8	-31
Closing balance at 30 Sep 2009	**-33**	**-2**	**-1,195**	**-740**	**-1,228**	**-742**	**-1,970**
Opening balance at 1 Jan 2008	**-8**	**-2**	**-595**	**-352**	**-603**	**-354**	**-957**
Provisions	-14	-3	-541	-185	-555	-188	-743
Reversals	1	2	228	121	229	123	352
Changes through the income statement	**-13**	**-1**	**-313**	**-64**	**-326**	**-65**	**-391**
Allowances used to cover write-offs	0	0	129	0	129	-	129
Reclassification	-	-	4	-	4	0	4
Currency translation differences	1	0	33	11	34	11	45
Closing balance at 31 Dec 2008	**-20**	**-3**	**-742**	**-405**	**-762**	**-408**	**-1,170**

Allowances and provisions

EURm	31 Dec 2009	30 Sep 2009	31 Dec 2008
Allowances for items in the balance sheet	-2,156	-1,970	-1,170
Provisions for off balance sheet items	-236	-204	-100
Total allowances and provisions	**-2,392**	**-2,174**	**-1,270**

Key ratios

	31 Dec 2009	30 Sep 2009	31 Dec 2008
Impairment rate, gross[1], basis points	135	128	77
Impairment rate, net[2], basis points	91	87	50
Total allowance rate[3], basis points	71	65	40
Allowances in relation to impaired loans[4], %	32	32	34
Total allowances in relation to impaired loans[5], %	53	51	53
Non-performing, not impaired[6], EURm	296	294	142

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

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

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

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

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

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

Note 8 Classification of financial instruments

EURm	Loans and receivables	Held to maturity	Held for trading	Assets at fair value	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	11,500	-	-	-	-	-	11,500
Treasury bills	-	571	12,373	-	-	-	12,944
Loans to credit institutions	12,474	-	6,081	-	-	-	18,555
Loans to the public	224,035	-	16,035	42,341	-	-	282,411
Interest-bearing securities	-	17,382	21,331	17,437	-	5	56,155
Financial instruments pledged as collateral	-	-	11,240	-	-	-	11,240
Shares	-	-	4,233	9,464	-	6	13,703
Derivatives	-	-	75,032	-	390	-	75,422
Fair value changes of the hedged items in portfolio hedge of interest rate risk	763	-	-	-	-	-	763
Other assets	10,991	-	22	3,368	-	-	14,381
Prepaid expenses and accrued income	1,835	-	368	29	-	-	2,232
Total 31 Dec 2009	**261,598**	**17,953**	**146,715**	**72,639**	**390**	**11**	**499,306**
Total 31 Dec 2008	247,971	12,228	138,672	67,116	318	56	466,361

EURm	Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	13,461	10,667	-	28,062	52,190
Deposits and borrowings from the public	4,906	5,719	-	142,952	153,577
Liabilities to policyholders, investment contracts	-	6,178	-	-	6,178
Debt securities in issue	6,147	29,422	-	94,950	130,519
Derivatives	72,383	-	660	-	73,043
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	874	874
Other liabilities	8,630	3,357	-	16,460	28,447
Accrued expenses and prepaid income	639	115	-	1,471	2,225
Subordinated liabilities	-	-	-	7,185	7,185
Total 31 Dec 2009	**106,166**	**55,458**	**660**	**291,954**	**454,238**
Total 31 Dec 2008	108,343	57,910	2,261	259,152	427,666

Note 9 Financial instruments

Determination of fair value from quoted market prices or valuation techniques

EURm	Quoted prices in active markets for same instrument (Level 1)	*Of which Life*	Valuation technique using observable data (Level 2)	*Of which Life*	Valuation technique using non-observable data (Level 3)	*Of which Life*	Total
Assets							
Loans to credit institutions	37	-	6,044	-	-	-	6,081
Loans to the public	-	-	58,376	-	-	-	58,376
Debt securities[1]	47,052	*17,000*	13,695	*2,703*	1,556	*1,436*	62,303
Shares[2]	10,079	*7,094*	2	-	3,705	*2,288*	13,786
Derivatives	597	*18*	72,484	*2*	2,341	-	75,422
Other assets	-	-	3,390	-	-	-	3,390
Prepaid expenses and accrued income	-	-	397	-	-	-	397
Liabilities							
Deposits by credit institutions	-	-	24,128	-	-	-	24,128
Deposits and borrowings from the public	-	-	10,625	-	-	-	10,625
Liabilities to policy holders	-	-	6,178	*6,178*	-	-	6,178
Debt securities in issue	29,422	-	6,147	-	-	-	35,569
Derivatives	583	*54*	70,175	*9*	2,285	-	73,043
Other liabilities	15	-	11,972	-	-	-	11,987
Accrued expenses and prepaid income	-	-	754	-	-	-	754

[1] Of which EUR 12,373m Treasury bills and EUR 38,773m Interest-bearing securities (the portion held at fair value in Note 8). EUR 11,157m relates to the balance sheet item Financial instruments pledged as collateral.

