

Copenhagen, Helsinki, Oslo, Stockholm, 2 February 2011

# Fourth Quarter and Year-end Report 2010

## Record level income, operating profit and customer satisfaction

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

"Nordea's growth strategy delivers another strong quarter. Operating profit reached a record level and total income exceeded last quarter's all-time-high. For the full year, operating profit has increased by 18%.

In 2010, Nordea welcomed 200,000 new Gold and Private Banking customers and our customer satisfaction increased to an all-time high level. Marked progress in our relationship-building with both household and corporate customers has led to increased customer activity in all segments.

2010 was a milestone on the journey towards Great Nordea. In parallel with strong results, we have strengthened our market position and improved our capital, liquidity and funding positions to meet the requirements of the future regulatory framework."

(For further viewpoints, see CEO comments, page 2)

### Fourth quarter (full-year 2010):

- Total income up 6% in the fourth quarter (up 3% in full-year 2010)
- Number of Gold and Private Banking customers up 47,000 in the fourth quarter (up 200,000 in 2010, a 7% growth rate)
- Net loan losses 23 basis points in the fourth quarter (31 basis points in 2010)
- Operating profit up 12% in the fourth quarter (up 18% in full-year 2010)
- Return on equity 12.8% in the fourth quarter (11.5% in 2010)
- Proposed dividend EUR 0.29 per share (last year EUR 0.25)

Summary key figures, EURm	Q4 2010	Q3 2010	Ch.%	Q4 2009	Ch.%	2010	2009	Ch.%
Net interest income	1,365	1,310	4	1,299	5	5,159	5,281	-2
Total operating income	2,507	2,363	6	2,158	16	9,334	9,073	3
Profit before loan losses	1,237	1,167	6	939	32	4,518	4,561	-1
Net loan losses	-166	-207	-20	-347	-52	-879	-1,486	-41
Loan loss ratio annualised, bps	23	29		52		31	56	
Operating profit	1,071	960	12	592	81	3,639	3,075	18
Risk-adjusted profit	721	707	2	533	35	2,622	2,786	-6
Diluted earnings per share, EUR	0.19	0.18		0.11		0.66	0.60	
Return on equity, %	12.8	12.2		8.1		11.5	11.3	

Currency rates used for DKK, NOK and SEK for 2010 are for income statement items 7.45, 8.01 and 9.55 respectively.

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Nordea's vision is to be a Great European bank, acknowledged for its people, creating superior value for customers and shareholders. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has around 11 million customers, approx. 1,400 branch offices, a leading net banking position with 6.3 million e-customers and a total market capitalisation of EUR 36bn. The Nordea share is listed on the NASDAQ OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen.

## CEO comment

2010 has been an important milestone on the journey towards Great Nordea. The Prudent growth strategy from the beginning of the year is delivering results. The strategic initiatives have contributed to a continued strong inflow of new customers and growing business, which has led to record levels of income and operating results. In parallel, we have strengthened the balance sheet. Our capital, liquidity and funding positions have been improved to meet the requirements of new regulation.

### The Prudent growth strategy has started to deliver

In the fourth quarter, operating profit was at a record level, exceeded only by one previous quarter, in which we had a large one-off income. In all, operating profit is 12% higher than last quarter and 81% higher than the fourth quarter in 2009. Risk-adjusted profit is on par with last quarter and increased by 35% compared to the fourth quarter last year.

Income has never been as high as in the fourth quarter. All major income lines – net interest, net fee and commission and net results from items at fair value – are higher than both the third quarter this year and the fourth quarter last year.

For the full year, operating profit is up 18%. Risk-adjusted profit decreased by 6%, however, the strong results in the end of the year are closing the gap to the trend needed to meet the long-term target to double risk-adjusted profit between 2007 and 2013. The target is still within reach.

Expenses grew by around 3% in 2010 in local currencies, including the investment costs from the strategic initiatives. Costs are well in line with our outlook for 2010. Net loan losses have decreased further since the third quarter and are now at the lowest level since the third quarter 2008. The loan loss ratio is 23 basis points, which is in line with Nordea's expected losses over a business cycle.

The successful implementation of the nine strategic initiatives in the beginning of the year has been

an important driver for income growth and has strongly contributed to the result. In 2010 we have been able to welcome 200,000 new Gold and Private Banking customers and the customer activity with both households and corporates has increased. The customer satisfaction increased within both household and corporate segments to the highest level we have ever seen.

### Macroeconomic and regulatory environment

The economic upturn in the Nordic countries is increasingly robust. Sweden is in the forefront of growth, and consumption picks up in the Nordic countries as well as in New European Markets. Investments show signs of recovery. Interest rates have started to increase and demand for financial services develops positively.

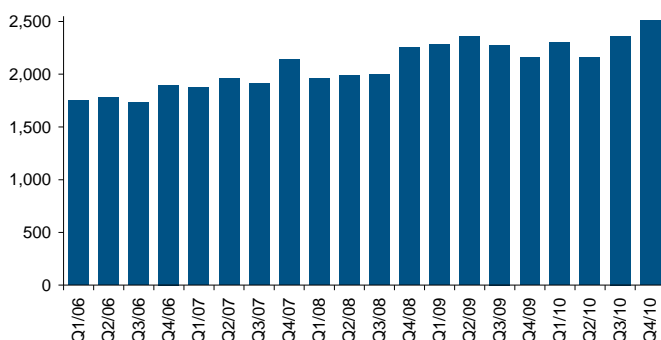
The regulatory framework is gradually becoming more concrete. Globally, banks will face significant changes in the frameworks for their operating models that will put pressure on return on equity. Capital requirements could increase to more than twice the average before the crisis. Also demand for short-term liquidity and long-term funding will increase dramatically.

Nordea already meets the capital requirements from what is known of the new regulations. In addition, we have a strong liquidity position and our funding maturity has gradually been prolonged in recent years. We will in 2011 further develop our business model to mitigate the effects on capital, liquidity and funding. The objective is to increase return on equity from today's level.

2010 has been an important year for Nordea. The efforts of our employees and the good relations with our customers have led to a strong position. But we are humble in the face of the challenges ahead. There are still many things we can improve. That is the inspiring and challenging task for 2011 – to take further steps on the journey towards a Great European bank.

Christian Clausen  
President and Group CEO

Record total income, EURm



Risk-adjusted profit growth  
Growth from 2006 compared to target to double in seven years



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

	Q4	Q3	Change	Q4	Change	Jan-Dec	Jan-Dec	Change
EURm	2010	2010	%	2009	%	2010	2009	%
Net interest income	1,365	1,310	4	1,299	5	5,159	5,281	-2
Net fee and commission income	618	525	18	463	33	2,156	1,693	27
Net result from items at fair value	504	446	13	351	44	1,837	1,946	-6
Equity method	5	29	-83	15	-67	66	48	38
Other operating income	15	53	-72	30	-50	116	105	10
<b>Total operating income</b>	<b>2,507</b>	<b>2,363</b>	<b>6</b>	<b>2,158</b>	<b>16</b>	<b>9,334</b>	<b>9,073</b>	<b>3</b>
Staff costs	-675	-721	-6	-702	-4	-2,784	-2,724	2
Other expenses	-543	-436	25	-471	15	-1,862	-1,639	14
Depreciation of tangible and intangible assets	-52	-39	33	-46	13	-170	-149	14
<b>Total operating expenses</b>	<b>-1,270</b>	<b>-1,196</b>	<b>6</b>	<b>-1,219</b>	<b>4</b>	<b>-4,816</b>	<b>-4,512</b>	<b>7</b>
<b>Profit before loan losses</b>	<b>1,237</b>	<b>1,167</b>	<b>6</b>	<b>939</b>	<b>32</b>	<b>4,518</b>	<b>4,561</b>	<b>-1</b>
Net loan losses	-166	-207	-20	-347	-52	-879	-1,486	-41
<b>Operating profit</b>	<b>1,071</b>	<b>960</b>	<b>12</b>	<b>592</b>	<b>81</b>	<b>3,639</b>	<b>3,075</b>	<b>18</b>
Income tax expense	-301	-249	21	-145		-976	-757	29
<b>Net profit for the period</b>	<b>770</b>	<b>711</b>	<b>8</b>	<b>447</b>	<b>72</b>	<b>2,663</b>	<b>2,318</b>	<b>15</b>

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

	31 Dec	30 Sep	Change	31 Dec	Change
EURbn	2010	2010	%	2009	%
Loans to the public	314.2	314.0	0	282.4	11
Deposits and borrowings from the public	176.4	165.8	6	153.6	15
of which savings deposits	51.3	50.3	2	47.8	7
Assets under management	191.0	180.2	6	158.1	21
Technical provisions, Life	36.8	36.0	2	32.2	14
Equity	24.5	23.6	4	22.4	9
Total assets	580.8	600.7	-3	507.5	14

## Ratios and key figures

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
	2010	2010	2009	2010	2009
Diluted earnings per share, EUR	0.19	0.18	0.11	0.66	0.60
Share price <sup>2</sup> , EUR	8.16	7.68	7.10	8.16	7.10
Total shareholders' return, %	4.2	8.2	3.8	3.7	78.6
Proposed/ actual dividend per share, EUR	0.29	-	0.25	0.29	0.25
Equity per share <sup>2</sup> , EUR	6.07	5.85	5.56	6.07	5.56
Potential shares outstanding <sup>2</sup> , million	4,043	4,043	4,037	4,043	4,037
Weighted average number of diluted shares, million	4,026	4,024	4,017	4,022	3,846
Return on equity, %	12.8	12.2	8.1	11.5	11.3
Cost/income ratio, %	51	51	56	52	50
Core Tier 1 capital ratio, excl transition rules <sup>2</sup> %	10.3	10.4	10.3	10.3	10.3
Tier 1 capital ratio, excl transition rules <sup>2</sup> %	11.4	11.5	11.4	11.4	11.4
Total capital ratio, excl transition rules <sup>2</sup> %	13.4	13.5	13.4	13.4	13.4
Core Tier 1 capital ratio <sup>2</sup> %	8.9	9.1	9.3	8.9	9.3
Tier 1 capital ratio <sup>2</sup> %	9.8	10.1	10.2	9.8	10.2
Total capital ratio <sup>2</sup> %	11.5	11.9	11.9	11.5	11.9
Tier 1 capital <sup>2</sup> EURm	21,129	20,861	19,577	21,129	19,577
Risk-weighted assets incl transition rules <sup>2</sup> , EURbn	215	207	192	215	192
Loan loss ratio, basis points	23	29	52	31	56
Number of employees (full-time equivalents) <sup>2</sup>	33,809	33,683	33,347	33,809	33,347
Risk-adjusted profit, EURm	721	707	533	2,622	2,786
Economic profit, EURm	300	281	158	936	1,334
Economic capital <sup>2</sup> , EURbn	17.5	17.9	16.7	17.5	16.7
EPS, risk-adjusted, EUR	0.17	0.18	0.12	0.65	0.72
RAROCAR, %	16.2	15.8	13.3	15.0	17.3
MCEV, EURm	-	-	-	3,655	3,244

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

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

## The Group

### Result summary, fourth quarter 2010

Total income reached a record high as it increased 6% from the previous quarter and 16% compared to the fourth quarter last year. Also operating result reached a record high level as net loan losses continued to decline.

Income was generally high and the development in the customer business remained strong. Business volumes increased in all areas. Deposit volumes increased by 6% from the previous quarter and deposit margins continued to increase both from corporate and household in the quarter. Market shares continued to increase, mainly within household lending.

The Group initiatives launched one year ago have already delivered growth and improved efficiency and generated income growth in all areas.

Total expenses increased 6% compared to the previous quarter and staff costs decreased by 6%, due to an adjustment of pension plans. In local currencies, total expenses were up 5% in the fourth quarter. Excluding the adjustment of pension plans, total expenses increased 8% in local currencies.

Net loan loss provisions declined to EUR 166m as no provisions were made under the Danish guarantee scheme, which expired in September 2010. The loan loss ratio was 23 basis points (29 basis points in the previous quarter).

Operating profit was up 12% from the previous quarter, mainly due to higher total income and lower net loan losses. Risk-adjusted profit increased 2% compared to the previous quarter.

The inflow of new Gold and Private Banking customers remained strong, increasing by more than 15,000 per month. Around 70% of the new Gold and Private Banking customers were new customers to Nordea.

Nordea has continued to fund both long- and short term debt at very attractive terms relative to peers. In the fourth quarter, Nordea issued its first covered bond in Finland.

Assets under Management increased to an all-time-high of EUR 191bn at the end of the year. Total assets in the balance sheet decreased 3% compared to at the end of the previous quarter to EUR 581bn, mainly due to lower market values of derivatives.

The core tier 1 capital ratio, ie excluding hybrid loans, was 10.3% excluding transition rules according to Basel II (10.4% in the third quarter). Including transition rules, the core tier 1 capital ratio was 8.9% (9.1%).

The effect from currency fluctuations contributed to an increase in income of 3% and expenses of 4%-points compared to the fourth quarter last year.

### Income

Total income increased 6% from the previous quarter, to EUR 2,507m.

#### *Net interest income*

Net interest income increased 4% compared to the previous quarter to EUR 1,365m. Deposit volumes and margins continued to increase, resulting in higher net interest income in the customer areas, which was partly offset by continued higher average funding costs.

#### *Corporate lending*

Volumes, excluding reversed repurchase agreements, were largely unchanged in local currencies in the fourth quarter, whereas margins increased somewhat in the lending book in the fourth quarter.

#### *Household lending*

Household mortgage lending volumes increased 3% in local currencies compared to the previous quarter, with an annualised growth rate of 11%. Market share in the Nordic region continued to increase in the fourth quarter. Total household mortgage lending margins were unchanged.

#### *Corporate and household deposits*

Total deposits from the public increased to EUR 176bn, up 6% compared to the previous quarter and 10% compared to one year ago in local currencies, reflecting Nordea's strong rating and competitive offerings. Household deposits increased 3% despite fierce competition for savings deposits. However, average household and corporate deposit margins increased in the fourth quarter, due to higher market interest rates, which contributed EUR 30m to higher net interest income.

#### *Group Treasury*

Net interest income decreased to EUR 22m compared to EUR 42m in the third quarter, partly due to higher average funding costs. The average funding costs increased somewhat due to maturing long-term funding and new issuance at higher market spreads.

#### *Net fee and commission income*

The growth in net fee and commission income remained strong and these increased 18% compared to the previous quarter to EUR 618m, mainly due to strong commission income within asset management, brokerage and lending as well as the lower state guarantee fees as the Danish scheme has expired.

Commission expenses related to state guarantee schemes, were EUR 8m, only related to Sweden, compared to EUR 51m in the third quarter, which was the last quarter with fees under the Danish scheme.

*Savings and asset management commissions*

Savings-related commissions increased 13% in the fourth quarter to EUR 360m, due to high asset management-related commission income and high brokerage fees. High performance fees contributed to the strong development. Assets under Management (AuM) reached a new record level and increased 6% to EUR 191bn with a strong net inflow in the full-year 2010 of EUR 9.5bn.

*Lending-related and payment commissions*

Lending-related commissions increased 6% to EUR 144m, following continued high activity in the capital markets.

*Net result from items at fair value*

Net result from items at fair value increased 13% from the previous quarter to EUR 504m.

*Capital Markets income in customer areas*

The customer-driven capital markets activities with customers in Nordic Banking and other customer areas continued to perform well, with a net fair value result from these areas of EUR 299m, up from EUR 240m in the previous quarter.

*Capital Markets unallocated income*

The net fair value result in Capital Markets unallocated income, ie income from risk management and trading in connection with managing the risk inherent in customer transactions, decreased somewhat to EUR 116m.

*Group Treasury*

The net result from fair value items in Group Treasury increased to EUR 14m compared to EUR 10m in the third quarter.

*Life insurance operations*

Net result from items at fair value in Life was strong, up 17% to EUR 101m. The financial buffers were 7.3% of technical provisions, or EUR 1,791m, at the end of the fourth quarter, an increase of 0.2 %-point compared to the third quarter.

*Equity method*

Income from companies accounted for under the Equity method was EUR 5m, compared to EUR 29m in the third quarter. The result from the holding in Eksportfinans was EUR 7m.

*Other operating income*

Other operating income was EUR 15m compared to EUR 53m in the previous quarter.

*Expenses*

Total expenses increased 6% compared to the previous quarter to EUR 1,270m. In local currencies, expenses were up 5%. Staff costs decreased 6% to EUR 675m, due to a positive adjustment of pension plans in Norway of EUR 40m. Other expenses increased 25% to EUR 543m, mainly

due to higher IT investments and a seasonal pick-up in marketing, travelling and consulting.

Total expenses increased by 4% and staff costs decreased by 4%, compared to the fourth quarter last year. In local currencies, total expenses were unchanged and staff costs decreased 7%. Other expenses increased 11% in local currencies, mainly due to the Group initiatives and higher activity level than in the fourth quarter last year.

The number of employees (FTEs) at the end of the fourth quarter increased somewhat compared to the end of the third quarter. Compared to the fourth quarter last year, FTEs grew by 1%, but was down in the Nordic Banking.

The cost/income ratio was 51%, unchanged from the previous quarter and lower than the level of 56% one year ago.

Provisions for performance-related salaries in the fourth quarter were EUR 73m, up from EUR 66m in the third quarter.

*Net loan losses*

Net loan loss provisions were EUR 166m. No provisions related to the Danish guarantee scheme were included (EUR 50m in the third quarter) as the two-year guarantee scheme ended in September 2010.

