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Fourth Quarter and Year-end Report 2011

New Normal plan delivers strong results

CEO Christian Clausen's comment to the report:

"Our focused relationship strategy and New Normal plan has delivered increased efficiency in cost, capital, liquidity and funding while we have maintained strong income growth and solid profit development.

We have reached a record number of relationship customers and all-time-high total income for both the last quarter and the full year 2011. Cost growth has been reduced and total expenses were at the same level in the fourth quarter as one year before.

Great customer experiences remain our most important value and constitute the key to our relationship strategy and strong financial results also in the new normal. Our ambition is to both mitigate the impact from the new regulations for the customers and develop our products, services and advice even further."

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

Fourth quarter 2011 vs third quarter 2011 (full year 2011 vs 2010):

- Total operating income up 22% (up 2%)
- Operating profit up 40%* (up 2%*)
- Cost / income ratio 49% (55%)
- Net loan losses up to 33 basis points from 14 basis points (down to 23 basis points from 31 basis points last year)
- Core tier 1 capital ratio increased to 11.2% excluding transition rules (up from 10.3% one year ago)
- Return on equity 12.3%, up from 8.5%* in the third quarter (down to 11.1%* from 11.5% in 2010)

Summary key figures, EURm	Q4	Q3	Ch.	Q4	Ch.	2011	2010	Ch.
	2011	2011	%	2010	%			%
Net interest income	1,427	1,379	3	1,365	5	5,456	5,159	6
Total operating income	2,558	2,091	22	2,507	2	9,501	9,334	2
Profit before loan losses	1,292	678	91	1,237	4	4,282	4,518	-5
Net loan losses	-263	-112	135	-166	58	-735	-879	-16
Loan loss ratio (ann.), bps	33	14		23		23	31	
Operating profit	1,029	566	82	1,071	-4	3,547	3,639	-3
Risk-adjusted profit	815	485	68	721	13	2,714	2,622	4
Diluted EPS, EUR	0.19	0.10		0.19		0.65	0.66	
Return on equity, %	12.3	8.5*		12.8		11.1*	11.5	

* 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, 7.79 and 9.03 respectively.

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

CEO comment

2011 has been a dramatic year for the European banking industry. In the spring, the economy gradually stabilised, with improved growth, increasing interest rates and higher confidence. But after the summer, the year was characterised by a full sovereign debt crisis, low confidence and falling interest rates. Many banks had to take urgent action to counteract the effects from states' high debt and budget deficits. In addition, regulatory reform has continued with sharper requirements on capital, funding and liquidity.

Nordea has no direct exposure to the Eurocrisis. However, as all banks, we are indirectly affected by volatile markets and regulatory challenges. For all banks this is a strategic challenge that affects our business model as well as our products, services and advice.

Efficiency in the New Normal

Nordea's response has been to implement our New Normal plan for efficiency in cost, capital, liquidity and funding. That way, we can mitigate the impact from the new regulations for our customers and take our relationship banking concept further.

To maintain a high quality in products and services at a competitive price, Nordea has set ambitious cost targets – to take down the cost development in 2011 and then keep costs unchanged for a prolonged period of time.

The short-term cost targets are met. Cost growth has declined and total expenses were at the same level in the fourth quarter as one year ago. Our cost reduction initiatives proceed according to plan and will contribute to unchanged costs in the coming year. The number of employees has been reduced by 1,100 full time equivalents since the second quarter in 2011.

At the same time, the number of gold and private banking customers has never been higher. Relations with corporate customers continue to strengthen. Income is on the rise.

The slow-down of the global economy and the European down-turn affected our loan losses in the last quarter. The overall credit quality is solid with strongly rated customers and continued positive rating migration. Increase in loan losses mainly stemmed from Shipping and Denmark. The problem areas are well identified and we know how to deal with these.

Risk-adjusted profit is up both in the quarter and for the year. Operating profit has improved significantly from the third quarter, resulting in a full-year level close to 2010.

The Swedish authorities have set the core tier 1 capital requirements to at least 12% from 2015. With the New

Normal plan we will meet the requirements. But we are concerned, not only about the risks of unfair competition from unequal regulation, but even more so about the effects on investments, growth and new jobs. Our customers strive every day to contribute to growth and prosperity – as individuals and as corporates. In a time when growth is hampered in all of Europe it is important to establish balance between regulatory cost and economic growth.

The relationship strategy

To create great customer experiences is our most important value, and the key to our relationship strategy and a strong financial development also in the new normal.

Our new normal plan is about efficiency, but just as much about developing new products and services, utilising the opportunities in new technology and maintaining the dialogue with customers to identify their needs and making their aspirations possible.

Our financial stability – manifested by Nordea being one of very few European banks with an AA-rating – has become visible proof that Nordea will support our relationship customers even in economic downturns.

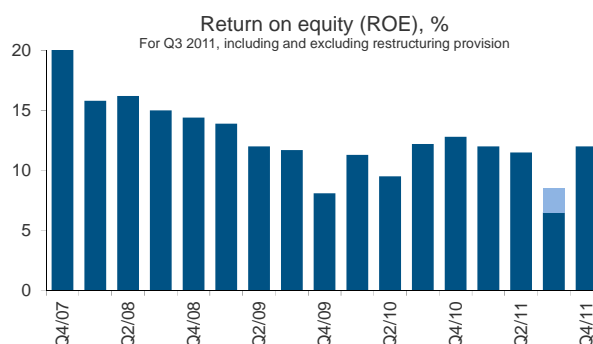
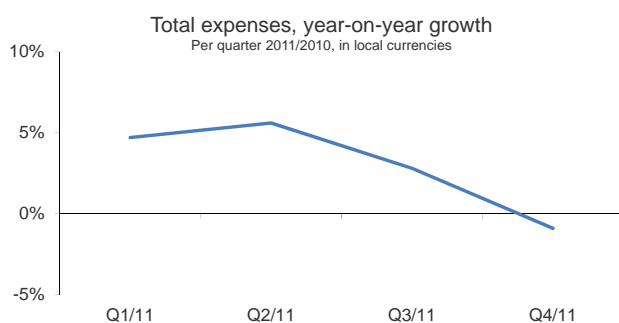
The transformation of our branch network continues in order to match both household and corporate customers' demand for more support and financial advice, while at the same time catch the opportunities in increasing customer use of mobile, internet and telephone banking. The demand for cash and manually supported transactions is decreasing, which allows us to over time reduce cash handling significantly.

We have reorganised Wholesale Banking to meet the customers' demand for professionalism, high competence and individualised products and services.

The financial target to reach a return on equity of 15% in a normalised economy with higher interest rates and capital requirements of 11% remains. The Swedish capital requirements differ from these assumptions, but before the European levels are known and the funding and liquidity regulation is finalised, it is difficult to foresee the full effect of this deviation.

2011 has been a turbulent year for states, banks and many of our customers. 2012 looks just as challenging. Nordea is prepared with a robust capital position and good access to funding. By giving professional advice and responsible support, we want to enable our customers to make their ambitions possible and thereby make the difference that builds our societies strong.

