Nordea Press release

Copenhagen, Helsinki, Oslo, Stockholm, 19 October 2011

Third Quarter Report 2011

Robust customer business, but financial turmoil affects results

CEO Christian Clausen's comment to the report:
"Despite one of the worst quarters in the financial markets ever, Nordea's development is robust. Excluding short-term effects from the financial turmoil, income grew from previous quarter. Costs decreased, adjusted for the restructuring provision. Thus, effects from the turmoil on operating results are limited.

Customer business volumes continue to grow with income and profit at high levels. The result for the first nine months is up 5% from last year, excluding the restructuring provision.

Nordea will continue with a more focused relationship strategy in order to improve profitability. In line with the ambition to remain in the top league of European banks, Nordea has replaced the previous financial targets with one: an ROE of 15% in a normalised macroeconomic environment."

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

January-September 2011 vs Jan-Sep 2010 (third quarter 2011 vs second quarter 2011):

- Total operating income up 2% (down 11%)
- Operating profit up 5% excluding restructuring costs (down 22%)
- Core tier 1 capital ratio 11.0% excluding transition rules, up from 10.4% one year ago (unchanged from 11.0% in the second quarter 2011)
- Return on equity 10.6%, excluding restructuring costs of EUR 171m, down from 11.0% first nine months 2010 (8.5% in third quarter 2011, down from 11.5% second quarter)
- New financial target adopted for the coming years: to reach an ROE of 15% in a normalised macroeconomic environment

Summary key figures, EURm	Q3 2011	Q2 2011	Ch. %	Q3 2010	Ch. %	Jan-Sep 2011	Jan-Sep 2010	Ch. %
Net interest income	1,379	1,326	4	1,310	5	4,029	3,794	6
Total operating income	2,091	2,342	-11	2,363	-12	6,943	6,827	2
Profit before loan losses	678	1,067	-36	1,167	-42	2,990	3,281	-9
Net loan losses	-112	-118	-5	-207	-46	-472	-713	-34
Loan loss ratio (ann.), bps	14	15		29		20	34	
Operating profit	566	949	-40	960	-41	2,518	2,568	-2
Operating profit, adjusted	737*		-22			2,689*		5
Risk-adjusted profit	485	643	-25	707	-31	1,899	1,901	0
Diluted EPS, EUR	0.10	0.18		0.18		0.46	0.47	
Return on equity, %	6.5	11.5		12.2		10.0	11.0	
Return on equity, adjusted, %	8.5*					10.6*		

* Excluding restructuring provision in the third quarter of EUR 171m.
Currency rates used for DKK, NOK and SEK for 2011 are for income statement items 7.45, 7.81 and 9.01 respectively.

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CEO comment

It has been one of Europe's most dramatic and problematic quarters in the history of the euro. Nordea's results are affected by the turmoil, but are in parallel strongly supported by a solid customer business development with income at high levels. The adaptation to the New Normal progresses according to plan, with increased capital efficiency, underlying cost decrease and a reduction in the number of employees. A new financial target is established in line with our ambition to be among the top-league European banks: to reach an ROE of 15% in a normalised macroeconomic environment.

The intensified focus on sovereign debt, turbulent markets, lower than expected interest rates and reduced confidence in the future among households and companies affected European banks in the quarter.

The market turmoil had a negative impact on the result, despite no direct exposure to the PIIGS countries. The most important effects were increased credit spreads and volatility in the interest rate markets, lower interest rates and weak equity markets affecting our holdings and an accrual of the income to a fee reservation account in Life and Pensions in Denmark.

However, Nordea's customer-related business developed well. A continued increase in the number of household and corporate customers, and more business with each customer, led to high net interest income and increased business volumes. Excluding the short-term effects from the turmoil, income grew in the third quarter.

The negative impact from the market turmoil was further offset by a positive underlying cost development. Adjusting for the EUR 171m provision for restructuring costs to adapt to the New Normal, our total operating expenses decreased by more than EUR 30m. Staff costs were largely unchanged.

Excluding the provision, net profit was down compared to the second quarter. Seen over a longer period, the results of the first nine months in 2011 held up well compared to 2010, even with the restructuring provision included. Despite the turmoil, ROE is above 10% excluding the provision.

Our relationship strategy in the New Normal

Nordea will continue with a more focused relationship strategy. By striving for great customer experiences, we deepen our relationship with each customer and increase business volumes and income. In each phase of the financial crisis, we have proactively adjusted the direction to ensure our ability to reach increasing customer satisfaction, continuous income increase and stable profitability despite the crisis.

The response to the global financial and sovereign debt crises from regulators, the business community and most banks has been to take action to prevent it from happening again. The banks must take on an important role in the future economic structure, with an emphasised role as buffer for future disturbances and bubbles in the economy.

New regulatory requirements on capital, liquidity and funding are the key elements in ensuring that role. But they also imply a cost. Nordea's annual funding cost has for example increased by approximately EUR 400m compared to pre-crisis levels of 2007. The impact on the cost of operating banks will grow further which will be reflected in business models and other changes in the global banking market for years to come.

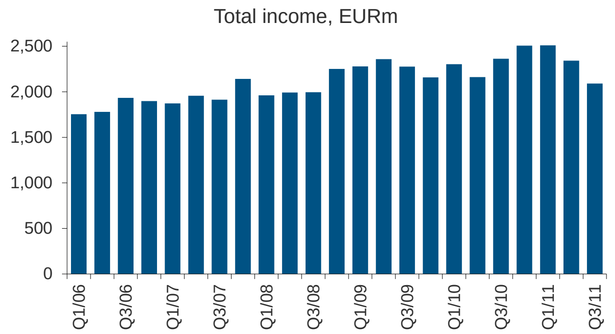
Nordea is again taking proactive measures to ensure execution of our relationship strategy. We have increased our capitalisation, we have prolonged our funding and increased our liquidity to sustainable levels. We are increasing our capital efficiency and we will ensure a largely flat cost development. The processes to reduce the number of employees progress according to plan. In parallel, we continue to develop our relationship and advice concept for both household and corporate customers.

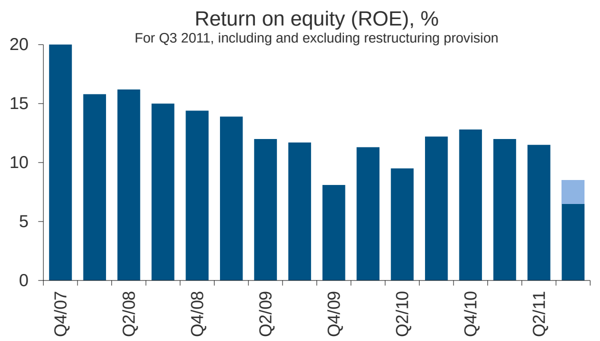
Nordea has also decided to replace its previous financial targets with one, reflecting our ambition to stay in the top league of European banks: to reach an ROE of 15% in a normalised macroeconomic environment. We anticipate that the measures we now take together with continued focus on efficiency will increase our ROE substantially over the coming two years.

The reorganisation announced in the spring is now fully operational. This quarterly report is structured around our new business areas, which clarifies their responsibility and accountability for the results.

All measures we take in this phase of our relationship strategy have only one purpose: to ensure long-term great customer experiences also under the new requirements. By taking swift action to increase efficiency, we aim at ensuring our capacity to continue increase business volumes and ROE. We will safeguard a continued high rating and thus strong liquidity and funding position since it is vital to ensure the right products and services at the right price to each customer.

Christian Clausen
President and Group CEO





Income statement[1]

EURm	**Q3 2011**	Q2 2011	Change %	Q3 2010	Change %	**Jan-Sep 2011**	Jan-Sep 2010	Change %
Net interest income	**1,379**	1,326	4	1,310	5	**4,029**	3,794	6
Net fee and commission income	**582**	623	-7	525	11	**1,807**	1,538	17
Net result from items at fair value	**111**	356	-69	446	-75	**1,011**	1,333	-24
Equity method	**-4**	13	-131	29	-114	**27**	61	-56
Other operating income	**23**	24	-4	53	-57	**69**	101	-32
Total operating income	**2,091**	**2,342**	**-11**	**2,363**	**-12**	**6,943**	**6,827**	**2**
Staff costs	**-887**	-744	19	-721	23	**-2,399**	-2,109	14
Other expenses	**-474**	-485	-2	-436	9	**-1,412**	-1,319	7
Depreciation of tangible and intangible assets	**-52**	-46	13	-39	33	**-142**	-118	20
Total operating expenses	**-1,413**	**-1,275**	**11**	**-1,196**	**18**	**-3,953**	**-3,546**	**11**
Profit before loan losses	**678**	**1,067**	**-36**	**1,167**	**-42**	**2,990**	**3,281**	**-9**
Net loan losses	**-112**	-118	-5	-207	-46	**-472**	-713	-34
Operating profit	**566**	**949**	**-40**	**960**	**-41**	**2,518**	**2,568**	**-2**
Income tax expense	**-160**	-249	-36	-249	-36	**-670**	-675	-1
Net profit for the period	**406**	**700**	**-42**	**711**	**-43**	**1,848**	**1,893**	**-2**

Business volumes, key items[1]

EURbn	**30 Sep 2011**	30 Jun 2011	Change %	30 Sep 2010	Change %
Loans to the public	**332.5**	325.0[2]	2	314.0	6
Deposits and borrowings from the public	**185.3**	180.9[2]	2	165.8	12
of which savings deposits	**54.8**	54.2	1	50.3	9
Assets under management	**177.9**	191.1	-7	180.2	-1
Equity	**25.1**	24.8	1	23.6	6
Total assets	**671.0**	573.9[2]	17	600.7	12

Ratios and key figures

	Q3 2011	Q2 2011	Q3 2010	**Jan-Sep 2011**	Jan-Sep 2010
Diluted earnings per share, EUR	**0.10**	0.18	0.18	**0.46**	0.47
EPS, rolling 12 months up to period end, EUR	**0.65**	0.73	0.58	**0.65**	0.58
Share price[3], EUR	**6.07**	7.41	7.68	**6.07**	7.68
Total shareholders' return, %	**-17.4**	-1.6	8.2	**-20.2**	-0.5
Equity per share[3], EUR	**6.20**	6.13	5.85	**6.20**	5.85
Potential shares outstanding[3], million	**4,047**	4,047	4,043	**4,047**	4,043
Weighted average number of diluted shares, million	**4,026**	4,027	4,024	**4,026**	4,021
Return on equity, %	**6.5**	11.5	12.2	**10.0**	11.0
Cost/income ratio, %	**68**	54	51	**57**	52
Core Tier 1 capital ratio, excl transition rules[3] %	**11.0**	11.0	10.4	**11.0**	10.4
Tier 1 capital ratio, excl transition rules[3] %	**12.1**	12.1	11.5	**12.1**	11.5
Total capital ratio, excl transition rules[3] %	**13.5**	13.8	13.5	**13.5**	13.5
Core Tier 1 capital ratio[3] %	**9.2**	9.3	9.1	**9.2**	9.1
Tier 1 capital ratio[3,4] %	**10.0**	10.2	10.1	**10.0**	10.1
Total capital ratio[3,4] %	**11.2**	11.7	11.9	**11.2**	11.9
Tier 1 capital[3,4] EURm	**22,098**	21,745	20,861	**22,098**	20,861
Risk-weighted assets incl transition rules[3], EURbn	**220**	213	207	**220**	207
Loan loss ratio, basis points	**14**	15	29	**20**	34
Number of employees (full-time equivalents)[3]	**33,844**	34,169	33,683	**33,844**	33,683
Risk-adjusted profit, EURm	**485**	643	707	**1,899**	1,901
Economic profit, EURm	**94**	253	281	**725**	636
Economic capital[3], EURbn	**17.5**	17.3	17.9	**17.5**	17.9
EPS, risk-adjusted, EUR	**0.12**	0.16	0.18	**0.47**	0.47
RAROCAR, %	**11.1**	14.9	15.8	**14.5**	14.5

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

[2] Restated for Q2 2011, see Note 1 for further information.

[3] End of period.

[4] Including the result for the first nine months. According to Swedish FSA rules (excluding the unaudited result for Q3): Tier 1 capital EUR 21,855m (30 Sep 2010: EUR 20,976m), capital base EUR 24,449m (30 Sep 2010: EUR 24,452m), Tier 1 capital ratio 9.9% (30 Sep 2010: 10.1%), total capital ratio 11.1% (30 Sep: 11.8%).

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Macroeconomic and financial market development

The turbulence in the financial markets continued in the third quarter with the intensified debt crisis in Greece, uncertain development in other PIIGS countries and downward revisions of the macroeconomic outlook.

Macroeconomic development

Economic growth has slowed down in the US, Europe and also in emerging markets in Asia. The outlook for the Nordic economies has been revised downwards.

Growth in Sweden and Norway continues to be solid this year, but is expected to be considerably slower next year. Growth in Finland is also solid while growth in Denmark is fragile as GDP decreased at the end of 2010 and in the beginning of 2011. However, both of these countries are facing fiscal policy tightening, but their public finances are in significantly better shape than for example the average for the euro area. The likelihood of further interest rate hikes in the Nordic economies has decreased considerably during the third quarter.

Financial market development

Financial market development in the third quarter was strongly influenced by the financial and political developments in both Europe and the US. The financial markets were characterised by extreme conditions not seen since the default of Lehman Brothers in 2008 and the emergence of the European sovereign crisis in 2010.

The crisis around PIIGS sovereign issuers came back to the forefront over summer as Greece needed another support package and government bond rates in Italy and Spain increased. European politicians launched a new European stability fund that will allow for support of euro-zone countries and their bond markets.

In the US, Congress did not extend the debt ceiling until the last minute. Later, Standard & Poor’s downgraded the US from AAA for the first time in history. Together with the downward growth revisions for the US, this added to the uncertainty in the financial markets and caused pressure on risky assets.

Towards the end of the quarter, central banks attempted to support markets and the liquidity in banks. Interest rate hikes stopped and the ECB reintroduced long-dated repo facilities and will also provide unlimited USD funding over year-end. There was a strong move towards low-risk assets, such as CHF and German government bonds and also towards other currencies such as NOK.

The extreme volatility in both the foreign exchange and fixed income market, was accompanied by market discontinuities and very low liquidity. This combination rendered risk management highly challenging.

Group result and development

Third quarter 2011

Income

Total income decreased 11% from the previous quarter to EUR 2,091m.

Net interest income

Net interest income increased compared to the previous quarter to EUR 1,379m. Net interest income increased in business areas, mainly due to the positive trend in lending as well as an additional banking day in the third quarter. Net interest income in Group Corporate Centre increased in the third quarter, mainly due to maturing long-term funding refinanced at lower market interest rates.

Corporate lending

Corporate lending volumes, excluding reverse repurchase agreements, were up 1% in the third quarter in local currencies. Average margins were up in the lending book in the quarter, mainly in Corporate Merchant Banking.

Household lending

Household mortgage lending volumes increased 2% in local currencies compared to the previous quarter. Total household mortgage lending margins increased, mainly in Sweden and Norway.

Corporate and household deposits

Total deposits from the public increased to EUR 185bn, up 1% in local currencies excluding repurchase agreements. Average household and corporate deposit margins were up in the quarter.

Group Corporate Centre

Net interest income increased to EUR 105m compared to EUR 76m in the previous quarter, partly due to maturing long-term funding refinanced at lower market rates.

Net fee and commission income

Net fee and commission income decreased 7% to EUR 582m. Decreases were mainly seen in savings-related commissions and other commission income. Commission expenses related to stability funds were EUR 12m, related only to Sweden, down somewhat from previous quarter.

Savings and asset management commissions

Savings-related commissions decreased 8% in the third quarter to EUR 329m, due to lower asset management commissions, brokerage and custody fees. Assets under Management (AuM) fell 7% to EUR 178bn.

Payment and lending-related commissions

Payment commissions increased 4% to EUR 223m, due to higher income from cards. Lending-related commissions were unchanged at EUR 160m.

Net result from items at fair value
Net result from items at fair value decreased 69% from the previous quarter to EUR 111m. Result from customer-driven business was largely unchanged, while the total result was negatively affected by increased volatility and increased spreads in the fixed-income market, lower interest rates and weak equity markets affecting our holdings and fee accrual to a fee reservation account in the Life insurance operations.

Capital Markets income in customer business
The customer-driven capital markets activities continued to perform well, with a net fair value result from these areas of EUR 242m, largely unchanged compared to the previous quarter (EUR 254m).

Capital Markets unallocated income
The net fair value result in Capital Markets unallocated income, ie income from managing the risk inherent in customer transactions, decreased to EUR -58m compared to EUR 59m in the previous quarter.

Group Corporate Centre
The net fair value result in Group Treasury decreased to EUR -86m compared to EUR 3m in the previous quarter, mainly related to equity holdings, of which the indirect holding in Pandora accounted for EUR -36m.

Life & Pensions
Net result from items at fair value in Life decreased 71% to EUR 15m, as fees are not being fully recognised for this year in the traditional life insurance operations in Denmark and the fees have been accrued to a fee reservation account. The financial buffers were 4.4% of technical provisions, or EUR 1.1bn, at the end of the third quarter, a decrease of 3.4 %-point compared to the second quarter.

Equity method
Income from companies accounted for under the Equity method was EUR -4m, compared to EUR 13m in the previous quarter. Income related to the holding in the government export agency Eksportfinans was EUR -7m (EUR 7m).

Other operating income
Other operating income was EUR 23m compared to EUR 24m in the previous quarter.

Expenses
Total expenses decreased 3% compared to the previous quarter to EUR 1,242m, excluding restructuring costs in connection to the implementation of the New Normal plan of EUR 171m. Staff costs decreased 1% to EUR 739m, excluding restructuring costs and other expenses decreased 6% to EUR 455m, excluding restructuring costs. The decreases were due to seasonality effects and measures for containing cost growth.

The number of employees (FTEs) at the end of the third quarter decreased 1% compared to the end of the previous quarter. Compared to the third quarter last year, the number of employees (FTEs) increased somewhat.

The cost/income ratio was 59%, excluding restructuring costs, up from the previous quarter.

Provisions for performance-related salaries in the third quarter were EUR 49m, compared to EUR 45m in the previous quarter.