The loan loss ratio was 23 basis points in the fourth quarter, compared to 29 basis points including the Danish guarantee scheme provisions in the third quarter and 22 basis points excluding these. In the Baltic countries, the loan loss ratio was 26 basis points (88 basis points in third quarter). Collective net loan losses were positive EUR 108m in the fourth quarter (positive by EUR 43m in the third quarter), as rating migration was positive.

*Taxes*

The effective tax rate was 28.0% compared to 25.9 % in the previous quarter and 24.5% in the same quarter of the previous year. The higher effective tax rate is mainly due to higher tax in the life insurance operations.

*Net profit*

Net profit increased 8% compared to the previous quarter to EUR 770m, corresponding to a return on equity of 12.8%. Diluted earnings per share were EUR 0.19 (EUR 0.18 in the third quarter).

*Risk-adjusted profit*

Risk-adjusted profit increased to EUR 721m, up 2% compared to the previous quarter and up 35% compared to one year ago.

**Result summary, full year 2010**

2010 showed record-high total income, up 3% compared to last year. Operating profit increased 18%, due to higher income and lower net loan losses. Risk-adjusted profit decreased by 6% compared to the same period last year.

The effect from currency fluctuations contributed to increases in income of approx. 3 %-points and in expenses of approx. 5 %-points and in loans and deposits of about 5 %-points compared to last year.

**Income**

Net interest income decreased 2% compared to last year as a result of lower deposit income and higher funding costs. The combined negative effect is more than EUR 400m. This income drop was successfully compensated through strong growth in both lending and deposits as well as higher lending margins. Lending increased 11% and deposit volumes 15%. Corporate lending margins were higher, while deposit margins were largely unchanged compared to last year.

Net fee and commission income has recovered strongly and increased 27%. Asset management commission income is up 42% driven by assets under management which are up 21% in the last 12 months and a more attractive product mix.

Net result from items at fair value decreased by 6% compared to very high levels last year. The customer-driven capital markets operations continued to be strong with increasing volumes. The income drop in Group Treasury and Capital Markets unallocated income was approx. EUR 450m and almost compensated by higher income in the customer areas. Premium income in Life & Pensions was at an all-time-high.

Income under equity method was EUR 66m and other income was EUR 116m.

**Expenses**

Total expenses increased 7% compared to last year. Staff costs increased 2%. In local currencies, total expenses increased 2% and staff costs decreased 2%. Excluding the adjustment of pension plans in Norway, total expenses increased 3% and staff costs were down 1% in local currencies.

**Net loan losses**

Net loan losses decreased 41% to EUR 879m, compared to last year, corresponding to a loan loss ratio of 31 basis points (56 basis points).

**Taxes**

The effective tax rate was 26.8%, compared to 24.6% last year.

**Net profit**

Net profit increased 15% to EUR 2,663m, due to lower net loan losses.

**Risk-adjusted profit**

Risk-adjusted profit decreased 6% compared to last year to EUR 2,622m, mainly due to the exceptionally strong results in Treasury and Markets in 2009.

**Other information****Group initiatives 2010**

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

In 2010, the initiatives have generated more than EUR 300m in additional income, ie above the target for the year. The efficiency gains amounted to approx. EUR 70m, in line with earlier expectations.

During the fourth quarter, total investments amounted to EUR 77m, of which EUR 22m were accounted for as expenses in the income statement. In the full year 2010, total investments amounted to approx. EUR 200m, of which EUR 74m were accounted for as expenses in the income statement. The investments are expected to be somewhat higher in 2011.

The new distribution plans were carried out in Nordic Banking and 82 branches are now operating in the new branch format. Several improvements and new features in the Private Netbank have been implemented as well as an enhanced mobile offering.

New customer acquisition continued strongly during 2010 with 130,000 Gold and Private Banking customers, who were new customers to Nordea.

Growth Plan Corporate Merchant Banking Sweden proceeds as planned, in terms of income development and progress regarding customer relations and new cash management mandates.

Growth Plan Finland proceeds according to plan and close to 170 new advisers and specialists have been recruited this year in high-growth areas to ensure services needed in the coming years. During 2010, household market shares increased in Finland. In total, 50-60 branches will be relocated or refurbished to better serve our customers during the next 12 months.

In line with Growth Plan Poland, 41 branches were opened in the fourth quarter and in total 45 during 2010.

The efficiency and foundation initiatives proceed as planned within both IT infrastructure upgrades and product platforms.

### Credit portfolio

Total lending was unchanged at EUR 314bn and up 11% compared to one year ago. Total lending in customer areas increased 1% in local currencies in the fourth quarter from the previous quarter.

The impaired loans ratio increased to 146 basis points of total loans, as impaired loans gross increased 4%, due to an increase in performing impaired loans. This development has been expected, since at this point of the business cycle, it has been easier to identify specific customers, where there is a need for a loan loss provision. These risks have previously been largely covered by collective loan loss provisions. 59% of impaired loans gross are performing loans and 41% are non-performing loans. Impaired loans net, after allowances for individually assessed impaired loans amounted to EUR 3,097m, corresponding to 93 basis points of total loans.

The provisioning ratio decreased somewhat to 52%, compared to 54% at the end of the third quarter.

### Loan loss ratios and impaired loans

	Q4 2010	Q3 10	Q2 10	Q1 10	Q4 2009
Basis points of loans					
Loan loss ratio					
Group annualised	23	29	35	37	52
of which individual	38	35	34	26	40
of which collective	-15	-6	1	11	12
Loan loss ratios:					
Nordic Banking	27	33	35	37	47
Baltic countries	26	88	114	166	338
Impaired loans ratio					
gross, Group (bps)	146	139	135	140	140
- performing	59%	55%	52%	53%	56%
- non-performing	41%	45%	48%	47%	44%
Total allowance					
ratio, Group (bps)	76	75	76	76	73
Provisioning ratio,					
Group <sup>1</sup>	52%	54%	56%	54%	52%

<sup>1</sup> Total allowances in relation to gross impaired loans.

### Market risk

Interest-bearing securities and treasury bills were EUR 91bn at the end of the fourth quarter, of which EUR 26bn in the life insurance operations and the remaining part in the liquidity buffer and trading portfolios. 28% of the portfolio, excluding EUR 9bn of pledged securities, comprises government or municipality bonds and 34% mortgage bonds.

Total Value at Risk (VaR) market risk increased to EUR 81m in the fourth quarter compared to EUR 79m in the third quarter, due to lower diversification effect.

### Market risk

EURm	Q4 2010	Q3 10	Q2 10	Q4 2009
Total risk, VaR	81	79	72	114
Interest rate risk, VaR	91	104	56	112
Equity risk, VaR	13	25	21	38
Foreign exchange risk, VaR	14	21	24	19
Credit spread risk, VaR	33	40	31	24
Diversification effect	47%	59%	45%	41%

### Balance sheet

Total assets in the balance sheet decreased 3% compared to at the end of the previous quarter to EUR 581bn. The decrease mainly relates to lower market values of derivatives in the range of EUR 42-43bn on the asset side and liability side of the balance sheet, with a slightly larger decrease in liabilities.

### Capital position and risk-weighted assets

At the end of the fourth quarter, Nordea's risk-weighted assets (RWA) were EUR 185.1bn excluding transition rules, up 1.9% compared to the previous quarter and up 7.8% compared to one year ago, when RWA were EUR 171.7bn. During the fourth quarter, RWA increased from growth in all customer areas, especially due to changes in the standardised approach for off-balance-sheet items. This increase was partly offset by the continued positive migration, with improved risk weights mainly for the corporate portfolio, and initiatives related to increased recognition of collateral. RWA including transition rules amounted to EUR 214.8bn at the end of the fourth quarter.

The total effect on risk-weighted assets (RWA) from rating migration was a reduction of RWA by approx. 1.1% during the fourth quarter measured in the portfolio held at the start of the quarter. The effect from rating migration on the core tier 1 capital ratio was approx. 0.15 %-points. In the full year 2010, the effect from migration on RWA was a reduction by 1.3%.

The core tier 1 ratio, ie excluding transition rules under Basel II, was 10.3%. The tier 1 capital ratio and the total capital ratio are well above the targets in Nordea's capital policy. The capital base of EUR 24.7bn exceeds the capital requirements including transition rules by EUR 7.6bn and excluding transition rules by EUR 9.9bn. The tier 1 capital of EUR 21.0bn exceeds the Pillar 1 capital requirements (excluding transitions rules) by EUR 6.2bn.

### Capital ratios

%	Q4 2010	Q3 10	Q2 10	Q4 2009
<i>Excluding transition rules:</i>				
Core tier 1 capital ratio	10.3	10.4	10.0	10.3
Tier 1 capital ratio	11.4	11.5	11.1	11.4
Total capital ratio	13.4	13.5	13.2	13.4
<i>Including transition rules:</i>				
Core tier 1 capital ratio	8.9	9.1	9.0	9.3
Tier 1 capital ratio	9.8	10.1	10.0	10.2
Total capital ratio	11.5	11.9	11.8	11.9

Economic Capital (EC) was at the end of the fourth quarter EUR 17.5bn, slightly down from the end of the third quarter.

### **Nordea's funding and liquidity operations**

Nordea continues to benefit from very good reception of the Nordea name in all markets. The average funding cost is increasing somewhat due to maturing long-term funding and new issuance at higher market spreads.

Nordea issued approx. EUR 5.3bn of long-term funding in the fourth quarter, of which approx. EUR 2.8bn represented issuance of Swedish, Norwegian and Finnish covered bonds in the domestic and international markets. Nordea Bank Finland issued its inaugural covered bond under the revised Finnish covered bond legislation in November. With the establishment of the Finnish covered bond issuance platform, Nordea now has covered bond issuance platforms in all four Nordic countries under local legislations. The portion of long-term funding was at the end of the fourth quarter 65%.

Nordea's funding and liquidity management aims at prudence regarding both long-term and short-term risks.

For long-term funding risks, Nordea applies management of the measures economic funding gap and matching between behavioural duration of assets and liabilities. At the end of 2010, these were well matched with average behavioural maturity of 2.7 years for assets and of 2.3 years for liabilities, reflecting the prudent liquidity risk management.

For short-term liquidity risks, Nordea applies a measure close to the liquidity coverage ratio (LCR). The liquidity buffer is composed of highly liquid central bank eligible securities with characteristics similar to Basel III liquid assets and amounted to EUR 61bn at the end of the fourth quarter (EUR 55.5bn at the end of the third quarter).

### **Nordea share**

During the fourth quarter, the share price of Nordea on the NASDAQ OMX Nordic Exchange appreciated from SEK 70.20 to SEK 73.15.

Total shareholder return (TSR) during the fourth quarter was 4.2%. Nordea was number 4 of 20 in the European peer group, where the average TSR was -9.4%.

### **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 24 March 2011 an authorisation to decide on repurchase of 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 a maximum of 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.

### **Dividend**

The Board of Directors proposes to the AGM a dividend of EUR 0.29 per share (EUR 0.25), an increase by 16% compared to last year. This corresponds to a payout ratio of 44% of net profit, which is in line with the dividend policy. Total proposed dividend amounts to EUR 1,168m.

The ex-dividend date for the Nordea share is 25 March 2011. The proposed record date for the dividend is 29 March, and dividend payments will be made on 5 April.

### **Performance-related salaries**

Performance-related salaries in Nordea include bonuses and variable salary parts.

Nordea has made reservations for various forms of performance-related salaries for 2010 and implemented the recommendations from EU from late April 2009 as well as new local regulations. Thus, Nordea in 2010 has agreed with all risk takers eligible to performance-related salary for year 2010 to defer a significant part of the earned performance-related salary for three years. Depending on country of employment, up to 60% has to be deferred. The amount paid will, as for year 2009 when Nordea introduced a deferral program following the G20 principles, be adjusted (upwards or downwards) with the development in Nordea's Total Shareholder Return (TSR) for employees in countries where such a measure is required.

In order to maintain Nordea's position as a leading European bank – including in areas directly exposed to international competition: capital markets, investment banking and asset management, Nordea offers performance-related salaries in form of bonus schemes to a selected group of employees in these areas.

The calculated provisions for bonus in these areas in 2010 amounted to 169m (EUR 212m), of which approx. EUR 32m refers to Sweden. The payout ratio – total staff costs including fixed salaries and bonuses in relation to total income – for the areas with bonus schemes increased to 19.4% in 2010 compared to 16.4% in 2009. Nordea thus continues to have payout ratios on approx. half the level of most of international peers. The bonus in relation to total income decreased to 5.9% in 2010 compared to 6.2% in 2009.



Variable salary parts in other areas or units amounted to EUR 97m in 2010 (EUR 82m). 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.

The provisions for performance-related salaries in the fourth quarter amounted to EUR 73m, up from EUR 66m in the third quarter.

**Performance-related salaries,  
including social costs**

EURm	2010	2009
Bonuses, bonus areas or units	169	212
Variable salary parts, other areas or units	97	82 <sup>1</sup>
Payout ratio, bonus areas or units <sup>2</sup>	19.4%	16.4%
Bonus ratio, bonus areas or units <sup>3</sup>	5.9%	6.2%

<sup>1)</sup> Restated to ensure comparability with 2010

<sup>2)</sup> Fixed salaries and bonuses in relation to total income.

<sup>3)</sup> Bonuses in relation to total income.

**Profit sharing and Long-Term incentives**

In 2010, a total of approx. EUR 34m was provided for under Nordea's ordinary profit-sharing scheme for all employees and the Long-Term Incentive Programmes for managers and key employees.

The profit-sharing scheme for 2011 is based on the same basic principles and parameters as the profit-sharing

scheme 2010 and 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 2010 approved a Long Term Incentive Programme (LTIP), LTIP 2010, for up to 400 managers and key employees. To be part of the programme, the participants had to invest in Nordea shares and thereby align their interest and perspectives with the shareholders. LTIP 2010 is based on the same principles as previous programmes with matching shares and performance shares measuring performance over a longer time period. LTIP 2010 has a three year vesting period instead of two years as the previous programmes and is based on shares free of charge instead of rights to acquire Nordea shares. The performance measures are 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 24 March 2011 at Aula Magna, at Stockholm University, Stockholm at 13.00 (CET). Prior to the AGM, information meetings for shareholders will be held on 15 March in Copenhagen and 17 March in Helsinki.

**Outlook**

In line with market practise, Nordea has decided not to give an outlook for 2011.

**Quarterly development, Group**

	Q4	Q3	Q2	Q1	Q4	Jan-Dec	Jan-Dec
EURm	2010	2010	2010	2010	2009	2010	2009
Net interest income	1,365	1,310	1,249	1,235	1,299	5,159	5,281
Net fee and commission income	618	525	538	475	463	2,156	1,693
Net result from items at fair value	504	446	339	548	351	1,837	1,946
Equity method	5	29	7	25	15	66	48
Other operating income	15	53	28	20	30	116	105
<b>Total operating income</b>	<b>2,507</b>	<b>2,363</b>	<b>2,161</b>	<b>2,303</b>	<b>2,158</b>	<b>9,334</b>	<b>9,073</b>
General administrative expenses:							
Staff costs	-675	-721	-701	-687	-702	-2,784	-2,724
Other expenses	-543	-436	-445	-438	-471	-1,862	-1,639
Depreciation of tangible and intangible assets	-52	-39	-40	-39	-46	-170	-149
<b>Total operating expenses</b>	<b>-1,270</b>	<b>-1,196</b>	<b>-1,186</b>	<b>-1,164</b>	<b>-1,219</b>	<b>-4,816</b>	<b>-4,512</b>
<b>Profit before loan losses</b>	<b>1,237</b>	<b>1,167</b>	<b>975</b>	<b>1,139</b>	<b>939</b>	<b>4,518</b>	<b>4,561</b>
Net loan losses	-166	-207	-245	-261	-347	-879	-1,486
<b>Operating profit</b>	<b>1,071</b>	<b>960</b>	<b>730</b>	<b>878</b>	<b>592</b>	<b>3,639</b>	<b>3,075</b>
Income tax expense	-301	-249	-191	-235	-145	-976	-757
<b>Net profit for the period</b>	<b>770</b>	<b>711</b>	<b>539</b>	<b>643</b>	<b>447</b>	<b>2,663</b>	<b>2,318</b>
Diluted earnings per share (DEPS), EUR	0.19	0.18	0.13	0.16	0.11	0.66	0.60
DEPS, rolling 12 months up to period end, EUR	0.66	0.58	0.55	0.57	0.60	0.66	0.60

## Customer areas

### Nordic Banking

The number of Gold and Private Banking customers showed a net increase of 40,000 in the fourth quarter. The annualised growth rate was 6%. Around 30,000 Gold and Private Banking customers were new customers to Nordea, the highest quarterly inflow of external customers ever, when excluding Fionia.

The positive trend in the number of proactive customer meetings continued, with a significant increase of 48% compared to the same period last year. Both household lending and corporate deposit market shares increased in all four countries, while the picture for household deposits and corporate lending market shares was more mixed between the countries.

In Denmark, Norway, and Sweden, Nordea was awarded Bank of the Year 2010 by the magazine The Banker.

The Group initiative Future Distribution continues as planned. In the fourth quarter, 43 branches were transformed and a total of 82 branches are now operating in the new focused format. The results confirm the aim to focus and structure the branch work flow even more, improving both customer satisfaction and business results. In parallel, online facilities are further enhanced. New netbank releases were launched in Finland and

Sweden, improving product offerings and usability of the services. In Norway, an application was released for usage of iPad to access the netbank.