[2] EUR 83m relates to the balance sheet item Financial instruments pledged as collateral.

Special Purpose Entities (SPEs) - On balance

SPEs that have been set up for enabling investments in structured credit products and for acquiring assets from customers.

EURm	Purpose	Duration	Nordea's investment[1]	Total assets	Accounting treatment
Viking ABCP Conduit	Factoring	<3 years	478	529	Consolidated
CMO Denmark A/S	Collateralised Mortgage Obligation	>5 years	13	32	Consolidated
Kalmar Structured Finance A/S	Credit Linked Note	>5 years	34	144	Consolidated
Kirkas Northern Lights Ltd	Collateralised Mortgage Obligation	>5 years	6,233	6,233	Consolidated
Total			**6,758**	**6,938**	

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

Note 9, continued

Collateralised Debt Obligations (CDO) - Exposure[1]

Nominals EURm	Bought protection	*Of which Life*	Sold protection	*Of which Life*
CDOs, gross	4,308	-	4,120	*546*
Hedged exposures	2,928	-	2,928	-
CDOs, net[2]	**1,380[3]**	**-**	**1,192[4]**	***546***
Of which:				
- Equity	*259*	-	*387*	*102*
- Mezzanine	*237*	-	*514*	*310*
- Senior	*884*	-	*291*	*134*

[1] First-To-Default (FTD) swaps are not classified as CDOs and are therefore not included in the table. Net bought protection amounts to EUR 116m and net sold protection to EUR 105m. Both bought and sold protection are, to the predominant part, investment grade.

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

[3] Of which investment grade EUR 1,380m.

[4] Of which investment grade EUR 1,068m, sub investment grade EUR 19m and not rated EUR 105m.

When Nordea sells protection in a CDO transaction, Nordea carries the risk of losses in the reference portfolio on the occurrence of a credit event. When Nordea buys protection in a CDO transaction, any losses in the reference portfolio, in which Nordea has not necessarily invested, triggered by a credit event is then carried by the seller of protection. CDOs in areas other than Life are classified as Derivatives in the balance sheet and CDOs in Life are classified as Shares or Interest-bearing securities.

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

Credit Default Swaps (CDS) - Exposure

CDSs (derivatives) are used for hedging exposure in CDOs as well as Credit Bonds. The net position from bought protection amounts to EUR 1,411m and the net position from sold protection amounts to EUR 1,403m. In addition to direct hedges of the CDOs, there are two main hedging strategies employed in the portfolio. The first relates to that protection is bought in CDO tranches and delta-hedged by selling protection on the full traded index. The second relates to that protection is bought on CDO tranches and the underlying name specific risk is hedged by selling CDS protection on the individual underlying names.

Interest-bearing securities and Treasury bills

EURm	At fair value	*Of which Life*	At amortised cost	*Of which Life*
State and sovereigns	16,639	*2,715*	1,211	*466*
Municipalities and other public bodies	2,964	*2,651*	431	*410*
Mortgage institutions	15,701	*8,822*	8,184	*270*
Other credit institutions	9,587	*2,205*	8,056	*703*
Corporates	4,648	*3,161*	71	*26*
Corporates, sub-investment grade	1,235	*1,235*	-	-
Other	372	*350*	-	-
Total	**51,146**	***21,139***	**17,953**	***1,875***

Note 10 Derivatives

Fair value	31 Dec 2009		31 Dec 2008	
EURm	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading				
Interest rate derivatives	61,053	59,413	52,425	52,100
Equity derivatives	914	1,074	923	705
Foreign exchange derivatives	10,953	9,761	27,037	24,605
Credit derivatives	1,224	1,238	4,631	4,584
Other derivatives	888	897	1,504	1,283
Total	**75,032**	**72,383**	**86,520**	**83,277**
Derivatives used for hedging				
Interest rate derivatives	267	278	280	202
Equity derivatives	1	2	1	7
Foreign exchange derivatives	122	380	37	2,052
Total	**390**	**660**	**318**	**2,261**
Total fair value				
Interest rate derivatives	61,320	59,691	52,705	52,302
Equity derivatives	915	1,076	924	712
Foreign exchange derivatives	11,075	10,141	27,074	26,657
Credit derivatives	1,224	1,238	4,631	4,584
Other derivatives	888	897	1,504	1,283
Total	**75,422**	**73,043**	**86,838**	**85,538**