Reduction in number of employees
To reach the anticipated cost efficiency and profitability in the New Normal plan, Nordea plans to reduce the number of employees in 2011 and 2012 by around 2,000, of whom between 500 and 650 in Denmark, Finland and Sweden, respectively, and between 200 and 300 in Norway.

Restructuring costs for the cost efficiency measures are included in the third quarter under Group functions with EUR 171m, of which EUR 148m in staff costs and EUR 23m in other expenses and depreciation.

Net loan losses
Net loan loss provisions were EUR 112m, including a reversal of provisions for the Danish deposit guarantee system related to Amagerbanken of EUR 27m and a provision related to the collapse of Max Bank of EUR 15m. Excluding these deposit guarantee-related provisions, the loan loss ratio was 16 basis points (12 basis points in the previous quarter). Collective net loan losses were positive EUR 66m in the third quarter (positive by EUR 60m in the second quarter), as rating migration was positive. In the Baltic countries, the loan loss ratio was 15 basis points. Net loan losses in Shipping, Offshore & Oil Services were EUR 26m, corresponding to a loan loss ratio of 76 basis points.

Operating profit
Operating profit was down 22% from the previous quarter, excluding the restructuring costs.

Taxes
The effective tax rate was 28.3%, compared to 26.2% in the previous quarter and 25.9% in third quarter last year.

Net profit
Net profit decreased 24% compared to the previous quarter, excluding the restructuring costs, corresponding to a return on equity of 8.5%. Diluted earnings per share were EUR 0.10 (EUR 0.18 in the previous quarter).

Risk-adjusted profit
Risk-adjusted profit decreased to EUR 485m, down 25% from the previous quarter and down 31% compared to the third quarter last year.

January – September 2011

Income

The first nine months 2011 showed continued high total income, up 2% compared to the first nine months 2010. Net interest income increased 6% compared to the first nine months last year. Lending volumes increased 6% and deposit volumes 12%. Lending margins and deposit margins have increased from last year.

Net fee and commission income continued to increase strongly, up 17% compared to the first nine months 2010. Net result from items at fair value decreased by 24% compared to the same period last year. The customer-driven capital markets operations continued to be strong with increasing volumes, while results from Group Treasury and Capital Markets unallocated income decreased.

Income under the equity method was EUR 27m and other income was EUR 69m.

Expenses

Total expenses increased 11% compared to the same period last year. Staff costs increased 14%. In local currencies and excluding restructuring costs, total expenses as well as staff costs increased 4%.

Net loan losses

Net loan losses decreased 34% to EUR 472m, compared to the same period last year, corresponding to a loan loss ratio of 20 basis points (34 basis points).

Operating profit

Operating profit decreased 2% compared to the same period last year.

Taxes

The effective tax rate in the first nine months was 26.6%, compared to 26.3% last year.

Net profit

Net profit decreased 2% compared to the same period last year to EUR 1,848m.

Risk-adjusted profit

Risk-adjusted profit was unchanged compared to the same period last year to EUR 1,899m.

The effect from currency fluctuations contributed to an increase in income of 2 %-points and expenses of 2 %-points for the first nine months 2011 compared to the first nine months 2010.

Other information

New financial target

Nordea has decided to replace its previous financial targets with one: to reach a return on equity (ROE) of 15% in a normalised macroeconomic environment.

It is anticipated that the measures now taken together with continued focus on efficiency will increase ROE substantially over the coming two years.

Nordea will host a Capital Markets Day in London on 26 October where Group Executive Management will present the strategic direction, the financial target and the new business areas.

Credit portfolio

Total lending was EUR 333bn, up 2% compared to the previous quarter.

The credit quality in the loan portfolio remained good in the third quarter, with positive rating migration in the corporate loan portfolio. Improvements in credit quality resulted in a reduction of risk-weighted assets (RWA) of approx. EUR 1.9bn or 1.1%.

The impaired loans ratio decreased to 135 basis points of total loans, due to somewhat higher impaired loans and higher total loan volumes. Total impaired loans gross increased by 2% from the previous quarter. The provisioning ratio decreased somewhat to 48%, compared to 50% at the end of the second quarter.

Loan loss ratios and impaired loans

Basis points of loans	Q3 2011	Q2 11	Q1 11	Q4 2010	Q3 10
Loan loss ratio					
Group annualised	16[1]	12[1]	22[1]	23	29
of which individual	24	20	28	38	35
of which collective	-8	-8	-6	-15	-6
Loan loss ratio Retail Banking	20[1]	14[1]	17[1]	16	36
Impaired loans ratio gross, Group (bps)	135	140	146	146	139
- performing	58%	59%	58%	59%	55%
- non-performing	42%	41%	42%	41%	45%
Total allowance ratio, Group (bps)	65	71	74	76	75
Provisioning ratio, Group[2]	48%	50%	51%	52%	54%

[1] Loan loss ratio excluding the provisions related to the Danish deposit guarantee fund. Including these: 14, 15 and 31 bps respectively in the Group, 18, 18 and 30 bps respectively in Retail Banking.
[2] Total allowances in relation to gross impaired loans.

Market risk

Interest-bearing securities and treasury bills were EUR 100bn at the end of the third quarter, of which EUR 27bn in the life insurance operations and the remaining part in the liquidity buffer and trading portfolios. 30% of the portfolio comprises government or municipality bonds and 33% mortgage bonds, when excluding EUR 12bn of pledged securities.

Total Value at Risk (VaR) market risk decreased to EUR 46m in the third quarter compared to EUR 77m in the previous quarter. VaR decreased for all risk categories, but the decrease in interest rate risk was the main driver of the decreased total risk.

Market risk

EURm	Q3 2011	Q2 11	Q1 11	Q3 10
Total risk, VaR	46	77	94	79
Interest rate risk, VaR	48	97	107	104
Equity risk, VaR	2	15	10	25
Foreign exchange risk, VaR	6	13	8	21
Credit spread risk, VaR	15	18	26	40
Diversification effect	35%	46%	38%	59%

Balance sheet

Total assets in the balance sheet increased 17% compared to at the end of the previous quarter to EUR 671bn. The increase relates mainly to higher market value for derivatives. The effect on credit risk is however considerably less, as the risks in these underlying transactions are controlled through collateral, netting agreements and other mitigating measures.

Capital position and risk-weighted assets

The Group’s core tier 1 capital ratio, excluding transition rules, was 11.0% at the end of the third quarter and remained on the same level as previous quarter. Largely stable capital ratios have been achieved as the increase in risk-weighted assets (RWA) has been met by the generated profit. The increase in RWA was driven by higher market values for derivatives as well as increased corporate exposures. This was partly offset by continued improvement in corporate credit quality and RWA optimisation activities. The total impact from improved credit quality affected RWA with a reduction by 1.1%.

RWA were EUR 183.0bn excluding transition rules, up EUR 3.1bn or 1.7% compared to the previous quarter and up 0.7% compared to the third quarter 2010, when RWA were EUR 181.7bn.

The core tier 1 ratio excluding transition rules under Basel II was 11.0%. The capital base of EUR 24.7bn exceeds the capital requirements including transition rules by EUR 7.1bn and excluding transition rules by EUR 10.1bn. The tier 1 capital of EUR 22.1bn exceeds the Pillar 1 capital requirements (excluding transitions rules) by EUR 7.5bn.

Capital ratios

%	Q3 2011	Q2 11	Q1 11	Q3 10
Excluding transition rules:				
Core tier 1 capital ratio	11.0	11.0	10.7	10.4
Tier 1 capital ratio	12.1	12.1	11.7	11.5
Total capital ratio	13.5	13.8	13.5	13.5
Including transition rules:				
Core tier 1 capital ratio	9.2	9.3	9.1	9.1
Tier 1 capital ratio	10.0	10.2	10.0	10.1
Total capital ratio	11.2	11.7	11.4	11.9

Nordea is preparing for the new regulatory standards that will increase the capital requirements. The impact of these changes will be moderate and are carefully monitored to support our customers and shareholders in the best possible way. Nordea is well prepared to meet the new Basel capital requirements.

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

Nordea’s funding and liquidity operations

The average funding cost for long-term funding was largely unchanged in the third quarter.

Nordea issued EUR 4.5bn of long-term funding in the third quarter of which approx. EUR 4.1bn represented issuance of Swedish, Norwegian and Finnish covered bonds in the domestic and international markets.

The portion of long-term funding of total funding was at the end of the third quarter approx. 64% (67% at the end of the previous quarter).

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

For short-term liquidity risks, Nordea maintains 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/CRD IV-liquid assets and amounted to EUR 62bn at the end of the third quarter (EUR 58bn at the end of the second quarter).

Nordea share

During the third quarter, the share price of Nordea on the NASDAQ OMX Nordic Exchange depreciated from SEK 68.00 to SEK 56.20.

Quarterly development, Group

EURm	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Jan-Sep 2011	Jan-Sep 2010
Net interest income	1,379	1,326	1,324	1,365	1,310	4,029	3,794
Net fee and commission income	582	623	602	618	525	1,807	1,538
Net result from items at fair value	111	356	544	504	446	1,011	1,333
Equity method	-4	13	18	5	29	27	61
Other operating income	23	24	22	15	53	69	101
Total operating income	**2,091**	**2,342**	**2,510**	**2,507**	**2,363**	**6,943**	**6,827**
General administrative expenses:							
Staff costs	-887	-744	-768	-675	-721	-2,399	-2,109
Other expenses	-474	-485	-453	-543	-436	-1,412	-1,319
Depreciation of tangible and intangible assets	-52	-46	-44	-52	-39	-142	-118
Total operating expenses	**-1,413**	**-1,275**	**-1,265**	**-1,270**	**-1,196**	**-3,953**	**-3,546**
Profit before loan losses	**678**	**1,067**	**1,245**	**1,237**	**1,167**	**2,990**	**3,281**
Net loan losses	-112	-118	-242	-166	-207	-472	-713
Operating profit	**566**	**949**	**1,003**	**1,071**	**960**	**2,518**	**2,568**
Income tax expense	-160	-249	-261	-301	-249	-670	-675
Net profit for the period	**406**	**700**	**742**	**770**	**711**	**1,848**	**1,893**
Diluted earnings per share (DEPS), EUR	0.10	0.18	0.18	0.19	0.18	0.46	0.47
DEPS, rolling 12 months up to period end, EUR	0.65	0.73	0.68	0.66	0.58	0.65	0.58

Business areas

	Nordea Group																	
	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other and Eliminations			Nordea Group		
EURm	Q3 2011	Q2 2011	Chg	Q3 2011	Q2 2011	Chg	Q3 2011	Q2 2011	Chg	Q3 2011	Q2 2011	Chg	Q3 2011	Q2 2011	Chg	Q3 2011	Q2 2011	Chg
Net interest income	997	968	3%	336	324	4%	30	32	-6%	105	76	38%	-89	-74	20%	1,379	1,326	4%
Net fee and commission income	294	286	3%	133	156	-15%	194	223	-13%	-3	-3	0%	-36	-39	-8%	582	623	-7%
Net result from items at fair value	109	115	-5%	53	175	-70%	37	75	-51%	-86	3		-2	-12	-83%	111	356	-69%
Equity method	3	10	-70%	0	0		0	0		0	0		-7	3		-4	13	
Other income	7	9	-22%	-2	2		7	1		1	0		10	12	-17%	23	24	-4%
Total operating income	**1,410**	**1,388**	**2%**	**520**	**657**	-21%	**268**	**331**	-19%	**17**	**76**	-78%	**-124**	**-110**	**13%**	**2,091**	**2,342**	**-11%**
Staff costs	-343	-352	-3%	-168	-190	-12%	-110	-111	-1%	-17	-13	31%	-249	-78		-887	-744	19%
Other expenses	-407	-461	-12%	-32	-35	-9%	-69	-71	-3%	-32	-37	-14%	66	119	-45%	-474	-485	-2%
Depreciations	-19	-19	0%	-2	-2	0%	-3	-3	0%	0	0		-28	-22	27%	-52	-46	13%
Total operating expenses	**-769**	**-832**	**-8%**	**-202**	**-227**	**-11%**	**-182**	**-185**	-2%	**-49**	**-50**	-2%	**-211**	**19**		**-1,413**	**-1,275**	**11%**
Net loan losses	-99	-98	1%	-16	-14	14%	0	-3		0	0		3	-3		-112	-118	-5%
Operating profit	**542**	**458**	**18%**	**302**	**416**	**-27%**	**86**	**143**	**-40%**	**-32**	**26**		**-332**	**-94**		**566**	**949**	**-40%**
Cost/income ratio, %	55	60		39	35		68	56		288	66					68	54	
RAROCAR, %	18	15		14	19		15	27								11.1	14.9	
Economic capital (EC)	8,393	8,399	0%	6,037	6,068	-1%	1,586	1,564	1%	695	780	-11%				17.5	17.3	1%
Risk-weighted assets (RWA)	93,533	92,676	1%	75,691	73,963	2%	3,025	2,997	1%	5,591	4,498	24%				182,972	179,860	2%
Number of employees (FTEs)	19,856	20,108	-1%	6,370	6,472	-2%	3,666	3,670	0%	455	457	0%				33,844	34,169	-1%
Volumes, EURbn:																		
Lending to corporates	88.4	88.0	**0%**	90.7	86.5	**5%**							4.2	3.2		183.3	177.7	3%
Household mortgage lending	116.5	114.6	2%	0.2	0.2	11%	4.7	4.6	3%							121.5	119.4	2%
Consumer lending	24.7	24.5	1%	0.1	0.1	0%	3.0	3.2	-5%							27.8	27.8	0%
Total lending	**229.6**	**227.1**	**1%**	**91.0**	**86.8**	**5%**	**7.7**	**7.8**	**-1%**				**4.2**	**3.2**		**332.5**	**325.0**	**2%**
Corporate deposits	43.2	42.5	2%	57.2	58.0	**-1%**							4.0	-0.5		104.4	100.0	4%
Household deposits	71.1	71.0	0%	0.1	0.1	0%	9.8	9.8	0%							81.0	80.9	0%
Total deposits	**114.3**	**113.5**	**1%**	**57.3**	**58.1**	**-1%**	**9.8**	**9.8**	**0%**				**4.0**	**-0.5**		**185.3**	**180.9**	2%

	Nordea Group																	
	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other and Eliminations			Nordea Group		
EURm	Jan-Sep 2011	2010	Chg	Jan-Sep 2011	2010	Chg	Jan-Sep 2011	2010	Chg	Jan-Sep 2011	2010	Chg	Jan-Sep 2011	2010	Chg	Jan-Sep 2011	2010	Chg
Net interest income	2,878	2,476	16%	981	935	5%	91	67	36%	267	367	-27%	-188	-51		4,029	3,794	6%
Net fee and commission income	867	742	17%	418	336	24%	614	551	11%	-9	-6	50%	-83	-85	-2%	1,807	1,538	17%
Net result from items at fair value	322	315	2%	533	708	-25%	203	304	-33%	-17	-30	-43%	-30	36		1,011	1,333	-24%
Equity method	15	24	-38%	0	0		0	0		0	0		12	37	-68%	27	61	-56%
Other income	29	32	-9%	3	31	-90%	12	22	-45%	2	-1		23	17	35%	69	101	-32%
Total operating income	**4,111**	**3,589**	**15%**	**1,935**	**2,010**	**-4%**	**920**	**944**	**-3%**	**243**	**330**	**-26%**	**-266**	**-46**		**6,943**	**6,827**	**2%**
Staff costs	-1,043	-999	4%	-544	-507	7%	-341	-317	8%	-48	-52	-8%	-423	-234	81%	-2,399	-2,109	14%
Other expenses	-1,327	-1,255	6%	-100	-103	-3%	-204	-196	4%	-104	-86	21%	323	321	1%	-1,412	-1,319	7%
Depreciations	-56	-50	12%	-6	-4	50%	-9	-6	50%	0	0		-71	-58	22%	-142	-118	20%
Total operating expenses	**-2,426**	**-2,304**	**5%**	**-650**	**-614**	**6%**	**-554**	**-519**	**7%**	**-152**	**-138**	**10%**	**-171**	**29**		**-3,953**	**-3,546**	**11%**
Net loan losses	-360	-574	-37%	-98	-142	-31%	-8	-1		0	0		-6	4		-472	-713	-34%
Operating profit	**1,325**	**711**	**86%**	**1,187**	**1,254**	**-5%**	**358**	**424**	**-15%**	**91**	**192**	**-53%**	**-443**	**-13**		**2,518**	**2,568**	**-2%**
Cost/income ratio, %	59	64		34	31		60	55		63	42					57	52	
RAROCAR, %	15	10		19	19		69	82								14.5	14.5	
Economic capital (EC)	8,391	8,520	-2%	6,037	6,381	-5%	1,586	1,564	1%	695	703	-1%				17.5	17.9	-2%
Risk-weighted assets (RWA)	93,533			75,691			3,025			5,591						182,972		
Number of employees (FTEs)	19,856	20,113	-1%	6,370	6,294	1%	3,666	3,618	1%	455	447	2%				33,844	33,683	0%
Volumes, EURbn:																		
Lending to corporates	88.4	84.7	4%	90.7	84.9	**7%**							4.2	3.9		183.3	173.5	6%
Household mortgage lending	116.5	108.2	8%	0.2	0.2	**54%**	4.7	4.3	**10%**							121.5	112.7	8%
Consumer lending	24.7	24.5	1%	0.1	0.1	**0%**	3.0	3.2	**-5%**							27.8	27.8	0%
Total lending	**229.6**	**217.4**	**6%**	**91.0**	**85.2**	**7%**	**7.7**	**7.5**	**3%**				**4.2**	**3.9**		**332.5**	**314.0**	**6%**
Corporate deposits	43.2	42.1	**3%**	57.2	44.0	**30%**							4.0	3.4		104.4	89.5	**17%**
Household deposits	71.1	66.9	6%	0.1	0.1	6%	9.8	9.3	**5%**							81.0	76.3	6%
Total deposits	**114.3**	**109.0**	**5%**	**57.3**	**44.1**	**30%**	**9.8**	**9.3**	**5%**				**4.0**	**3.4**		**185.3**	**165.8**	**12%**

Retail Banking

The business area consists of the retail banking business in the Nordic region, Baltic countries and Poland and includes all parts of the value chain. More than 10 million customers are offered a wide range of products and are served by a total of 1,300 branches and contact centres and the on-line banking channels.