Nordea's customer satisfaction increased to an all-time-high-level, primarily driven by household relationship customers and CMB and large corporate customers.

### Result

Total income increased by 12% compared to the previous quarter supported by strong performance in all major income lines.

Deposit margins increased following higher short-term interest rates in Denmark, Finland and Sweden, while lending margins were largely unchanged. Income from the corporate segment increased from the previous quarter, reflecting a number of large deals and revaluation gains. Income from the household segment increased in all sub-segments supported by the high customer inflow in the fourth quarter and in previous quarters. Expenses increased, mainly following seasonal patterns, driven by seasonality in marketing activity and activities related to Future Distribution. In local currencies, expenses were unchanged compared to the same period last year.

Net loan losses decreased for the fifth consecutive quarter. The loan loss ratio was 27 basis points. Net loan losses were down in Denmark and Finland and up from very low levels in Norway and Sweden.

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

EURm	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Change Q410/ Q310	Q410/ Q409	2010	2009
Net interest income	1,039	996	951	936	978	4%	6%	3,922	3,958
Net fee and commission income	543	447	491	432	418	21%	30%	1,913	1,491
Net result from items at fair value	233	175	173	139	138	33%	69%	720	561
Equity method & other income	3	8	22	16	19	-63%	-84%	49	52
<b>Total income incl. allocations</b>	<b>1,818</b>	<b>1,626</b>	<b>1,637</b>	<b>1,523</b>	<b>1,553</b>	<b>12%</b>	<b>17%</b>	<b>6,604</b>	<b>6,062</b>
Staff costs	-314	-316	-311	-303	-356	-1%	-12%	-1,244	-1,233
<b>Total expenses incl. allocations</b>	<b>-923</b>	<b>-878</b>	<b>-862</b>	<b>-874</b>	<b>-885</b>	<b>5%</b>	<b>4%</b>	<b>-3,537</b>	<b>-3,216</b>
<b>Profit before loan losses</b>	<b>895</b>	<b>748</b>	<b>775</b>	<b>649</b>	<b>668</b>	<b>20%</b>	<b>34%</b>	<b>3,067</b>	<b>2,846</b>
Net loan losses	-155	-188	-200	-209	-267	-18%	-42%	-752	-1,151
<b>Operating profit</b>	<b>740</b>	<b>560</b>	<b>575</b>	<b>440</b>	<b>401</b>	<b>32%</b>	<b>85%</b>	<b>2,315</b>	<b>1,695</b>
Cost/income ratio, %	51	54	53	57	57			54	53
RAROCAR, %	18	14	16	13	14				
Number of employees (FTEs)	16,239	16,409	16,528	16,570	16,575	-1%	-2%		
<b>Volumes, EURbn:</b>									
Lending to corporates	116.2	116.1	115.5	110.9	107.1	0%	8%		
Lending to households	136.7	132.3	128.4	123.9	119.5	3%	14%		
<b>Total lending</b>	<b>252.9</b>	<b>248.4</b>	<b>243.9</b>	<b>234.8</b>	<b>226.6</b>	<b>2%</b>	<b>12%</b>		
Corporate deposits	62.0	57.6	55.5	56.7	57.3	8%	8%		
Household deposits	74.5	72.6	72.1	68.7	68.3	3%	9%		
<b>Total deposits</b>	<b>136.5</b>	<b>130.2</b>	<b>127.6</b>	<b>125.4</b>	<b>125.6</b>	<b>5%</b>	<b>9%</b>		
<b>Margins, %:</b>									
Corporate lending	1.52	1.50	1.48	1.48	1.43				
Household mortgage lending	0.78	0.78	0.81	0.84	0.82				
Consumer lending	4.01	4.08	4.07	4.03	4.06				
<b>Total lending margins</b>	<b>1.42</b>	<b>1.43</b>	<b>1.43</b>	<b>1.45</b>	<b>1.41</b>				
Corporate deposits	0.28	0.22	0.16	0.19	0.21				
Household deposits	0.21	0.08	0.01	0.04	0.08				
<b>Total deposits margins</b>	<b>0.24</b>	<b>0.14</b>	<b>0.08</b>	<b>0.11</b>	<b>0.14</b>				

## Banking Denmark

### Business development

The positive business momentum in Banking Denmark continued in the fourth quarter. The number of Gold and Private Banking customers increased by 8,000 in the quarter. The annualised growth rate was 5%. The focus on creating great customer experiences resulted in a positive development in customer satisfaction as well as increasing volumes and market shares for both deposit and lending.

The corporate market was characterised by continued fierce competition especially in the upper segments of the market. Nordea has however increased the lending market share, with maintained margin level.

Market share for household deposits was stable, whereas corporate deposit market share increased by 3.1 %-points from the third quarter, influenced by a few large time deposits related to capital markets transactions. Household mortgage margins increased with 5 basis points as a result of the general re-pricing implemented from October. Strong price competition for deposits is already apparent.

### Result

Total income increased to a new record level in the fourth quarter. The development derives from increases in all main income items.

Income related to savings commissions showed a strong growth, based on increased activity compared to the previous quarter. Also the expiration of the Danish guarantee scheme by the end of third quarter contributed to the development in commission income in the fourth quarter. Total income was also influenced by positive adjustments to the fair value result.

In the beginning of the fourth quarter, increases in the market interest rates affected net interest income positively. Also increased business volumes affected net interest income in a positive way, in particular lending volumes.

Loan losses continued to be on a high level, and the loan loss ratio in the fourth quarter was 44 basis points, unchanged from the third quarter (excluding provisions to the Danish guarantee scheme). The continuous re-rating of the portfolio indicates that loan losses seem to have peaked. Loan losses and credit quality challenges are mainly seen among small and medium sized corporate and agriculture customers.

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

EURm	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Change	Q410/ Q310	Q410/ Q409	2010	2009
Net interest income	344	332	324	325	354		4%	-3%	1,325	1,403
Net fee and commission income	148	91	100	90	91		63%	63%	429	310
Net result from items at fair value	107	64	63	52	35		67%	206%	286	179
Equity method & other income	3	5	20	13	15		-40%	-80%	41	42
<b>Total income incl. allocations</b>	<b>602</b>	<b>492</b>	<b>507</b>	<b>480</b>	<b>495</b>		<b>22%</b>	<b>22%</b>	<b>2,081</b>	<b>1,934</b>
Staff costs	-108	-109	-105	-103	-112		-1%	-4%	-425	-405
<b>Total expenses incl. allocations</b>	<b>-283</b>	<b>-264</b>	<b>-260</b>	<b>-261</b>	<b>-256</b>		<b>7%</b>	<b>11%</b>	<b>-1,068</b>	<b>-965</b>
<b>Profit before loan losses</b>	<b>319</b>	<b>228</b>	<b>247</b>	<b>219</b>	<b>239</b>		<b>40%</b>	<b>33%</b>	<b>1,013</b>	<b>969</b>
Net loan losses	-79	-129	-137	-115	-153		-39%	-48%	-460	-645
<b>Operating profit</b>	<b>240</b>	<b>99</b>	<b>110</b>	<b>104</b>	<b>86</b>		<b>142%</b>	<b>179%</b>	<b>553</b>	<b>324</b>
Cost/income ratio, %	47	54	51	54	52				51	50
RAROCAR, %	24	15	18	16	20					
Number of employees (FTEs)	5,111	5,154	5,149	5,164	5,191		-1%	-2%		
<b>Volumes, EURbn:</b>										
Lending to corporates	32.0	30.9	31.2	30.1	30.5		4%	5%		
Lending to households	43.4	42.7	41.7	40.7	40.3		2%	8%		
<b>Total lending</b>	<b>75.4</b>	<b>73.6</b>	<b>72.9</b>	<b>70.8</b>	<b>70.8</b>		<b>2%</b>	<b>6%</b>		
Corporate deposits	13.2	13.6	13.2	13.4	13.9		-3%	-5%		
Household deposits	23.7	23.2	23.5	22.1	22.4		2%	6%		
<b>Total deposits</b>	<b>36.9</b>	<b>36.8</b>	<b>36.7</b>	<b>35.5</b>	<b>36.3</b>		<b>0%</b>	<b>2%</b>		
<b>Margins, %:</b>						<b>Market shares, %*:</b>				
Corporate lending	1.68	1.71	1.73	1.73	1.65			Q410	Q310	Q409
Household mortgage lending	0.54	0.49	0.50	0.50	0.49	Corp.lending <sup>1)</sup>		21.6	20.7	20.5
Consumer lending	4.56	4.68	4.70	4.65	4.71	Househ.lending		17.1	16.9	16.2
<b>Total lending margins</b>	<b>1.61</b>	<b>1.62</b>	<b>1.63</b>	<b>1.64</b>	<b>1.58</b>	HH mortg.lending		15.9	15.8	15.5
Corporate deposits	0.20	0.17	0.18	0.22	0.21	Corp.deposits <sup>1)</sup>		27.4	24.3	23.4
Household deposits	0.12	-0.01	0.01	0.11	0.19	Househ.deposits		22.4	22.4	21.6
<b>Total deposits margins</b>	<b>0.16</b>	<b>0.07</b>	<b>0.09</b>	<b>0.16</b>	<b>0.20</b>	<sup>1)</sup> Excl. Financial inst., *) As of Nov/Aug/Nov				

## Banking Finland

### Business development

The results in the fourth quarter reflect the focus on Growth Plan Finland and the increased activity level in both the household and corporate sector: The number of proactive customer meetings remained high and Nordea's customers' satisfaction increased among the relationship segments. Moreover, efforts to improve the sales leadership skills were taken to further improve Nordea's customer service. The number of Gold and Private Banking customers increased by 10,500 during the quarter, an annualised growth rate of 5%.

Competition in the savings deposit market kept pushing the offered customer rates above market rates. Still, Nordea's position is strong as the market share for household deposits remained almost unchanged. In the end of 2010, there were 30 branch offices following the new operating model with increased focus on better advisory services.

High activity level in the corporate sector together with the recovery in the economy led to an increased demand for Markets and Cash management services. Interest rate,

currency and commodity hedging as well as the development in Single European Payment Area (SEPA) payments contributed positively to results. Also the increase in corporate lending margins continued showing an increase of 15 basis points from the fourth quarter 2009. Nordea kept its market share on corporate deposits while the market share on corporate lending saw a decline partly due to increased activity among Nordea's corporate customers related to other debt capital market arrangements.

### Result

Short-term interest rates continued to increase in the fourth quarter improving the deposit margins. Net fee and commission income saw a notable increase and reached an all-time-high level. Total expenses developed according to plans – the increase from the third quarter is explained by the costs within Growth Plan Finland. Structural change in personnel continued – and the reduction of primarily customer service officers and tellers brought down the number of employees.

Net loan losses were EUR 28m, arising mainly from the corporate sector. The loan loss ratio was 22 basis points (42 basis points in the third quarter).

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

EURm	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Change	Q410/ Q310	Q410/ Q409	2010	2009
Net interest income	202	196	189	190	193		3%	5%	777	811
Net fee and commission income	140	131	131	132	119		7%	18%	534	443
Net result from items at fair value	36	39	35	36	39		-8%	-8%	146	147
Equity method & other income	-1	2	1	1	1				3	4
<b>Total income incl. allocations</b>	<b>377</b>	<b>368</b>	<b>356</b>	<b>359</b>	<b>352</b>		<b>2%</b>	<b>7%</b>	<b>1,460</b>	<b>1,405</b>
Staff costs	-71	-75	-73	-72	-91		-5%	-22%	-291	-319
<b>Total expenses incl. allocations</b>	<b>-216</b>	<b>-201</b>	<b>-212</b>	<b>-213</b>	<b>-224</b>		<b>7%</b>	<b>-4%</b>	<b>-842</b>	<b>-811</b>
<b>Profit before loan losses</b>	<b>161</b>	<b>167</b>	<b>144</b>	<b>146</b>	<b>128</b>		<b>-4%</b>	<b>26%</b>	<b>618</b>	<b>594</b>
Net loan losses	-28	-53	-55	-55	-42		-47%	-33%	-191	-186
<b>Operating profit</b>	<b>133</b>	<b>114</b>	<b>89</b>	<b>91</b>	<b>86</b>		<b>17%</b>	<b>55%</b>	<b>427</b>	<b>408</b>
Cost/income ratio, %	57	55	60	59	64				58	58
RAROCAR, %	14	15	12	14	12					
Number of employees (FTEs)	5,039	5,090	5,216	5,169	5,148		-1%	-2%		
<b>Volumes, EURbn:</b>										
Lending to corporates	23.3	23.8	23.9	23.3	22.6		-2%	3%		
Lending to households	29.4	28.9	28.9	27.7	27.4		2%	7%		
<b>Total lending</b>	<b>52.7</b>	<b>52.7</b>	<b>52.8</b>	<b>51.0</b>	<b>50.0</b>		<b>0%</b>	<b>5%</b>		
Corporate deposits	15.8	13.5	14.1	14.1	13.6		17%	16%		
Household deposits	23.7	23.2	23.2	22.3	22.1		2%	7%		
<b>Total deposits</b>	<b>39.5</b>	<b>36.7</b>	<b>37.3</b>	<b>36.4</b>	<b>35.7</b>		<b>8%</b>	<b>11%</b>		
<b>Margins, %:</b>						<b>Market shares, %*:</b>				
Corporate lending	1.47	1.45	1.44	1.40	1.32			Q410	Q310	Q409
Household mortgage lending	0.74	0.77	0.81	0.82	0.83	Corp.lending <sup>1)</sup>		33.4	34.4	34.3
Consumer lending	3.35	3.44	3.39	3.36	3.48	Househ.lending		30.9	30.8	30.6
<b>Total lending margins</b>	<b>1.35</b>	<b>1.37</b>	<b>1.38</b>	<b>1.37</b>	<b>1.36</b>	HH mortg.lending		31.0	30.9	30.6
Corporate deposits	0.22	0.13	0.06	0.08	0.14	Corp.deposits <sup>1)</sup>		39.0	39.0	40.4
Household deposits	0.06	-0.08	-0.17	-0.13	-0.07	Househ.deposits		31.5	31.6	31.1
<b>Total deposits margins</b>	<b>0.12</b>	<b>0.00</b>	<b>-0.08</b>	<b>-0.05</b>	<b>0.01</b>	<sup>1)</sup> Excl. Financial inst., *) As of Nov/Aug/Nov				

## Banking Norway

### Business development

In the household segment, business activity was strong in the fourth quarter and the number of Gold and Private Banking customers increased by 5,000, a 9% annualised growth rate. In 2010, the number of Gold and Private Banking customers increased 24,000 or 11%. Acquisition of new customers is an important driver for growth. The strong business momentum was also illustrated when Nordea was chosen best Norwegian household bank 2010 by a leading personal economy publication.

Household lending market share increased further during the quarter while household deposit market share was reduced and at level with the fourth quarter last year. Competition for deposits remained fierce.

Business activity in the corporate segment increased compared to the third quarter having positive effect on fee and commission income. However, lending volume was down mainly related to a few large customers. Corporate deposit volume increased significantly in the fourth quarter and market share was up. Competition for strong customers in the corporate segment, and in particular the very large customers, continued to intensify. This put strong pressure on both lending and deposit margins.

However, ongoing initiatives related to re-pricing of credit risks have compensated for the effect of the intensified competition.

In the fourth quarter, Banking Norway has prepared for the rollout of Future Branch Distribution in line with initiatives for further improvement of customer satisfaction and business results. Customer satisfaction increased in 2010, especially among large corporate customers.

### Result

Total income increased by 6% from the previous quarter, mainly due to increased activity and sale of savings products, increased sale of capital markets products and net fair value result. Increased competition resulted in a 3 basis points reduction in household mortgage lending margins. Deposit margins were close to unchanged. Especially to corporates, competition has been tough around large single deposit volumes.

The number of employees (FTEs) was down 2% in accordance with plans for reduction and reallocation from low-growth to high-growth areas.

The loan loss ratio was 24 basis points (6 basis points in the third quarter). The increase was mainly driven by a couple of large provisions within the corporate segment.