Christian Clausen
President and Group CEO



Income statement¹

EURm	Q4	Q3	Change	Q4	Change	Jan-Dec	Jan-Dec	Change
	2011	2011	%	2010	%	2011	2010	%
Net interest income	1,427	1,379	3	1,365	5	5,456	5,159	6
Net fee and commission income	588	582	1	618	-5	2,395	2,156	11
Net result from items at fair value	506	111		504	0	1,517	1,837	-17
Equity method	15	-4		5		42	66	-36
Other operating income	22	23	-4	15	47	91	116	-22
Total operating income	2,558	2,091	22	2,507	2	9,501	9,334	2
Staff costs	-714	-887	-20	-675	6	-3,113	-2,784	12
Other expenses	-502	-474	6	-543	-8	-1,914	-1,862	3
Depreciation of tangible and intangible assets	-50	-52	-4	-52	-4	-192	-170	13
Total operating expenses	-1,266	-1,413	-10	-1,270	0	-5,219	-4,816	8
Profit before loan losses	1,292	678	91	1,237	4	4,282	4,518	-5
Net loan losses	-263	-112	135	-166	58	-735	-879	-16
Operating profit	1,029	566	82	1,071	-4	3,547	3,639	-3
Income tax expense	-243	-160	52	-301	-19	-913	-976	-6
Net profit for the period	786	406	94	770	2	2,634	2,663	-1

Business volumes, key items¹

EURbn	31 Dec	30 Sep	Change	31 Dec	Change
	2011	2011	%	2010	%
Loans to the public	337.2	332.5	1	314.2	7
Deposits and borrowings from the public	190.1	185.3	3	176.4	8
of which savings deposits	56.3	54.8	3	51.3	10
Assets under management	187.4	177.9	5	191.0	-2
Equity	26.1	25.1	4	24.5	6
Total assets	716.2	671.0	7	580.8	23

Ratios and key figures

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
	2011	2011	2010	2011	2010
Diluted earnings per share, EUR	0.19	0.10	0.19	0.65	0.66
Share price ² , EUR	5.98	6.07	8.16	5.98	8.16
Total shareholders' return, %	-5.2	-17.4	4.2	-24.4	3.7
Proposed/ actual dividend per share, EUR	0.26		0.29	0.26	0.29
Equity per share ² , EUR	6.47	6.20	6.07	6.47	6.07
Potential shares outstanding ² , million	4,047	4,047	4,043	4,047	4,043
Weighted average number of diluted shares, million	4,026	4,026	4,026	4,026	4,022
Return on equity, %	12.3	6.5	12.8	10.6	11.5
Cost/income ratio, %	49	68	51	55	52
Core Tier 1 capital ratio, excl transition rules ² %	11.2	11.0	10.3	11.2	10.3
Tier 1 capital ratio, excl transition rules ² %	12.2	12.1	11.4	12.2	11.4
Total capital ratio, excl transition rules ² %	13.4	13.5	13.4	13.4	13.4
Core Tier 1 capital ratio ² %	9.2	9.2	8.9	9.2	8.9
Tier 1 capital ratio ² %	10.1	10.0	9.8	10.1	9.8
Total capital ratio ² %	11.1	11.2	11.5	11.1	11.5
Tier 1 capital ² EURm	22,641	22,098	21,049	22,641	21,049
Risk-weighted assets incl transition rules ² , EURbn	224	220	215	224	215
Loan loss ratio, basis points	33	14	23	23	31
Number of employees (full-time equivalents) ²	33,068	33,844	33,809	33,068	33,809
Risk-adjusted profit, EURm	815	485	721	2,714	2,622
Economic profit, EURm	420	94	300	1,145	936
Economic capital ² , EURbn	17.7	17.5	17.5	17.7	17.5
EPS, risk-adjusted, EUR	0.20	0.12	0.17	0.67	0.65
RAROCAR, %	18.4	11.1	16.2	15.5	15.0

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

² End of period.

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Macroeconomic and financial market development

The fourth quarter has been characterised by sustained concerns related to European sovereign debt levels. Concerns spread from the periphery towards the core of Europe, questioning the sustainability of the Euroarea. The responses from European politicians to seek a longer-term solution to the regional problems on debt and budget balances and the decision by ECB to introduce a 3-year liquidity facility stabilised markets in the end of the year.

Macroeconomic development

Economic growth in the US and Europe remains low. Economic data in the US has however surprised positively during the fourth quarter and the fear of a renewed sharp downturn has decreased. The European region remains under pressure, impacted by austerity measures and deleveraging. In Asia, growth is strong but weakening.

While the Nordic economies are influenced by the economic environment they continue to perform strongly relative to the European region. Sweden and Norway have maintained solid growth, although these economies are expected to experience a drag on growth in the end of 2011 and in 2012. Growth in Finland has also been significantly stronger. Denmark has been more affected by the European slowdown with lower growth seen in 2011. Danish public finances however remain healthy and stronger than most European countries.

Financial market development

Financial market developments in the fourth quarter were driven by financial and political developments in both Europe and the US. The high uncertainty especially related to the Eurozone problems led to elevated market volatility.

The peripheral sovereign debt crisis in the fourth quarter spread to the large European economies – especially Spain and Italy - and even to European core countries. Investors and financial markets remain somewhat sceptical towards the situation and volatility is expected to stay elevated in Europe as the countries work out the agreement details over the coming months. In the US, uncertainty also continued to shape financial markets as the persisting political deadlock was highlighted by the failure to reach agreement on required budget cuts. Economic data however improved noticeably diminishing fears of renewed US recession and a global downturn. This supported risky assets in the US, which erased losses from the third quarter and supported European markets.

Central banks continue to actively support markets and provide liquidity to banks. The Fed announced further monetary easing while promising to keep rates low until 2013. The investor demand for low-risk assets such as Nordic debt however continued over the quarter leading to very low or negative short-term yields in several European core countries.

Group result and development

Fourth quarter 2011

Income

Total income increased 22% from the previous quarter to EUR 2,558m.

Net interest income

Net interest income increased 3% compared to the previous quarter to EUR 1,427m. Net interest income increased in business areas, mainly due to volume increases in lending and deposits. Net interest income in Group Corporate Centre was largely unchanged in the fourth quarter.

Corporate lending

Corporate lending volumes, excluding reverse repurchase agreements, were up 2% in the fourth quarter in local currencies. Average spreads* were up in the lending book in the quarter.

Household lending

Household mortgage lending volumes increased 1% in local currencies compared to the previous quarter. Total household mortgage lending spreads* increased.

Corporate and household deposits

Total deposits from the public increased to EUR 190bn, up 3% in local currencies excluding repurchase agreements. Average household and corporate deposit spreads* were down in the quarter, which affected net interest income negatively with approx. EUR 25m in the fourth quarter.

Group Corporate Centre

Net interest income was largely unchanged at EUR 100m compared to EUR 105m in the previous quarter.

Net fee and commission income

Net fee and commission income increased 1% to EUR 588m. Increases were mainly seen in savings-related commissions and lending-related commission income. Commission expenses related to stability funds were EUR 17m, related only to Sweden, up somewhat from the previous quarter due to full-year adjustments.

Savings and asset management commissions

Savings-related commissions increased 2% in the fourth quarter to EUR 337m, due to higher brokerage and custody fees. Assets under Management (AuM) increased 5% from the third quarter to EUR 187bn and a net inflow of EUR 1.7bn was reported in the fourth quarter.

Payment and lending-related commissions

Payment commissions increased 1% to EUR 226m, due to higher income from payments. Lending-related commissions increased 4% to EUR 166m.