Business development

The number of Gold and Premium customers amounts to 3.05 million, an increase by 37,000 during the third quarter, equivalent to an annualised growth rate of 5%. Approx. 32,000 were new customers to Nordea.

Nordea's distribution-related initiatives are directly contributing to the Group's efforts in adapting the business to the New Normal environment. In addition to substantially improving efficiency in the branch network through the transformation to new formats, the distribution solutions through other channels are ready to service the customers and make banking more accessible while reducing the cost of services.

During the third quarter, 153 branches were transformed, and a total of 403 branch offices are now operating in the new format. The transformation of Nordea's branch network will continue throughout 2012, supported by further improvements of the other distribution channels while adjusting to the changes in customer behaviour. The usage of the mobile bank is continuously increasing; the number of visitors to the mobile bank in Sweden during September was more than tripled compared to the same period last year. Further improvement to the mobile banking solutions in Denmark was made during this quarter, including easier access and upgrades of smartphone apps, resulting in a substantial increase in number of logins to the mobile bank. Nordea's Norwegian customers have registered notable improvements in the Private Netbank – a user-friendly graphical view of their overall financials is now available and can be used for planning of their personal finances.

Result

Total income increased 2% compared to the previous quarter. Excluding the effects of exchange rates, lending volumes increased by 1.8%, driven by household lending, while the credit demand from corporate customers was subdued. Total deposits increased by 1.5% in local currencies driven both by corporate customers and households. Lending margins as well as deposit margins showed a slight increase.

Expenses were down 8% compared to the previous quarter, driven by lower number of FTEs and also by seasonality. Compared to the same period last year, expenses were unchanged.

Net loan losses were close to unchanged compared to the second quarter. The previous quarter included provisions to the Danish Deposit Guarantee Fund following the collapse of Fjordbank Mors and a reversal of the provision made in the first quarter for Amagerbanken. The third quarter included a provision related to Max Bank and an additional reversal of the provision for Amagerbanken, giving a positive net effect of EUR 12m. The loan loss ratio was 20 basis points excluding these provisions (14 basis points in the second quarter).

Retail Banking total

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	997	968	913	911	866	3%	15%
Net fee and commission income	294	286	287	284	262	3%	12%
Net result from items at fair value	109	115	98	103	99	-5%	10%
Equity method & other income	10	19	15	2	11	-47%	-9%
Total income incl. allocations	**1,410**	**1,388**	**1,313**	**1,300**	**1,238**	**2%**	**14%**
Staff costs	-343	-352	-348	-334	-339	-3%	1%
Total expenses incl. allocations	**-769**	**-832**	**-825**	**-819**	**-771**	**-8%**	**0%**
Profit before loan losses	**641**	**556**	**488**	**481**	**467**	**15%**	**37%**
Net loan losses	-99	-98	-163	-93	-176	1%	-44%
Operating profit	**542**	**458**	**325**	**388**	**291**	**18%**	**86%**
Cost/income ratio, %	55	60	63	63	62		
RAROCAR, %	18	15	13	12	11		
Economic capital (EC)	8,393	8,399	8,381	8,452	8,834	0%	-5%
Risk-weighted assets (RWA)	93,533	92,676	91,273	90,580		1%	
Number of employees (FTEs)	19,856	20,108	20,155	20,158	20,113	-1%	-1%
Volumes, EURbn:							
Lending to corporates	88.4	88.0	87.2	84.5	84.7	0%	4%
Household mortgage lending	116.5	114.6	112.6	111.5	108.2	2%	8%
Consumer lending	24.7	24.5	24.5	25.0	24.5	1%	1%
Total lending	**229.6**	**227.1**	**224.3**	**221.0**	**217.4**	**1%**	**6%**
Corporate deposits	43.2	42.5	42.9	44.9	42.1	2%	3%
Household deposits	71.1	71.0	69.0	68.5	66.9	0%	6%
Total deposits	**114.3**	**113.5**	**111.9**	**113.4**	**109.0**	**1%**	**5%**
Margins, %:							
Corporate lending	1.35	1.35	1.35	1.35	1.33		
Household mortgage lending	0.80	0.76	0.78	0.74	0.75		
Consumer lending	4.14	4.07	4.03	4.00	4.05		
Total lending margins	**1.32**	**1.30**	**1.31**	**1.29**	**1.29**		
Corporate deposits	0.65	0.64	0.58	0.55	0.47		
Household deposits	0.71	0.66	0.52	0.45	0.31		
Total deposits margins	**0.69**	**0.66**	**0.54**	**0.49**	**0.38**		

Banking Denmark

Business development

The inflow of externally acquired new Gold and Premium customers continued at a high level in the third quarter. Since the third quarter 2010, the number of Gold and Premium customers has increased by 3%.

The business development within the household segment was affected by the moderate economic outlook, with a modified level of activity as a consequence.

Household deposit volumes were maintained at a largely unchanged level, whereas margins increased markedly. Household lending volumes increased 4% compared to the previous quarter. Nordea increased the lending interest rate up to 0.5 %-points per 15 August, to cover for increasing funding costs and expenses related to the Danish Deposit Guarantee Fund.

In order to adapt to changing capital requirements and market practice, household customers have been notified that mortgage margin fees will be raised and a refinance-related brokerage fee will be introduced as per 1 January. The increases are differentiated with highest impact for loans with variable interest rate and deferred repayment loans, whereas fixed rate traditional annuities are least affected.

Fierce price competition continued in the corporate lending market, especially in the upper segments. For corporate deposits, the margin increased, while the lending margin was flat.

The branch regions followed the plan for the implementation of Future Distribution. The efficiency in terms of customers per FTE continued to increase.

Adaption to the New Normal continued as planned, adjusting the branch network to the change in customer behaviour. The execution will continue in the coming quarters.

Result

Due to increasing interest rates, net interest income increased 1%. Lower activity affected income related to fees and capital markets, thus total income decreased 2% compared to the second quarter. The number of employees continued to decrease in the third quarter.

As a result of the challenging economic environment, net loan losses increased in the third quarter. Net loan losses included provisions of EUR 15m for Max Bank and reversals of EUR 27m related to Amagerbanken. The loan loss ratio was 57 basis points compared to 35 basis points in second quarter, excluding provisions to the Danish Deposit Guarantee Fund.

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	291	287	280	288	279	1%	4%
Net fee and commission income	56	58	57	53	29	-3%	93%
Net result from items at fair value	19	30	22	26	20	-37%	-5%
Equity method & other income	4	3	7	3	5	33%	-20%
Total income incl. allocations	**370**	**378**	**366**	**370**	**333**	**-2%**	**11%**
Staff costs	-89	-89	-90	-88	-90	0%	-1%
Total expenses incl. allocations	**-214**	**-229**	**-225**	**-227**	**-220**	**-7%**	**-3%**
Profit before loan losses	**156**	**149**	**141**	**143**	**113**	**5%**	**38%**
Net loan losses	-75	-72	-138	-74	-128	4%	-41%
Operating profit	**81**	**77**	**3**	**69**	**-15**	**5%**	**-640%**
Cost/income ratio, %	58	61	62	61	66		
RAROCAR, %	14	13	12	12	8		
Economic capital (EC)	2,302	2,314	2,292	2,336	2,380	-1%	-3%
Risk-weighted assets (RWA)	25,643	25,180	25,365	24,613		2%	
Number of employees (FTEs)	4,365	4,388	4,402	4,462	4,506	-1%	-3%
Volumes, EURbn:							
Lending to corporates	23.3	23.2	22.5	21.1	21.3	0%	9%
Household mortgage lending	28.3	27.3	26.9	27.2	27.2	4%	4%
Consumer lending	12.8	12.6	12.4	12.4	12.5	2%	2%
Total lending	**64.4**	**63.1**	**61.8**	**60.7**	**61.0**	**2%**	**6%**
Corporate deposits	7.2	7.1	7.3	7.4	7.7	1%	-6%
Household deposits	21.5	21.5	21.2	21.4	20.9	0%	3%
Total deposits	**28.7**	**28.6**	**28.5**	**28.8**	**28.6**	**0%**	**0%**
Margins, %:							
Corporate lending	1.62	1.62	1.65	1.66	1.70		
Household mortgage lending	0.53	0.54	0.55	0.53	0.49		
Consumer lending	4.79	4.72	4.65	4.65	4.76		
Total lending margins	**1.60**	**1.59**	**1.61**	**1.61**	**1.62**		
Corporate deposits	0.58	0.52	0.49	0.46	0.40		
Household deposits	0.64	0.47	0.37	0.33	0.18		
Total deposits margins	**0.62**	**0.49**	**0.41**	**0.38**	**0.27**		

Banking Finland

Business development

Efforts for customer acquisition continued to contribute to positive results in the third quarter. Both the number of customer meetings and new customers acquired were at a high level for the characteristically modest summer season. Gold and Premium customers increased by 7,400 during the quarter, supported by a strong development in the number of new customers in the bank. As recognition of successful work towards customers, Nordea's Contact Centre in Finland was awarded The Best Contact Centre of The Year 2011 by HDI Nordic.

A number of activities during the quarter towards the household segment supported the income development. Commission income increased both in relation to Cards and Payments, also the margin increase on deposits contributed. A number of successful product launches were done during the period, such as InterestExtra. Close to 25% of all new mortgage loans were products with interest rate caps, supporting the margin development.

The work with the corporate branch network according to the Future Distribution strategy continued to deliver as planned. The income development was supported by margin increases, while volumes showed only a modest increase. The uncertainty in the world economy increased the volatility of currency rates leading to a pick-up in demand for hedging products towards the end of the third quarter.

Result

Despite the substantial fluctuation in short-term rates during the quarter, the quarterly average level of the rates ended only slightly lower than in the second quarter having a minor effect on income. Simultaneously, the increased margins gave strong support to net interest income. Decrease in stock market indices affected the savings commissions, partly offsetting the otherwise positive trend in net fee and commission income. Also the expense development supported the profitability improvement. The number of employees (FTEs) decreased by more than 100.

Net loan losses were EUR 12m, arising mainly from the corporate sector. The loan loss ratio was 11 basis points (19 basis points in the second quarter).

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	11/Q310
Net interest income	181	173	151	152	146	5%	24%
Net fee and commission income	79	74	77	75	69	7%	14%
Net result from items at fair value	17	19	20	22	20	-11%	-15%
Equity method & other income	1	4	0	-1	2		
Total income incl. allocations	**278**	**270**	**248**	**248**	**237**	**3%**	**17%**
Staff costs	-59	-62	-59	-57	-62	-5%	-5%
Total expenses incl. allocations	**-165**	**-167**	**-167**	**-172**	**-164**	**-1%**	**1%**
Profit before loan losses	**113**	**103**	**81**	**76**	**73**	**10%**	**55%**
Net loan losses	-12	-20	-11	-29	-24	-40%	-50%
Operating profit	**101**	**83**	**70**	**47**	**49**	**22%**	**106%**
Cost/income ratio, %	59	62	67	69	69		
RAROCAR, %	16	14	10	9	8		
Economic capital (EC)	1,583	1,592	1,604	1,609	1,659	-1%	-5%
Risk-weighted assets (RWA)	15,580	16,146	15,696	15,114		-4%	
Number of employees (FTEs)	4,304	4,418	4,437	4,428	4,465	-3%	-4%
Volumes, EURbn:							
Lending to corporates	14.8	14.6	14.5	14.3	14.2	1%	4%
Household mortgage lending	24.5	24.1	23.6	23.3	22.9	2%	7%
Consumer lending	5.2	5.2	5.1	5.1	5.1	0%	2%
Total lending	**44.5**	**43.9**	**43.2**	**42.7**	**42.2**	**1%**	**5%**
Corporate deposits	10.8	9.8	9.8	10.7	9.7	10%	11%
Household deposits	22.0	21.9	21.3	21.1	20.6	0%	7%
Total deposits	**32.8**	**31.7**	**31.1**	**31.8**	**30.3**	**3%**	**8%**
Margins, %:							
Corporate lending	1.25	1.22	1.19	1.18	1.16		
Household mortgage lending	0.52	0.50	0.55	0.55	0.57		
Consumer lending	3.06	3.00	3.14	3.19	3.29		
Total lending margins	**1.07**	**1.05**	**1.08**	**1.09**	**1.11**		
Corporate deposits	0.62	0.63	0.46	0.44	0.32		
Household deposits	0.61	0.58	0.30	0.26	0.12		
Total deposits margins	**0.61**	**0.60**	**0.36**	**0.32**	**0.19**		

Banking Norway

Business development

Business activity remained strong in the household segment in the third quarter and the number of Gold and Premium customers increased by 6,600, a 10% annualised growth rate. The number of externally acquired Gold and Premium customers was close to 3,400.

Household deposits were down mainly due to a seasonal effect following the vacation period.

Business activity in the corporate segment was high. Special attention was given to the expected decrease in long-term interest rates, leading to a significant increase in sales of interest rate derivatives.

The increased focus on capital efficiency within the corporate segment has resulted in lower consumption of Economic Capital for corporate customers during the quarter.

Efficiency measured by the number of customers per full-time employee improved further during the quarter.

With the purpose of establishing stronger centres of competence and to further increase efficiency, some of the smallest branch regions were merged. In addition, the reallocation of resources from low to high growth areas continued.

Result

Total income increased by 8% from the previous quarter, mainly due to a strong increase in income from capital markets products and positive development in net interest income.

Lending margins were close to unchanged during the quarter with positive effects from price adjustments and reduced price leakage on mortgage lending. Deposit margins increased slightly due to increased interest rate level compared to the second quarter.

The number of full-time employees showed a planned reduction.

Net reversals of loan losses were reported also in the third quarter.

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	170	161	161	153	152	6%	12%
Net fee and commission income	45	42	40	43	43	7%	5%
Net result from items at fair value	26	20	16	22	18	30%	44%
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**241**	**223**	**217**	**218**	**213**	**8%**	**13%**
Staff costs	-38	-38	-39	-38	-38	0%	0%
Total expenses incl. allocations	**-121**	**-120**	**-126**	**-117**	**-123**	**1%**	**-2%**
Profit before loan losses	**120**	**103**	**91**	**101**	**90**	**17%**	**33%**
Net loan losses	5	1	-21	16	-5		-200%
Operating profit	**125**	**104**	**70**	**117**	**85**	**20%**	**47%**
Cost/income ratio, %	50	54	58	54	58		
RAROCAR, %	14	11	9	10	8		
Economic capital (EC)	2,023	2,021	1,989	2,048	2,098	0%	-4%
Risk-weighted assets (RWA)	22,298	22,505	21,670	21,964		-1%	
Number of employees (FTEs)	1,519	1,535	1,502	1,504	1,532	-1%	-1%
Volumes, EURbn:							
Lending to corporates	20.1	20.3	19.9	19.9	19.9	-1%	1%
Household mortgage lending	23.9	23.9	22.9	22.6	21.5	0%	11%
Consumer lending	0.9	0.8	0.9	1.2	0.9	13%	0%
Total lending	**44.9**	**45.0**	**43.7**	**43.7**	**42.3**	**0%**	**6%**
Corporate deposits	11.5	12.1	12.1	11.9	10.9	-5%	6%
Household deposits	7.8	8.0	7.2	7.0	7.1	-3%	10%
Total deposits	**19.3**	**20.1**	**19.3**	**18.9**	**18.0**	**-4%**	**7%**
Margins, %:							
Corporate lending	1.32	1.33	1.34	1.34	1.31		
Household mortgage lending	0.76	0.72	0.87	0.69	0.70		
Consumer lending	8.43	8.38	8.53	8.61	7.98		
Total lending margins	**1.15**	**1.14**	**1.24**	**1.15**	**1.15**		
Corporate deposits	0.44	0.43	0.45	0.56	0.59		
Household deposits	0.59	0.60	0.49	0.62	0.64		
Total deposits margins	**0.50**	**0.49**	**0.46**	**0.58**	**0.61**		

FX fluctuation impacted income and expenses items by 2% Q3/Q2 (6% Q3/Q3).

FX fluctuations impacted balance sheet items by -1% Q3/Q2 (1% Q3/Q3).

Banking Sweden

Business development

Income and operating profit stayed at record-high levels in the third quarter, despite turbulent market conditions, driven by continued good business momentum, strengthened margins, stable commission income and continued efficiency gains. The number of Gold and Premium customers grew by 10,500, and users of the mobile offering grew by 20,000 to 170,000. A targeted initiative towards the segment Large corporates continues to deliver strongly with a number of new corporate clients and an income growth of 19% in the last twelve months.

The household sector was characterised by a softening demand for mortgage lending and customers shifting to lower-risk assets in their savings portfolios. This contributed to a solid development in deposit volume and income, while savings commissions flattened. Lending margins strengthened for the sixth consecutive month, and volume growth continued albeit at a lower rate. Nordea continued the development of the branch network – by the end of September, 114 household branches have been transformed into the new, more customer-centric and efficient branch formats.

On the corporate side, a softening demand for new lending was paired with intense competition. However, the corporate business developed solidly, supported by increased deposit volumes as well as an increase in the corporate part of net fair value result driven by a high activity in the markets business.

The strong focus on developing the efficiency of the banking franchise continued to pay off, with the number of employees being reduced by 1% compared with the second quarter and by 5% compared to the same period last year at the same time as business volumes grew significantly.

Result

The third quarter marked a continuation of the trend of improving result in Banking Sweden. Despite lower business activity during the vacation period, total income was higher than in the second quarter. This was achieved by improving margins on the lending book together with strong development in the deposit and savings area.

The emphasis on improving efficiency continued, which together with the income development led to a firm improvement of the cost/income ratio. Loan losses remained modest and were 6 basis points for the third quarter (2 basis points in the second quarter).