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

EURm	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Change	Q410/ Q310	Q410/ Q409	2010	2009
Net interest income	194	188	187	187	189		3%	3%	756	777
Net fee and commission income	70	64	70	51	56		9%	25%	255	199
Net result from items at fair value	29	25	29	20	31		16%	-6%	103	103
Equity method & other income	0	0	0	2	2				2	3
<b>Total income incl. allocations</b>	<b>293</b>	<b>277</b>	<b>286</b>	<b>260</b>	<b>278</b>		<b>6%</b>	<b>5%</b>	<b>1,116</b>	<b>1,082</b>
Staff costs	-47	-46	-46	-46	-54		2%	-13%	-185	-178
<b>Total expenses incl. allocations</b>	<b>-140</b>	<b>-143</b>	<b>-130</b>	<b>-137</b>	<b>-141</b>		<b>-2%</b>	<b>-1%</b>	<b>-550</b>	<b>-494</b>
<b>Profit before loan losses</b>	<b>153</b>	<b>134</b>	<b>156</b>	<b>123</b>	<b>137</b>		<b>14%</b>	<b>12%</b>	<b>566</b>	<b>588</b>
Net loan losses	-26	-6	-7	-23	-47		333%	-45%	-62	-147
<b>Operating profit</b>	<b>127</b>	<b>128</b>	<b>149</b>	<b>100</b>	<b>90</b>		<b>-1%</b>	<b>41%</b>	<b>504</b>	<b>441</b>
Cost/income ratio, %	48	52	46	53	51				49	46
RAROCAR, %	13	11	15	11	12					
Number of employees (FTEs)	1,778	1,807	1,791	1,810	1,803		-2%	-1%		
<b>Volumes, EURbn:</b>										
Lending to corporates	23.1	24.0	24.2	22.5	21.7		-4%	6%		
Lending to households	24.8	23.2	22.6	21.9	20.8		7%	19%		
<b>Total lending</b>	<b>47.9</b>	<b>47.2</b>	<b>46.8</b>	<b>44.4</b>	<b>42.5</b>		<b>1%</b>	<b>13%</b>		
Corporate deposits	15.9	14.7	13.7	13.6	14.0		8%	14%		
Household deposits	8.3	8.3	8.5	7.9	7.6		0%	9%		
<b>Total deposits</b>	<b>24.2</b>	<b>23.0</b>	<b>22.2</b>	<b>21.5</b>	<b>21.6</b>		<b>5%</b>	<b>12%</b>		
<b>Margins, %:</b>						<b>Market shares, %*:</b>				
Corporate lending	1.64	1.62	1.61	1.65	1.62			Q410	Q310	Q409
Household mortgage lending	0.87	0.90	1.06	1.23	1.18	Corp.lending <sup>1)</sup>		14.4	15.0	15.0
Consumer lending	7.14	7.22	7.32	7.33	6.98	Househ.lending		11.5	11.4	11.2
<b>Total lending margins</b>	<b>1.40</b>	<b>1.41</b>	<b>1.48</b>	<b>1.59</b>	<b>1.55</b>	HH mortg.lending		12.0	11.9	11.5
Corporate deposits	0.28	0.29	0.22	0.27	0.26	Corp.deposits <sup>1)</sup>		17.1	17.0	17.9
Household deposits	0.31	0.32	0.15	0.05	-0.01	Househ.deposits		8.6	8.7	8.6
<b>Total deposits margins</b>	<b>0.29</b>	<b>0.30</b>	<b>0.19</b>	<b>0.19</b>	<b>0.16</b>	<sup>1)</sup> Excl. Financial inst., *) As of Nov/Aug/Nov				

FX fluctuation impacted income and expenses items by -1% Q4/Q3 (+4% Q4/Q4).

FX fluctuations impacted balance sheet items by +2% Q4/Q3 (+7% Q4/Q4).

## Banking Sweden

### Business development

Income reached all-time high level in the fourth quarter, supported by a continued high business momentum and the strong recovery of the Swedish economy. The growth in number of Gold and Private Banking customers also continued, with a total of 16,000 new customers in the quarter equalling an annual growth rate of 8%. In November, Nordea was awarded "Mobile Bank of the Year", giving recognition to our strategic initiative Future Distribution, and our multi-channel strategy in particular. Customer Satisfaction for 2010 shows a good increase, in particular in the relationship segments.

In the household sector, the number of advisory meetings was the highest ever, contributing to a strong increase in lending volumes, deposits, as well as in investment funds, unit link and brokerage products. Margins on transaction deposits improved as an effect of increasing market interest rates, while mortgage margins dropped somewhat.

The business activity was high also in the corporate sector, materialising in increased transaction driven income in general as well as several corporate deals during the quarter.

Corporate lending volumes remained flat in local currency, reflecting an intense competition paired with a demand somewhat lower than usual for the season.

The lending margin increased, driven by a continued re-pricing of credit risks and changes in business mix. Corporate deposits increased, coming from higher transaction volumes but also a higher activity level in the corporate deposit market in the fourth quarter.

### Result

The increasing business volumes and margins, together with increasing transaction driven income, resulted in a firm increase in total income (in local currency, up 15% when comparing to the fourth quarter 2009). Net interest income increased 9% from the third quarter following growing volumes at increasing margins. Net fee and commission income was up 15% related to increasing assets under management in the savings area, rising volumes in the card business and high levels of corporate finance deals during the quarter. Net fair value result continues to improve, reflecting a continued high momentum in the capital markets.

The loan loss ratio was 12 basis points (0 basis points in the third quarter).

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

EURm	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Change	Q410/ Q310	Q410/ Q409	2010	2009
Net interest income	286	263	240	222	228		9%	25%	1,011	906
Net fee and commission income	186	162	190	160	153		15%	22%	698	541
Net result from items at fair value	61	48	46	31	33		27%	85%	186	133
Equity method & other income	0	0	0	0	0				0	0
<b>Total income incl. allocations</b>	<b>533</b>	<b>473</b>	<b>476</b>	<b>413</b>	<b>414</b>		<b>13%</b>	<b>29%</b>	<b>1,895</b>	<b>1,580</b>
Staff costs	-87	-85	-87	-82	-98		2%	-11%	-341	-327
<b>Total expenses incl. allocations</b>	<b>-274</b>	<b>-261</b>	<b>-250</b>	<b>-254</b>	<b>-249</b>		<b>5%</b>	<b>10%</b>	<b>-1,039</b>	<b>-894</b>
<b>Profit before loan losses</b>	<b>259</b>	<b>212</b>	<b>226</b>	<b>159</b>	<b>165</b>		<b>22%</b>	<b>57%</b>	<b>856</b>	<b>686</b>
Net loan losses	-19	-1	0	-13	-22				-33	-166
<b>Operating profit</b>	<b>240</b>	<b>211</b>	<b>226</b>	<b>146</b>	<b>143</b>		<b>14%</b>	<b>68%</b>	<b>823</b>	<b>520</b>
Cost/income ratio, %	51	55	53	62	60				55	57
RAROCAR, %	19	16	17	12	14					
Number of employees (FTEs)	4,310	4,357	4,370	4,425	4,430		-1%	-3%		
<b>Volumes, EURbn:</b>										
Lending to corporates	37.8	37.4	36.2	35.2	32.4		1%	17%		
Lending to households	39.1	37.5	35.2	33.4	30.9		4%	27%		
<b>Total lending</b>	<b>76.9</b>	<b>74.9</b>	<b>71.4</b>	<b>68.6</b>	<b>63.3</b>		<b>3%</b>	<b>21%</b>		
Corporate deposits	17.0	15.8	14.4	15.3	16.0		8%	6%		
Household deposits	18.9	17.9	17.0	16.6	16.1		6%	17%		
<b>Total deposits</b>	<b>35.9</b>	<b>33.7</b>	<b>31.4</b>	<b>31.9</b>	<b>32.1</b>		<b>7%</b>	<b>12%</b>		
<b>Margins, %:</b>						<b>Market shares, %*:</b>				
Corporate lending	1.31	1.25	1.24	1.23	1.19			Q410	Q310	Q409
Household mortgage lending	1.00	1.03	0.95	0.92	0.91	Corp.lending <sup>1)</sup>		16.9	17.1	17.0
Consumer lending	2.97	2.92	2.76	2.73	2.66	Househ.lending		14.1	14.1	13.8
<b>Total lending margins</b>	<b>1.30</b>	<b>1.28</b>	<b>1.23</b>	<b>1.21</b>	<b>1.19</b>	HH mortg.lending		15.2	15.1	14.9
Corporate deposits	0.42	0.28	0.18	0.19	0.24	Corp.deposits <sup>1)</sup>		18.6	18.3	18.2
Household deposits	0.49	0.28	0.21	0.20	0.25	Househ.deposits		16.3	16.6	17.7
<b>Total deposits margins</b>	<b>0.46</b>	<b>0.28</b>	<b>0.20</b>	<b>0.19</b>	<b>0.24</b>	<sup>1)</sup> Excl. Financial inst., *) As of Nov/Aug/Nov				

FX fluctuation impacted income and expenses items by +2% Q4/Q3 (+15% Q4/Q4).

FX fluctuations impacted balance sheet items by +2% Q4/Q3 (+15% Q4/Q4).

## Customer segment

### Corporate Merchant Banking

The customer segment Corporate Merchant Banking (CMB) is part of the new business area Corporate Merchant Banking & Capital Markets, which besides CMB include Capital Markets Products and Financial Institutions Division. Due to this, the CMB customer segment is presented separately here. In the financial reporting, the segment Corporate Merchant Banking is included in figures for the customer area Nordic Banking.

#### Business development

In an increasingly competitive environment, Corporate Merchant Banking continued on a positive trend showing increased total income for the sixth consecutive quarter, an increase of 15% compared to the third quarter and 42% compared to the same quarter last year. The large corporate market has stabilised after the financial crisis with competition increasing. International players in particular are back competing for shares of the market.

The income development confirms high activity in lending, largely driven by re-financings due to customers

taking advantage of the normalised market conditions and increasing interest from our international competitors putting pressure on margins. Strong development in fee income stems from a number of major customer transactions especially in Denmark and Finland.

The growth in lending volume, realised since same quarter 2009, has tapered off, reflecting an increasing liquidity of our customers. Lending margins increased in the fourth quarter.

Deposit volumes continued to increase in the fourth quarter compared to previous quarters even though with margins at a very low level, reflecting the low interest rate level and fierce competition.

The Swedish CMB unit is reaping the benefits of the Growth Plan CMB Sweden. The resulting strong business momentum has led to a high level of ancillary business. Nordea has strengthened its market position considerably as lead or core bank and also as a cash management bank in the relevant customer segment.

#### Corporate Merchant Banking, income, volumes and margins

	Q4	Q3	Q2	Q1	Q4	Change			
EURm	2010	2010	2010	2010	2009	Q410/ Q310	Q410/ Q409	2010	2009
Net interest income	205	199	196	189	177	3%	16%	789	670
Net fee and commission income	85	70	74	67	77	21%	10%	296	279
Net result from items at fair value	146	109	102	86	53	34%	175%	443	277
Other income	0	0	0	0	0	0%	0%	0	0
<b>Total income incl. allocations</b>	<b>436</b>	<b>378</b>	<b>372</b>	<b>342</b>	<b>307</b>	<b>15%</b>	<b>42%</b>	<b>1,528</b>	<b>1,226</b>
<b>Volumes, EURbn:</b>									
Lending volumes	43.8	44.2	44.9	43.2	42.4	-1%	3%		
Deposit volumes	22.8	21.1	20.4	21.1	21.3	8%	7%		
<b>Margins, %:</b>									
Lending margins	1.59	1.54	1.54	1.51	1.43				
Deposit margins	0.13	0.11	0.10	0.12	0.14				

## New European Markets

### **Business development**

The favourable business development in New European Markets was maintained in the fourth quarter. Lending as well as deposit volumes continued to grow at robust rates. The economies in the regions continue to make progress, resulting in falling level of impaired loans and decreasing loan loss provisions. Average lending margins were stable in the quarter, for the corporate as well as household segments. Average deposit margins were also fairly unchanged in the fourth quarter compared to previous quarter.

### **Baltic countries**

The economies in the Baltic countries continued to recover and Estonia executed the Euro conversion at year-end. Lending volumes increased marginally in the quarter, while deposit volumes increased at a healthy rate. Lending margins have increased somewhat compared to previous quarter, while deposit margins were fairly unchanged.

Income was lower than in previous quarter, as commission income was high in the third quarter. Apart from this effect, total income was fairly unchanged. Net loan loss provisions decreased for the fourth consecutive quarter.

### **Poland**

The Polish economy continued to develop favourably in the quarter. Lending as well as deposit volumes showed double-digit growth, supported by higher volumes in household as well as corporate segment. Lending margins increased somewhat, while deposit margins were marginally lower.

Income increased visibly compared to the previous quarter and by 32% compared to the fourth quarter of last year. Nordea has continued to strengthen the position in selected segments throughout the year, attracting over 5,100 new Gold customers in the quarter and close to 16,500 in total in 2010. Also in the large corporate segment, Nordea has continued to gain ground during the year.

The expansion of Nordea's branch network in Poland is progressing and 41 new branches were opened in the fourth quarter. Altogether, the Nordea branch network in Poland now comprises more than 200 branches. The CEO of Nordea Poland received Gazeta Bankowa's "Bank Manager of the Year 2010" award, as a result of strong financial performance for Nordea Poland and active participation in the Polish banking sector development.

### **Russia**

The Russian economy showed signs of strength in the quarter, supported by growing export. Lending as well as deposit volumes increased at healthy rates in the quarter. Lending margins continued to be under pressure, while deposit margins rose somewhat.

Nordea continued to gain new customers in the targeted segments in the quarter. Five new branches, focusing on household customers, were opened in December. Income increased somewhat compared to previous quarter.

### **Credit quality**

Net loan loss provisions in the Baltic countries continued to decrease and amounted to EUR 5m in the quarter, EUR 12m lower than in the third quarter. The provisions for Poland amounted to EUR 2m in the quarter and Russia recorded net reversals, further confirming the strong credit quality in these countries.

Gross impaired loans in the Baltic countries decreased in the quarter to EUR 572m. The amount corresponds to 741 basis points of total loans, compared with 808 basis points at the end of the third quarter. Total allowances for the Baltic countries at the end of the quarter equalled 415 basis points of loans. The provisioning ratio in the Baltic countries was 56%, compared with 58% at the end of the third quarter. The loan loss ratio in the quarter was 26 basis points for the Baltic countries, while it was 15 basis points for New European Markets in total.

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

	Q4 2010	Q3 10	Q2 10	Q1 10	Q4 2009
Net loan losses EURm	5	17	22	32	65
of which collective	-17	-2	4	2	24
Loan loss ratio, basis points	26	88	114	166	338
Gross impaired loans, EURm	572	622	614	641	535
Impaired loans ratio gross, basis points	741	808	808	822	695
Total allowances, EURm	320	361	347	339	319
Total allowance ratio, basis points	415	469	457	435	414
Provisioning ratio <sup>1</sup>	56%	58%	57%	53%	60%

<sup>1</sup> Total allowances in relation to gross impaired loans.

### **Result**

Total income was marginally lower in the fourth quarter, as a result of high commission income in the third quarter following a large capital markets transaction in Lithuania. For the full year, total income rose by 20%, of which approx. 5 %-points are related to currency effect. Net interest income increased somewhat for the quarter, while net fair value result decreased. Total expenses increased significantly in the fourth quarter as a result of the launch of new branches in Poland as well as higher marketing costs and IT costs following higher business volumes. The total number of FTEs increased by 202 in the quarter, mainly reflecting the expansion in Poland. Operating profit was lower as a result of higher costs in the quarter.



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

	New European Markets														
					Change										
	Q4	Q3	Q2	Q1	Q4	Q410/	Q410/				Q4	Q3	Q2	Q1	Q4
EURm	2010	2010	2010	2010	2009	Q310	Q409		2010	2009	2010	2010	2010	2010	2009
Net interest income	133	129	122	118	109	3%	22%		502	420					
Net fee and commission inc.	20	27	18	20	20	-26%	0%		85	64					
Net result from items at fair value	16	19	18	15	13	-16%	23%		68	64					
Equity method	0	0	0	0	0				0	0					
Other operating income	2	1	5	1	2	100%	0%		9	5					
<b>Total income incl. alloc.</b>	<b>171</b>	<b>176</b>	<b>163</b>	<b>154</b>	<b>144</b>	<b>-3%</b>	<b>19%</b>		<b>664</b>	<b>553</b>					
Staff costs	-33	-34	-37	-35	-30	-3%	10%		-139	-118					
Other expenses incl. depr.	-53	-35	-36	-33	-43	51%	23%		-157	-131					
<b>Expenses incl. allocations</b>	<b>-86</b>	<b>-69</b>	<b>-73</b>	<b>-68</b>	<b>-73</b>	<b>25%</b>	<b>18%</b>		<b>-296</b>	<b>-249</b>					
<b>Profit before loan losses</b>	<b>85</b>	<b>107</b>	<b>90</b>	<b>86</b>	<b>71</b>	<b>-21%</b>	<b>20%</b>		<b>368</b>	<b>304</b>					
Net loan losses	-6	-14	-31	-34	-69	-57%	-91%		-85	-216					
<b>Operating profit</b>	<b>79</b>	<b>93</b>	<b>59</b>	<b>52</b>	<b>2</b>	<b>-15%</b>			<b>283</b>	<b>88</b>					
Cost/income ratio, %	50	39	45	44	51										
RAROCAR, %	20	23	22	21	20										
Lending, EURbn	18.3	17.0	16.3	15.8	15.7	8%	17%								
Deposits, EURbn	5.4	4.8	4.5	4.7	5.1	13%	6%								
Number of employees (FTEs)	4,846	4,644	4,479	4,435	4,410										
<b>Margins, %:</b>															
Corporate lending	2.20	2.18	2.29	2.37	2.38										
Household lending	1.93	1.91	1.84	1.83	1.79										
Corporate deposits	0.47	0.48	0.51	0.58	0.74										
Household deposits	0.32	0.35	0.35	0.27	0.43										

	Baltic countries					Poland					Russia				
	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4
	2010	2010	2010	2010	2009	2010	2010	2010	2010	2009	2010	2010	2010	2010	2009
EURm															
Net interest income	41	38	35	33	29	35	33	30	30	29	59	58	57	55	51
Net fee and commission inc.	8	17	10	12	11	9	7	6	5	5	3	3	3	3	4
Net result from items at fair value	1	2	1	-2	-2	14	14	13	9	9	2	3	3	8	6
Equity method	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other operating income	1	1	0	0	0	0	1	4	1	1	1	0	0	0	1
<b>Total income incl. alloc.</b>	<b>51</b>	<b>58</b>	<b>46</b>	<b>43</b>	<b>38</b>	<b>58</b>	<b>55</b>	<b>53</b>	<b>45</b>	<b>44</b>	<b>65</b>	<b>64</b>	<b>63</b>	<b>66</b>	<b>62</b>
Staff costs	-8	-7	-7	-7	-5	-10	-11	-11	-11	-12	-12	-15	-17	-16	-12
Other expenses incl. depr.	-15	-12	-12	-11	-16	-25	-15	-14	-14	-17	-13	-9	-8	-6	-10
<b>Expenses incl. allocations</b>	<b>-23</b>	<b>-19</b>	<b>-19</b>	<b>-18</b>	<b>-21</b>	<b>-35</b>	<b>-26</b>	<b>-25</b>	<b>-25</b>	<b>-29</b>	<b>-25</b>	<b>-24</b>	<b>-25</b>	<b>-22</b>	<b>-22</b>
<b>Profit before loan losses</b>	<b>28</b>	<b>39</b>	<b>27</b>	<b>25</b>	<b>17</b>	<b>23</b>	<b>29</b>	<b>28</b>	<b>20</b>	<b>15</b>	<b>40</b>	<b>40</b>	<b>38</b>	<b>44</b>	<b>40</b>
Net loan losses	-5	-17	-22	-32	-65	-2	-1	-2	0	-1	1	3	-6	-2	-3
<b>Operating profit</b>	<b>23</b>	<b>22</b>	<b>5</b>	<b>-7</b>	<b>-48</b>	<b>21</b>	<b>28</b>	<b>26</b>	<b>20</b>	<b>14</b>	<b>41</b>	<b>43</b>	<b>32</b>	<b>42</b>	<b>37</b>
Cost/income ratio, %	45	33	41	42	55	60	47	47	56	66	38	38	40	33	35
RAROCAR, %	16	15	12	13	9	18	29	28	21	18	32	34	34	36	40
Lending, EURbn	7.8	7.7	7.6	7.8	7.7	5.6	4.9	4.6	4.5	4.6	4.9	4.4	4.1	3.5	3.4
Deposits, EURbn	1.9	1.8	1.7	1.8	2.0	2.5	2.1	2.0	2.1	2.1	1.0	0.9	0.8	0.8	1.0
Number of employees (FTEs)	1,167	1,151	1,144	1,154	1,148	1,936	1,781	1,656	1,627	1,630	1,710	1,679	1,648	1,628	1,613

## Shipping, Oil Services & International

### Business development

Earnings stayed very modest in the main shipping segments in the fourth quarter, especially taken into account the usual positive seasonal effect for the energy-related segments during the fourth quarter. Second-hand vessel values are reported to have declined in the crude tanker and dry bulk segments during the quarter. Five-year old crude (VLCC) and dry bulk (capesize) carriers are now priced at about 1/2 and 1/3 respectively of the peak values witnessed during the first half of 2008.