*) The interest rate spreads that Nordea reports for lending and deposits do not reflect Nordea's profit margin on the respective different products. For mortgage loans and for other long-term lending products, Nordea's total funding cost is considerably higher, between 30 and 70 basis points. Furthermore, operating expenses for the products are not included.

Net result from items at fair value

Net result from items at fair value recovered strongly compared to the previous quarter and increased to EUR 506m. Result from customer-driven business were stable, while total results increased strongly in Capital Markets and Group Treasury from the low levels in the previous quarter. Fees were recognised again in some of the Life insurance operations in Denmark.

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 251m, up 4% compared to the previous quarter (EUR 242m).

Capital Markets unallocated income

The net fair value result in Capital Markets unallocated income, ie income from managing the risk inherent in customer transactions, increased to EUR 164m compared to EUR -58m in the previous quarter.

Group Corporate Centre

The net fair value result in Group Treasury increased to EUR 18m compared to EUR -86m in the previous quarter, mainly related to equity holdings and interest rate-related items.

Life & Pensions

Net result from items at fair value in Life increased to EUR 83m, as fees from traditional life insurance operations in Denmark relating to the period January-September 2011, were recognised. Further, fourth quarter result also includes profit sharing in the Swedish traditional portfolio. The financial buffers were 5.1% of technical provisions, or EUR 1.3bn, at the end of the fourth quarter, an increase of 0.7 %-point compared to the third quarter.

Equity method

Income from companies accounted for under the Equity method was EUR 15m, compared to EUR -4m 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 22m compared to EUR 23m in the previous quarter.

Expenses

Total expenses amounted to EUR 1,266m, up 2% compared to the previous quarter when excluding restructuring costs in connection to the implementation of the New Normal plan of EUR 171m in the third quarter. Staff costs decreased 3% to EUR 714m, excluding restructuring provisions, and other expenses increased 10% to EUR 502m, excluding restructuring provisions, due to seasonal effects.

Compared to the fourth quarter last year, total expenses were largely unchanged and decreased 3% when adjusting for the pension cost reduction last year of EUR 40m.

The number of employees (FTEs) at the end of the fourth quarter decreased 2% compared to the end of the previous quarter. Compared to at the end of the second quarter 2011, the number of employees (FTEs) decreased 3%. The cost/income ratio was 49%, down from the previous quarter.

Provisions for performance-related salaries in the fourth quarter were EUR 60m, compared to EUR 49m in the previous quarter.

Cost efficiency in the New Normal plan

The reduction of the number of employees which was announced in the autumn has been conducted according to plan during the fourth quarter. The number of employees (FTEs) has been reduced by around 1,100 from the second quarter and by around 780 compared to at the end of the third quarter. This has resulted in an annualised gross reduction of the staff expenses of approx. EUR 80m. In addition, IT development expenses have been reduced with approx. EUR 20m for the year 2011.

Net loan losses

Net loan loss provisions increased to EUR 263m, including a reversal of provisions for the Danish deposit guarantee system related to Fjordbank Mors of EUR 19m. Excluding these deposit guarantee-related provisions, the loan loss ratio was 36 basis points (16 basis points in the previous quarter). Provisions for future loan losses increased especially in shipping and Denmark, whereas in other areas the losses remained at moderate levels, though somewhat increased.

Shipping

Especially the tanker market has been hit hard with lower global demand and increased overcapacity affecting freight rates negatively. It has caused further deterioration of collateral values and it has also been more difficult to find ways for successful restructurings. In other shipping segments, the situation is more stable, although markets are not strong. Nordea has necessary work-out resources to handle problem customers and identify new potential risk customers early.

Denmark

The prolonged difficult economic environment has negatively affected overleveraged household, agriculture and SME customers. The number of bankruptcies has gone up and unemployment has risen somewhat. House prices have fallen somewhat reflecting increased forced sales and overall cautiousness in private spending and investments. Core fundamentals in Danish economy are still relatively strong with expected GDP growth 2012 and strong public financials. Overall credit quality is still good also in Denmark and positive rating migration is continuing in the

corporate portfolio. Most corporates have a strong financial position with a relatively good outlook.

Collective net loan losses were positive EUR 33m in the fourth quarter (positive by EUR 66m in the third quarter), as rating migration was positive.

Operating profit

Operating profit was up 82% from the previous quarter.

Taxes

The effective tax rate was 23.6%, compared to 28.3% in the previous quarter and 28.0% in fourth quarter last year.

Net profit

Net profit increased 94% compared to the previous quarter to EUR 786m, corresponding to a return on equity of 12.3%. Diluted earnings per share were EUR 0.19 (EUR 0.10 in the previous quarter).

Risk-adjusted profit

Risk-adjusted profit increased to EUR 815m, up 68% from the previous quarter and up 13% compared to the fourth quarter last year.

Full year 2011

Income

2011 showed continued high total income, up 2% compared to 2010. Net interest income increased 6% compared to last year. Lending volumes increased 7% and deposit volumes 8%. Lending spreads and deposit spreads have increased from last year.

Net fee and commission income continued to increase strongly, up 11% compared to 2010. Net result from items at fair value decreased by 17% compared to last year. The customer-driven capital markets operations continued to be strong, while results from Capital Markets unallocated income decreased. Income under the equity method was EUR 42m and other income was EUR 91m.

Expenses

Total expenses increased 8% compared to last year. Staff costs increased 12%. In local currencies and excluding restructuring costs, total expenses increased 3% and staff costs increased 5%.

Net loan losses

Net loan losses decreased 16% to EUR 735m, compared to last year, corresponding to a loan loss ratio of 23 basis points (31 basis points last year).

Operating profit

Operating profit decreased 3% compared to last year.

Taxes

The effective tax rate in 2011 was 25.7%, compared to 26.8% last year.

Net profit

Net profit decreased 1% from last year to EUR 2,634m.

Risk-adjusted profit

Risk-adjusted profit increased 4% compared to last year to EUR 2,714m.

The effect from currency fluctuations contributed to an increase in income of 1 %-point and expenses of 2 %-points for the full year 2011 compared to 2010.

Other information

Credit portfolio

Total lending, including reversed repurchase agreements, was EUR 337bn, up 1% compared to the previous quarter. Overall, the credit quality in the loan portfolio remained solid in the fourth quarter, with positive migration in the loan portfolio. Improvements in credit quality resulted in a reduction of risk-weighted assets (RWA) of approx. EUR 4.7bn or 2.5%.

The impaired loans ratio decreased to 139 basis points of total loans, due to higher total loan volumes. Total impaired loans gross increased by 5% from the previous quarter. The provisioning ratio decreased compared to the end of the third quarter to 45%.

Loan loss ratios and impaired loans

	Q4 2011	Q3 11	Q2 11	Q1 11	Q4 2010
Basis points of loans					
Loan loss ratios annualised, Group	36 ¹	16 ¹	12 ¹	22 ¹	23
of which individual	40	24	20	28	38
of which collective	-4	-8	-8	-6	-15
Banking Denmark	82 ¹	57 ¹	35 ¹	47 ¹	51
Banking Finland	13	11	19	10	28
Banking Norway	22	- ³	-	19	-
Banking Sweden	13	6	2	-	-
Banking Poland & Baltic countries	58	18	6	-	23
Corporate & Institutional Banking	0	-	-	51	70
Shipping, Offshore & Oil Services	209	76	71	41	12
Impaired loans ratio gross, Group (bps) ⁴	139	141	145	151	146
- performing	60%	58%	59%	58%	59%
- non-performing	40%	42%	41%	42%	41%
Total allowance ratio, Group (bps)	63	65	71	74	76
Provisioning ratio, Group ^{2 4}	45%	46%	49%	49%	52%

¹ Loan loss ratio excluding the provisions related to the Danish deposit guarantee fund. Including these 33, 14, 15 and 31 bps respectively in the Group, 69, 49, 47 and 91 bps respectively in Banking Denmark.