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	264	254	238	218	200	4%	32%
Net fee and commission income	102	100	100	112	96	2%	6%
Net result from items at fair value	28	33	29	26	24	-15%	17%
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**394**	**387**	**367**	**356**	**320**	**2%**	**23%**
Staff costs	-71	-73	-74	-70	-69	-3%	3%
Total expenses incl. allocations	**-213**	**-224**	**-235**	**-216**	**-213**	**-5%**	**0%**
Profit before loan losses	**181**	**163**	**132**	**140**	**107**	**11%**	**69%**
Net loan losses	-9	-3	7	4	1		
Operating profit	**172**	**160**	**139**	**144**	**108**	**8%**	**59%**
Cost/income ratio, %	54	58	64	61	67		
RAROCAR, %	28	25	19	20	14		
Economic capital (EC)	1,749	1,701	1,693	1,728	1,818	3%	-4%
Risk-weighted assets (RWA)	17,311	16,214	16,403	16,111		7%	
Number of employees (FTEs)	3,590	3,635	3,695	3,734	3,783	-1%	-5%
Volumes, EURbn:							
Lending to corporates	22.7	22.6	23.5	22.5	22.5	0%	1%
Household mortgage lending	32.7	32.6	32.9	32.2	30.8	0%	6%
Consumer lending	6.0	6.0	6.1	6.2	6.0	0%	0%
Total lending	**61.4**	**61.2**	**62.5**	**60.9**	**59.3**	**0%**	**4%**
Corporate deposits	11.3	11.2	11.5	12.3	11.6	1%	-3%
Household deposits	18.1	17.9	17.7	17.4	16.7	1%	8%
Total deposits	**29.4**	**29.1**	**29.2**	**29.7**	**28.3**	**1%**	**4%**
Margins, %:							
Corporate lending	1.13	1.15	1.13	1.11	1.06		
Household mortgage lending	1.09	1.02	0.95	0.95	0.98		
Consumer lending	3.42	3.32	3.07	2.88	2.81		
Total lending margins	**1.29**	**1.25**	**1.19**	**1.18**	**1.17**		
Corporate deposits	0.94	0.94	0.86	0.71	0.52		
Household deposits	0.94	0.93	0.90	0.71	0.49		
Total deposits margins	**0.94**	**0.93**	**0.88**	**0.71**	**0.50**		

FX fluctuation impacted income and expenses items by -2% Q3/Q2 (3% Q3/Q3).

FX fluctuations impacted balance sheet items by -1% Q3/Q2 (-2% Q3/Q3).

Banking Poland & Baltic countries

Business development

Stable growth of business continued in Poland and the Baltic countries in the third quarter. In the Baltic countries, lending volumes and margins picked up slightly while in Poland, lending volumes grew, but margins were under pressure and decreased. In the Baltic countries, deposit volumes were attracted in the quarter, but with lower margins. In Poland, deposit volumes decreased, but with increased margins. Loan loss provisions were reported in the Baltic countries and Poland, but the level of non-performing loans decreased. Global slowdown affects local economies, resulting in moderate growth and lower demand for loans.

Baltic countries

The outlook for the Baltic economies continued to improve in the third quarter. Fast recovery exceeded expectations and the export-led upturn spread to the domestic economy. Unemployment and inflation rates were still a threat in the quarter together with unknown impact from global slowdown expected in the coming period.

Deposit volumes increased in the corporate segment, while corporate lending and household volumes were close to stable. Lending margins increased during the quarter, while deposit margins decreased compared to previous quarters.

Stable income growth was seen in the quarter, up 6% from the previous quarter. Provisions for net loan losses were made in the quarter, reflecting the deterioration of the financial situation of some of the local companies.

Poland

The Polish economy continued to develop favourably in the third quarter, though at slower rate compared to previous quarters. The domestic economy showed weaker momentum, as companies postponed investment decisions due to the uncertain outlook for demand and tighter financing conditions while consumers postponed spending because of general uncertainty about the economy and weakening of local currency. The slowdown will likely continue with an impact on banking business development.

Lending volumes increased in the household segment, while lending margins decreased in the quarter, especially to corporates. Deposits volumes were unchanged in household together with growing margins while corporate deposits volumes decreased with fairly stable margins.

Income increased with 4% compared to the previous quarter. Higher business volumes and growing number of customers' transactions were visible and increased income, up 16% compared with one year ago. The household segment was the main growth engine, especially the mortgage lending business.

Credit quality

Net loan losses were EUR 6m in the third quarter. Low levels of losses were noted in Estonia and Lithuania while Latvia noted higher provisions. Minor amounts of provisions were recorded in Poland. The loan loss ratio for Poland and the Baltic countries was 18 basis points.

In the Baltic countries, gross impaired loans amounted to EUR 494m or 680 basis points of total loans (687 basis points at the end of the second quarter). Total allowances for the Baltic countries at the end of the quarter equalled 355 basis points of loans. The provisioning ratio in the Baltic countries was 52% (53% at the end of the second quarter).

The household portfolio in the Baltic countries has not shown any major improvement yet, despite the recovery of the economy. This is mainly attributable to the fact that the living costs have increased and the salary levels remain low. This has led to a need to increase provisions for this segment especially in Latvia. The increased provisions for the corporate sector concern mostly old identified problem customers.

Result

Increased business activity and higher volumes supported income development in all lines of business. Total income increased 5% compared to the second quarter and with 4% compared to the third quarter last year. Total expenses remained stable compared to the previous quarter. Operating profit increased compared to the previous quarter even with increased net loan losses and it also increased compared to last year, following growth of income and lower net loan loss provisions. The total number of employees (FTEs) was fairly stable in the third quarter.

Banking Poland

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	32	37	34	32	29	-14%	10%
Net fee and commission income	10	7	8	8	7	43%	43%
Net result from items at fair value	16	12	11	14	14	33%	14%
Equity method & other income	1	1	0	1	1		
Total income incl. allocations	**59**	**57**	**53**	**55**	**51**	**4%**	**16%**
Staff costs	-13	-13	-13	-12	-10	0%	30%
Total expenses incl. allocations	**-29**	**-30**	**-29**	**-34**	**-24**	**-3%**	**21%**
Profit before loan losses	**30**	**27**	**24**	**21**	**27**	**11%**	**11%**
Net loan losses	-3	-1	-3	-2	0		
Operating profit	**27**	**26**	**21**	**19**	**27**	**4%**	**0%**
Cost/income ratio, %	49	53	55	62	47		
RAROCAR, %	28	26	21	21	29		
Economic capital (EC)	282	271	280	304	225	4%	25%
Risk-weighted assets (RWA)	5,901	5,609	5,178	5,393		5%	
Number of employees (FTEs)	2,037	1,998	1,982	1,936	1,781	2%	14%
Volumes, EURbn:							
Lending to corporates	2.1	2.1	2.0	1.9	1.9	0%	11%
Household lending	4.0	3.8	3.4	3.3	3.0	5%	33%
Total lending	**6.1**	**5.9**	**5.4**	**5.2**	**4.9**	**3%**	**24%**
Corporate deposits	1.2	1.3	1.2	1.4	1.3	-8%	-8%
Household deposits	1.0	1.0	1.0	1.0	0.9	0%	11%
Total deposits	**2.2**	**2.3**	**2.2**	**2.4**	**2.2**	**-4%**	**0%**
Margins, %:							
Corporate lending	1.45	1.51	1.48	1.56	1.50		
Household lending	1.84	1.85	1.86	1.88	1.85		
Total lending margins	**1.71**	**1.73**	**1.72**	**1.76**	**1.71**		
Corporate deposits	0.84	0.83	0.80	0.65	0.70		
Household deposits	0.92	0.89	0.71	0.58	0.69		
Total deposits margins	**0.88**	**0.86**	**0.76**	**0.62**	**0.70**		

Banking Baltic countries

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	39	37	35	36	35	5%	11%
Net fee and commission income	10	8	10	9	17	25%	-41%
Net result from items at fair value	1	-1	2	1	2	-200%	-50%
Equity method & other income	1	4	0	0	1		
Total income incl. allocations	**51**	**48**	**47**	**46**	**55**	**6%**	**-7%**
Staff costs	-8	-8	-8	-8	-7	0%	14%
Total expenses incl. allocations	**-22**	**-21**	**-20**	**-23**	**-18**	**5%**	**22%**
Profit before loan losses	**29**	**27**	**27**	**23**	**37**	**7%**	**-22%**
Net loan losses	-3	-1	5	-5	-18		
Operating profit	**26**	**26**	**32**	**18**	**19**	**0%**	**37%**
Cost/income ratio, %	43	44	43	50	33		
RAROCAR, %	13	11	13	7	14		
Economic capital (EC)	454	500	522	427	654	-9%	-31%
Risk-weighted assets (RWA)	6,801	7,022	6,961	7,386		-3%	
Number of employees (FTEs)	1,155	1,195	1,201	1,167	1,151	-3%	0%
Volumes, EURbn:							
Lending to corporates	5.2	5.2	4.9	4.9	4.9	0%	6%
Household lending	3.0	2.9	2.9	2.9	2.8	3%	7%
Total lending	**8.2**	**8.1**	**7.8**	**7.8**	**7.7**	**1%**	**6%**
Corporate deposits	1.3	1.2	1.1	1.2	1.0	8%	30%
Household deposits	0.6	0.6	0.6	0.6	0.6	0%	0%
Total deposits	**1.9**	**1.8**	**1.7**	**1.8**	**1.6**	**6%**	**19%**
Margins, %:							
Corporate lending	1.47	1.42	1.49	1.52	1.43		
Household lending	1.32	1.24	1.34	1.32	1.34		
Total lending margins	**1.41**	**1.35**	**1.43**	**1.44**	**1.39**		
Corporate deposits	0.59	0.69	0.49	0.45	0.48		
Household deposits	0.68	0.73	0.58	0.48	0.43		
Total deposits margins	**0.62**	**0.71**	**0.52**	**0.46**	**0.46**		

Wholesale Banking

Wholesale Banking provides banking and other financial solutions to large Nordic and international corporate, institutional and public companies. The divisions Corporate Merchant Banking (CMB), Shipping, Offshore & Oil Service (SOO) and Financial Institutions Division (FID) are responsible for customer services, while the product divisions Markets and Transaction Products (TP) are responsible for providing capital markets products and cash management solutions. International Units (IU) is a service-unit, providing banking and other financial solutions to customers outside of Nordea's home markets. IT divisions are responsible for developing and running the IT infrastructure of the business area.

Business development

The holiday season put a damper on the general customer activity in Wholesale Banking. In addition, the extreme turmoil in the financial markets resulted in lower income from trading activities.

The competitive pressure in the Nordic wholesale banking market remained high across the business area.

Wholesale Banking is working actively to increase the operational efficiency and manage its economic capital in all divisions. The initiatives are progressing well as part of the New Normal focus of the Nordea group.

Banking

Corporate customer activity was solid, slightly lower than previous quarter and higher than the third quarter of 2010. Lending and deposit volumes were largely unchanged.

Shipping, Offshore & Oil Services customer activity was solid with several new lending transactions. Financial institution activity was somewhat lower than the previous quarter.

Capital markets

In the foreign exchange area, customer activity was solid, primarily driven by the need for hedging of commercial activities in the turbulent market. Nordea was ranked as the leading provider of FX services in the Prospera Nordic Foreign Exchange survey 2011. Customer activity for interest rate products was also relatively strong as customers focused on risk management trades.

Low interest rates prompted many customers to secure financing for the coming periods. Contrary to the previous quarters, focus moved from refinancing to new transactions. Primary bond market activity was somewhat lower than in the strong second quarter, while syndicated loan activity remained solid.

Customer activity within the secondary equity product area was lower than last quarter as the risk appetite was heavily affected by the market unrest and the lower expectations for economic growth. Within corporate finance, the activity level was low due to the holiday season and difficult market conditions.

Result

The third quarter operating profit was EUR 302m, 27% down from the second quarter and 35% down from the same quarter of 2010. Net interest income increased, but the extreme market conditions led to a significant reduction of the unallocated capital markets income.

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	336	324	321	319	296	4%	14%
Net fee and commission income	133	156	129	136	107	-15%	24%
Net result from items at fair value	53	175	305	293	273	-70%	-81%
Equity method & other income	-2	2	3	2	28	-200%	-107%
Total income incl. allocations	**520**	**657**	**758**	**750**	**704**	**-21%**	**-26%**
Staff costs	-168	-190	-186	-173	-171	-12%	-2%
Total expenses incl. allocations	**-202**	**-227**	**-221**	**-240**	**-205**	**-11%**	**-1%**
Profit before loan losses	**318**	**430**	**537**	**510**	**499**	**-26%**	**-36%**
Net loan losses	-16	-14	-68	-78	-36	14%	-56%
Operating profit	**302**	**416**	**469**	**432**	**463**	**-27%**	**-35%**
Cost/income ratio, %	39	35	29	32	29		
RAROCAR, %	14	19	24	22	21		
Economic capital (EC)	6,037	6,068	5,969	6,194	6,381	-1%	-5%
Risk-weighted assets (RWA)	75,691	73,963	75,283	79,050		2%	
Number of employees (FTEs)	6,370	6,472	6,440	6,366	6,294	-2%	1%
Volumes, EURbn:							
Total lending	91.0	86.8	84.7	74.7	85.2	5%	7%
Total deposits	57.3	58.1	49.5	44.5	44.1	-1%	30%
Margins, %:							
Total lending margins	1.58	1.51	1.48	1.47	1.47		
Total deposits margins	0.23	0.23	0.22	0.23	0.22		

Margins exclude Repo volumes within Capital Markets.

Corporate Merchant Banking

Corporate Merchant Banking (CMB) is the customer unit servicing the largest corporate customers of Nordea.

Business development

The business momentum in CMB was somewhat subdued in the third quarter due to the holiday season and the mounting uncertainty in the financial markets. Large corporate customers adopted a more cautious approach towards new investments in the light of the deteriorated growth projections.

Customer activity was characterised by standard transactions with few major deals. This resulted in lower income compared to the second quarter and the third quarter of last year. However, customer demand for risk management products increased due to market turmoil.

The competition for market shares continued in the Nordic countries and prices remained under pressure.

Lending volumes were largely unchanged compared to the previous quarter and the third quarter of 2010. Most new transactions were refinancing of existing loans although more new deals were seen towards the end of the quarter. Leveraged financing activity was moderate.

Deposit volumes were slightly below the previous quarter and higher than the third quarter of 2010. Competition between the Nordic banks was particularly evident in connection with the bidding for cash management mandates.

Optimisation of the capital consumption and the underlying cost base continued with satisfactory results.

Result

The third quarter operating profit was EUR 275m, 6% lower than the previous quarter, due to the holiday season and widespread uncertainty in the financial markets. Underlying business remains strong and the result was 15% higher than the third quarter of last year. Net reversals were reported also in the third quarter.

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	186	183	180	184	176	2%	6%
Net fee and commission income	102	116	99	109	80	-12%	28%
Net result from items at fair value	46	58	65	122	88	-21%	-48%
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**334**	**357**	**344**	**415**	**344**	**-6%**	**-3%**
Staff costs	-11	-12	-12	-11	-10	-8%	10%
Total expenses incl. allocations	**-73**	**-72**	**-75**	**-74**	**-71**	**1%**	**3%**
Profit before loan losses	**261**	**285**	**269**	**341**	**273**	**-8%**	**-4%**
Net loan losses	14	8	-62	-76	-34	75%	-141%
Operating profit	**275**	**293**	**207**	**265**	**239**	**-6%**	**15%**
Cost/income ratio, %	22	20	22	18	21		
RAROCAR, %	20	21	19	24	18		
Economic capital (EC)	3,628	3,531	3,614	3,790	3,691	3%	-2%
Risk-weighted assets (RWA)	41,880	41,943	43,175	45,400		0%	
Number of employees (FTEs)	376	393	398	396	389	-4%	-3%
Volumes, EURbn:							
Total lending	39.7	39.8	39.0	39.4	39.7	0%	0%
Total deposits	19.2	19.3	19.9	21.1	18.8	-1%	2%
Margins, %:							
Total lending margins	1.40	1.35	1.38	1.34	1.34		
Total deposits margins	0.29	0.28	0.25	0.24	0.23		

Shipping, Offshore & Oil Services

Shipping, Offshore & Oil Services (SOO) is the customer unit responsible for servicing the shipping, offshore and oil service industries.

Business development

The development in freight rates was subdued in the major shipping segments in third quarter, mainly driven by substantial fleet growth. Overcapacity, high remaining order books and macroeconomic risks put a damper on customer outlook.

Customer activity was solid during the quarter with a number of new lending transactions closed. The highest activity level was seen in the offshore and oil services segment due to strong industry fundamentals. New lending transactions were executed on a selective basis.

Result

The quarterly operating profit was EUR 69m which was unchanged from the previous quarter and down 17% from third quarter 2010. Total income was EUR 112m, up 3% from the previous quarter and up 4% from the third quarter 2010. Net fee and commission income from lending fell back from the very high level of the previous quarter, while net interest income increased. Net loan losses for the quarter were EUR 26m, a loan loss ratio of 76 basis points (71 in the second quarter).

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	84	77	78	78	82	9%	2%
Net fee and commission income	16	26	16	13	20	-38%	-20%
Net result from items at fair value	12	6	7	14	6	100%	100%
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**112**	**109**	**101**	**105**	**108**	**3%**	**4%**
Staff costs	-7	-6	-6	-5	-6	17%	17%
Total expenses incl. allocations	**-17**	**-16**	**-16**	**-15**	**-15**	**6%**	**13%**
Profit before loan losses	**95**	**93**	**85**	**90**	**93**	**2%**	**2%**
Net loan losses	-26	-24	-14	-4	-10	8%	160%
Operating profit	**69**	**69**	**71**	**86**	**83**	**0%**	**-17%**
Cost/income ratio, %	15	15	16	14	14		
RAROCAR, %	28	29	23	22	25		
Economic capital (EC)	913	873	987	1,067	1,072	5%	-15%
Risk-weighted assets (RWA)	11,920	12,436	12,551	12,799		-4%	
Number of employees (FTEs)	103	106	103	102	104	-3%	-1%
Volumes, EURbn:							
Total lending	13.4	12.8	13.2	13.6	13.9	5%	-4%
Total deposits	4.8	4.6	4.8	5.0	5.3	4%	-9%
Margins, %:							
Total lending margins	1.86	1.82	1.65	1.61	1.56		
Total deposits margins	0.11	0.09	0.15	0.16	0.15		

Financial Institutions Division

Financial Institutions Division (FID) is the customer unit responsible for servicing the Nordea customers in the financial sector.

Business development

Customer activity slowed down in the third quarter, reflecting the holiday season as well as the turbulence in the financial markets. FID successfully defended its market position despite challenging conditions. An unexpected shift in long term interest rates resulted in increased customer demand for Asset and Liability Management and Nordea benefitted from its strong position in trading of the Nordic currencies.