There is a general trend in most shipping segments of declining order books combined with slippage and cancellation of existing orders. Close to 1/4 of the crude tanker orders that one year ago were expected for delivery during 2010, have yet to be materialised. This will eventually help balance the shipping freight and asset markets. However, in the short term we expect that deliveries during 2011 in most shipping segments will outweigh what seems as fairly modest general demand growth. As the market balance seems more optimistic in 2012 and beyond, we expect the downside in vessel values from current levels to be limited.

The increase in the oil price during 2010 has resulted in more exploration and production (E&P) spending, which has had a positive impact on the demand for oil services. We believe the Macondo oil spill in the Gulf of Mexico will result in more stringent regulations and

increased focus on safe operation, modern equipment and also drive the need for new technology, which will be generally positive for oil service companies. We therefore believe that the long-term fundamentals for the oil services industry continue to remain strong.

The global syndicated loan volume within shipping and oil services industries was down in the fourth quarter compared to the third quarter, but the global syndicated loan volume for the full year reached USD 50bn, up 53% on the volumes recorded 2009.

Nordea's business volume on syndicated loans continued to be strong with increased volume compared to the third quarter. Transactions were still executed on conservative structures, and we see increasing activities among the shipping banks.

Nordea's exposure to the shipping, offshore and oil services industries is well diversified. However, proactive risk management and follow-up on the existing portfolio remains high on the agenda.

### Results

Total income was up 3% compared to the fourth quarter of 2009, ending at EUR 110m. Net interest income was up 14%, mainly driven by a combination of volume and margin growth compared to fourth quarter 2009. Net loan losses continued the downward trend from previous quarters and were EUR 4m. Operating profit was EUR 90m, which is slightly up from the previous quarter and 11% up from the fourth quarter of 2009.

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

	Shipping, Oil Services & International								
	Q4	Q3	Q2	Q1	Q4	Change			
EURm	2010	2010	2010	2010	2009	Q410/ Q310	Q410/ Q409	2010	2009
Net interest income	88	83	79	75	77	6%	14%	325	281
Net fee and commission income	11	27	18	7	15	-59%	-27%	63	49
Net result from items at fair value	11	4	9	7	14	175%	-21%	31	48
Equity method	0	0	0	0	0			0	0
Other operating income	0	0	0	0	1			0	1
<b>Total income incl. allocations</b>	<b>110</b>	<b>114</b>	<b>106</b>	<b>89</b>	<b>107</b>	<b>-4%</b>	<b>3%</b>	<b>419</b>	<b>379</b>
Staff costs	-10	-12	-12	-9	-11	-17%	-9%	-43	-40
Other expenses incl. depr.	-6	-3	-4	-3	-2	100%	200%	-16	-12
<b>Expenses incl. allocations</b>	<b>-16</b>	<b>-15</b>	<b>-16</b>	<b>-12</b>	<b>-13</b>	<b>7%</b>	<b>23%</b>	<b>-59</b>	<b>-52</b>
<b>Profit before loan losses</b>	<b>94</b>	<b>99</b>	<b>90</b>	<b>77</b>	<b>94</b>	<b>-5%</b>	<b>0%</b>	<b>360</b>	<b>327</b>
Net loan losses	-4	-10	-11	-19	-13	-60%	-69%	-44	-96
<b>Operating profit</b>	<b>90</b>	<b>89</b>	<b>79</b>	<b>58</b>	<b>81</b>	<b>1%</b>	<b>11%</b>	<b>316</b>	<b>231</b>
Cost/income ratio, %	15	13	15	13	12			14	14
RAROCAR, %	23	29	17	22	27				
Lending, EURbn	13.6	14.0	14.7	13.5	12.9	-3%	5%		
Deposits, EURbn	5.9	6.3	4.8	4.6	4.4	-6%	34%		
Number of employees (FTEs)	318	317	320	311	304				
<b>Margins, %:</b>									
Corporate lending	1.81	1.80	1.84	1.76	1.70				
Corporate deposits	0.15	0.14	0.14	0.14	0.14				

## Financial Institutions

### Business development

Business activity slowed somewhat during the quarter, as the positive effects of the second round of quantitative easing in the US was offset by continued turmoil in the European financial markets.

The economic outlook improved to some extent during the fourth quarter, as data from the US as well as Germany pointed towards a lowered risk of a renewed recession. Further underpinning the positive outlook was the general positive sentiment amongst investors, as well as the inflow of assets to investment and hedge funds.

Competition remained fierce, as local and global players were very active in the Nordic market during the quarter. Nordic competitors are investing in their financial institutions business, aiming to expand their share of the segment wallet. That said, the attention given to Nordea at the recent SIBOS event in Amsterdam, as well as the recognition of the bank's performance during the last years by major customers and counterparties, was a clear illustration of the strength inherent in our brand.

Business volumes held up well in most product segments. However, strength in fixed income and money market sales could not compensate for lower derivatives income as portfolio hedging activities were seasonally weak towards the end of the year. It was also possible to increase the volume of deposits as institutions were attracted to highly rated counterparts over year-end.

### Result

FID income for comparable units increased somewhat compared to the previous quarter. Commission income increased, primarily due to performance fees from institutional investment management. Total income increased also compared to the fourth quarter last year. The business mix remained relatively stable with relatively lower capital markets-related income offset by higher commission income.

Total expenses increased somewhat compared to the previous quarter, however the cost/income ratio remains in line with the long-term trend.

### Financial Institutions, operating profit, volumes and margins by area

EURm	Financial Institutions						Change		2010	2009
	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009		Q410/ Q310	Q410/ Q409		
Net interest income	17	16	16	15	17	6%	0%		64	69
Net fee and commission income	46	37	42	39	37	24%	24%		164	148
Net result from items at fair value	39	42	46	36	34	-7%	15%		163	178
Equity method	0	0	0	0	0				0	0
Other operating income	0	28	0	3	12		-100%		31	51
<b>Total income incl. allocations</b>	<b>102</b>	<b>123</b>	<b>104</b>	<b>93</b>	<b>100</b>	<b>-17%</b>	<b>2%</b>		<b>422</b>	<b>446</b>
Staff costs	-9	-9	-8	-8	-8	0%	13%		-34	-32
Other expenses incl. depr.	-40	-38	-39	-39	-40	5%	0%		-156	-160
<b>Expenses incl. allocations</b>	<b>-49</b>	<b>-47</b>	<b>-47</b>	<b>-47</b>	<b>-48</b>	<b>4%</b>	<b>2%</b>		<b>-190</b>	<b>-192</b>
<b>Profit before loan losses</b>	<b>53</b>	<b>76</b>	<b>57</b>	<b>46</b>	<b>52</b>	<b>-30%</b>	<b>2%</b>		<b>232</b>	<b>254</b>
Net loan losses	0	5	-3	1	-2				3	15
<b>Operating profit</b>	<b>53</b>	<b>81</b>	<b>54</b>	<b>47</b>	<b>50</b>	<b>-35%</b>	<b>6%</b>		<b>235</b>	<b>269</b>
Cost/income ratio, %	49	38	45	51	48				45	43
RAROCAR, %	37	40	34	23	36					
Lending, EURbn	3.4	3.5	3.9	4.4	4.0	-3%	-15%			
Deposits, EURbn	11.7	8.9	9.3	8.9	9.0	31%	30%			
Number of employees (FTEs)	381	383	387	388	410					
<b>Margins, %:</b>										
Corporate lending	0.82	0.77	0.90	0.82	0.81					
Corporate deposits	0.17	0.20	0.15	0.17	0.17					

### Other customer operations

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

### International Private Banking & Funds

International Private Banking experienced both positive net flows and positive market attribution during the fourth quarter and AuM grew EUR 0.7bn to EUR 10.0bn. Fund Distribution continued the strong developed seen in all of 2010 and AuM increased EUR 0.5bn to EUR 5.8bn at the end of the fourth quarter.

In total, fourth quarter was very strong for International Private Banking & Funds with net inflow of EUR 0.2bn and an 8% increase in AuM compared to previous quarter. As a result, the combined operating profit was EUR 19m, up 73% from the third quarter. The results are included in the result for Asset Management, page 24.

### 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 24.

Life customers operations generated income of EUR 113m and operating profit of EUR 56m in the fourth quarter, down 5% from the third quarter and up 14% from the same period last year. The result is included in the product result for Life & Pensions page 24.

### Capital Markets unallocated

The customer operations "Capital Markets unallocated" mainly includes the part of the result in Capital Markets Products (see page 23), which is not allocated to Nordic Banking or other customer areas. Net result from items at fair value decreased to EUR 116m and total income was unchanged at EUR 89m.

### Other customer operations, by unit

	International Private Banking & Funds					Life					Capital Markets unallocated				
	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4	Q4	Q3	Q2	Q1	Q4
	2010	2010	2010	2010	2009	2010	2010	2010	2010	2009	2010	2010	2010	2010	2009
EURm															
Net interest income	9	8	7	10	10	0	0	0	0	0	-7	-17	6	27	16
Net fee and commission inc.	25	20	23	18	13	8	24	4	17	3	-22	-31	-28	-39	-20
Net result from items at fair value	8	5	6	6	10	101	86	88	98	93	116	137	60	179	130
Equity method	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other income	0	0	0	0	1	4	4	4	4	9	2	0	0	0	0
<b>Total income incl. alloc.</b>	<b>42</b>	<b>33</b>	<b>37</b>	<b>34</b>	<b>34</b>	<b>113</b>	<b>114</b>	<b>96</b>	<b>119</b>	<b>105</b>	<b>89</b>	<b>89</b>	<b>38</b>	<b>167</b>	<b>126</b>
Staff costs	-14	-13	-13	-13	-11	-33	-34	-32	-35	-36	-90	-88	-88	-88	-45
Other expenses incl. depr.	-9	-9	-9	-8	-10	-24	-21	-24	-20	-20	17	30	32	30	-3
<b>Total operating expenses</b>	<b>-23</b>	<b>-22</b>	<b>-22</b>	<b>-21</b>	<b>-21</b>	<b>-57</b>	<b>-55</b>	<b>-56</b>	<b>-55</b>	<b>-56</b>	<b>-73</b>	<b>-58</b>	<b>-56</b>	<b>-58</b>	<b>-48</b>
Net loan losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Operating profit</b>	<b>19</b>	<b>11</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>56</b>	<b>59</b>	<b>40</b>	<b>64</b>	<b>49</b>	<b>16</b>	<b>31</b>	<b>-18</b>	<b>109</b>	<b>78</b>
Lending, EURbn	1.8	1.5	1.6	1.8	1.5	2.2	2.4	2.2	1.8	1.9	13.6	23.7	17.4	15.2	16.6
Deposits, EURbn	2.7	2.7	2.7	2.6	2.6	4.0	3.7	4.3	4.0	3.6	5.7	10.2	8.1	8.1	4.9
EURm	2010		2009			2010		2009			2010		2009		
Net interest income	34		44			0		0			9		48		
Net fee and commission inc.	86		59			53		47			-120		-89		
Net result from items at fair value	25		25			373		297			492		829		
Equity method	0		0			0		0			0		0		
Other income	0		1			16		20			2		0		
<b>Total income incl. alloc.</b>	<b>146</b>		<b>129</b>			<b>442</b>		<b>364</b>			<b>383</b>		<b>788</b>		
Staff costs	-54		-49			-134		-126			-354		-351		
Other expenses incl. depr.	-35		-34			-89		-79			109		67		
<b>Total operating expenses</b>	<b>-88</b>		<b>-83</b>			<b>-223</b>		<b>-205</b>			<b>-245</b>		<b>-284</b>		
Net loan losses	0		0			0		0			0		0		
<b>Operating profit</b>	<b>58</b>		<b>46</b>			<b>219</b>		<b>159</b>			<b>138</b>		<b>504</b>		

## Group functions

Together with the result in the customer areas and in Other customer operations, the result of the Group functions adds up to the reported result in the Group. The main income in Group Corporate Centre origins from Group Treasury (Group Funding and Group Investments).

### Group Corporate Centre

#### Business development

Financial market developments in the fourth quarter was overall characterised by stronger equity markets and higher and steeper yield curves. The Euro was weaker based on continued nervousness around the fiscal and economic situation. However, economic data for the largest economies in Europe improved and the growth in the Nordic region also led Sweden's central bank to hike interest rates twice in the quarter and the last remaining special liquidity program expired in the start of the quarter. Improved sentiment in risky assets and better data led to curve steepening during the fourth quarter, mostly pronounced in the US. Even though the global economy might experience positive growth, some key risks persist: still uncertain credit markets, regulatory changes and uncertainty concerning exit strategies from central banks.

The outcome related to funding and liquidity risk management as well as the investment portfolio has been strong during the fourth quarter.

#### Nordea's funding and liquidity operations

Nordea continued to benefit from very good reception of the Nordea name in all markets. The average funding cost is increasing somewhat due to maturing long-term funding and new issuance at higher market spreads. Nordea has continued to fund both long- and short term debt at very attractive terms relative to peers.

Nordea's funding and liquidity management aims at prudence regarding both long-term and short-term risks.

For long-term funding risks, Nordea applies management of the measures economic funding gap and matching between behavioural duration of assets and liabilities. At

the end of 2010, these were well matched with average behavioural maturity of 2.7 years for assets and of 2.3 years for liabilities, reflecting the prudent liquidity risk management. The portion of long-term funding was at the end of the fourth quarter 65%.

For short-term liquidity risks, Nordea applies a measure close to the liquidity coverage ratio (LCR). The liquidity buffer is composed of highly liquid central bank eligible securities with characteristics similar to Basel III liquid assets and amounted to EUR 61bn at the end of the fourth quarter (EUR 55.5bn at the end of the third quarter).

Nordea issued approx. EUR 5.3bn of long-term funding in the fourth quarter, of which approx. EUR 2.8bn represented issuance of Swedish, Norwegian and Finnish covered bonds in the domestic and international markets.

Nordea Bank Finland issued its inaugural covered bond under the revised Finnish covered bond legislation in November. A EUR 2bn five-year fixed rate note was issued priced at mid-swap +28bps. The transaction, which gathered a total order book of EUR 3.7bn, was the largest Finnish covered bond in 2010 and the largest EUR covered bond ever issued by Nordea. With the establishment of the Finnish covered bond issuance platform, Nordea now has covered bond issuance platforms in all four Nordic countries under local legislations.

The price risk on Group Treasury's interest-rate positions, calculated as VaR, was EUR 66m. The risk related to equities, calculated as VaR, was EUR 15m and the risk related to credit spreads (VaR) was EUR 23m. Equity risk and interest rate risk increased while credit spread risk decreased from the end of the third quarter.

#### Result

Total operating income was EUR 34m in the fourth quarter compared to EUR 49m in the third quarter. Net interest income was EUR 22m in the fourth quarter compared to EUR 42m in the third quarter, partly due to higher average funding costs. The average funding cost increased somewhat as maturing long-term funding was replaced at higher market spreads. Net result on items at fair value was EUR 14m compared to EUR 10m in the third quarter. Operating profit was EUR -20m.