² Total allowances in relation to gross impaired loans.

³ - refers to net reversals and recoveries.

⁴ The comparative figures for 2011 have been restated to ensure consistency between the periods.

Market risk

Interest-bearing securities and treasury bills were EUR 100bn at the end of the fourth quarter, of which EUR 26bn in the life insurance operations and the remaining part in the liquidity buffer and trading portfolios. 30% of the portfolio comprises government or municipality bonds and 33% mortgage bonds, when excluding EUR 8bn of pledged securities.

Total Value at Risk (VaR) market risk was largely unchanged at EUR 47m in the fourth quarter compared to the previous quarter.

Market risk

EURm	Q4 2011	Q3 11	Q2 11	Q4 10
Total risk, VaR	47	46	77	81
Interest rate risk, VaR	38	48	97	91
Equity risk, VaR	6	2	15	13
Foreign exchange risk, VaR	5	6	13	14
Credit spread risk, VaR	11	15	18	33
Diversification effect	22%	35%	46%	47%

Balance sheet

Total assets in the balance sheet increased 7% compared to at the end of the previous quarter to EUR 716bn. The increase relates mainly to higher market value for derivatives and higher amounts of deposits with central banks. 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 11.2% at the end of the fourth quarter and was strengthened by 0.2 %-point from the previous quarter. Improved capital ratios have been achieved by strong profit generation and a modest increase in risk-weighted assets (RWA). With the adoption of the CRD III amendment, new risk types under the internal approach have been introduced. For Nordea this includes additional capital charge for stressed VaR, incremental and comprehensive risk. The total CRD III impact was an increase of EUR 4.0bn in market risk RWA. This was partly offset by continued improvement in credit quality and RWA optimisation activities. The total impact from improved credit quality affected RWA with a reduction by 2.5%.

RWA were EUR 185.2bn excluding transition rules, up EUR 2.2bn or 1.2% compared to the previous quarter and were at the same level as at the end of 2010.

The core tier 1 ratio excluding transition rules under Basel II was 11.2%. The capital base of EUR 24.8bn exceeds the capital requirements including transition rules by EUR 6.9bn and excluding transition rules by EUR 10.0bn. The tier 1 capital of EUR 22.6bn exceeds the

Pillar 1 capital requirements (excluding transitions rules) by EUR 7.8bn.

Capital ratios

%	Q4 2011	Q3 11	Q2 11	Q4 10
<i>Excluding transition rules:</i>				
Core tier 1 capital ratio	11.2	11.0	11.0	10.3
Tier 1 capital ratio	12.2	12.1	12.1	11.4
Total capital ratio	13.4	13.5	13.8	13.4
<i>Including transition rules:</i>				
Core tier 1 capital ratio	9.2	9.2	9.3	8.9
Tier 1 capital ratio	10.1	10.0	10.2	9.8
Total capital ratio	11.1	11.2	11.7	11.5

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 fourth quarter EUR 17.7bn, 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 fourth quarter.

Nordea issued approx. EUR 4.0bn of long-term funding in the fourth quarter, of which approx. EUR 2.7bn 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 fourth quarter approx. 64% (64% 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 64bn at the end of the fourth quarter (EUR 62bn at the end of the third quarter).

Nordea share

During the fourth quarter, the share price of Nordea on the NASDAQ OMX Nordic Exchange depreciated from SEK 56.20 to SEK 53.25.

Dividend

The Board of Directors proposes to the AGM a dividend of EUR 0.26 per share (EUR 0.29). This corresponds to a payout ratio of 40% of net profit, which is in line with the

dividend policy. Total proposed dividend amounts to EUR 1,048m.

The ex-dividend date for the Nordea share is 23 March 2012. The proposed record date for the dividend is 27 March, and dividend payments will be made on 3 April.

Performance-related salaries

Performance-related salaries in Nordea include bonuses and variable salary parts. In order to attract and retain high competence in areas directly exposed to international competition: capital markets, investment banking and asset management, Nordea offers performance-related salaries in form of bonus schemes to a selected group of employees in these areas. Nordea's ambition is to have competitive remuneration schemes, but not be market-leading.

The calculated provisions for bonus in these areas in 2011 decreased to EUR 141m (EUR 169m), of which approx. EUR 43m refers to Sweden. The payout ratio – total staff costs including fixed salaries and bonuses in relation to total income – for the areas with bonus schemes was 18.9% in 2011 compared to 17.1% in 2010. Nordea thus continues to have payout ratios at significantly lower levels than most international peers. The bonus in relation to total income decreased to 4.6% in 2011 compared to 5.3% in 2010.

Variable salary parts in other areas or units decreased to EUR 87m in 2011 (EUR 97m). The size of these remuneration schemes is capped – normally to 3 months' worth of fixed salary – and based on a pre-determined set of well-defined financial as well as non-financial success criteria, including Nordea Group criteria.

The provisions for performance-related salaries in the fourth quarter amounted to EUR 60m, up from EUR 49m in the third quarter.

Performance-related salaries, including social costs

EURm	2011	2010	2009
Bonuses, bonus areas or units	141	169	212
Variable salary parts, other areas or units	87	97	82
Payout ratio, bonus areas or units ¹	18.9%	17.1%	16.4%
Bonus ratio, bonus areas or units ²	4.6%	5.3%	6.2%

¹) Fixed salaries and bonuses in relation to total income.

²) Bonuses in relation to total income.

Profit sharing and Long-term incentives

In 2011, a total of approx. EUR 46m was provided for under Nordea's ordinary profit-sharing scheme for all employees and the Long-Term Incentive Programmes for managers and key employees.

The profit-sharing scheme for 2012 is based on Return On Equity and Customer Satisfaction and the possible maximum outcome of the programme is unchanged. If both performance criteria are met, the cost of the scheme will amount to a maximum of approx. EUR 95m.

The Annual General Meeting 2011 approved a Long-Term Incentive Programme (LTIP) 2011, for up to 400 managers and key employees. To be part of the programme, the participants had to invest in Nordea shares and thereby align their interest and perspectives with the shareholders. LTIP 2011 is based on similar principles as previous programmes with matching shares and performance shares. LTIP 2011 has as LTIP 2010 a three year vesting period and is based on shares free of charge.

Annual General Meeting

The Annual General Meeting will be held on Thursday 22 March 2012 at Aula Magna, at Stockholm University, Stockholm at 13.00 (CET).