Nordea received a top rating across the Nordic region in this year's Global Custodian Agent Bank Survey which underlined the strong position within the securities services area.

Competition remained intense as large Nordic and European banks competed to sell alternatives to the low yielding and capital intensive traditional banking products.

Result

The quarterly result was EUR 55m, 11% below the previous quarter and 21% below the third quarter 2010. Total income decreased by 9%, reflecting the holiday season and the strong result in the second quarter. Total expenses decreased, due to lower staff costs and other expenses.

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	17	17	14	15	13	0%	31%
Net fee and commission income	28	38	32	34	29	-26%	-3%
Net result from items at fair value	50	49	40	39	42	2%	19%
Equity method & other income	0	0	2	0	27		-100%
Total income incl. allocations	**95**	**104**	**88**	**88**	**111**	**-9%**	**-14%**
Staff costs	-8	-10	-9	-9	-9	-20%	-11%
Total expenses incl. allocations	**-40**	**-42**	**-41**	**-42**	**-41**	**-5%**	**-2%**
Profit before loan losses	**55**	**62**	**47**	**46**	**70**	**-11%**	**-21%**
Net loan losses	0	0	0	0	0		
Operating profit	**55**	**62**	**47**	**46**	**70**	**-11%**	**-21%**
Cost/income ratio, %	42	41	46	48	36		
RAROCAR, %	32	23	27	32	36		
Economic capital (EC)	575	737	489	392	553	-22%	4%
Risk-weighted assets (RWA)	10,158	8,425	8,645	9,311		21%	
Number of employees (FTEs)	371	378	382	381	383	-2%	-3%
Volumes, EURbn:							
Total lending	3.7	3.9	3.8	3.4	3.5	-5%	6%
Total deposits	14.6	14.9	12.0	11.7	8.9	-2%	64%
Margins, %:							
Total lending margins	0.73	0.62	0.56	0.61	0.57		
Total deposits margins	0.13	0.13	0.13	0.17	0.20		

Banking Russia

Business development

After a slow development in the first half of the year, lending volumes picked up in Russia in the third quarter. Pressure on lending margins persists, due to fierce competition in the top-tier corporate segment.

The Russian economy continued its moderate recovery, led by consumers, further supported by strong prices of export goods – oil and commodities. Unemployment decreased, improving consumers' situation further. High liquidity in the market during the first half of the year is drying out, in parallel with the world markets.

Credit quality

Net loan losses were EUR 2m in the third quarter, compared to EUR 0m in the previous quarter. Gross impaired loans amounted to EUR 74m or 135 basis points of total loans, up from 104 basis points last quarter.

Result

Increased business activity and higher volumes supported income development, mainly net interest income. Total income increased 4% compared to the second quarter this year and 2% compared to the third quarter last year, while costs remained unchanged compared to both quarters. Operating profit was unchanged from the previous quarter and fell 13% compared to the third quarter last year, due to loss reversals in the third quarter 2010. The total number of employees (FTEs) was down 5% compared to the previous quarter and down 4% compared to the same quarter last year.

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	45	43	46	43	45	5%	0%
Net fee and commission income	4	3	4	4	3	33%	33%
Net result from items at fair value	3	3	2	5	2	0%	50%
Equity method & other income	0	1	0	0	1		
Total income incl. allocations	**52**	**50**	**52**	**52**	**51**	**4%**	**2%**
Staff costs	-14	-12	-17	-11	-15	17%	-7%
Total expenses incl. allocations	**-23**	**-23**	**-26**	**-23**	**-23**	**0%**	**0%**
Profit before loan losses	**29**	**27**	**26**	**29**	**28**	**7%**	**4%**
Net loan losses	-2	0	0	1	3		
Operating profit	**27**	**27**	**26**	**30**	**31**	**0%**	**-13%**
Cost/income ratio, %	44	46	50	44	45		
RAROCAR, %	23	20	19	22	16		
Economic capital (EC)	362	347	356	345	419	4%	-14%
Risk-weighted assets (RWA)	6745	5540	5783	5739		22%	
Number of employees (FTEs)	1,615	1,695	1,704	1,710	1,679	-5%	-4%
Volumes, EURbn:							
Lending to corporates	5.2	4.1	4.2	4.4	4.1	27%	27%
Household mortgage lending	0.2	0.2	0.2	0.2	0.2	11%	54%
Consumer lending	0.1	0.1	0.1	0.1	0.1	0%	0%
Total lending	**5.6**	**4.4**	**4.5**	**4.7**	**4.4**	**26%**	**27%**
Corporate deposits	1.5	1.6	0.9	0.8	0.7	-4%	109%
Household deposits	0.1	0.1	0.1	0.1	0.1	0%	6%
Total deposits	**1.7**	**1.7**	**1.0**	**1.0**	**0.9**	**-4%**	**94%**
Margins, %:							
Corporate lending	2.63	2.77	2.54	2.70	2.97		
Household mortgage lending	4.47	4.50	4.52	4.61	4.62		
Consumer lending	5.12	5.95	4.97	8.48	5.35		
Total lending margins	**2.75**	**2.89**	**2.66**	**2.82**	**3.07**		
Corporate deposits	0.79	0.89	0.90	1.02	0.92		
Household deposits	0.17	0.03	0.16	0.14	0.01		
Total deposits margins	**0.74**	**0.80**	**0.82**	**0.91**	**0.80**		

Wholesale Banking other
(including Capital Markets unallocated)

Wholesale Banking other is the residual result not allocated to customer units. This includes Capital Markets unallocated as well as Transaction Products, International Units and the IT divisions. Wholesale Banking other is not actively managed as the optimisation of the business takes place in the relevant product and service units.

Result

Operating profit for the third quarter was EUR -124m, significantly below the previous quarter and the third quarter 2010. The extreme market conditions rendered the management of the risk inherent in capital markets customer transactions highly challenging, which resulted in a negative result from items at fair value for Capital Markets unallocated.

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	4	4	3	-1	-20	0%	-120%
Net fee and commission income	-17	-27	-22	-24	-25	-37%	-32%
Net result from items at fair value	-58	59	191	113	135	-198%	-143%
Equity method & other income	-2	1	1	2	0		
Total income incl. allocations	**-73**	**37**	**173**	**90**	**90**	**-297%**	**-181%**
Staff costs	-128	-150	-142	-137	-131	-15%	-2%
Total expenses incl. allocations	**-49**	**-74**	**-63**	**-86**	**-55**	**-34%**	**-11%**
Profit before loan losses	**-122**	**-37**	**110**	**4**	**35**	**230%**	**-449%**
Net loan losses	-2	2	8	1	5		
Operating profit	**-124**	**-35**	**118**	**5**	**40**	**254%**	**-410%**
Economic capital (EC)	559	580	523	599	646	-4%	-13%
Risk-weighted assets (RWA)	4,990	5,619	5,128	5,800		-11%	
Number of employees (FTEs)	3,905	3,900	3,853	3,777	3,740	0%	4%
Volumes, EURbn:							
Total lending volumes	28.6	25.9	24.2	13.6	23.7		
Total deposits volumes	17.0	17.6	11.8	5.7	10.2		

Volumes refers to Repo transactions within Capital Markets.

Wealth Management

Wealth Management provides high quality investment, savings and risk management products, manage customers' assets and advice affluent and high net worth customers on their financial situation. Wealth Management consists of the businesses: Private Banking, Asset Management and Life & Pensions as well as the service unit Savings.

Business development

The third quarter was characterised by high market volatility and financial markets were severely affected by the financial turbulence in North America and Southern Europe. As a consequence, Nordea's assets under management (AuM) fell by EUR 13bn during the third quarter to EUR 178bn, down 7% from the end of the second quarter and down 1% from one year ago.

Total net outflow of assets was EUR 0.7bn in the third quarter. The financial instability caused investors to redeem from investment products, resulting in net outflow from Nordic Retail funds, Nordic Private Banking and Global Fund Distribution. Institutional clients continued the strong trend from earlier quarters with solid net inflow of 0.7bn and International Private Banking also contributed positively to total inflow. In Life & Pensions, net inflow close to zero covers a shift in the product portfolio towards capital-efficient unit-linked products.

Result

Wealth Management income was EUR 268m in the third quarter, down 19% from the previous quarter. The decline was partly due to lower AuM and shift in asset mix towards lower-margin products, but mainly due to reversal of fee income in Life & Pensions decreasing income by 48m in the third quarter. Declining buffers in Life & Pensions temporarily constrained the ability to collect fee income attributable to part of the traditional portfolio. Asset-liability-management focus on managing the buffer situation in all markets was intensified. As a consequence, operating profit decreased 40% from the second quarter to EUR 86m.

Savings – business development

The turmoil intensified the flight to safety trend among household customers causing a shift in their savings portfolio from investment products towards low risk deposits products. Especially investment funds saw large negative net sales, but also life and pension products and structured products experienced negative net sales. On the other hand, in deposits products net sale was very strong.

Financials related to Savings are allocated to Retail Banking and Nordic Private Banking.

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	30	32	29	27	22	-6%	36%
Net fee and commission income	194	223	197	234	196	-13%	-1%
Net result from items at fair value	37	75	91	113	91	-51%	-59%
Equity method & other income	7	1	4	8	8		
Total income incl. allocations	**268**	**331**	**321**	**382**	**317**	**-19%**	**-15%**
Staff costs	-110	-111	-120	-117	-108	-1%	2%
Total expenses incl. allocations	**-182**	**-185**	**-187**	**-187**	**-177**	-2%	3%
Profit before loan losses	**86**	**146**	**134**	**195**	**140**	**-41%**	**-39%**
Net loan losses	0	-3	-5	0	0		
Operating profit	**86**	**143**	**129**	**195**	**140**	**-40%**	**-39%**
Cost/income ratio, %	68	56	58	49	56		
RAROCAR, %	15	27	27	33	26		
Economic capital (EC)	1,586	1,564	1,444	1,691	1,564	1%	1%
Risk-weighted assets (RWA)	3,025	2,997	2,881	2,982		1%	
Number of employees (FTEs)	3,666	3,670	3,671	3,645	3,618	0%	1%
Volumes, EURbn:							
AuM, EURbn	177.9	191.1	192.0	191.0	180.2	-7%	-1%
Total lending volumes	7.7	7.8	7.5	7.8	7.5	-1%	3%
Total deposits volumes	9.8	9.8	9.1	9.6	9.3	0%	5%

Assets under Management (AuM), volumes and net inflow

EURbn	Q3 2011	Net inflow Q3	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Nordic Retail funds	29.9	-0.7	33.4	35.5	36.4	34.4
Global Fund Distribution	5.2	-0.2	6.1	6.1	5.8	5.3
Nordic Private Banking	48.9	-0.5	55.6	56.6	57.3	51.5
International Private Banking	9.1	0.1	9.7	10.2	10.0	9.3
Institutional clients	36.7	0.7	36.6	34.7	32.8	32.0
Life & Pensions	48.1	-0.1	49.7	48.9	48.7	47.7
Total	**177.9**	**-0.7**	**191.1**	**192.0**	**191.0**	**180.2**

Private Banking

Nordic Private Banking

Nordic Private Banking caters for Nordea’s affluent and high-net-worth individuals resident in the Nordic region. Nordic Private Banking offers customers wealth planning, investment advice, credit, tax and estate planning. The customers are served from 95 branches in the Nordic countries.

Business development and result

The extreme market volatility had a negative impact on Nordic Private Banking’s business resulting in a net outflow of EUR 0.5bn. The outflow was driven by customers’ desire to reduce their financial risk by de-leveraging and shifting their portfolios towards non-financial assets. Together with depreciating equity markets, AuM decreased to EUR 49bn, down 12% from the second quarter.

The number of Private Banking customers increased during the third quarter to 91,500. The modest increase masks a larger inflow of customers, which was offset by small private banking customers being transferred to Retail Banking. This is part of an effort to enhance productivity in Nordic Private Banking and to align the service model with the characteristics and needs of the customers.

Alternative Investment funds were added to the offering for Private Banking customers during the third quarter. The initial reaction from customers has been positive and it is expected that Alternative Investments will improve the risk adjusted return for the customers.

Income at EUR 88m in the third quarter was down 5% from second quarter. The decrease was due to the 12% decline in AuM and seasonal effect. Compared to third quarter last year, income increased 40% due to an extraordinary low third quarter result in 2010. Operating profit of EUR 27m decreased by 10% compared to the second quarter 2011.

International Private Banking

International Private Banking provides full scale investment and wealth planning services to wealthy individuals outside Nordea’s home markets. Customers are served from offices in Luxembourg and Zürich.

Business development and result

Despite the financial turmoil during the third quarter, International Private Banking succeeded in attracting new customers which contributed to a net inflow of EUR 0.1bn in the third quarter. The positive net inflow could not offset falling equity markets which combined with reduced leverage among customers led to an AuM decrease of EUR 0.6bn to EUR 9.1bn.

The success in acquiring customers during the third quarter was the result of a continued strategy to dedicate additional resources to non-Nordic private banking activities. The overall decrease in number of high net worth customers to 7,600 was due to movements of customers between segments. In addition, a major front office efficiency project was launched at the end of third quarter with the aim to free up time for account managers, allowing them to better service existing customers and acquires new customers.

The combined result for International Private Banking & Funds was EUR 11m in the third quarter. Income was EUR 33m, down 8% compared to the second quarter, due to lower AuM, but increased 38% compared to the third quarter last year.

	Nordic Private Banking							**International Private Banking & Funds**						
EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	311/Q310
Net interest income	21	20	17	17	14	5%	50%	8	10	11	9	7	-20%	14%
Net fee and commission income	50	55	58	55	44	-9%	14%	14	20	19	16	12	-30%	17%
Net result from items at fair value	17	18	16	16	5	-6%	240%	7	5	6	8	5	40%	40%
Equity method & other income	0	0	0	0	0			4	1	1	0	0		
Total income incl. allocations	**88**	**93**	**91**	**88**	**63**	**-5%**	**40%**	**33**	**36**	**37**	**33**	**24**	**-8%**	**38%**
Staff costs	-28	-26	-29	-30	-27	8%	4%	-14	-15	-14	-15	-13	-7%	8%
Total expenses incl. allocations	**-61**	**-60**	**-64**	**-61**	**-59**	**2%**	**3%**	**-22**	**-22**	**-22**	**-21**	**-19**	**0%**	**16%**
Profit before loan losses	**27**	**33**	**27**	**27**	**4**	**-18%**		**11**	**14**	**15**	**12**	**5**	**-21%**	**120%**
Net loan losses	0	-3	-5	-1	0			0	0	0	0	0		
Operating profit	**27**	**30**	**22**	**26**	**4**	**-10%**		**11**	**14**	**15**	**12**	**5**	**-21%**	**120%**
Cost/income ratio, %	70	65	70	69	93			67	61	59	64	78		
RAROCAR, %	43	53	44	43	1			16	22	25	17	7		
Economic capital (EC)	197	169	162	159	149	17%	32%	162	159	154	164	140	2%	16%
Risk-weighted assets (RWA)	1,156	1,171	1,187	1,129		-1%		1,869	1,826	1,694	1,854		2%	
Number of employees (FTEs)	996	986	979	971	982	1%	1%	357	354	353	354	354	1%	1%
Volumes, EURbn:														
AuM, EURbn	48.9	55.6	56.6	57.3	51.5	-12%	-5%	14.3	15.8	16.3	15.8	14.5	-9%	-1%
Household mortgage lending	4.4	4.4	4.3	4.2	4.0	1%	10%	0.3	0.3	0.3	0.3	0.3	3%	3%
Consumer lending	1.9	1.9	1.9	2.6	2.4	-3%	-20%	1.1	1.2	1.0	0.7	0.8	-8%	38%
Total lending	**6.3**	**6.3**	**6.2**	**6.8**	**6.4**	**0%**	**-1%**	**1.4**	**1.5**	**1.3**	**1.0**	**1.1**	**-6%**	**28%**
Household deposits	8.1	7.9	7.3	7.9	7.6	3%	6%	1.7	1.9	1.8	1.7	1.7	-11%	0%
Total deposits	**8.1**	**7.9**	**7.3**	**7.9**	**7.6**	**3%**	**6%**	**1.7**	**1.9**	**1.8**	**1.7**	**1.7**	**-11%**	**0%**
Margins, %:														
Total lending margins	0.86	0.80	0.81	0.75	0.71			0.70	0.70	0.50	0.50	0.70		
Total deposits margins	0.41	0.40	0.25	0.27	0.18			0.60	0.60	0.80	0.80	0.70		

Asset Management

Nordea Asset Management is responsible for all actively managed investment products including internally managed investment funds and mandates as well as selected externally managed funds. Asset Management is responsible for serving the institutional asset management customers. Global Fund Distribution is licenced for wholesale fund distribution across 20 countries worldwide.

Business development

The financial market volatility challenged Nordea's investment performance in the third quarter. Fixed income composites continued to show positive development, while equities composites overall had some difficulties. Stable equities and some local equities continued to yield positive relative return though. Overall, 37% of investment composites performance was above their benchmarks year to date. On a long-term horizon (36 months), Nordea's relative investment performance continues to be strong, with 65% of the investment composites outperforming their benchmarks.

Nordic retail funds' net outflow was EUR 0.7bn in the third quarter. The outflow was largely driven by customers reducing their risk exposure, moving assets to deposit products, which also caused a redistribution of fund investments to fixed income and money market funds. A new Alternative Investment fund offering was launched in the third quarter to Private Banking customers providing attractive investment opportunities in the current market conditions.

Institutional asset management continued the positive development and reported the strongest first nine months period ever. The third quarter showed net inflow for the eleventh quarter in a row, EUR 0.7bn from existing as well as new institutional customers. The strong development was mainly driven by international customers, and in the Nordic markets, there were positive signs in especially Sweden and Norway during the third quarter.

Global Fund Distribution net outflow was EUR 0.2bn in the third quarter – the first negative quarterly result since the end of 2008. The financial turmoil caused investors to redeem from classical equity funds and high yield bond funds. Recent efforts in positioning Nordic fixed income as an attractive euro diversification paid off as Nordea's range of Nordic bond funds succeeded in attracting new investors. Global Fund Distribution continued to expand the multi-boutique product palette with focus on the new generation of pan-regional emerging market products and country-specific funds.