#### Group functions, key figures per quarter

EURm	Group Corporate Centre							Group functions and Eliminations				
	Q4	Q3	Q2	Q1	Q4			Q4	Q3	Q2	Q1	Q4
	2010	2010	2010	2010	2009	2010	2009	2010	2010	2010	2010	2009
Net interest income	22	42	37	56	86	157	390	64	53	31	-2	6
Net fee and commission income	-1	-3	-2	-2	-4	-8	-7	-12	-23	-28	-17	-19
Net result from items at fair value	14	10	-97	53	-55	-20	85	-34	-32	36	15	-26
Other income	-1	0	0	0	0	-1	7	10	41	4	21	1
Total operating income	34	49	-62	107	27	128	475	28	39	42	17	-39
Total operating expenses	-54	-55	-38	-40	-38	-187	-155	11	3	-16	11	-37
Net loan losses	0	0	0	0	0	0	0	-1	0	0	0	4
Operating profit	-20	-6	-100	67	-11	-59	320	38	42	26	28	-71
Number of employees (FTEs)	577	574	586	575	556	577	556					

## Customer segments

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

	Corporate Merchant Banking			Large corporate customers			Other corporate customers			Nordic corporate customers		
	Q4 10	Q3 10	Q4 09	Q4 10	Q3 10	Q4 09	Q4 10	Q3 10	Q4 09	Q4 10	Q3 10	Q4 09
Number of customer '000 (EOP)	9	9	8	26	26	25						
<b>Income, EURm</b>	436	378	307	301	282	260	231	212	187	968	872	754
<b>Volumes, EURbn</b>												
Lending	43.8	44.2	42.4	47.1	46.6	41.3	25.3	25.3	23.4	116.2	116.1	107.1
Deposit	22.8	21.1	21.3	17.4	16.2	16.2	21.8	20.3	19.8	62.0	57.6	57.3
<b>Margins, pct p.a.</b>												
Lending	1.59%	1.54%	1.43%	1.45%	1.43%	1.41%	1.72%	1.70%	1.74%	1.52%	1.50%	1.43%
Deposit	0.13%	0.11%	0.14%	0.26%	0.20%	0.23%	0.45%	0.31%	0.26%	0.28%	0.22%	0.21%
	New European Markets corporate customers			Shipping, Oil services and International customers			Financial Institutions			Corporate and Financial Institutions Total		
	Q4 10	Q3 10	Q4 09	Q4 10	Q3 10	Q4 09	Q4 10	Q3 10	Q4 09	Q4 10	Q3 10	Q4 09
Number of customer '000 (EOP)	98	96	89	2	2	2	1	1	1			
<b>Income, EURm</b>	85	100	90	110	114	107	102	123	100	1,265	1,209	1,051
<b>Volumes, EURbn</b>												
Lending	11.8	11.0	10.5	13.6	14.0	12.9	3.4	3.5	4.0	145.0	144.6	134.5
Deposit	3.7	3.2	3.5	5.9	6.3	4.4	11.7	8.9	9.0	83.3	76.0	74.2
<b>Margins, pct p.a.</b>												
Lending	2.20%	2.18%	2.38%	1.81%	1.80%	1.70%	0.82%	0.77%	0.81%	1.58%	1.56%	1.51%
Deposit	0.47%	0.48%	0.74%	0.15%	0.14%	0.14%	0.17%	0.20%	0.17%	0.26%	0.22%	0.22%

### Household customer segments, key figures

	Nordic Private Banking			Gold customers			Other household customers			Nordic household customers		
	Q4 10	Q3 10	Q4 09	Q4 10	Q3 10	Q4 09	Q4 10	Q3 10	Q4 09	Q4 10	Q3 10	Q4 09
Number of customer '000 (EOP)	93	92	87	2,778	2,740	2,603						
<b>Income, EURm</b>	117	89	91	526	485	454	176	165	164	819	739	709
<b>Volumes, EURbn</b>												
Lending	6.9	6.4	5.8	120.4	116.3	104.0	9.4	9.6	9.7	136.7	132.3	119.5
Deposit	8.6	8.3	7.9	49.3	47.9	44.3	16.6	16.4	16.1	74.5	72.6	68.3
Assets under Management	57.3	51.5	45.8									
<b>Margins, pct p.a.</b>												
Lending	0.98%	0.96%	1.04%	1.14%	1.15%	1.17%	3.64%	3.65%	3.56%	1.32%	1.35%	1.39%
Deposit	0.08%	-0.01%	0.05%	0.10%	-0.01%	0.00%	0.49%	0.31%	0.28%	0.21%	0.08%	0.08%
	New European Markets household customers			International Private Banking						Household customers Total		
	Q4 10	Q3 10	Q4 09	Q4 10	Q3 10	Q4 09	Q4 10	Q3 10	Q4 09	Q4 10	Q3 10	Q4 09
Number of customer '000 (EOP)	977	952	871	12	12	12						
Of which Gold+Private Banking	125	117	100							3,008	2,961	2,802
<b>Income, EURm</b>	50	50	37	26	20	20				895	808	766
<b>Volumes, EURbn</b>												
Lending	6.5	6.0	5.2	1.0	1.0	1.1				144.2	139.3	125.8
Deposit	1.7	1.6	1.6	1.6	1.7	1.8				77.8	75.9	71.7
Assets under Management				10.0	9.3	8.7						
<b>Margins, pct p.a.</b>												
Lending	1.93%	1.91%	1.79%	0.91%	0.91%	0.91%				1.34%	1.37%	1.39%
Deposit	0.32%	0.35%	0.43%	0.47%	0.47%	0.37%				0.22%	0.10%	0.11%

## Product divisions

### Capital Markets Products

The re-emergence of the sovereign crisis caused some turmoil in the fourth quarter and ended a period of relative calm in the financial markets. Despite this turmoil, which peaked around the ECB intervention on behalf of Ireland, interest rates have remained at a relatively low level. Nordic equity markets continued their very positive trend and ended the year well above most other markets. The equity volatility reached the lowest levels since the peak in May.

The competition for the well capitalised Nordic corporate customers intensified compared to last quarter, resulting in further margin pressure. International banks ramped up services in the Nordic countries, either through local presence or via the main international financial centres.

Commercial flows increased compared to the last quarter as worries about the economic growth dampened. The demand for risk management products from institutional customers was stable compared to the third quarter. Customer activity within the equity area increased and peaked towards the end of the period as many clients readjusted their portfolios before year end. Nordea

increased its market share and rankings in several of the Nordic equity markets.

Nordic M&A activity was somewhat subdued compared to the third quarter but outlook is positive as financing has become more easily available. Primary equity markets, however, were more active towards the end of the year. Nordea took part in a number of important ECM transactions such as IPOs for Pandora (Deal of the Year, International Financing Review), Statoil Fuel & Retail and STX, rights issues for Hexagon and Eniro and accelerated book-building for Bavarian Nordic.

In the primary bond market, the activity of Nordic issuers decreased compared to the third quarter. Nordea arranged a number of transactions for Nordic issuers, including issues for Kommuninvest (SEK 15bn) and Schibsted (NOK 700m).

Activity in the Nordic syndicated loan markets was unchanged compared to last quarter. Nordea executed a large number of transactions and consolidated its position as the leading Nordic arranger.

### Result

In total, the product result in the fourth quarter was EUR 351m, which was 7% above the third quarter this year and in line with the fourth quarter last year.

### Capital Markets Products, product result

EURm	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	2010	2009
Net interest income	104	93	94	109	88	400	353
Net fee and commission income	78	63	87	57	48	285	212
Net result from items at fair value	332	321	302	368	344	1,323	1,689
Other income	2	0	0	0	0	2	0
<b>Total income</b>	<b>516</b>	<b>477</b>	<b>483</b>	<b>534</b>	<b>480</b>	<b>2,010</b>	<b>2,254</b>
Staff costs	-90	-88	-88	-88	-45	-354	-351
Other expenses	-70	-56	-53	-53	-74	-232	-215
<b>Operating expenses</b>	<b>-160</b>	<b>-144</b>	<b>-141</b>	<b>-141</b>	<b>-119</b>	<b>-586</b>	<b>-566</b>
Distribution expenses	-5	-6	-6	-4	-5	-21	-20
Net loan losses	0	0	0	0	0	0	0
<b>Product result</b>	<b>351</b>	<b>327</b>	<b>336</b>	<b>389</b>	<b>356</b>	<b>1,403</b>	<b>1,668</b>
Cost/income ratio, %	31	30	29	26	25	29	25
Number of employees (full-time equivalents)	1,780	1,773	1,739	1,763	1,716	1,780	1,716

## Asset Management

### Business development

Assets under Management (AuM) increased to record high EUR 191bn during the fourth quarter, up 6% from the previous quarter. The growth was mainly attributable to market appreciation as net inflow was modest at EUR 1.1bn in the fourth quarter. AuM has increased 21% during 2010.

For the full year 2010, Nordea delivered a strong absolute return to customers of almost 15%. During the fourth quarter equity markets continued to be volatile and credit spreads tightened. Nordea's equity portfolios delivered a solid performance, while it became more difficult for fixed income portfolios to add value. Nordea's investment composites outperformed their respective benchmarks during 2010. In addition, for the second year in a row all asset classes ended with positive annual value adding. Over the past 36 months, 74% of the investment composites have outperformed their benchmark.

The product offering have during the year been strengthened with the launch of several new products within Social Responsible Investment funds, alternative asset classes as well as credit products. Nordic retail funds AuM increased 6% from the previous quarter to EUR 36.4bn.

Ending a strong year in institutional asset management, where institutional AuM increased to EUR 32.8bn, also the fourth quarter witnessed a strong development with a particularly positive contribution from activities in the Norwegian and the Danish units. Across all markets, net inflow was EUR 0.4bn. Development in value of flow was very positive as inflow continued into higher-margin products.

### Result

Total income was EUR 208m in the fourth quarter up 28% compared to last quarter and up 26% compared to fourth

quarter last year. A high AuM growth and higher margins related to the AuM business contributed to the strong development. The quarterly growth was furthermore attributable to performance fees which are only paid in the fourth quarter. The product result was EUR 135m, up 39% from third quarter.

## Life & Pensions

### Business development

Nordea Life & Pensions' sales reached a record level during the fourth quarter with gross written premiums at EUR 1,466m, up 24% compared to the third quarter and 20% compared to the fourth quarter last year.

Strong customer demand through the bank channel continued during the fourth quarter, and still with focus on the unit linked products. Sales via Nordea bank channel accounted for 59% of total premiums out of which 58% were unit linked sales.

The AUM ended up at a new record level of EUR 43.7bn up 2% from the previous quarter and 15% from last year. The positive development was mainly the result of a net inflow of EUR 0.4bn and asset appreciation in unit linked. The financial buffers ended at EUR 1,791m which is an improvement of 2% from last quarter. This corresponds to 7.3% of technical provisions, an improvement of 0.2 %-points compared to last quarter.

The MCEV increased in the fourth quarter by EUR 296m to EUR 3,655m, supported by EUR 83m worth of new business.

### Result

The product result was EUR 97m in fourth quarter, which is a new record. The product result increased with 2% from the previous quarter and 11% from same period last year. The unit linked products accounted for 19% of the total result.

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

	Q4	Net inflow	Q3	Q2	Q1	Q4	2010	2009
EURbn	2010	Q4	2010	2010	2010	2009	net inflow	net inflow
Nordic Retail funds	36.4	-0.2	34.4	32.9	33.0	30.7	0.6	3.2
European Fund Distribution	5.8	0.2	5.3	4.4	3.9	2.7	1.9	0.5
Nordic Private Banking	57.3	0.1	51.5	48.1	48.9	45.8	2.8	2.9
International Private Banking	10.0	0.2	9.3	9.2	9.2	8.7	0.2	0.6
Institutional clients	32.8	0.4	32.0	29.7	29.2	28.1	2.1	1.4
Life & Pensions	48.7	0.4	47.7	45.5	45.0	42.2	1.9	1.2
<b>Total</b>	<b>191.0</b>	<b>1.1</b>	<b>180.2</b>	<b>169.8</b>	<b>169.3</b>	<b>158.1</b>	<b>9.5</b>	<b>9.8</b>



## Asset Management, key figures per quarter

	Q4	Q3	Q2	Q1	Q4		
EURm	2010	2010	2010	2010	2009	2010	2009
<b>Total income</b>	<b>208</b>	<b>162</b>	<b>157</b>	<b>148</b>	<b>165</b>	<b>675</b>	<b>517</b>
<i>of which income within Nordic Banking</i>	<i>142</i>	<i>130</i>	<i>137</i>	<i>114</i>	<i>124</i>	<i>522</i>	<i>398</i>
Staff costs	-43	-36	-36	-32	-44	-148	-134
Other expenses	-30	-29	-29	-27	-30	-115	-107
<b>Operating expenses</b>	<b>-73</b>	<b>-65</b>	<b>-65</b>	<b>-59</b>	<b>-73</b>	<b>-262</b>	<b>-241</b>
<b>Product result</b>	<b>135</b>	<b>97</b>	<b>92</b>	<b>89</b>	<b>92</b>	<b>413</b>	<b>275</b>
Cost/income ratio, %	35	40	41	40	44	39	47
Income related to AuM, margin (basis points)	70	57	57	54	65	60	57
AuM (managed by Savings Products & Asset Management), EURbn	122	116	110	108	101	122	101
<i>of which Equities, %</i>	<i>36</i>	<i>32</i>	<i>32</i>	<i>33</i>	<i>31</i>	<i>36</i>	<i>31</i>
<i>of which Fixed income and Other, %</i>	<i>64</i>	<i>68</i>	<i>68</i>	<i>67</i>	<i>69</i>	<i>64</i>	<i>69</i>
Number of employees (full-time equivalents)	1,163	1,144	1,070	1,042	1,039	1,163	1,039

## Life &amp; Pensions, key figures per quarter

	Q4	Q3	Q2	Q1	Q4		
EURm	2010	2010	2010	2010	2009	2010	2009
<b>Profit drivers</b>							
Traditional insurance:							
Fee contribution/profit sharing	52	52	38	49	20	191	84
Contribution from cost result	-1	2	3	2	-4	6	4
Contribution from risk result	17	12	8	9	6	46	32
Return on shareholders' equity/other profits	13	12	17	22	53	64	111
<b>Total profit Traditional</b>	<b>81</b>	<b>77</b>	<b>66</b>	<b>82</b>	<b>75</b>	<b>306</b>	<b>231</b>
<b>Total profit Unit-linked</b>	<b>19</b>	<b>21</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>74</b>	<b>54</b>
Estimated distribution expenses in Nordic Banking	-3	-3	-4	-3	-4	-13	-13
<b>Total Product result</b>	<b>97</b>	<b>95</b>	<b>79</b>	<b>96</b>	<b>87</b>	<b>367</b>	<b>271</b>
<i>of which income within Nordic Banking</i>	<i>45</i>	<i>39</i>	<i>42</i>	<i>35</i>	<i>48</i>	<i>161</i>	<i>133</i>
<b>Key figures</b>							
Gross premiums written	1,466	1,181	1,316	1,399	1,222	5,362	4,391
of which from Traditional business	620	573	541	590	547	2,324	2,244
of which from Unit-linked business	846	608	775	809	674	3,038	2,146
Investment return %	-2.0	3.2	2.2	2.9	1.8	8	6.4
Technical provisions	36,795	35,972	34,675	33,881	32,218	36,795	32,218
Financial buffers	1,791	1,750	1,487	1,702	1,434	1,791	1,434
Investment assets, EURbn	43.7	42.9	40.9	40.4	38.0	43.7	38.0
of which bonds, %	45	48	49	49	52	45	52
of which equities, %	7	7	7	7	6	7	6
of which alternative investments, %	7	7	7	6	6	7	6
of which property, %	8	8	8	9	9	8	9
of which unit linked, %	33	31	29	29	27	33	27
Number of employees (full-time equivalents)	1,370	1,349	1,343	1,340	1,360	1,370	1,360

## Income statement

EURm	Note	Q4 2010	Q4 2009	Jan-Dec 2010	Jan-Dec 2009
<b>Operating income</b>					
<i>Interest income</i>		2,628	2,392	9,687	10,973
<i>Interest expense</i>		-1,263	-1,093	-4,528	-5,692
Net interest income		1,365	1,299	5,159	5,281
<i>Fee and commission income</i>		798	665	2,955	2,468
<i>Fee and commission expense</i>		-180	-202	-799	-775
Net fee and commission income	3	618	463	2,156	1,693
Net result from items at fair value	4	504	351	1,837	1,946
Profit from companies accounted for under the equity method		5	15	66	48
Other operating income		15	30	116	105
<b>Total operating income</b>		<b>2,507</b>	<b>2,158</b>	<b>9,334</b>	<b>9,073</b>
<b>Operating expenses</b>					
General administrative expenses:	5				
Staff costs		-675	-702	-2,784	-2,724
Other expenses		-543	-471	-1,862	-1,639
Depreciation, amortisation and impairment charges of tangible and intangible assets		-52	-46	-170	-149
<b>Total operating expenses</b>		<b>-1,270</b>	<b>-1,219</b>	<b>-4,816</b>	<b>-4,512</b>
<b>Profit before loan losses</b>		<b>1,237</b>	<b>939</b>	<b>4,518</b>	<b>4,561</b>
Net loan losses	6	-166	-347	-879	-1,486
<b>Operating profit</b>		<b>1,071</b>	<b>592</b>	<b>3,639</b>	<b>3,075</b>
Income tax expense		-301	-145	-976	-757
<b>Net profit for the period</b>		<b>770</b>	<b>447</b>	<b>2,663</b>	<b>2,318</b>
<b>Attributable to:</b>					
Shareholders of Nordea Bank AB (publ)		769	448	2,657	2,314
Non-controlling interests		1	-1	6	4
<b>Total</b>		<b>770</b>	<b>447</b>	<b>2,663</b>	<b>2,318</b>
Basic earnings per share, EUR		0.19	0.11	0.66	0.60
Diluted earnings per share, EUR		0.19	0.11	0.66	0.60