Quarterly development, Group

	Q4	Q3	Q2	Q1	Q4	Jan-Dec	Jan-Dec
EURm	2011	2011	2011	2011	2010	2011	2010
Net interest income	1,427	1,379	1,326	1,324	1,365	5,456	5,159
Net fee and commission income	588	582	623	602	618	2,395	2,156
Net result from items at fair value	506	111	356	544	504	1,517	1,837
Equity method	15	-4	13	18	5	42	66
Other operating income	22	23	24	22	15	91	116
Total operating income	2,558	2,091	2,342	2,510	2,507	9,501	9,334
General administrative expenses:							
Staff costs	-714	-887	-744	-768	-675	-3,113	-2,784
Other expenses	-502	-474	-485	-453	-543	-1,914	-1,862
Depreciation of tangible and intangible assets	-50	-52	-46	-44	-52	-192	-170
Total operating expenses	-1,266	-1,413	-1,275	-1,265	-1,270	-5,219	-4,816
Profit before loan losses	1,292	678	1,067	1,245	1,237	4,282	4,518
Net loan losses	-263	-112	-118	-242	-166	-735	-879
Operating profit	1,029	566	949	1,003	1,071	3,547	3,639
Income tax expense	-243	-160	-249	-261	-301	-913	-976
Net profit for the period	786	406	700	742	770	2,634	2,663
Diluted earnings per share (DEPS), EUR	0.19	0.10	0.18	0.18	0.19	0.65	0.66
DEPS, rolling 12 months up to period end, EUR	0.65	0.65	0.73	0.68	0.66	0.65	0.66

Business areas

	Nordea Group																	
	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other and Eliminations			Nordea Group		
	Q4	Q3	Chg	Q4	Q3	Chg	Q4	Q3	Chg	Q4	Q3	Chg	Q4	Q3	Chg	Q4	Q3	Chg
	2011	2011		2011	2011		2011	2011		2011	2011		2011	2011		2011	2011	
EURm																		
Net interest income	1,052	997	6%	338	332	2%	31	30	3%	100	105	-5%	-94	-85	11%	1,427	1,379	3%
Net fee and commission income	279	293	-5%	115	137	-16%	217	194	12%	-3	-3	0%	-20	-39	-49%	588	582	1%
Net result from items at fair value	106	109	-3%	290	53		102	37	176%	18	-86		-10	-2		506	111	
Equity method	-1	2		0	0		0	0		0	0		16	-6		15	-4	
Other income	5	6	-15%	2	-2		7	7	0%	0	1	-100%	8	11	-28%	22	23	-4%
Total operating income	1,441	1,407	2%	745	520	43%	357	268	33%	115	17		-100	-121	-17%	2,558	2,091	22%
Staff costs	-320	-343	-7%	-185	-168	10%	-111	-110	1%	-12	-17	-29%	-86	-249	-65%	-714	-887	-20%
Other expenses	-468	-406	15%	-36	-32	13%	-75	-75	0%	-22	-32	-31%	99	71	40%	-502	-474	6%
Depreciations	-19	-18	6%	-2	-2	0%	-1	3		0	0		-28	-35	-20%	-50	-52	-4%
Total operating expenses	-807	-767	5%	-223	-202	10%	-187	-182	3%	-34	-49	-31%	-15	-213	-93%	-1,266	-1,413	-10%
Net loan losses	-185	-99	87%	-75	-16		-2	0		0	0		-1	3		-263	-112	135%
Operating profit	449	541	-17%	447	302	48%	168	86	95%	81	-32		-116	-331	-65%	1,029	566	82%
Cost/income ratio, %	56	55		30	39		52	68		30	288					49	68	
RAROCAR, %	18	18		23	14		29	15								18	11	
Economic capital (EC)	8,413	8,535	-1%	6,166	6,037	2%	1,724	1,586	9%	551	558	-1%				17,700	17,455	1%
Risk-weighted assets (RWA)	91,500	93,383	-2%	77,969	75,691	3%	3,072	3,025	2%	4,399	3,950	11%				185,201	182,972	1%
Number of employees (FTEs)	19,305	19,856	-3%	6,217	6,370	-2%	3,639	3,666	-1%	441	455	-3%				33,068	33,844	-2%
Volumes, EURbn:																		
Lending to corporates	90.2	87.9	3%	90.8	90.7	0%							3.2	4.5		184.2	183.1	1%
Household mortgage lending	119.9	116.5	3%	0.4	0.3	33%	4.9	4.7	3%							125.2	121.5	3%
Consumer lending	24.7	24.9	-1%				3.1	3.0	4%							27.8	27.9	0%
Total lending	234.8	229.3	2%	91.2	91.0	0%	8.0	7.7	3%				3.2	4.5		337.2	332.5	1%
Corporate deposits	45.5	43.3	5%	62.5	59.6	5%							-1.7	1.3		106.3	104.1	2%
Household deposits	72.6	70.8	3%	0.2	0.1	100%	11.0	10.3	7%							83.8	81.2	3%
Total deposits	118.1	114.1	4%	62.7	59.7	5%	11.0	10.3	7%				-1.7	1.3		190.1	185.3	3%

	Nordea Group																	
	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other and Eliminations			Nordea Group		
	Jan-Dec	2010	Chg	Jan-Dec	2010	Chg	Jan-Dec	2010	Chg	Jan-Dec	2010	Chg	Jan-Dec	2010	Chg	Jan-Dec	2010	Chg
	2011	2011		2011	2011		2011	2011		2011	2011		2011	2011		2011	2011	
EURm																		
Net interest income	3,927	3,380	16%	1,305	1,234	6%	122	94	30%	367	493	-26%	-265	-42	-16%	5,456	5,159	6%
Net fee and commission income	1,142	1,021	12%	547	492	11%	831	785	6%	-12	-7	71%	-113	-135	-16%	2,395	2,156	11%
Net result from items at fair value	428	419	2%	823	1,001	-18%	305	417	-27%	1	-19		-40	19		1,517	1,837	-17%
Equity method	11	28	-61%	0	0		0	0		0	0		31	38	-18%	42	66	-36%
Other income	31	30	3%	5	33	-85%	19	30	-37%	2	0		34	23	48%	91	116	-22%
Total operating income	5,539	4,878	14%	2,680	2,760	-3%	1,277	1,326	-4%	358	467	-23%	-353	-97		9,501	9,334	2%
Staff costs	-1,363	-1,333	2%	-729	-680	7%	-452	-434	4%	-60	-64	-6%	-509	-273	86%	-3,113	-2,784	12%
Other expenses	-1,807	-1,733	4%	-135	-168	-20%	-284	-264	8%	-126	-128	-2%	438	431	2%	-1,914	-1,862	3%
Depreciations	-57	-56	2%	-9	-6	50%	-5	-8	-43%	0	0		-121	-100	22%	-192	-170	13%
Total operating expenses	-3,227	-3,122	3%	-873	-854	2%	-741	-706	5%	-186	-192	-3%	-192	58		-5,219	-4,816	8%
Net loan losses	-545	-667	-18%	-173	-220	-21%	-10	-1		0	0		-7	9		-735	-879	-16%
Operating profit	1,767	1,089	62%	1,634	1,686	-3%	526	619	-15%	172	275	-37%	-552	-30		3,547	3,639	-3%
Cost/income ratio, %	58	64		33	31		58	53		52	41					55	52	
RAROCAR, %	16	10		20	20		24	28								16	15	
Economic capital (EC)	8,413	8,543	-2%	6,166	6,194	0%	1,724	1,691	2%	551	621	-11%				17,700	17,546	1%
Risk-weighted assets (RWA)	91,500	90,580	1%	77,969	79,050	-1%	3,072	2,982	3%	4,399	4,550	-3%				185,201	185,131	0%
Number of employees (FTEs)	19,305	20,151	-4%	6,217	6,366	-2%	3,639	3,645	0%	441	452	-2%				33,068	33,809	-2%
Volumes, EURbn:																		
Lending to corporates	90.2	84.8	6%	90.8	74.4	22%							3.2	10.7		184.2	169.9	8%
Household mortgage lending	119.9	111.2	8%	0.4	0.3	33%	4.9	4.5	8%							125.2	116.0	8%
Consumer lending	24.7	25.0	-1%				3.1	3.3	-5%							27.8	28.3	-2%
Total lending	234.8	221.0	6%	91.2	74.7	22%	8.0	7.8	2%				3.2	10.7		337.2	314.2	7%
Corporate deposits	45.5	44.9	1%	62.5	44.4	41%							-1.7	8.9		106.3	98.2	8%
Household deposits	72.6	68.5	6%	0.2	0.1	100%	11.0	9.6	14%							83.8	78.2	7%
Total deposits	118.1	113.4	4%	62.7	44.5	41%	11.0	9.6	14%				-1.7	8.9		190.1	176.4	8%

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 online banking channels.