Result

Asset Management income was EUR 83m in the third quarter, down 2% compared to the third quarter last year and down 8% from the second quarter 2011. The income decrease was due to lower AuM and lower income margin coming from shift in the asset composition towards lower margin products. Operating profit was EUR 38m, unchanged compared to the third quarter last year.

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	1	1	1	1	0	0%	
Net fee and commission income	84	89	88	112	83	-6%	1%
Net result from items at fair value	-2	0	0	0	0		
Equity method & other income	0	0	0	2	2		-100%
Total income incl. allocations	**83**	**90**	**89**	**115**	**85**	-8%	-2%
Staff costs	-23	-25	-28	-29	-22	-8%	5%
Total expenses incl. allocations	**-45**	**-50**	**-50**	**-53**	**-47**	-10%	-4%
Profit before loan losses	**38**	**40**	**39**	**62**	**38**	-5%	0%
Net loan losses	0	0	0	0	0		
Operating profit	**38**	**40**	**39**	**62**	**38**	-5%	0%
Cost/income ratio, %	54	56	56	46	55		
Income, margin (basis points)	31	33	34	44	34		
RAROCAR, %	219	207	206	272	214		
Economic capital (EC)	57	57	57	67	53	0%	8%
AuM, EURbn	105	109	107	106	102	-4%	3%
Number of employees (FTEs)	520	522	522	522	512	0%	2%

Life & Pensions

Life & Pensions serves Nordea's customers with pension, endowment and risk products tailor-made for bank distribution in the Nordic countries, Poland, the Baltic countries, the Isle of Man and Luxembourg. For the Danish, Norwegian and Polish markets, sales are also conducted through Life & Pensions' own sales force which operates independently of Nordea branches, as well as tied agents and insurance brokers.

Business development

Gross written premiums amounted to EUR 1,196m in the third quarter, 1% higher than third quarter 2010 and 28% lower than second quarter 2011 due to seasonal effects and the impact on sales from the financial turmoil. Sales via the Nordea bank channel accounted for 49% of total premiums during the first nine month of 2011. Overall, Nordea's Nordic market share within Life & Pensions increased to 11.8% measured as 12 months gross written premiums.

Life & Pensions continued to shift the product portfolio towards capital-efficient unit-linked products. As a result, net inflow during the third quarter was positive for the unit-linked and premium guarantees of EUR 0.5bn while the traditional portfolio experienced net outflow of EUR 0.5bn. During the first nine months of 2011, 58% of premiums were channeled to unit-linked or premium guarantee traditional products.

Financial buffers in the traditional portfolio declined EUR 800m during the third quarter, ending at EUR 1.1bn, corresponding to 4.4% of technical provisions, due to falling equity markets and lower interest rates. An intensive ALM focus on managing the buffers in all markets resulted in a year-to-date positive investment return of 3.5% in the traditional portfolios. The total investment return was -1.8% in the third quarter, due to falling equity markets.

Result

Life & Pensions' income amounted to EUR 64m and operating profit was EUR 10m in the third quarter. Income for the quarter was heavily impacted by a reversal of fee income attributable to part of the traditional portfolio. The turbulent financial markets during the third quarter reduced the financial buffers temporarily constraining Life & Pensions' ability to collect fees in Denmark. Life & Pensions has therefore accrued EUR 48m in fee income to a fee reservation account. The final decision on fee recognition will be made in connection to the annual closing.

Unit-linked and pure-risk products accounted for 64% of total underlying operating profit.

MCEV decreased by EUR 791m in the third quarter to EUR 2,675m. The decrease was due to effects from decreasing long-term interest rates and financial buffers. New business sales contributed to increase MCEV by EUR 147m during the first nine months of 2011.

EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	0	0	0	0	0		
Net fee and commission income	46	60	32	52	58	-23%	-21%
Net result from items at fair value	15	52	70	89	81	-71%	-81%
Equity method & other income	3	-3	0	4	4		
Total income incl. allocations	**64**	**109**	**102**	**145**	**143**	**-41%**	**-55%**
Staff costs	-32	-30	-34	-30	-32	7%	0%
Total expenses incl. allocations	**-54**	**-53**	**-52**	**-52**	**-52**	**2%**	**4%**
Profit before loan losses	**10**	**56**	**50**	**93**	**91**	**-82%**	**-89%**
Net loan losses	0	0	0	0	0		
Operating profit	**10**	**56**	**50**	**93**	**91**	**-82%**	**-89%**
Cost/income ratio, %	84	49	51	36	36		
RAROCAR, %	2	14	14	21	22	-83%	-89%
Economic capital (EC)	1,173	1,179	1,071	1,302	1,223	-1%	-4%
AuM, EURbn	43	45	44	44	43		
Premiums	1,196	1,671	1,738	1,472	1,186		
Number of employees (FTEs)	1,351	1,361	1,376	1,370	1,349	-1%	0%
Profit drivers							
Profit Traditional products	-52	19	19	55	54	-374%	0%
Profit New Traditional products	1	0	1	1	0		
Profit Unit Linked products	17	19	17	15	16	-11%	12%
Profit Risk products	20	13	12	12	12	54%	8%
Total product result	**-14**	**51**	**49**	**83**	**82**	-127%	4%
Return on S/E, other profits and group adjustment	24	5	1	10	9		
Operating profit	**10**	**56**	**50**	**93**	**91**	-82%	12%

Group Functions and Other

Together with the results in the customer areas and in Other customer operations, the results of the Group functions add up to the reported result in the Group. The main income in Group Corporate Centre (GCC) originates from Group Treasury (Group Asset & Liability Management, Group Funding and Group Investments & Execution). Group Functions and Eliminations include the Transfer account centre, through which funding costs are allocated to business areas, as well as Group Operations and other Group Functions.

Group Corporate Centre

Business development – Nordea's funding, liquidity and market risk management

The average cost for long-term funding was largely unchanged in the third quarter.

The proportion of long-term funding of total funding was at the end of the third quarter approx. 64%.

Refinancing risk is managed by funding gap measures and matching between behavioural duration of assets and liabilities.

For short-term liquidity risks, Nordea uses 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/CRD-liquid assets and amounted to EUR 62bn at the end of the third quarter (EUR 58bn at the end of the second quarter).

Nordea has been able to lengthen the duration of its short-term issuance due to good investor demand. All short-term programmes are working well, supplying a good diversity by maturity, programme and currency.

Nordea issued approx. EUR 4.5bn of long-term funding in the third quarter, of which approx. EUR 4.1bn represented issuance of Swedish, Norwegian and Finnish covered bonds in the domestic and international markets. In the international markets, Nordea Bank Finland issued a EUR 1.5bn five-year covered bond and a CHF 250m covered bond FRN. In the US market, Nordea Eiendomskreditt issued a USD 1bn five-year covered bond.

The average price risk on Group Treasury's interest-rate positions, calculated as VaR, was EUR 49m at the end of the third quarter. The risk related to equities, calculated as VaR, was EUR 5m and the risk related to credit spreads (VaR) was EUR 9m. Interest rate risk, equity risk and credit spread risk all decreased compared to the second quarter.

Result

Total operating income was EUR 17m in the third quarter. Net interest income was EUR 105m in the third quarter compared to EUR 76m in the previous quarter, partly due to maturing long-term funding refinanced at lower market interest rates. Net result on items at fair value was EUR -86m compared to EUR 3m in the second quarter, mainly related to equity holdings. Operating profit was EUR -32m.

	Group Corporate Centre							**Group functions, Other and Eliminations**						
EURm	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310	Q311	Q211	Q111	Q410	Q310	Ch. Q311/Q211	Q311/Q310
Net interest income	105	76	86	126	136	38%	-23%	-89	-74	-25	-18	-10	20%	
Net fee and commission income	-3	-3	-3	-1	-3	0%	0%	-36	-39	-8	-35	-37	-8%	-3%
Net result from items at fair value	-86	3	66	11	10			-2	-12	-16	-16	-27	-83%	-93%
Other income	1	0	1	1	-1			3	15	17	7	36	-80%	-92%
Total operating income	**17**	**76**	**150**	**137**	**142**	**-78%**	**-88%**	**-124**	**-110**	**-32**	**-62**	**-38**	**13%**	
Staff costs	-17	-13	-18	-12	-20	31%	-15%	-249	-78	-96	-39	-83		
Total operating expenses	**-49**	**-50**	**-53**	**-54**	**-55**	**-2%**	**-11%**	**-211**	**19**	**21**	**30**	**12**		
Net loan losses	0	0	0	0	0			3	-3	-6	5	5		-40%
Operating profit	**-32**	**26**	**97**	**83**	**87**		**-137%**	**-332**	**-94**	**-17**	**-27**	**-21**		
Economic capital (EC)	695	780	862	761	706	-11%	-2%	744	520	710	448	410	43%	82%
Risk-weighted assets (RWA)	5,591	4,498	5,728	6,157		24%		5,131	5,726	6,573	6,362		-10%	
Number of employees (FTEs)	455	457	462	452	447	0%	2%							

Customer segments

Corporate customer segments and financial institutions, key figures

	Corporate Merchant Banking (Nordic)			Large corporate customers (Nordic)			Other corporate customers (Nordic)			Poland & Baltic corporate customers		
	Q3 11	Q2 11	Q3 10	Q3 11	Q2 11	Q3 10	Q3 11	Q2 11	Q3 10	Q3 11	Q2 11	Q3 10
Number of customer '000 (EOP)	9	9	9	28	27	26				100	98	90
Income, EURm	**334**	**357**	**344**	**336**	**334**	**305**	**236**	**236**	**215**	**50**	**49**	**55**
Volumes, EURbn												
Lending	39.7	39.8	39.7	55.1	55.1	52.6	25.8	25.6	25.2	7.3	7.3	6.8
Deposit	19.2	19.3	18.8	20.0	19.2	19.3	21.0	21.0	20.6	2.5	2.5	2.3
Margins, pct p.a.												
Lending	1.40%	1.35%	1.34%	1.25%	1.24%	1.24%	1.56%	1.58%	1.56%	1.46%	1.45%	1.45%
Deposit	0.29%	0.28%	0.23%	0.43%	0.43%	0.39%	0.86%	0.83%	0.52%	1.63%	1.58%	1.60%

	Russian corporate customers			Shipping customers			Financial Institutions			Corporate and Financial Institutions Total		
	Q3 11	Q2 11	Q3 10	Q3 11	Q2 11	Q3 10	Q3 11	Q2 11	Q3 10	Q3 11	Q2 11	Q3 10
Number of customer '000 (EOP)	6	6	6	2	2	2	2	2	1			
Income, EURm	**33**	**34**	**45**	**112**	**109**	**108**	**95**	**104**	**111**	**1,196**	**1,223**	**1,183**
Volumes, EURbn												
Lending	5.2	4.1	4.1	13.4	12.8	13.9	3.7	3.9	3.5	150.2	148.6	145.8
Deposit	1.5	1.6	0.7	4.8	4.6	5.3	14.6	14.9	8.9	83.6	83.1	75.9
Margins, pct p.a.												
Lending	2.63%	2.77%	2.97%	1.86%	1.82%	1.56%	0.73%	0.62%	0.57%	1.44%	1.42%	1.40%
Deposit	0.79%	0.89%	0.92%	0.11%	0.09%	0.15%	0.13%	0.13%	0.20%	0.48%	0.47%	0.38%

Household customer segments, key figures

	Nordic Private Banking			Gold customers (Nordic)			Other household customers (Nordic)			Poland & Baltic household customers		
	Q3 11	Q2 11	Q3 10	Q3 11	Q2 11	Q3 10	Q3 11	Q2 11	Q3 10	Q3 11	Q2 11	Q3 10
Number of customer '000 (EOP)	89	91	92	2,903	2,873	2,761				999	974	902
Of which Gold+Private Banki										144	137	117
Income, EURm	**116**	**128**	**93**	**570**	**547**	**474**	**190**	**180**	**169**	**57**	**47**	**46**
Volumes, EURbn												
Lending	6.2	6.2	6.4	125.2	123.4	116.6	9.1	9.1	9.7	7.0	6.7	5.8
Deposit	8.1	7.9	7.5	53.2	52.9	48.2	16.2	16.4	16.5	1.6	1.6	1.5
Assets under Management	48.9	55.6	51.5									
Margins, pct p.a.												
Lending	0.88%	0.81%	0.71%	1.06%	1.03%	1.04%	3.37%	3.32%	3.46%	1.63%	1.58%	1.60%
Deposit	0.41%	0.40%	0.18%	0.55%	0.51%	0.20%	1.08%	1.00%	0.52%	0.84%	0.83%	0.59%

	Russian household customers			International Private Banking			Household customers Total		
	Q3 11	Q2 11	Q3 10	Q3 11	Q2 11	Q3 10	Q3 11	Q2 11	Q3 10
Number of customer '000 (EOP)	59	58	48	12	12	12			
Of which Gold+Private Banki							3,058	3,022	2,889
Income, EURm	**4**	**4**	**4**	**24**	**26**	**20**	**28**	**30**	**23**
Volumes, EURbn									
Lending	0.3	0.3	0.3	1.3	1.4	1.0	149.1	147.1	139.8
Deposit	0.1	0.1	0.1	2.2	1.9	1.7	81.5	80.8	75.5
Assets under Management				9.1	9.7	9.3	58.0	65.2	60.8
Margins, pct p.a.									
Lending	4.47%	4.50%	4.62%	0.46%	0.46%	0.67%	1.23%	1.19%	1.23%
Deposit	0.17%	0.03%	0.01%	0.69%	0.74%	0.69%	0.65%	0.61%	0.29%

Income statement

EURm	Note	Q3 2011	Q3 2010	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
Operating income						
Interest income		*3,095*	*2,418*	*8,786*	*7,058*	*9,687*
Interest expense		*-1,716*	*-1,108*	*-4,757*	*-3,264*	*-4,528*
Net interest income		1,379	1,310	4,029	3,794	5,159
Fee and commission income		*760*	*726*	*2,351*	*2,157*	*2,955*
Fee and commission expense		*-178*	*-201*	*-544*	*-619*	*-799*
Net fee and commission income	3	582	525	1,807	1,538	2,156
Net result from items at fair value	4	111	446	1,011	1,333	1,837
Profit from companies accounted for under the equity method		-4	29	27	61	66
Other operating income		23	53	69	101	116
Total operating income		**2,091**	**2,363**	**6,943**	**6,827**	**9,334**
Operating expenses						
General administrative expenses:						
Staff costs		-887	-721	-2,399	-2,109	-2,784
Other expenses	5	-474	-436	-1,412	-1,319	-1,862
Depreciation, amortisation and impairment charges of tangible and intangible assets		-52	-39	-142	-118	-170
Total operating expenses		**-1,413**	**-1,196**	**-3,953**	**-3,546**	**-4,816**
Profit before loan losses		**678**	**1,167**	**2,990**	**3,281**	**4,518**
Net loan losses	6	-112	-207	-472	-713	-879
Operating profit		**566**	**960**	**2,518**	**2,568**	**3,639**
Income tax expense		-160	-249	-670	-675	-976
Net profit for the period		**406**	**711**	**1,848**	**1,893**	**2,663**
Attributable to:						
Shareholders of Nordea Bank AB (publ)		404	709	1,842	1,888	2,657
Non-controlling interests		2	2	6	5	6
Total		**406**	**711**	**1,848**	**1,893**	**2,663**
Basic earnings per share, EUR		0.10	0.18	0.46	0.47	0.66
Diluted earnings per share, EUR		0.10	0.18	0.46	0.47	0.66

Statement of comprehensive income

EURm	Q3 2011	Q3 2010	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
Net profit for the period	**406**	**711**	**1,848**	**1,893**	**2,663**
Currency translation differences during the period	-200	50	-257	488	669
Currency hedging of net investments in foreign operations	87	-75	113	-311	-407
Tax on currency hedging of net investments in foreign operations	-23	20	-30	82	107
Available-for-sale investments:					
Valuation gains/losses during the period	5	-	-5	-	3
Tax on valuation gains/losses during the period	-2	-	1	-	-1
Cash flow hedges:					
Valuation gains/losses during the period	-	-	-	1	1
Tax on valuation gains/losses during the period	-	-	-	0	0
Other comprehensive income, net of tax	**-133**	**-5**	**-178**	**260**	**372**
Total comprehensive income	**273**	**706**	**1,670**	**2,153**	**3,035**
Attributable to:					
Shareholders of Nordea Bank AB (publ)	271	704	1,664	2,148	3,029
Non-controlling interests	2	2	6	5	6
Total	**273**	**706**	**1,670**	**2,153**	**3,035**

Balance sheet

EURm	Note	30 Sep 2011	31 Dec 2010	30 Sep 2010
Assets				
Cash and balances with central banks		2,312	10,023	3,082
Treasury bills		17,211	13,112	17,374
Loans to credit institutions	7	32,649	15,788	19,233
Loans to the public	7	332,537	314,211	313,980
Interest-bearing securities		70,641	69,137	55,657
Financial instruments pledged as collateral		13,026	9,494	9,903
Shares		15,672	17,293	16,190
Derivatives	10	157,417	96,825	138,444
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,431	1,127	1,297
Investments in associated undertakings		572	554	545
Intangible assets		3,270	3,219	3,098
Property and equipment		454	454	432
Investment property		3,633	3,568	3,591
Deferred tax assets		252	278	117
Current tax assets		285	262	358
Retirement benefit assets		195	187	142
Other assets		16,308	22,857	14,759
Prepaid expenses and accrued income		3,142	2,450	2,526
Total assets		**671,007**	**580,839**	**600,728**
Of which assets customer bearing the risk		*14,952*	*16,230*	*14,511*
Liabilities				
Deposits by credit institutions		49,538	40,736	53,599
Deposits and borrowings from the public		185,263	176,390	165,806
Liabilities to policyholders		39,249	38,766	37,908
Debt securities in issue		170,459	151,578	137,046
Derivatives	10	151,359	95,887	138,556
Fair value changes of the hedged items in portfolio hedge of interest rate risk		2,913	898	1,963
Current tax liabilities		304	502	418
Other liabilities		34,495	38,590	28,708
Accrued expenses and prepaid income		3,742	3,390	3,459
Deferred tax liabilities		926	885	766
Provisions		491	581	518
Retirement benefit obligations		323	337	407
Subordinated liabilities		6,890	7,761	7,927
Total liabilities		**645,952**	**556,301**	**577,081**
Equity				
Non-controlling interests		84	84	83
Share capital		4,047	4,043	4,043
Share premium reserve		1,080	1,065	1,065
Other reserves		-324	-146	-258
Retained earnings		20,168	19,492	18,714
Total equity		**25,055**	**24,538**	**23,647**
Total liabilities and equity		**671,007**	**580,839**	**600,728**
Assets pledged as security for own liabilities[1]		146,106	152,899	131,117
Other assets pledged		5,215	5,972	6,361
Contingent liabilities		23,567	23,963	22,885
Credit commitments[2]		86,524	88,740	80,570
Other commitments		3,388	4,009	3,108

[1] Includes, as from the second quarter 2011, only assets on Nordea's balance sheet. Comparative figures have been restated accordingly.