Nominal amount	31 Dec	31 Dec
EURm	2009	2008
Derivatives held for trading		
Interest rate derivatives	3,587,802	2,939,059
Equity derivatives	19,866	27,385
Foreign exchange derivatives	716,414	686,889
Credit derivatives	78,669	99,208
Other derivatives	16,947	17,546
Total	**4,419,698**	**3,770,087**
Derivatives used for hedging		
Interest rate derivatives	22,286	13,940
Equity derivatives	34	69
Foreign exchange derivatives	5,253	18,005
Total	**27,573**	**32,014**
Total nominal amount		
Interest rate derivatives	3,610,088	2,952,999
Equity derivatives	19,900	27,454
Foreign exchange derivatives	721,667	704,894
Credit derivatives[1]	78,669	99,208
Other derivatives	16,947	17,546
Total	**4,447,271**	**3,802,101**

[1] The net position from credit derivatives is disclosed in Note 9.

Note 11 Capital adequacy

Capital Base

EURm	31 Dec 2009	31 Dec 2008
Core Tier 1 capital	17,766	14,313
Tier 1 capital	19,577	15,760
Total capital base	22,926	20,326

Capital requirement

EURm	31 Dec 2009 Capital requirement	31 Dec 2009 RWA	31 Dec 2008 Capital requirement	31 Dec 2008 RWA
Credit risk	**12,250**	**153,123**	**12,060**	**150,746**
IRB	9,655	120,692	9,537	119,207
- of which corporate	7,060	88,249	6,909	86,358
- of which institutions	821	10,262	1,016	12,699
- of which retail	1,673	20,912	1,465	18,313
- of which other	101	1,269	147	1,837
Standardised	2,595	32,431	2,523	31,539
- of which sovereign	70	871	75	940
- of which retail	711	8,887	630	7,875
- of which other	1,814	22,673	1,818	22,724
Market risk	**431**	**5,386**	**474**	**5,930**
- of which trading book, VaR	107	1,335	137	1,715
- of which trading book, non-VaR	267	3,341	270	3,372
- of which FX, non-VaR	57	710	67	843
Operational risk	**1,057**	**13,215**	**952**	**11,896**
Standardised	1,057	13,215	952	11,896
Sub total	**13,738**	**171,724**	**13,486**	**168,572**
Adjustment for transition rules				
Additional capital requirement according to transition rules	1,611	20,134	3,576	44,709
Total	**15,349**	**191,858**	**17,062**	**213,281**

Capital ratio

	31 Dec 2009	31 Dec 2008
Core Tier I ratio, %, incl profit	9.3	6.7
Tier I ratio, %, incl profit	10.2	7.4
Capital ratio, %, incl profit	11.9	9.5

Analysis of capital requirements

Exposure class, 31 Dec 2009	Average risk weight (%)	Capital requirement (EURm)
Corporate	61%	7,060
Institutions	23%	821
Retail	16%	1,673
Sovereign	2%	70
Other	76%	2,626
Total credit risk		**12,250**

Note 12 Risks and uncertainties

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

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

The financial crisis and the deteriorating macroeconomic situation have not had material impact on Nordea's financial position. However, the macroeconomic development remains uncertain and the net loan losses could remain at high level, as communicated in the Outlook on page 11.

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

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

Note 13 Related-party transactions

Nordea defines related parties as Shareholders with significant influence, Group undertakings, Associated undertakings, Key management personnel and Other related parties. Key management personnel include the Board of Directors, the Chief Executive Officer and the Group Executive Management. Other related parties comprise companies significantly influenced by Key management personnel in Nordea Group as well as companies significantly influenced by close family members to these Key management personnel. Transactions with Other related parties are normally made in Nordea's and the related companies' ordinary course of business and on the same criteria and terms as those for comparable transactions with companies of similar standing.

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

Nordea Bank AB (publ)

Accounting policies

The financial statements for the parent company, Nordea Bank AB (publ) are prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and IFRS with the amendments and exceptions following the recommendation RFR 2.2 “Accounting for Legal Entities” issued by the Swedish Financial Reporting Board and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25). Under RFR 2.2, the parent company shall apply all standards and interpretations issued by the IASB and IFRIC to the extent possible within the framework of Swedish accounting legislation and considering the close tie between financial reporting and taxation. The recommendation sets out the exceptions and amendments to IFRS that shall be made.