Business development

Retail Banking continues to adapt to the New Normal. In an environment with a subdued macroeconomic outlook, lending spreads are adjusted to better reflect future regulations and the increasing cost of capital. Efficiency gains are harvested through optimising the distribution channels as well as back office and support functions.

Retail Banking actively aims, at all levels in the organisation, to create awareness of the challenges and consequences imposed by new regulation, the economic outlook and changing customer behaviour in order to build customer understanding of the necessary changes.

The number of Gold and Premium customers amounts to 3.06 million, an increase of 22,000 during the fourth quarter, equivalent to an annualised growth rate of 3%.

Nordea's distribution initiatives support the relationship strategy by adapting to changing customer behaviour through continuous development of online and mobile solutions for customers.

Nordea continues to transform its branch network to better reflect today's customer behaviour and needs. During the fourth quarter, 110 branches were transformed, and a total of 513 branches are now operating in the new format, equalling more than 40% of Nordea's Nordic branch network. The transformation will continue throughout 2012.

The number of manual transactions decreased steadily, as customers chose to use other more convenient solutions for daily banking. In light of this development, Nordea is reviewing the extent of manual cash offering with the aim to concentrate the services to fewer places.

The number of visits to the mobile bank in the Nordic countries has more than quadrupled during the past year, further accelerated in the fourth quarter by simplified login methods in Denmark and Norway and by improved online assistance for mobile services. Several improvements, features and functionalities were also launched in the Private Netbank.

Result

Total income increased by 2% compared to the previous quarter, driven by net interest income. In local currencies, total income increased by 10% compared to the fourth quarter last year.

The uncertain macroeconomic environment was to some extent reflected in the demand for corporate lending. However, asset financing activities remained on a high level, reflected in a higher growth rate in lending from finance companies than that of the total corporate lending book. Household lending volumes continued to grow, but at a somewhat lower rate than previous quarters. Excluding the effects of exchange rates, lending volumes increased by 1%. Total deposits at the same time increased by 3% in local currencies, driven by both corporate and household customers. Lending spreads continued to improve while deposit spreads were negatively affected by lower short-term interest rates.

Expenses increased compared to the seasonally low level in the third quarter, but were down by 1% compared to the same quarter last year. During the period number of FTEs was reduced by 550, from all parts of Retail Banking.

Net loan losses increased in all markets compared to the third quarter. The fourth quarter included a reversal of EUR 19m from the Danish Deposit Guarantee Fund related mainly to Fjordbank Mors. Previous quarter included similar reversals of EUR 12m. Excluding this the loan loss ratio was 37 basis points (20 basis points in the third quarter excluding the provision to the Danish Deposit Guarantee Fund).

Retail Banking total

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	1,052	997	966	912	910	6%	16%	3,927	3,380
Net fee and commission income	279	293	285	285	282	-5%	-1%	1,142	1,021
Net result from items at fair value	106	109	115	98	103	-3%	3%	428	419
Equity method & other income	4	8	17	13	2	-50%	100%	42	58
Total income incl. allocations	1,441	1,407	1,383	1,308	1,297	2%	11%	5,539	4,878
Staff costs	-320	-343	-352	-348	-334	-7%	-4%	-1,363	-1,333
Total expenses incl. allocations	-807	-767	-830	-823	-818	5%	-1%	-3,227	-3,122
Profit before loan losses	634	640	553	485	479	-1%	32%	2,312	1,756
Net loan losses	-185	-99	-98	-163	-93	87%	99%	-545	-667
Operating profit	449	541	455	322	386	-17%	16%	1,767	1,089
Cost/income ratio, %	56	55	60	63	63			58	64
RAROCAR, %	18	18	14	12	11				
Economic capital (EC)	8,413	8,535	8,545	8,504	8,543	-1%	-2%		
Risk-weighted assets (RWA)	91,500	93,383	92,676	91,273	90,580	-2%	1%		
Number of employees (FTEs)	19,305	19,856	20,107	20,155	20,151	-3%	-4%		
Volumes, EURbn:									
Lending to corporates	90.2	87.9	87.4	86.5	84.8	3%	6%		
Household mortgage lending	119.9	116.5	114.7	112.6	111.2	3%	8%		
Consumer lending	24.7	24.9	24.6	24.7	25.0	-1%	-1%		
Total lending	234.8	229.3	226.7	223.8	221.0	2%	6%		
Corporate deposits	45.5	43.3	42.5	42.7	44.9	5%	1%		
Household deposits	72.6	70.8	70.7	68.7	68.5	3%	6%		
Total deposits	118.1	114.1	113.2	111.4	113.4	4%	4%		
Spreads, %:									
Corporate lending	1.36	1.33	1.33	1.33	1.34				
Household mortgage lending	0.87	0.80	0.76	0.79	0.74				
Consumer lending	4.20	4.00	3.93	3.89	3.88				
Total lending spreads	1.37	1.31	1.28	1.30	1.29				
Corporate deposits	0.61	0.65	0.64	0.58	0.55				
Household deposits	0.65	0.71	0.67	0.52	0.45				
Total deposits spreads	0.63	0.69	0.66	0.54	0.49				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g. mortgage and other long-term loans

Banking Denmark

Business development

The inflow of externally acquired Gold and Premium customers continued, corresponding to a growth rate of 4% per year. The number of Gold and Premium customers in total increased by 2,700 in the quarter. Meeting activity increased during the quarter while the number of manual transactions continued on a downward trend.

Household deposit volumes were maintained at a largely unchanged level, whereas spreads decreased following the lower interest rate level. Lending to household customers increased 1% compared to the previous quarter. Consumer lending spreads increased, whereas household mortgage lending spreads were largely unchanged.

As a consequence of economic and to certain extent also political uncertainty, the activity level in the real estate market continues to be low. Consumer spending is under pressure due to the high level of uncertainty that also includes a perceived decline in job security.

An increasing polarisation is observed in the Danish corporate market where the gap between successful and less successful corporates is growing. Still the SME

segment and the agricultural sector in general face the largest challenges.

Corporate deposit spreads were lower, while the lending spreads increased as a consequence of the gradual adjustment to the New Normal.

Result

Total income was unchanged in the fourth quarter due to higher lending spreads and refinancing of mortgage lending. The economic uncertainty and the continued low level of activity were reflected in a decrease in net fee and commission income, while lending spreads supported a growth in net interest income. Staff costs went down by 8% compared to the third quarter and were down 7% compared with the fourth quarter 2010.