[2] Including unutilised portion of approved overdraft facilities of EUR 47,741m (31 Dec 2010: EUR 50,522m, 30 Sep 2010: EUR 44,480m).

Statement of changes in equity

EURm	Attributable to shareholders of Nordea Bank AB (publ): Share capital[1]	Share premium reserve	Other reserves: Translation of foreign operations	Other reserves: Cash flow hedges	Other reserves: Available-for-sale investments	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance at 1 Jan 2011	**4,043**	**1,065**	**-148**	**-**	**2**	**19,492**	**24,454**	**84**	**24,538**
Total comprehensive income	-	-	-174	-	-4	1,842	1,664	6	1,670
Issued C-shares[3]	4	-	-	-	-	-	4	-	4
Repurchase of C-shares[3]	-	-	-	-	-	-4	-4	-	-4
Share-based payments	-	-	-	-	-	8	8	-	8
Dividend for 2010	-	-	-	-	-	-1,168	-1,168	-	-1,168
Purchases of own shares[2]	-	-	-	-	-	-2	-2	-	-2
Other changes	-	15[4]	-	-	-	-	15	-6	9
Closing balance at 30 Sep 2011	**4,047**	**1,080**	**-322**	**-**	**-2**	**20,168**	**24,971**	**84**	**25,055**

EURm	Attributable to shareholders of Nordea Bank AB (publ): Share capital[1]	Share premium reserve	Other reserves: Translation of foreign operations	Other reserves: Cash flow hedges	Other reserves: Available-for-sale investments	Retained earnings	Total	Non-controlling interests	Total equity
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[3]	6	-	-	-	-	-	6	-	6
Repurchase of C-shares[3]	-	-	-	-	-	-6	-6	-	-6
Share-based payments	-	-	-	-	-	17	17	-	17
Dividend for 2009	-	-	-	-	-	-1,006	-1,006	-	-1,006
Divestment of own shares[2]	-	-	-	-	-	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**

EURm	Attributable to shareholders of Nordea Bank AB (publ): Share capital[1]	Share premium reserve	Other reserves: Translation of foreign operations	Other reserves: Cash flow hedges	Other reserves: Available-for-sale investments	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance at 1 Jan 2010	**4,037**	**1,065**	**-517**	**-1**	**-**	**17,756**	**22,340**	**80**	**22,420**
Total comprehensive income	-	-	259	1	-	1,888	2,148	5	2,153
Issued C-shares[3]	6	-	-	-	-	-	6	-	6
Repurchase of C-shares[3]	-	-	-	-	-	-6	-6	-	-6
Share-based payments	-	-	-	-	-	14	14	-	14
Dividend for 2009	-	-	-	-	-	-1,006	-1,006	-	-1,006
Divestment of own shares[2]	-	-	-	-	-	68	68	-	68
Other changes	-	-	-	-	-	-	-	-2	-2
Closing balance at 30 Sep 2010	**4,043**	**1,065**	**-258**	**-**	**-**	**18,714**	**23,564**	**83**	**23,647**

[1] Total shares registered were 4,047 million (31 Dec 2010: 4,043 million, 30 Sep 2010: 4,043 million).

[2] Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares at 30 Sep 2011 were 20.2 million (31 Dec 2010: 16.9 million, 30 Sep 2010: 17.9 million).

[3] Refers to the Long Term Incentive Programme (LTIP). LTIP 2011 was hedged by issuing 4,730,000 C-shares (LTIP 2010: 5,125,000), the shares have been bought back and converted to ordinary shares. The total holding of own shares related to LTIP is 18.4 million (31 Dec 2010: 15.4 million, 30 Sep 2010: 15.6 million).

[4] In connection to the rights issue in 2009 an assessment was made on the VAT Nordea would have to pay on the transaction costs. This assessment has been changed in 2011 based on a new tax case law.

Cash flow statement

EURm	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
Operating activities			
Operating profit	2,518	2,568	3,639
Adjustments for items not included in cash flow	425	1,779	1,619
Income taxes paid	-864	-877	-1,045
Cash flow from operating activities before changes in operating assets and liabilities	2,079	3,470	4,213
Changes in operating assets and liabilities	-9,299	-13,489	-6,411
Cash flow from operating activities	-7,220	-10,019	-2,198
Investing activities			
Sale/acquisition of business operations	-	-39	-46
Property and equipment	-74	-55	-98
Intangible assets	-153	-103	-181
Net investments in debt securities, held to maturity	7,792	2,062	1,991
Other financial fixed assets	-31	-8	1
Cash flow from investing activities	7,534	1,857	1,667
Financing activities			
New share issue	4	6	6
Issued/amortised subordinated liabilities	-1,120	194	194
Divestment/repurchase of own shares incl change in trading portfolio	-2	68	74
Dividend paid	-1,168	-1,006	-1,006
Cash flow from financing activities	-2,286	-738	-732
Cash flow for the period	**-1,972**	**-8,900**	**-1,263**
Cash and cash equivalents at beginning of the period	**13,706**	**13,962**	**13,962**
Translation difference	319	787	1,007
Cash and cash equivalents at end of the period	**12,053**	**5,849**	**13,706**
Change	**-1,972**	**-8,900**	**-1,263**

Cash and cash equivalents	30 Sep	30 Sep	31 Dec
The following items are included in cash and cash equivalents (EURm):	2011	2010	2010
Cash and balances with central banks	2,312	3,082	10,023
Loans to credit institutions, payable on demand	9,741	2,767	3,683

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 Standards Interpretations Committee (IFRS IC, formerly 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 2010 Annual Report, except for the categorisation of lending related commissions within "Net fee and commission income" and the recognition of repurchase agreements. These changes are further described below.

Categorisation of lending related commissions

The categorisation of lending related commissions within "Net fee and commission income" (note 3) was changed during the first quarter in order to be better aligned with the purpose for which the fees are received. The change mainly relates to syndicated transactions. The comparable figures have been restated accordingly. The impact on the first three quarters 2010 and on the full year 2010 is disclosed in the below table.

	Jan-Sep 2010		Jan-Dec 2010	
EURm	New policy	Old policy	New policy	Old policy
Lending	296	233	397	323
Other commission income	144	207	217	291

Recognition of repurchase agreements and reverse repurchase agreements

Repurchase agreements and reverse repurchase agreements have previously been recognised on the balance sheet on trade date, but are as from the third quarter recognised on settlement date. This has not had any impact on the income statement. The impact on the balance sheet can be seen in the below table. The comparative figures have been restated for the periods where the impact is significant, meaning that only the first and second quarters 2011 have been restated.

	30 Sep 2011		30 Jun 2011		31 Mar 2011		31 Dec 2010		30 Sep 2010	
EURm	New policy	Old policy	New policy	Old policy	New policy	Old policy	New policy	Old policy	New policy	Old policy
Reverse repurchase agreements										
Loans to credit institutions	32,649	34,810	20,719	22,973	22,456	26,284	15,268	15,788	19,233	19,233
Loans to the public	332,537	344,105	324,997	332,202	322,414	330,536	313,630	314,211	313,980	313,980
Other liabilities	34,495	48,224	28,843	38,302	33,057	45,007	37,489	38,590	28,708	28,708
Repurchase agreements										
Deposits by credit institutions	49,538	55,213	46,149	48,935	46,985	50,235	38,264	40,736	53,599	53,599
Deposits and borrowings from the public	185,263	190,722	180,863	187,885	173,262	182,344	175,245	176,390	165,806	165,806
Other assets	16,308	27,442	13,836	23,644	11,831	24,163	19,240	22,857	14,759	14,759

Exchange rates

EUR 1 = SEK	Jan-Sep 2011	Jan-Dec 2010	Jan-Sep 2010
Income statement (average)	9.0081	9.5463	9.6566
Balance sheet (at end of period)	9.2580	8.9655	9.1421
EUR 1 = DKK			
Income statement (average)	7.4543	7.4472	7.4447
Balance sheet (at end of period)	7.4417	7.4535	7.4519
EUR 1 = NOK			
Income statement (average)	7.8052	8.0080	7.9922
Balance sheet (at end of period)	7.8880	7.8000	7.9680
EUR 1 = PLN			
Income statement (average)	4.0191	3.9957	4.0052
Balance sheet (at end of period)	4.4050	3.9750	3.9847
EUR 1 = RUB			
Income statement (average)	40.4764	40.2749	39.7788
Balance sheet (at end of period)	43.3500	40.8200	41.6923

Note 2 Segment reporting

	Operating segments													
	Retail Banking Jan-Sep		Wholesale Banking Jan-Sep		Group Corporate Centre Jan-Sep		Other Operating segments[1] Jan-Sep		Total operating segments Jan-Sep		Recon-ciliation Jan-Sep		**Total Group Jan-Sep**	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	**2011**	**2010**
Total operating income, EURm	4,268	3,835	1,914	2,011	242	339	594	740	7,018	6,925	-75	-98	**6,943**	**6,827**
Operating profit, EURm	1,363	830	1,172	1,244	102	207	76	141	2,713	2,422	-195	146	**2,518**	**2,568**
Loans to the public[2], EURbn	216	202	61	62	-	-	6	6	283	270	50	44	**333**	**314**
Deposits and borrowings from the public[2], EURbn	103	100	40	35	-	-	8	7	151	142	34	24	**185**	**166**

[1] Including the main business area Wealth Management.
[2] Included if provided to the Chief Operating Decision Maker.

Break-down of Retail Banking and Wholesale Banking

	Total operating income, EURm Jan-Sep		Operating profit, EURm Jan-Sep		Loans to the public, EURbn 30 Sep		Deposits and borrowings from the public, EURbn 30 Sep	
	2011	2010	2011	2010	2011	2010	2011	2010
Retail Banking Nordic[1]	3,907	3,504	1,255	732	203	190	99	96
Retail Banking Poland & Baltic countries[1]	315	288	122	83	13	12	4	4
Retail Banking Other[2]	46	43	-14	15	-	-	-	-
Retail Banking	**4,268**	**3,835**	**1,363**	**830**	**216**	**202**	**103**	**100**
Corporate Merchant Banking	1,019	989	763	686	39	40	19	20
Shipping, Offshore & Oil Services	321	287	208	205	13	14	5	5
Financial Institutions	284	294	165	173	4	4	15	9
Nordea Bank Russia	150	142	78	73	5	4	1	1
Capital Markets unallocated	132	291	-31	118	-	-	-	-
Wholesale Banking Other[3]	8	8	-11	-11	-	-	-	-
Wholesale Banking	**1,914**	**2,011**	**1,172**	**1,244**	**61**	**62**	**40**	**35**

[1] Retail Banking Nordic includes banking operations in Denmark, Finland, Norway and Sweden, while Retail Banking Poland & Baltic countries includes banking operations in Estonia, Latvia, Lithuania, and Poland.
[2] Retail Banking Other includes the support areas Development & Projects, Distribution, Segments, Products and IT within the main business area Retail Banking.
[3] Wholesale Banking Other includes the area International Units and the support areas Transaction Products and IT within the main business area Wholesale Banking.

Reconciliation between total operating segments and financial statements

	Operating profit, EURm Jan-Sep		Loans to the public, EURbn 30 Sep		Deposits and borrowings from the public, EURbn 30 Sep	
	2011	2010	2011	2010	2011	2010
Total Operating segments	2,713	2,422	283	270	151	142
Group functions[1]	-28	-66	-	-	-	-
Unallocated items	-313	131	50	43	35	22
Differences in accounting policies[2]	146	81	0	1	-1	2
Total	**2,518**	**2,568**	**333**	**314**	**185**	**166**

[1] Consists of Group Risk Management, Group Internal Audit, Group Identity & Communications, Group Human Resources, Board of Directors and Executive Management.
[2] Impact on operating profit from internally developed and bought software expensed as incurred in the operating segments, but capitalised as required by IAS 38 in the group's balance sheet, EUR 137m (EUR 83m). Impact on operating profit from plan rates used in the segment reporting EUR 9m (EUR -2m).

Measurement of operating segments' performance

The measurement principles and allocation between operating segments follow the information reported to the Chief Operating Decision Maker (CODM), as required by IFRS 8. The main differences compared to the business area reporting are that the information to CODM is prepared using plan rates and to that different allocations principles between operating segments have been applied.

Changes in basis of segmentation

A new organisation has been established, developed around the three main business areas Retail Banking, Wholesale Banking and Wealth Management. In addition a business unit called Group Operations & Other Lines of Business has been established. As from the third quarter 2011 the segment reporting has been changed as a consequence of these organisational changes. The changes compared to the previous segment reporting is mainly that Nordic Banking has been renamed to Retail Banking Nordic, that the banking activities in Russia, that were previously included in New European Markets, are now reported as an own operating segment within the main business area Wholesale Banking and that the service units and support functions within the main business areas Retail Banking and Wholesale Banking are now disclosed separately as Retail Banking Other and Wholesale Banking Other. Corporate Merchant Banking, previously included in Nordic Banking, Capital Markets unallocated and Group Corporate Centre are furthermore disclosed separately. Other operating segments, below the quantitative thresholds in IFRS 8, are included in Other operating segments. Comparative information has been restated accordingly.

Note 3 Net fee and commission income

EURm	Q3 2011	Q2 2011	Q3 2010	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
Asset management commissions	182	189	176	573	505	698
Life insurance	76	76	74	234	225	305
Brokerage	42	52	41	152	146	198
Custody	18	31	16	65	54	77
Deposits	11	11	11	33	33	45
Total savings related commissions	329	359	318	1,057	963	1,323
Payments	105	103	101	311	306	412
Cards	118	112	106	330	293	397
Total payment commissions	223	215	207	641	599	809
Lending	108	108	107	326	296	397
Guarantees and documentary payments	52	52	53	159	155	209
Total lending related commissions	160	160	160	485	451	606
Other commission income	48	69	41	168	144	217
Fee and commission income	**760**	**803**	**726**	**2,351**	**2,157**	**2,955**
Life insurance	-21	-19	-15	-68	-48	-62
Payment expenses	-75	-75	-72	-218	-218	-300
State guarantee fees	-12	-13	-51	-38	-154	-162
Other commission expenses	-70	-73	-63	-220	-199	-275
Fee and commission expenses	**-178**	**-180**	**-201**	**-544**	**-619**	**-799**
Net fee and commission income	**582**	**623**	**525**	**1,807**	**1,538**	**2,156**

Note 4 Net result from items at fair value

EURm	Q3 2011	Q2 2011	Q3 2010	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
Shares/participations and other share-related instruments	-2,189	-84	617	-2,214	1,243	2,394
Interest-bearing securities and other interest-related instruments	850	407	709	1,626	2,546	2,051
Other financial instruments	153	8	-86	139	-200	-230
Foreign exchange gains/losses	383	12	328	544	44	-20
Investment properties	38	57	41	140	118	161
Change in technical provisions[1], Life insurance	51	-155	-967	-28	-2,185	-2,423
Change in collective bonus potential, Life insurance	809	101	-212	769	-273	-160
Insurance risk income, Life insurance	49	61	80	171	233	312
Insurance risk expense, Life insurance	-33	-51	-64	-136	-193	-248
Total	**111**	**356**	**446**	**1,011**	**1,333**	**1,837**

[1] Premium income amounts to EUR 539m for Q3 2011 and EUR 1,922m for Jan-Sep 2011 (Q2 2011: EUR 716m, Q3 2010: EUR 407m, Jan-Sep 2010: EUR 1,251m, Jan-Dec 2010: EUR 1,733m).