Changed accounting policies and presentation

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

Income statement

EURm	Q4 2009	Q4 2008	Jan-Dec 2009	Jan-Dec 2008
Operating income				
Interest income	*360*	*939*	*1,793*	*3,646*
Interest expense	*-187*	*-751*	*-1,127*	*-3,123*
Net interest income	173	188	666	523
Fee and commission income	*160*	*147*	*614*	*622*
Fee and commission expense	*-44*	*-37*	*-158*	*-154*
Net fee and commission income	116	110	456	468
Net gains/losses on items at fair value	-11	-17	152	-13
Dividends	673	1,770	973	2,063
Other operating income	33	113	123	190
Total operating income	**984**	**2,164**	**2,370**	**3,231**
Operating expenses				
General administrative expenses:				
Staff costs	-164	-160	-595	-632
Other expenses	-129	-115	-443	-473
Depreciation, amortisation and impairment charges of tangible and intangible assets	-28	-25	-106	-103
Total operating expenses	**-321**	**-300**	**-1,144**	**-1,208**
Profit before loan losses	**663**	**1,864**	**1,226**	**2,023**
Net loan losses	-28	-60	-165	-80
Impairment of securities held as financial non-current assets	-	-26	-	-26
Operating profit	**635**	**1,778**	**1,061**	**1,917**
Appropriations	-17	-6	-52	-40
Income tax expense	0	-14	-24	11
Net profit for the period	**618**	**1,758**	**985**	**1,888**

Nordea Bank AB (publ)

Balance sheet

EURm	31 Dec 2009	31 Dec 2008
Assets		
Cash and balances with central banks	208	276
Treasury bills	3,656	2,098
Loans to credit institutions	43,501	43,855
Loans to the public	28,860	29,240
Interest-bearing securities	17,019	10,080
Financial instruments pledged as collateral	2,276	3,097
Shares	682	1,107
Derivatives	2,421	3,562
Fair value changes of the hedged items in portfolio hedge of interest rate risk	332	27
Investments in group undertakings	16,165	15,866
Investments in associated undertakings	2	2
Intangible assets	701	757
Property and equipment	79	81
Deferred tax assets	20	28
Current tax assets	0	76
Other assets	1,610	2,099
Prepaid expenses and accrued income	794	783
Total assets	**118,326**	**113,034**
Liabilities		
Deposits by credit institutions	30,187	34,713
Deposits and borrowings from the public	34,617	33,457
Debt securities in issue	22,119	17,949
Derivatives	2,173	2,756
Fair value changes of the hedged items in portfolio hedge of interest rate risk	285	42
Current tax liabilities	34	0
Other liabilities	6,190	4,229
Accrued expenses and prepaid income	453	465
Deferred tax liabilities	0	0
Provisions	30	3
Retirement benefit obligations	128	118
Subordinated liabilities	6,605	6,829
Total liabilities	**102,821**	**100,561**
Untaxed reserves	**5**	**2**
Equity		
Share capital	4,037	2,600
Share premium reserve	1,065	-
Other reserves	-1	-5
Retained earnings	10,399	9,876
Total equity	**15,500**	**12,471**
Total liabilities and equity	**118,326**	**113,034**
Assets pledged as security for own liabilities	2,564	3,360
Other assets pledged	6,963	9,504
Contingent liabilities	18,503	21,947
Credit commitments[1]	27,667	22,831
Other commitments	793	1,308

[1] Including unutilised portion of approved overdraft facilities of EUR 10,095 m (31 Dec 2008: 9,166m).

For further information:

- A press and analyst conference with management will be arranged on 10 February 2010 at 09.00 CET, at Smålandsgatan 17, Stockholm.
- An international telephone conference for analysts with management will be arranged on 10 February at 16.00 CET. (Please dial +44 (0) 20 3037 9110, ten minutes in advance.) The telephone conference can be monitored live on www.nordea.com. An indexed on-demand version will also be available on www.nordea.com. A replay will also be available through 17 February, by dialling +44 (0) 20 8196 1998, access code 3300223#.
- An analyst and investor presentation will be arranged in London on 11 February at 11.00 GMT at Deutsche Bank offices, Winchester House, 1 Great Winchester Street, London EC2 2DB. To attend, please contact Helen Kelleher by e-mail helen.kelleher@db.com.
- This quarterly report is available on www.nordea.com, as also an investor presentation and a fact book are.
- Nordea Bank AB's Annual Report 2009 and the Capital adequacy and Risk management report (Pillar 3) will be published on www.nordea.com during week 8. From week 10 (the week starting 8 March), the printed Annual Report will be available.

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Financial calendar

25 March 2010 – Annual General Meeting
28 April 2010 – first quarter report 2010
21 July 2010 – second quarter report 2010
27 October 2010 – third quarter report 2010

Stockholm 10 February 2010

Christian Clausen
President and Group CEO

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

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

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

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

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