The need for loan loss provisions continued to be at a high level due to the less favourable economic conditions in the Danish market. Net loan losses increased from the third quarter, mainly driven by losses stemming from the household segment. Net loan losses included a reversal of EUR 19m related mainly to Fjordbank Mors. The loan loss ratio was 82 basis points compared to 57 basis points in third quarter, excluding provisions to the Danish Deposit Guarantee Fund.

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	309	291	287	280	288	6%	7%	1,167	1,107
Net fee and commission income	33	56	58	57	53	-41%	-38%	204	135
Net result from items at fair value	26	19	30	22	26	37%	0%	97	98
Equity method & other income	2	4	3	7	3	-50%	-33%	16	41
Total income incl. allocations	370	370	378	366	370	0%	0%	1,484	1,381
Staff costs	-82	-89	-89	-90	-88	-8%	-7%	-350	-349
Total expenses incl. allocations	-215	-214	-229	-225	-227	0%	-5%	-883	-883
Profit before loan losses	155	156	149	141	143	-1%	8%	601	498
Net loan losses	-105	-75	-72	-138	-74	40%	42%	-390	-454
Operating profit	50	81	77	3	69	-38%	-28%	211	44
Cost/income ratio, %	58	58	61	62	61			60	64
RAROCAR, %	15	14	13	12	12				
Economic capital (EC)	2,130	2,302	2,314	2,292	2,336	-7%	-9%		
Risk-weighted assets (RWA)	24,083	25,643	25,180	25,365	24,613	-6%	-2%		
Number of employees (FTEs)	4,265	4,365	4,388	4,402	4,462	-2%	-4%		
Volumes, EURbn:									
Lending to corporates	23.6	23.3	23.2	22.5	21.1	1%	12%		
Household mortgage lending	28.9	28.3	27.3	26.9	27.2	2%	6%		
Consumer lending	12.7	12.8	12.6	12.4	12.4	-1%	2%		
Total lending	65.2	64.4	63.1	61.8	60.7	1%	7%		
Corporate deposits	7.4	7.2	7.1	7.3	7.4	3%	0%		
Household deposits	21.6	21.5	21.5	21.2	21.4	0%	1%		
Total deposits	29.0	28.7	28.6	28.5	28.8	1%	1%		
Spreads, %:									
Corporate lending	1.68	1.62	1.62	1.65	1.66				
Household mortgage lending	0.54	0.53	0.54	0.55	0.53				
Consumer lending	5.17	4.79	4.72	4.65	4.65				
Total lending spreads	1.68	1.60	1.59	1.61	1.61				
Corporate deposits	0.51	0.58	0.52	0.49	0.46				
Household deposits	0.44	0.64	0.47	0.37	0.33				
Total deposits spreads	0.46	0.62	0.49	0.41	0.38				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g. mortgage and other long-term loans

Banking Finland

Business development

Nordea continued to focus on new customer acquisition during the fourth quarter. The increase in number of Gold and Premium customers was somewhat affected by the turbulence in the market, but was still developing as expected. The relationship strategy was reflected in the positive outcome in the *Customer Satisfaction Index 2011*, where Nordea outperformed its peers.

Increased focus on investment advising, especially to premium customers, was well received as there were signals of net inflow to funds being better than in the market on average. Spreads in new mortgages have shown a growing trend since April 2011 supported by strong development in sales of products with interest rate caps.

Nordea's relationship strategy combined with the renewed corporate branch network was well received by the customers and the number of proactive customer meetings was at a high level. The increased lending

spreads as well as the sales of currency and interest rate hedges supported the income development. Volatility of the market led to customers increasing their liquidity buffers, with higher transaction deposit volumes as a consequence.

Result

The income development remained strong regardless of the market turbulence. The European Central Bank cut its interest rate twice during the fourth quarter, which affected the net interest income from deposits. Simultaneously increased lending spreads and solid level of commissions supported the income development.

The number of employees (FTEs) is decreasing, which was also reflected in the staff costs. Also other expenses were reduced according to the plan established in mid-2011, showing only a seasonal year-end increase.

Net loan losses were EUR 14m, arising mainly from the corporate segment. The loan loss ratio was 13 basis points (11 basis points in the third quarter).

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	179	181	173	151	152	-1%	18%	684	579
Net fee and commission income	79	79	74	77	75	0%	5%	309	281
Net result from items at fair value	24	17	19	20	22	41%	9%	80	81
Equity method & other income	4	1	4	0	-1			9	3
Total income incl. allocations	286	278	270	248	248	3%	15%	1,082	944
Staff costs	-56	-59	-62	-59	-57	-5%	-2%	-236	-236
Total expenses incl. allocations	-166	-165	-167	-167	-172	1%	-3%	-665	-679
Profit before loan losses	120	113	103	81	76	6%	58%	417	265
Net loan losses	-14	-12	-20	-11	-29	17%	-52%	-57	-110
Operating profit	106	101	83	70	47	5%	126%	360	155
Cost/income ratio, %	58	59	62	67	69			61	72
RAROCAR, %	18	16	14	10	9				
Economic capital (EC)	1,598	1,583	1,592	1,604	1,609	1%	-1%		
Risk-weighted assets (RWA)	15,811	15,580	16,146	15,696	15,114	1%	5%		
Number of employees (FTEs)	4,178	4,304	4,418	4,437	4,428	-3%	-6%		
Volumes, EURbn:									
Lending to corporates	14.9	14.8	14.6	14.5	14.3	1%	4%		
Household mortgage lending	24.6	24.5	24.1	23.6	23.3	0%	6%		
Consumer lending	5.2	5.2	5.2	5.1	5.1	0%	2%		
Total lending	44.7	44.5	43.9	43.2	42.7	0%	5%		
Corporate deposits	10.0	10.8	9.8	9.8	10.7	-7%	-7%		
Household deposits	22.3	22.0	21.9	21.3	21.1	1%	6%		
Total deposits	32.3	32.8	31.7	31.1	31.8	-2%	2%		
Spreads, %:									
Corporate lending	1.28	1.25	1.22	1.19	1.18				
Household mortgage lending	0.57	0.52	0.50	0.55	0.55				
Consumer lending	3.10	3.06	3.00	3.14	3.19				
Total lending spreads	1.11	1.07	1.05	1.08	1.09				
Corporate deposits	0.55	0.62	0.63	0.46	0.44				
Household deposits	0.48	0.61	0.58	0.30	0.26				
Total deposits spreads	0.50	0.61	0.60	0.36	0.32				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g. mortgage and other long-term loans

Banking Norway

Business development

Business activity in the household segment remained strong in the fourth quarter and the number of Gold and Premium customers increased by 5,500. Compared to the fourth quarter 2010, the number of relationship customers increased by 29,000, representing a 12% growth rate. More than half of this growth came from externally acquired customers.

Corporate activity was significantly up compared to last quarter but hedging of interest rates was down compared to a peaked third quarter due to significant reduction in long term interest rates during third quarter.

Strong focus on efficiency improvements continued in the fourth quarter. Number of employees was down by 87 full time employees compared to previous quarter and by close to 5% compared to fourth quarter 2010. A decision was made in last quarter to close some of the small branches and these branch closures will mainly be implemented during 2012.