Note 5 Other expenses

EURm	Q3 2011	Q2 2011	Q3 2010	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
Information technology	-154	-181	-168	-484	-455	-639
Marketing and entertainment	-26	-36	-21	-91	-74	-144
Postage, transportation, telephone and office expenses	-57	-55	-45	-171	-149	-227
Rents, premises and real estate expenses	-122	-110	-100	-341	-295	-400
Other	-115	-103	-102	-325	-346	-452
Total	**-474**	**-485**	**-436**	**-1,412**	**-1,319**	**-1,862**

Note 6 Net loan losses

EURm	Q3 2011	Q2 2011	Q3 2010	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
Loan losses divided by class						
Loans to credit institutions	1	0	1	2	1	0
Loans to the public	-109	-105	-173	-381	-582	-738
- of which provisions	-253	-236	-295	-774	-861	-1,185
- of which write-offs	-201	-231	-118	-565	-352	-535
- of which allowances used for covering write-offs	151	186	87	445	256	378
- of which reversals	177	159	139	465	324	531
- of which recoveries	17	17	14	48	51	73
Off-balance sheet items	-4	-13	-35	-93	-132	-141
Total	**-112**	**-118**	**-207**	**-472**	**-713**	**-879**

Key ratios

	Q3 2011	Q2 2011	Q3 2010	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
Loan loss ratio, basis points	14	15	29	20	34	31
- of which individual	22	23	35	28	32	33
- of which collective	-8	-8	-6	-8	2	-2

Note 7 Loans and impairment

	Total			
EURm	30 Sep 2011	30 Jun 2011	31 Dec 2010	30 Sep 2010
Loans, not impaired	362,614	343,295	327,684	331,086
Impaired loans	4,957	4,877	4,849	4,651
- Performing	2,866	2,897	2,838	2,570
- Non-performing	2,091	1,980	2,011	2,081
Loans before allowances	**367,571**	**348,172**	**332,533**	**335,737**
Allowances for individually assessed impaired loans	-1,780	-1,782	-1,752	-1,637
- Performing	-1,004	-973	-969	-881
- Non-performing	-776	-809	-783	-756
Allowances for collectively assessed impaired loans	-605	-674	-782	-887
Allowances	**-2,385**	**-2,456**	**-2,534**	**-2,524**
Loans, carrying amount	**365,186**	**345,716**	**329,999**	**333,213**

	Credit institutions				The public			
EURm	30 Sep 2011	30 Jun 2011	31 Dec 2010	30 Sep 2010	30 Sep 2011	30 Jun 2011	31 Dec 2010	30 Sep 2010
Loans, not impaired	32,651	20,721	15,791	19,235	329,963	322,574	311,893	311,851
Impaired loans	26	26	33	36	4,931	4,851	4,816	4,615
- Performing	-	-	4	4	2,866	2,897	2,834	2,566
- Non-performing	26	26	29	32	2,065	1,954	1,982	2,049
Loans before allowances	**32,677**	**20,747**	**15,824**	**19,271**	**334,894**	**327,425**	**316,709**	**316,466**
Allowances for individually assessed impaired loans	-26	-26	-33	-35	-1,754	-1,756	-1,719	-1,602
- Performing	-	-	-4	-4	-1,004	-973	-965	-877
- Non-performing	-26	-26	-29	-31	-750	-783	-754	-725
Allowances for collectively assessed impaired loans	-2	-2	-3	-3	-603	-672	-779	-884
Allowances	**-28**	**-28**	**-36**	**-38**	**-2,357**	**-2,428**	**-2,498**	**-2,486**
Loans, carrying amount	**32,649**	**20,719**	**15,788**	**19,233**	**332,537**	**324,997**	**314,211**	**313,980**

Note 7, continued

Allowances and provisions

EURm	30 Sep 2011	30 Jun 2011	31 Dec 2010	30 Sep 2011
Allowances for items in the balance sheet	-2,385	-2,456	-2,534	-2,524
Provisions for off balance sheet items	-177	-109	-331	-321
Total allowances and provisions	**-2,562**	**-2,565**	**-2,865**	**-2,845**

Key ratios

	30 Sep 2011	30 Jun 2011	31 Dec 2010	30 Sep 2010
Impairment rate, gross, basis points	135	140	146	139
Impairment rate, net, basis points	86	89	93	90
Total allowance rate, basis points	65	71	76	75
Allowances in relation to impaired loans, %	36	37	36	35
Total allowances in relation to impaired loans, %	48	50	52	54
Non-performing, not impaired, EURm	388	385	316	292

Note 8 Classification of financial instruments

EURm	Loans and receivables	Held to maturity	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	2,312	-	-	-	-	-	2,312
Treasury bills	-	617	16,594	-	-	-	17,211
Loans to credit institutions	20,065	-	10,015	2,569	-	-	32,649
Loans to the public	259,112	-	25,711	47,714	-	-	332,537
Interest-bearing securities	-	7,668	29,256	23,891	-	9,826	70,641
Financial instruments pledged as collateral	-	-	13,026	-	-	-	13,026
Shares	-	-	3,779	11,883	-	10	15,672
Derivatives	-	-	155,133	-	2,284	-	157,417
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,431	-	-	-	-	-	1,431
Other assets	9,982	-	-	6,305	-	-	16,287
Prepaid expenses and accrued income	2,104	-	297	222	-	-	2,623
Total 30 Sep 2011	**295,006**	**8,285**	**253,811**	**92,584**	**2,284**	**9,836**	**661,806**
Total 31 Dec 2010	291,153	16,055	172,613	85,669	726	5,765	571,981
Total 30 Sep 2010	269,444	15,959	219,276	86,219	1,126	6	592,030

EURm	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	13,610	11,799	-	24,129	49,538
Deposits and borrowings from the public	18,467	5,559	-	161,237	185,263
Liabilities to policyholders, investment contracts	-	9,510	-	-	9,510
Debt securities in issue	6,142	29,432	-	134,885	170,459
Derivatives	150,650	-	709	-	151,359
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	2,913	2,913
Other liabilities	16,123	5,216	-	13,108	34,447
Accrued expenses and prepaid income	-	496	-	2,067	2,563
Subordinated liabilities	-	-	-	6,890	6,890
Total 30 Sep 2011	**204,992**	**62,012**	**709**	**345,229**	**612,942**
Total 31 Dec 2010	139,188	57,967	661	325,601	523,417
Total 30 Sep 2010	181,696	57,911	534	304,338	544,479

Note 9 Financial instruments

Determination of fair value from quoted market prices or valuation techniques

30 Sep 2011, EURm	Quoted prices in active markets for same instrument (Level 1)	*Of which Life*	Valuation technique using observable data (Level 2)	*Of which Life*	Valuation technique using non-observable data (Level 3)	*Of which Life*	Total
Assets							
Loans to credit institutions	-	-	12,584	-	-	-	12,584
Loans to the public	-	-	73,425	-	-	-	73,425
Debt securities[1]	77,637	*19,694*	12,597	*2,938*	1,673	*1,259*	91,907
Shares[2]	11,284	*8,831*	146	*142*	4,928	*2,781*	16,358
Derivatives	586	-	154,783	*8*	2,048	-	157,417
Other assets	-	-	6,305	-	-	-	6,305
Prepaid expenses and accrued income	-	-	519	-	-	-	519
Liabilities							
Deposits by credit institutions	-	-	25,409	-	-	-	25,409
Deposits and borrowings from the public	-	-	24,026	-	-	-	24,026
Liabilities to policy holders	-	-	9,510	*9,510*	-	-	9,510
Debt securities in issue	29,432	-	6,142	-	-	-	35,574
Derivatives	617	*1*	148,628	-	2,114	*26*	151,359
Other liabilities	12,878	-	8,461	-	-	-	21,339
Accrued expenses and prepaid income	-	-	496	-	-	-	496

[1] Of which EUR 16,594m Treasury bills and EUR 62,973m Interest-bearing securities (the portion held at fair value in Note 8). EUR 12,340m relates to the balance sheet item Financial instruments pledged as collateral.

[2] EUR 686m relates to the balance sheet item Financial instruments pledged as collateral.

Note 10 Derivatives

Fair value	30 Sep 2011		31 Dec 2010		30 Sep 2010	
EURm	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives	131,131	129,102	79,683	77,810	115,540	113,002
Equity derivatives	701	734	779	804	1,023	1,172
Foreign exchange derivatives	20,821	18,267	13,170	13,855	18,909	21,798
Credit derivatives	1,652	1,621	908	929	978	989
Commodity derivatives	784	724	1,534	1,525	841	777
Other derivatives	44	202	25	303	27	284
Total	**155,133**	**150,650**	**96,099**	**95,226**	**137,318**	**138,022**
Derivatives used for hedging						
Interest rate derivatives	1,541	392	461	422	856	289
Equity derivatives	-	-	0	1	0	1
Foreign exchange derivatives	743	317	265	238	270	244
Total	**2,284**	**709**	**726**	**661**	**1,126**	**534**
Total fair value						
Interest rate derivatives	132,672	129,494	80,144	78,232	116,396	113,291
Equity derivatives	701	734	779	805	1,023	1,173
Foreign exchange derivatives	21,564	18,584	13,435	14,093	19,179	22,042
Credit derivatives	1,652	1,621	908	929	978	989
Commodity derivatives	784	724	1,534	1,525	841	777
Other derivatives	44	202	25	303	27	284
Total	**157,417**	**151,359**	**96,825**	**95,887**	**138,444**	**138,556**

Nominal amount	30 Sep	31 Dec	30 Sep
EURm	2011	2010	2010
Derivatives held for trading			
Interest rate derivatives	5,681,046	4,761,179	4,576,784
Equity derivatives	15,788	22,003	18,919
Foreign exchange derivatives	969,767	860,298	837,343
Credit derivatives	61,467	51,224	59,572
Commodity derivatives	17,372	15,823	16,216
Other derivatives	1,852	2,904	99
Total	**6,747,292**	**5,713,431**	**5,508,933**
Derivatives used for hedging			
Interest rate derivatives	50,087	29,643	30,917
Equity derivatives	-	9	20
Foreign exchange derivatives	7,512	4,526	4,426
Total	**57,599**	**34,178**	**35,363**
Total nominal amount			
Interest rate derivatives	5,731,133	4,790,822	4,607,701
Equity derivatives	15,788	22,012	18,939
Foreign exchange derivatives	977,279	864,824	841,769
Credit derivatives	61,467	51,224	59,572
Commodity derivatives	17,372	15,823	16,216
Other derivatives	1,852	2,904	99
Total	**6,804,891**	**5,747,609**	**5,544,296**

Note 11 Capital adequacy

Capital Base

EURm	30 Sep 2011	31 Dec 2010	30 Sep 2010
Core Tier 1 capital	20,182	19,103	18,940
Tier 1 capital	22,098	21,049	20,861
Total capital base	24,692	24,734	24,592

Capital requirement

EURm	30 Sep 2011 Capital requirement	30 Sep 2011 RWA	31 Dec 2010 Capital requirement	31 Dec 2010 RWA	30 Sep 2010 Capital requirement	30 Sep 2010 RWA
Credit risk	**13,022**	**162,770**	**13,173**	**164,662**	**12,918**	**161,475**
IRB	10,003	125,038	10,028	125,346	10,085	126,056
- of which corporate	6,998	87,484	7,204	90,047	7,313	91,409
- of which institutions	837	10,465	722	9,021	716	8,949
- of which retail	2,058	25,719	1,964	24,556	1,940	24,247
- of which other	110	1,370	138	1,722	116	1,451
Standardised	3,019	37,732	3,145	39,316	2,833	35,419
- of which sovereign	37	465	35	434	50	630
- of which retail	795	9,937	781	9,760	778	9,721
- of which other	2,187	27,330	2,329	29,122	2,005	25,068
Market risk	**380**	**4,750**	**461**	**5,765**	**445**	**5,565**
- of which trading book, VaR	119	1,483	105	1,317	140	1,750
- of which trading book, non-VaR	198	2,480	278	3,469	246	3,079
- of which FX, non-VaR	63	787	78	979	59	736
Operational risk	**1,236**	**15,452**	**1,176**	**14,704**	**1,176**	**14,704**
Standardised	1,236	15,452	1,176	14,704	1,176	14,704
Sub total	**14,638**	**182,972**	**14,810**	**185,131**	**14,539**	**181,744**
Adjustment for transition rules						
Additional capital requirement according to transition rules	2,991	37,390	2,370	29,629	2,032	25,396
Total	**17,629**	**220,362**	**17,180**	**214,760**	**16,571**	**207,140**

Capital ratio

	30 Sep 2011	31 Dec 2010	30 Sep 2010
Core Tier I ratio, %, incl profit	9.2	8.9	9.1
Tier I ratio, %, incl profit	10.0	9.8	10.1
Capital ratio, %, incl profit	11.2	11.5	11.9

Analysis of capital requirements

Exposure class, 30 Sep 2011	Average risk weight (%)	Capital requirement (EURm)
Corporate	55%	6,998
Institutions	17%	837
Retail IRB	17%	2,058
Sovereign	1%	37
Other	79%	3,092
Total credit risk		**13,022**

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 deteriorated 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.

Business definitions

Return on equity
Net profit for the year excluding non-controlling interests as a percentage of average equity for the year. Average equity including net profit for the year and dividend until paid, non-controlling interests excluded.

Total shareholders return (TSR)
Total shareholders return measured as growth in the value of a shareholding during the year, assuming the dividends are reinvested at the time of the payment to purchase additional shares.

Risk-adjusted profit
Risk-adjusted profit is defined as total income minus total operating expenses, minus Expected losses and standard tax. In addition, Risk-adjusted profit excludes major non-recurring items.

Tier 1 capital
The proportion of the capital base, which includes consolidated shareholders' equity excluding investments in insurance companies, proposed dividend, deferred tax assets, intangible assets in the banking operations and half of the expected shortfall deduction, – the negative difference between expected losses and provisions. Subsequent to the approval of the supervisory authorities, Tier 1 capital also includes qualified forms of subordinated loans (Tier 1 capital contributions and hybrid capital loans). The Core tier 1 capital constitutes the Tier 1 capital excluding hybrid capital loans.

Tier 1 capital ratio
Tier 1 capital as a percentage of risk-weighted assets. The Core tier 1 ratio is calculated as Core tier 1 capital as a percentage of risk-weighted assets.

Loan loss ratio
Net loan losses (annualised) divided by opening balance of loans to the public (lending).

Impairment rate, gross
Individually assessed impaired loans before allowances divided by total loans before allowances.

Impairment rate, net
Individually assessed impaired loans after allowances divided by total loans before allowances.

Total allowance rate
Total allowances divided by total loans before allowances.

Allowances in relation to impaired loans
Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

Total allowances in relation to impaired loans (provisioning ratio)
Total allowances divided by total impaired loans before allowances.

Non-performing, not impaired
Past due loans, not impaired due to future cash flows (included in Loans, not impaired).

Expected losses
Expected losses reflect the normalised loss level of the individual loan exposure over a business cycle as well as various portfolios.

Economic capital
Economic Capital is Nordea's internal estimate of required capital and measures the capital required to cover unexpected losses in the course of its business with a certain probability. EC uses advanced internal models to provide a consistent measurement for Credit Risk, Market Risk, Operational Risk, Business Risk and Life Insurance Risk arising from activities in Nordea's various business areas. The aggregation of risks across the group gives rise to diversification effects resulting from the differences in risk drivers and the improbability that unexpected losses occur simultaneously.

RAROCAR
RAROCAR, % (Risk-adjusted return on capital at risk) is defined as Risk-adjusted profit relative to Economic capital.

For a list of further business definitions, see the Annual Report.

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 IFRS IC 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 2010 Annual Report, except for the categorisation of lending related commissions within “Net fee and commission income”, which was changed in the first quarter 2011. More information on the categorisation of lending related commissions can be found in Note 1 for the Group.

Income statement

EURm	Q3 2011	Q3 2010	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
Operating income					
Interest income	*692*	*423*	*1,883*	*1,140*	*1,641*
Interest expense	*-511*	*-270*	*-1,400*	*-709*	*-1,057*
Net interest income	181	153	483	431	584
Fee and commission income	*188*	*177*	*567*	*540*	*735*
Fee and commission expense	*-48*	*-42*	*-145*	*-119*	*-164*
Net fee and commission income	140	135	422	421	571
Net result from items at fair value	-3	55	195	94	157
Dividends	-	-	124	300	2,203
Other operating income	31	35	89	88	123
Total operating income	**349**	**378**	**1,313**	**1,334**	**3,638**
Operating expenses					
General administrative expenses:					
Staff costs	-220	-177	-621	-551	-745
Other expenses	-128	-125	-420	-366	-526
Depreciation, amortisation and impairment charges of tangible and intangible assets	-31	-28	-86	-82	-112
Total operating expenses	**-379**	**-330**	**-1,127**	**-999**	**-1,383**
Profit before loan losses	**-30**	**48**	**186**	**335**	**2,255**
Net loan losses	-5	-2	8	-14	-33
Impairment of securities held as financial non-current assets	-	-3	-8	-105	-105
Operating profit	**-35**	**43**	**186**	**216**	**2,117**
Appropriations	-	-	-	-	0
Income tax expense	0	-25	-18	-28	-115
Net profit for the period	**-35**	**18**	**168**	**188**	**2,002**

Nordea Bank AB (publ)
Balance sheet

EURm	30 Sep 2011	31 Dec 2010	30 Sep 2010
Assets			
Cash and balances with central banks	166	182	195
Treasury bills	3,718	4,858	3,905
Loans to credit institutions	56,662	48,151	46,345
Loans to the public	35,837	33,800	32,099
Interest-bearing securities	14,664	15,848	15,074
Financial instruments pledged as collateral	1,903	6,160	7,496
Shares	679	320	899
Derivatives	4,543	2,611	2,956
Fair value changes of the hedged items in portfolio hedge of interest rate risk	871	795	814
Investments in group undertakings	16,603	16,607	16,605
Investments in associated undertakings	5	4	2
Intangible assets	655	671	662
Property and equipment	76	77	76
Deferred tax assets	8	8	8
Current tax assets	51	1	1
Other assets	2,188	2,620	1,579
Prepaid expenses and accrued income	1,274	1,009	1,016
Total assets	**139,903**	**133,722**	**129,732**
Liabilities			
Deposits by credit institutions	26,428	28,644	32,532
Deposits and borrowings from the public	40,940	39,620	38,225
Debt securities in issue	43,503	33,424	29,799
Derivatives	2,808	2,174	2,281
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,692	749	1,122
Current tax liabilities	0	110	35
Other liabilities	1,501	4,458	2,815
Accrued expenses and prepaid income	1,004	721	671
Deferred tax liabilities	-	0	0
Provisions	97	35	44
Retirement benefit obligations	146	149	149
Subordinated liabilities	6,256	7,135	7,295
Total liabilities	**124,375**	**117,219**	**114,968**
Untaxed reserves	**6**	**6**	**6**
Equity			
Share capital	4,047	4,043	4,043
Share premium reserve	1,080	1,065	1,065
Other reserves	-3	1	-
Retained earnings	10,398	11,388	9,650
Total equity	**15,522**	**16,497**	**14,758**
Total liabilities and equity	**139,903**	**133,722**	**129,732**
Assets pledged as security for own liabilities	3,277	6,843	8,054
Other assets pledged	6,395	7,259	7,753
Contingent liabilities	23,951	23,903	21,804
Credit commitments[1]	25,925	29,485	26,532
Other commitments	1,518	1,453	1,251

[1] Including unutilised portion of approved overdraft facilities of EUR 12,085m (31 Dec 2010: EUR 13,972m, 30 Sep 2010: EUR 12,380m).

For further information:

- A press and analyst conference with management will be arranged on 19 October at 09.30 CET, at Smålandsgatan 17, Stockholm.
- An international telephone conference for analysts with management will be arranged on 19 October at 15.00 CET. (Please dial +44 20 3427 1917, confirmation code 4473797#, latest ten minutes in advance.) The telephone conference can be monitored live on www.nordea.com. An indexed on-demand version will also be available on www.nordea.com. A replay will also be available through 26 October, by dialling +44 20 7111 1244, access code 4473797#.
- This quarterly report, an investor presentation and a fact book are available on www.nordea.com.

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Financial calendar

24 January 2012 – fourth quarter and year-end report 2011
24 April 2012 – first quarter report 2012
17 July 2012 – second quarter report 2012
24 October 2012 – third quarter report 2012

Stockholm 19 October 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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