## Statement of comprehensive income

EURm	Q4 2010	Q4 2009	Jan-Dec 2010	Jan-Dec 2009
<b>Net profit for the period</b>	<b>770</b>	<b>447</b>	<b>2,663</b>	<b>2,318</b>
Currency translation differences during the period	181	93	669	740
Currency hedging of net investments in foreign operations	-96	-25	-407	-507
Tax on currency hedging of net investments in foreign operations	25	6	107	133
Available-for-sale investments:				
Valuation gains/losses during the period	3	0	3	1
Tax on valuation gains/losses during the period	-1	0	-1	0
Transferred to profit or loss on sale for the period	-	-1	-	-1
Cash flow hedges:				
Valuation gains/losses during the period	0	2	1	6
Tax on valuation gains/losses during the period	0	-1	0	-2
<b>Other comprehensive income, net of tax</b>	<b>112</b>	<b>74</b>	<b>372</b>	<b>370</b>
<b>Total comprehensive income</b>	<b>882</b>	<b>521</b>	<b>3,035</b>	<b>2,688</b>
<b>Attributable to:</b>				
Shareholders of Nordea Bank AB (publ)	881	522	3,029	2,684
Non-controlling interests	1	-1	6	4
<b>Total</b>	<b>882</b>	<b>521</b>	<b>3,035</b>	<b>2,688</b>

## Balance sheet

EURm	Note	31 Dec 2010	31 Dec 2009
<b>Assets</b>			
Cash and balances with central banks		10,023	11,500
Treasury bills		13,112	12,944
Loans to credit institutions	7	15,788	18,555
Loans to the public	7	314,211	282,411
Interest-bearing securities		69,137	56,155
Financial instruments pledged as collateral		9,494	11,240
Shares		17,293	13,703
Derivatives	10	96,825	75,422
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,127	763
Investments in associated undertakings		554	470
Intangible assets		3,219	2,947
Property and equipment		454	452
Investment property		3,568	3,505
Deferred tax assets		278	125
Current tax assets		262	329
Retirement benefit assets		187	134
Other assets		22,857	14,397
Prepaid expenses and accrued income		2,450	2,492
<b>Total assets</b>		<b>580,839</b>	<b>507,544</b>
<i>Of which assets customer bearing the risk</i>		<i>16,230</i>	<i>11,708</i>
<b>Liabilities</b>			
Deposits by credit institutions		40,736	52,190
Deposits and borrowings from the public		176,390	153,577
Liabilities to policyholders		38,766	33,831
Debt securities in issue		151,578	130,519
Derivatives	10	95,887	73,043
Fair value changes of the hedged items in portfolio hedge of interest rate risk		898	874
Current tax liabilities		502	565
Other liabilities		38,590	28,589
Accrued expenses and prepaid income		3,390	3,178
Deferred tax liabilities		885	870
Provisions		581	309
Retirement benefit obligations		337	394
Subordinated liabilities		7,761	7,185
<b>Total liabilities</b>		<b>556,301</b>	<b>485,124</b>
<b>Equity</b>			
Non-controlling interests		84	80
Share capital		4,043	4,037
Share premium reserve		1,065	1,065
Other reserves		-146	-518
Retained earnings		19,492	17,756
<b>Total equity</b>		<b>24,538</b>	<b>22,420</b>
<b>Total liabilities and equity</b>		<b>580,839</b>	<b>507,544</b>
Assets pledged as security for own liabilities		163,945	138,587
Other assets pledged		5,972	6,635
Contingent liabilities		23,963	22,267
Credit commitments <sup>1</sup>		88,740	77,619
Other commitments		4,009	2,178

<sup>1</sup> Including unutilised portion of approved overdraft facilities of EUR 50,522m (31 Dec 2009: 46,462m).

## Statement of changes in equity

Attributable to shareholders of Nordea Bank AB (publ)									
	Other reserves:								
	Share capital <sup>1</sup>	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available-for-sale investments	Retained earnings	Total	Non-controlling interests	Total equity
EURm									
Opening balance at 1 Jan 2010	4,037	1,065	-517	-1	-	17,756	22,340	80	22,420
Total comprehensive income	-	-	369	1	2	2,657	3,029	6	3,035
Issued C-shares <sup>4</sup>	6	-	-	-	-	-	6	-	6
Repurchase of C-shares <sup>4</sup>	-	-	-	-	-	-6	-6	-	-6
Share-based payments	-	-	-	-	-	17	17	-	17
Dividend for 2009	-	-	-	-	-	-1,006	-1,006	-	-1,006
Divestment of own shares <sup>3</sup>	-	-	-	-	-	74	74	-	74
Other changes	-	-	-	-	-	-	-	-2	-2
Closing balance at 31 Dec 2010	4,043	1,065	-148	-	2	19,492	24,454	84	24,538

Attributable to shareholders of Nordea Bank AB (publ)									
EURm	Share capital <sup>1</sup>	Share premium reserve	Other reserves:			Retained earnings	Total	Non-controlling interests	Total equity
			Translation of foreign operations	Cash flow hedges	Available-for-sale investments				
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 <sup>2</sup>	1,430	1,065	-	-	-	-	2,495	-	2,495
Issued C-shares <sup>4</sup>	7	-	-	-	-	-	7	-	7
Repurchase of C-shares <sup>4</sup>	-	-	-	-	-	-7	-7	-	-7
Share-based payments	-	-	-	-	-	10	10	-	10
Dividend for 2008	-	-	-	-	-	-519	-519	-	-519
Purchases of own shares <sup>3</sup>	-	-	-	-	-	-55	-55	-	-55
Other changes	-	-	-	-	-	-	-	-2	-2
Closing balance at 31 Dec 2009	4,037	1,065	-517	-1	-	17,756	22,340	80	22,420

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

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

<sup>3</sup> Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares at 31 Dec 2010 were 16.9 million (31 Dec 2009: 23.8 million).

<sup>4</sup> Refers to the Long Term Incentive Programme (LTIP). LTIP 2010 was hedged by issuing 5,125,000 C-shares (LTIP 2009: 7,250,000), the shares have been bought back and converted to ordinary shares. The total holding of own shares related to LTIP is 15.4 million (31 Dec 2009: 12.1 million).

## Cash flow statement

EURm	Jan-Dec 2010	Jan-Dec 2009
<i>Operating activities</i>		
Operating profit	3,639	3,075
Adjustments for items not included in cash flow	1,619	2,450
Income taxes paid	-1,045	-816
Cash flow from operating activities before changes in operating assets and liabilities	4,213	4,709
Changes in operating assets and liabilities	-6,411	8,915
Cash flow from operating activities	-2,198	13,624
<i>Investing activities</i>		
Sale/acquisition of business operations <sup>1</sup>	-46	-270
Property and equipment	-98	-130
Intangible assets	-181	-97
Net investments in debt securities, held to maturity	0	-5,411
Other financial fixed assets	1,992	0
Cash flow from investing activities	1,667	-5,908
<i>Financing activities</i>		
New share issue	6	2,503
Issued/amortised subordinated liabilities	194	-1,122
Divestment/repurchase of own shares incl change in trading portfolio	74	-55
Dividend paid	-1,006	-519
Cash flow from financing activities	-732	807
<b>Cash flow for the year</b>	<b>-1,263</b>	<b>8,523</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>13,962</b>	<b>4,694</b>
Translation difference	1,007	745
<b>Cash and cash equivalents at end of the year</b>	<b>13,706</b>	<b>13,962</b>
<b>Change</b>	<b>-1,263</b>	<b>8,523</b>

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

<b>Cash and cash equivalents</b>	31 Dec <u>2010</u>	31 Dec <u>2009</u>
The following items are included in cash and cash equivalents (EURm):		
Cash and balances with central banks	10,023	11,500
Loans to credit institutions, payable on demand	3,683	2,462

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

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

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

## Notes to the financial statements

### Note 1 Accounting policies

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of such standards by the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the EU Commission. In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the recommendation RFR 1 "Supplementary Accounting Rules for Groups" and UFR statements issued by the Swedish Financial Reporting Board as well as the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11), have also been applied.

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

### Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2009 Annual Report, except for the classification of lending commissions in the income statement and the categorisation of savings related commissions within "Net fee and commission income". These changes, made in the first quarter, are further described below.

### Classification of lending commissions

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

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

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

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

### Categorisation of savings related commissions

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

EURm	2010		2009	
	Re-stated	Pre policy change	Re-stated	Re-ported
Asset Management commissions	698	653	492	454
Brokerage	198	243	188	226

### Exchange rates

	Jan-Dec 2010	Jan-Dec 2009
<b>EUR 1 = SEK</b>		
Income statement (average)	9.5463	10.6101
Balance sheet (at end of period)	8.9655	10.2701
<b>EUR 1 = DKK</b>		
Income statement (average)	7.4472	7.4460
Balance sheet (at end of period)	7.4535	7.4410
<b>EUR 1 = NOK</b>		
Income statement (average)	8.0080	8.7283
Balance sheet (at end of period)	7.8000	8.3022
<b>EUR 1 = PLN</b>		
Income statement (average)	3.9957	4.3189
Balance sheet (at end of period)	3.9750	4.1268
<b>EUR 1 = RUB</b>		
Income statement (average)	40.2749	44.0882
Balance sheet (at end of period)	40.8200	43.3452

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

Operating segments								
	Nordic Banking		New European Markets		Financial Institutions		Shipping, Oil Services & International	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2010	2009	2010	2009	2010	2009	2010	2009
Total operating income, EURm	6,604	6,062	664	553	422	446	419	379
Operating profit, EURm	2,315	1,695	283	88	235	269	316	231
Loans to the public, EURbn	253	227	18	16	3	4	14	13
Deposits and borrowings from the public, EURbn	137	125	5	5	12	9	6	4

Operating segments								
	Other Operating segments		Total Operating segments		Reconciliation		Total Group	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2010	2009	2010	2009	2010	2009	2010	2009
Total operating income, EURm	1,099	1,756	9,208	9,196	126	-123	9,334	9,073
Operating profit, EURm	355	1,028	3,504	3,311	135	-236	3,639	3,075
Loans to the public, EURbn	18	23	306	283	8	-1	314	282
Deposits and borrowings from the public, EURbn	12	12	172	155	4	-1	176	154

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

## Reconciliation between total operating segments and financial statements

	Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2010	2009	2010	2009	2010	2009
Total Operating segments	3,504	3,311	306	283	172	155
Group functions <sup>2</sup> and unallocated items	-30	-331	8	-1	4	-1
Differences in accounting policies <sup>3</sup>	165	95	-	-	-	-
<b>Total</b>	<b>3,639</b>	<b>3,075</b>	<b>314</b>	<b>282</b>	<b>176</b>	<b>154</b>

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

<sup>3</sup> Internally developed and bought software is expensed as incurred in the operating segments, but capitalised as required by IAS 38 in the entity's balance sheet.

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

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

## Reportable Operating segments

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

**Note 3 Net fee and commission income**

EURm	Q4 2010	Q3 2010	Q4 2009	Jan-Dec 2010	Jan-Dec 2009
Asset Management commissions	193	176	149	698	492
Life insurance	80	74	72	305	271
Brokerage	52	41	51	198	188
Custody	23	16	21	77	77
Deposits	12	11	9	45	43
Total savings related commissions	360	318	302	1,323	1,071
Payments	106	101	102	412	392
Cards	104	106	90	397	337
Total payment commissions	210	207	192	809	729
Lending	90	83	66	323	283
Guarantees and documentary payments	54	53	49	209	183
Total lending related commissions	144	136	115	532	466
Other commission income	84	65	56	291	202
<b>Fee and commission income</b>	<b>798</b>	<b>726</b>	<b>665</b>	<b>2,955</b>	<b>2,468</b>
Life insurance	-14	-15	-16	-62	-64
Payment expenses	-82	-72	-75	-300	-280
State guarantee fees	-8	-51	-48	-162	-201
Other commission expenses	-76	-63	-63	-275	-230
<b>Fee and commission expenses</b>	<b>-180</b>	<b>-201</b>	<b>-202</b>	<b>-799</b>	<b>-775</b>
<b>Net fee and commission income</b>	<b>618</b>	<b>525</b>	<b>463</b>	<b>2,156</b>	<b>1,693</b>

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

EURm	Q4 2010	Q3 2010	Q4 2009	Jan-Dec 2010	Jan-Dec 2009
Shares/participations and other share-related instruments	1,151	617	588	2,394	1,762
Interest-bearing securities and other interest-related instruments	-495	709	445	2,051	2,537
Other financial instruments	-30	-86	-67	-230	-117
Foreign exchange gains/losses	-64	328	89	-20	329
Investment properties	43	41	18	161	117
Change in technical provisions <sup>1</sup> , Life insurance	-238	-967	-463	-2,423	-1,870
Change in collective bonus potential, Life insurance	113	-212	-282	-160	-865
Insurance risk income, Life insurance	79	80	76	312	297
Insurance risk expense, Life insurance	-55	-64	-53	-248	-244
<b>Total</b>	<b>504</b>	<b>446</b>	<b>351</b>	<b>1,837</b>	<b>1,946</b>

<sup>1</sup> Premium income amounts to EUR 482m for Q4, EUR 407m for Q3 2010 and EUR 1,733m for Jan-Dec 2010 (Q4 2009: EUR 440m, Jan-Dec 2009: EUR 1,667m).

**Note 5 General administrative expenses**

EURm	Q4 2010	Q3 2010	Q4 2009	Jan-Dec 2010	Jan-Dec 2009
Staff	-675	-721	-702	-2,784	-2,724
Information technology <sup>1</sup>	-185	-168	-157	-639	-593
Marketing and entertainment <sup>2</sup>	-51	-26	-42	-144	-105
Postage, transportation, telephone and office expenses <sup>2</sup>	-58	-51	-56	-227	-218
Rents, premises and real estate expenses	-106	-100	-88	-400	-367
Other <sup>2</sup>	-143	-91	-128	-452	-356
<b>Total</b>	<b>-1,218</b>	<b>-1,157</b>	<b>-1,173</b>	<b>-4,646</b>	<b>-4,363</b>

<sup>1</sup> Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc, but excluding IT expenses in the Life operations, were EUR -198m in Q4 2010, EUR -192m in Q3 2010 and EUR -759m for Jan-Dec 2010 (Q4 2009: EUR -174m, Jan-Dec 2009: EUR -686m).

<sup>2</sup> Comparative figures have been restated to reflect the new categories used 2010.



**Note 6 Net loan losses**

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
EURm	2010	2010	2009	2010	2009
<b>Loan losses divided by class</b>					
Loans to credit institutions	-1	1	-2	0	-14
Loans to the public	-156	-173	-314	-738	-1,337
- of which provisions	-324	-295	-376	-1,185	-1,448
- of which write-offs	-183	-118	-175	-535	-478
- of which allowances used for covering write-offs	122	87	105	378	277
- of which reversals	207	139	94	531	238
- of which recoveries	22	14	38	73	74
Off-balance sheet items	-9	-35	-31	-141	-135
<b>Total</b>	<b>-166</b>	<b>-207</b>	<b>-347</b>	<b>-879</b>	<b>-1,486</b>

**Key ratios**

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
	2010	2010	2009	2010	2009
Loan loss ratio, basis points <sup>1</sup>	23	29	52	31	56
- of which individual	38	35	40	33	42
- of which collective	-15	-6	12	-2	14

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

**Note 7 Loans and their impairment**

	Total		
	31 Dec	30 Sep	31 Dec
EURm	2010	2010	2009 <sup>1</sup>
Loans, not impaired	327,684	331,086	298,949
Impaired loans	4,849	4,651	4,240
- Performing	2,838	2,570	2,372
- Non-performing	2,011	2,081	1,868
<b>Loans before allowances</b>	<b>332,533</b>	<b>335,737</b>	<b>303,189</b>
Allowances for individually assessed impaired loans	-1,752	-1,637	-1,385
- Performing	-969	-881	-733
- Non-performing	-783	-756	-652
Allowances for collectively assessed impaired loans	-782	-887	-838
<b>Allowances</b>	<b>-2,534</b>	<b>-2,524</b>	<b>-2,223</b>
<b>Loans, carrying amount</b>	<b>329,999</b>	<b>333,213</b>	<b>300,966</b>

	Credit institutions			The public		
	31 Dec	30 Sep	31 Dec	31 Dec	30 Sep	31 Dec
EURm	2010	2010	2009 <sup>1</sup>	2010	2010	2009 <sup>1</sup>
Loans, not impaired	15,791	19,235	18,558	311,893	311,851	280,391
Impaired loans	33	36	35	4,816	4,615	4,205
- Performing	4	4	4	2,834	2,566	2,368
- Non-performing	29	32	31	1,982	2,049	1,837
<b>Loans before allowances</b>	<b>15,824</b>	<b>19,271</b>	<b>18,593</b>	<b>316,709</b>	<b>316,466</b>	<b>284,596</b>
Allowances for individually assessed impaired loans	-33	-35	-35	-1,719	-1,602	-1,350
- Performing	-4	-4	-4	-965	-877	-729
- Non-performing	-29	-31	-31	-754	-725	-621
Allowances for collectively assessed impaired loans	-3	-3	-3	-779	-884	-835
<b>Allowances</b>	<b>-36</b>	<b>-38</b>	<b>-38</b>	<b>-2,498</b>	<b>-2,486</b>	<b>-2,185</b>
<b>Loans, carrying amount</b>	<b>15,788</b>	<b>19,233</b>	<b>18,555</b>	<b>314,211</b>	<b>313,980</b>	<b>282,411</b>

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

Note 7, continued

**Allowances and provisions**

	31 Dec 2010	30 Sep 2010	31 Dec 2009 <sup>1</sup>
EURm			
Allowances for items in the balance sheet	-2,534	-2,524	-2,223
Provisions for off balance sheet items	-331	-321	-236
<b>Total allowances and provisions</b>	<b>-2,865</b>	<b>-2,845</b>	<b>-2,459</b>

**Key ratios**

	31 Dec 2010	30 Sep 2010	31 Dec 2009 <sup>1</sup>
Impairment rate, gross <sup>2</sup> , basis points	146	139	140
Impairment rate, net <sup>3</sup> , basis points	93	90	94
Total allowance rate <sup>4</sup> , basis points	76	75	73
Allowances in relation to impaired loans <sup>5</sup> , %	36	35	33
Total allowances in relation to impaired loans <sup>6</sup> , %	52	54	52
Non-performing, not impaired <sup>7</sup> , EURm	316	292	296

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

	Loans and receivables	Held to maturity	Held for trading	Fair value option	Derivatives used for hedging	Available for sale	Total
EURm							
<b>Financial assets</b>							
Cash and balances with central banks	10,023	-	-	-	-	-	10,023
Treasury bills	-	638	9,776	2,698	-	-	13,112
Loans to credit institutions	7,619	-	7,413	756	-	-	15,788
Loans to the public	251,090	-	17,256	45,865	-	-	314,211
Interest-bearing securities	-	15,417	28,536	19,425	-	5,759	69,137
Financial instruments pledged as collateral	-	-	9,494	-	-	-	9,494
Shares	-	-	3,976	13,311	-	6	17,293
Derivatives	-	-	96,099	-	726	-	96,825
Fair value changes of the hedged items in portfolio							
hedge of interest rate risk	1,127	-	-	-	-	-	1,127
Other assets	19,208	-	55	3,573	-	-	22,836
Prepaid expenses and accrued income	2,086	-	8	41	-	-	2,135
<b>Total 31 Dec 2010</b>	<b>291,153</b>	<b>16,055</b>	<b>172,613</b>	<b>85,669</b>	<b>726</b>	<b>5,765</b>	<b>571,981</b>
Total 31 Dec 2009	261,598	17,953	146,715	72,639	390	11	499,306

	Held for trading	Fair value option	Derivatives used for hedging	Other financial liabilities	Total
EURm					
<b>Financial liabilities</b>					
Deposits by credit institutions	11,827	7,545	-	21,364	40,736
Deposits and borrowings from the public	12,180	6,064	-	158,146	176,390
Liabilities to policyholders, investment contracts	-	9,339	-	-	9,339
Debt securities in issue	5,907	30,963	-	114,708	151,578
Derivatives	95,226	-	661	-	95,887
Fair value changes of the hedged items in portfolio					
hedge of interest rate risk	-	-	-	898	898
Other liabilities	14,048	3,510	-	20,954	38,512
Accrued expenses and prepaid income	-	546	-	1,770	2,316
Subordinated liabilities	-	-	-	7,761	7,761
<b>Total 31 Dec 2010</b>	<b>139,188</b>	<b>57,967</b>	<b>661</b>	<b>325,601</b>	<b>523,417</b>
Total 31 Dec 2009	106,166	55,458	660	291,954	454,238

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

31 Dec 2010, EURm	Quoted prices in active markets for same instrument (Level 1)	Of which <i>Life</i>	Valuation technique using observable data (Level 2)	Of which <i>Life</i>	Valuation technique using non- observable data (Level 3)	Of which <i>Life</i>	Total
<b>Assets</b>							
Loans to credit institutions	-	-	8,169	-	-	-	8,169
Loans to the public	-	-	63,121	-	-	-	63,121
Debt securities <sup>1</sup>	54,916	17,502	18,404	2,835	1,848	1,787	75,168
Shares <sup>2</sup>	13,483	10,674	93	85	4,237	2,425	17,813
Derivatives	700	7	93,928	17	2,197	-	96,825
Other assets	-	-	3,628	-	-	-	3,628
Prepaid expenses and accrued income	-	-	49	-	-	-	49
<b>Liabilities</b>							
Deposits by credit institutions	-	-	19,372	-	-	-	19,372
Deposits and borrowings from the public	-	-	18,244	-	-	-	18,244
Liabilities to policy holders	-	-	9,339	9,339	-	-	9,339
Debt securities in issue	30,963	-	5,907	-	-	-	36,870
Derivatives	421	2	93,204	15	2,262	-	95,887
Other liabilities	7,501	-	10,057	-	-	-	17,558
Accrued expenses and prepaid income	-	-	546	-	-	-	546

<sup>1</sup> Of which EUR 12,474m Treasury bills and EUR 53,720m Interest-bearing securities (the portion held at fair value in Note 8). EUR 8,974m relates to the balance sheet item Financial instruments pledged as collateral.

<sup>2</sup> EUR 520m relates to the balance sheet item Financial instruments pledged as collateral.

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

Nominals EURm	Bought protection	Of which <i>Life</i>	Sold protection	Of which <i>Life</i>
CDOs, gross	1,535	-	2,999	755
Hedged exposures	1,322	-	1,322	-
<b>CDOs, net<sup>2</sup></b>	<b>213<sup>3</sup></b>	<b>-</b>	<b>1,677<sup>4</sup></b>	<b>755</b>
<i>Of which:</i>				
- <i>Equity</i>	108	-	406	154
- <i>Mezzanine</i>	104	-	459	331
- <i>Senior</i>	1	-	812	270

<sup>1</sup> First-To-Default (FTD) swaps are not classified as CDOs and are therefore not included in the table. Net bought protection amounts to EUR 71m and net sold protection to EUR 80m. Both bought and sold protection are, to the predominant part, investment grade.

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

<sup>3</sup> Of which investment grade EUR 209m and sub investment grade EUR 4m.

<sup>4</sup> Of which investment grade EUR 1,497m, sub investment grade EUR 22m and not rated EUR 158m.

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

CDSs (derivatives) are used for hedging exposure in CDOs as well as Credit Bonds. The net position from bought protection amounts to EUR 2,229m and the net position from sold protection amounts to EUR 1,492m.

**Note 10 Derivatives**

<b>Fair value</b> EURm	31 Dec 2010		31 Dec 2009	
	Assets	Liabilities	Assets	Liabilities
<b>Derivatives held for trading</b>				
Interest rate derivatives	79,683	77,810	61,053	59,413
Equity derivatives	779	804	914	1,074
Foreign exchange derivatives	13,170	13,855	10,953	9,761
Credit derivatives	908	929	1,224	1,238
Commodity derivatives	1,534	1,525	815	740
Other derivatives	25	303	73	157
<b>Total</b>	<b>96,099</b>	<b>95,226</b>	<b>75,032</b>	<b>72,383</b>
<b>Derivatives used for hedging</b>				
Interest rate derivatives	461	422	267	278
Equity derivatives	0	1	1	2
Foreign exchange derivatives	265	238	122	380
<b>Total</b>	<b>726</b>	<b>661</b>	<b>390</b>	<b>660</b>
<b>Total fair value</b>				
Interest rate derivatives	80,144	78,232	61,320	59,691
Equity derivatives	779	805	915	1,076
Foreign exchange derivatives	13,435	14,093	11,075	10,141
Credit derivatives	908	929	1,224	1,238
Commodity derivatives	1,534	1,525	815	740
Other derivatives	25	303	73	157
<b>Total</b>	<b>96,825</b>	<b>95,887</b>	<b>75,422</b>	<b>73,043</b>
<b>Nominal amount</b>				
EURm			31 Dec 2010	31 Dec 2009
<b>Derivatives held for trading</b>				
Interest rate derivatives			4,761,179	3,587,802
Equity derivatives			22,003	19,866
Foreign exchange derivatives			860,298	716,414
Credit derivatives			51,224	78,669
Commodity derivatives			15,823	11,125
Other derivatives			2,904	5,822
<b>Total</b>			<b>5,713,431</b>	<b>4,419,698</b>
<b>Derivatives used for hedging</b>				
Interest rate derivatives			29,643	22,286
Equity derivatives			9	34
Foreign exchange derivatives			4,526	5,253
<b>Total</b>			<b>34,178</b>	<b>27,573</b>
<b>Total nominal amount</b>				
Interest rate derivatives			4,790,822	3,610,088
Equity derivatives			22,012	19,900
Foreign exchange derivatives			864,824	721,667
Credit derivatives <sup>1</sup>			51,224	78,669
Commodity derivatives			15,823	11,125
Other derivatives			2,904	5,822
<b>Total</b>			<b>5,747,609</b>	<b>4,447,271</b>

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

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

	31 Dec 2010	31 Dec 2009
EURm		
Core Tier 1 capital	19,103	17,766
Tier 1 capital	21,049	19,577
Total capital base	24,734	22,926

**Capital requirement**

	31 Dec 2010 Capital requirement	31 Dec 2010 RWA	31 Dec 2009 Capital requirement	31 Dec 2009 RWA
EURm				
<b>Credit risk</b>	<b>13,173</b>	<b>164,662</b>	<b>12,250</b>	<b>153,123</b>
IRB	10,028	125,346	9,655	120,692
- of which corporate	7,204	90,047	7,060	88,249
- of which institutions	722	9,021	821	10,262
- of which retail	1,964	24,556	1,673	20,912
- of which other	138	1,722	101	1,269
Standardised	3,145	39,316	2,595	32,431
- of which sovereign	35	434	70	871
- of which retail	781	9,760	711	8,887
- of which other	2,329	29,122	1,814	22,673
<b>Market risk</b>	<b>461</b>	<b>5,765</b>	<b>431</b>	<b>5,386</b>
- of which trading book, VaR	105	1,317	107	1,335
- of which trading book, non-VaR	278	3,469	267	3,341
- of which FX, non-VaR	78	979	57	710
<b>Operational risk</b>	<b>1,176</b>	<b>14,704</b>	<b>1,057</b>	<b>13,215</b>
Standardised	1,176	14,704	1,057	13,215
<b>Sub total</b>	<b>14,810</b>	<b>185,131</b>	<b>13,738</b>	<b>171,724</b>
<b>Adjustment for transition rules</b>				
Additional capital requirement according to transition rules	2,370	29,629	1,611	20,134
<b>Total</b>	<b>17,180</b>	<b>214,760</b>	<b>15,349</b>	<b>191,858</b>

**Capital ratio**

	31 Dec 2010	31 Dec 2009
Core Tier I ratio, %, incl profit	8.9	9.3
Tier I ratio, %, incl profit	9.8	10.2
Capital ratio, %, incl profit	11.5	11.9

**Analysis of capital requirements**

Exposure class, 31 Dec 2010	Average risk weight (%)	Capital requirement (EURm)
Corporate	57%	7,204
Institutions	17%	722
Retail IRB	17%	1,964
Sovereign	1%	35
Other	66%	3,248
<b>Total credit risk</b>		<b>13,173</b>

**Note 12 Risks and uncertainties**

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

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

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

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.

## 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 "Accounting for Legal Entities" issued by the Swedish Financial Reporting Board and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11). Under RFR 2, the parent company shall apply all standards and interpretations issued by the IASB and IFRIC to the extent possible within the framework of Swedish accounting legislation and considering the close tie between financial reporting and taxation. The recommendation sets out the exceptions and amendments to IFRS that shall be made.

### Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2009 Annual Report, except for the classification of lending commissions and pension

expenses in the income statement, which were changed in the first quarter. More information on the classification of lending commissions can be found in Note 1 for the Group, while more information on the classification of pension expenses follows below.

### Classification of pension expenses

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

EURm	2010		2009	
	Re-stated	Pre policy change	Re-stated	Re-ported
Staff costs	-745	-669	-644	-595
Appropriations	0	-76	-3	-52

### Income statement

EURm	Q4 2010	Q4 2009	Jan-Dec 2010	Jan-Dec 2009
<b>Operating income</b>				
Interest income	502	360	1,641	1,793
Interest expense	-348	-187	-1,057	-1,127
Net interest income	154	173	584	666
Fee and commission income	195	160	735	614
Fee and commission expense	-45	-44	-164	-158
Net fee and commission income	150	116	571	456
Net result from items at fair value	62	-11	157	152
Dividends	1,903	673	2,203	973
Other operating income	35	33	123	123
<b>Total operating income</b>	<b>2,304</b>	<b>984</b>	<b>3,638</b>	<b>2,370</b>
<b>Operating expenses</b>				
General administrative expenses:				
Staff costs	-193	-177	-745	-644
Other expenses	-161	-129	-526	-443
Depreciation, amortisation and impairment charges of tangible and intangible assets	-30	-28	-112	-106
<b>Total operating expenses</b>	<b>-384</b>	<b>-334</b>	<b>-1,383</b>	<b>-1,193</b>
<b>Profit before loan losses</b>	<b>1,920</b>	<b>650</b>	<b>2,255</b>	<b>1,177</b>
Net loan losses	-19	-28	-33	-165
Impairment of securities held as financial non-current assets	-	-	-105	-
<b>Operating profit</b>	<b>1,901</b>	<b>622</b>	<b>2,117</b>	<b>1,012</b>
Appropriations	0	-4	0	-3
Income tax expense	-87	0	-115	-24
<b>Net profit for the period</b>	<b>1,814</b>	<b>618</b>	<b>2,002</b>	<b>985</b>

## Nordea Bank AB (publ)

## Balance sheet

EURm	31 Dec 2010	31 Dec 2009
<b>Assets</b>		
Cash and balances with central banks	182	208
Treasury bills	4,858	3,656
Loans to credit institutions	48,151	43,501
Loans to the public	33,800	28,860
Interest-bearing securities	15,848	17,019
Financial instruments pledged as collateral	6,160	2,276
Shares	320	682
Derivatives	2,611	2,421
Fair value changes of the hedged items in portfolio hedge of interest rate risk	795	332
Investments in group undertakings	16,607	16,165
Investments in associated undertakings	4	2
Intangible assets	671	701
Property and equipment	77	79
Deferred tax assets	8	20
Current tax assets	1	0
Other assets	2,620	1,610
Prepaid expenses and accrued income	1,009	794
<b>Total assets</b>	<b>133,722</b>	<b>118,326</b>
<b>Liabilities</b>		
Deposits by credit institutions	28,644	30,187
Deposits and borrowings from the public	39,620	34,617
Debt securities in issue	33,424	22,119
Derivatives	2,174	2,173
Fair value changes of the hedged items in portfolio hedge of interest rate risk	749	285
Current tax liabilities	110	34
Other liabilities	4,458	6,190
Accrued expenses and prepaid income	721	453
Deferred tax liabilities	0	0
Provisions	35	30
Retirement benefit obligations	149	128
Subordinated liabilities	7,135	6,605
<b>Total liabilities</b>	<b>117,219</b>	<b>102,821</b>
<b>Untaxed reserves</b>	<b>6</b>	<b>5</b>
<b>Equity</b>		
Share capital	4,043	4,037
Share premium reserve	1,065	1,065
Other reserves	0	-1
Retained earnings	11,389	10,399
<b>Total equity</b>	<b>16,497</b>	<b>15,500</b>
<b>Total liabilities and equity</b>	<b>133,722</b>	<b>118,326</b>
Assets pledged as security for own liabilities	6,843	2,564
Other assets pledged	7,259	6,963
Contingent liabilities	23,903	18,503
Credit commitments <sup>1</sup>	29,485	27,667
Other commitments	1,453	793

<sup>1</sup> Including unutilised portion of approved overdraft facilities of EUR 13,972m (31 Dec 2009: 10,095m).



**For further information:**

- A press and analyst conference with management will be arranged on 2 February 2011 at 09.30 CET, at Smålandsgatan 17, Stockholm.
- An international telephone conference for analysts with management will be arranged on 2 February at 16.00 CET. (Please dial +44 (0) 20 7138 0826, confirmation code 4204919#, latest ten minutes in advance.) The telephone conference can be monitored live on [www.nordea.com](http://www.nordea.com). An indexed on-demand version will also be available on [www.nordea.com](http://www.nordea.com). A replay will also be available through 8 February, by dialling +44 (0) 20 7111 1244, access code 4204919#.
- An analyst and investor presentation will be arranged in London on 3 February at 8.00 GMT at CA Cheuvreux, 120 London Wall, 12th Floor, Moor House, EC2Y 5ET London. To attend, please contact Emma Drury, CA Cheuvreux by e-mail [edrury@cheuvreux.com](mailto:edrury@cheuvreux.com), phone number +44 207 621 5145.
- This quarterly report is available on [www.nordea.com](http://www.nordea.com), as also an investor presentation and a fact book are.

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**Financial calendar**

24 March 2011 – Annual General Meeting  
28 April 2011 – first quarter report 2011  
19 July 2011 – second quarter report 2011  
19 October 2011 – third quarter report 2011

Stockholm 2 February 2011

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, (iii) change in the regulatory environment and other government actions and (iv) 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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