The yearly customer satisfaction survey proved a positive development both in household and corporate segment and

confirmed that the strong focus on proactivity is appreciated by customers.

Result

Total income increased by 3% from the previous quarter, mainly due to a strong increase in net interest income.

Corporate lending spread was up by 4 basis points. The household lending spread was as expected significantly up due to price increases during the quarter. Deposit spreads decreased slightly within Household, due to change in deposit product structure. Lending growth was close to unchanged from last quarter and ended at 3%. The high focus on capital efficiency was maintained during the quarter.

Total expenses were up 1% from previous quarter due to seasonal effects.

The loan loss ratio was 22 basis points (net reversals in the third quarter) mainly driven by two large corporate loan losses.

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	183	169	159	159	152	8%	20%	670	601
Net fee and commission income	44	44	41	39	42	0%	5%	168	158
Net result from items at fair value	18	26	20	16	22	-31%	-18%	80	89
Equity method & other income	1	0	0	0	0			1	2
Total income incl. allocations	246	239	220	214	216	3%	14%	919	850
Staff costs	-35	-38	-38	-39	-38	-8%	-8%	-150	-152
Total expenses incl. allocations	-121	-120	-120	-126	-116	1%	4%	-487	-467
Profit before loan losses	125	119	100	88	100	5%	25%	432	383
Net loan losses	-24	5	1	-21	16			-39	-8
Operating profit	101	124	101	67	116	-19%	-13%	393	375
Cost/income ratio, %	49	50	55	59	54			53	55
RAROCAR, %	14	13	10	9	10				
Economic capital (EC)	2,044	2,023	2,021	1,989	2,048	1%	0%		
Risk-weighted assets (RWA)	22,016	22,298	22,505	21,670	21,964	-1%	0%		
Number of employees (FTEs)	1,432	1,519	1,535	1,502	1,504	-6%	-5%		
Volumes, EURbn:									
Lending to corporates	20.2	19.4	19.5	19.0	19.9	4%	2%		
Household mortgage lending	25.2	24.4	24.3	23.3	22.6	3%	12%		
Consumer lending	0.7	0.8	0.8	0.9	1.2	-13%	-42%		
Total lending	46.1	44.6	44.6	43.2	43.7	3%	5%		
Corporate deposits	12.2	11.6	12.0	11.7	11.9	5%	3%		
Household deposits	7.7	7.5	7.7	7.0	7.0	3%	10%		
Total deposits	19.9	19.1	19.7	18.7	18.9	4%	5%		
Spreads, %:									
Corporate lending	1.35	1.31	1.32	1.32	1.34				
Household mortgage lending	0.89	0.76	0.72	0.87	0.69				
Consumer lending	9.20	8.14	8.06	8.15	8.61				
Total lending spreads	1.23	1.14	1.13	1.22	1.15				
Corporate deposits	0.42	0.42	0.41	0.44	0.56				
Household deposits	0.58	0.61	0.62	0.52	0.62				
Total deposits spreads	0.48	0.49	0.49	0.47	0.58				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g. mortgage and other long-term loans

FX fluctuation impacted income and expenses by 0% Q4/Q3 (4% Q4/Q4).

FX fluctuations impacted balance sheet by 2% Q4/Q3 (1% Q4/Q4).

Banking Sweden

Business development

Banking Sweden delivered a solid result in the fourth quarter, in constantly turbulent markets. The result was driven by a strong net interest income, stable other income and tightly controlled cost development. The number of Gold and Premium customers increased by 5,800 in the quarter and by 39,200 or 4% in 2011.

Household mortgage volumes continued to grow, albeit at a somewhat lower rate, demonstrating a softening demand in the housing market. Deposit volumes grew, particularly in fixed-rate products, reflecting a stable demand among customers for attractively priced savings deposits.

Business demand among corporates was somewhat lower during the quarter, as companies adjusted to the uncertain macro environment. The activity with relationship customers was nonetheless kept at a high level, and business volumes as well as spreads stayed largely unchanged.

The number of manual transactions in branches continued to decrease at a rate that has been steady for

the last couple of years. The corresponding transformation of the branch network continued during the quarter, with an increasing share of branches solely focusing on advisory towards household or corporate customers. Supported by this development, the number of employees decreased by 3% compared with the third quarter and 6% compared to last year.

Result

The growth in business volumes resulted in a strong growth in net interest income. Net fee and commission income and net result from items at fair value remained stable despite the volatile development in the capital markets.

The emphasis on improving efficiency continued, leading to lower number of employees and staff costs. This, together with the income development, led to improving cost/income ratio.

Net loan losses remained modest and were 13 basis points in the fourth quarter (6 basis points in the third quarter).

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	283	264	254	238	218	7%	30%	1,039	754
Net fee and commission income	100	102	100	100	112	-2%	-11%	402	402
Net result from items at fair value	29	28	33	29	26	4%	12%	119	102
Equity method & other income	-1	0	0	0	0			-1	0
Total income incl. allocations	411	394	387	367	356	4%	15%	1,559	1,258
Staff costs	-68	-71	-73	-74	-70	-4%	-3%	-286	-276
Total expenses incl. allocations	-219	-213	-224	-235	-216	3%	1%	-891	-836
Profit before loan losses	192	181	163	132	140	6%	37%	668	422
Net loan losses	-20	-9	-3	7	4	122%		-25	-6
Operating profit	172	172	160	139	144	0%	19%	643	416
Cost/income ratio, %	53	54	58	64	61			57	66
RAROCAR, %	29	28	25	19	20				
Economic capital (EC)	1,767	1,749	1,701	1,693	1,728	1%	2%		
Risk-weighted assets (RWA)	16,710	17,311	16,214	16,403	16,111	-3%	4%		
Number of employees (FTEs)	3,500	3,590	3,635	3,695	3,734	-3%	-6%		
Volumes, EURbn:									
Lending to corporates	23.0	22.1	22.1	22.9	22.2	4%	4%		
Household mortgage lending	34.3	32.7	32.6	32.9	32.2	5%	7%		
Consumer lending	5.2	5.2	5.2	5.3	5.4	0%	-4%		
Total lending	62.5	60.0	59.9	61.1	59.8	4%	5%		
Corporate deposits	12.7	11.3	11.2	11.5	12.3	12%	3%		
Household deposits	19.1	18.1	17.9	17.7	17.4	6%	10%		
Total deposits	31.8	29.4	29.1	29.2	29.7	8%	7%		
Spreads, %:									
Corporate lending	1.11	1.12	1.14	1.12	1.11				
Household mortgage lending	1.21	1.09	1.02	0.95	0.95				
Consumer lending	3.44	3.42	3.32	3.07	2.88				
Total lending spreads	1.34	1.29	1.25	1.19	1.18				
Corporate deposits	0.94	0.95	0.94	0.86	0.71				
Household deposits	1.03	0.94	0.93	0.90	0.71				
Total deposits spreads	0.99	0.94	0.93	0.88	0.71				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g. mortgage and other long-term loans

FX fluctuation impacted income and expenses by 1% Q4/Q3 (2% Q4/Q4).

FX fluctuations impacted balance sheet by 4% Q4/Q3 (0% Q4/Q4)

Banking Poland & Baltic countries

Business development

The business development was favourable in the fourth quarter. During the quarter, work progressed well in adopting the new business model, supporting the changing macroeconomic and regulatory environment.

Baltic countries

The outlook for the Baltic countries was very much affected by the slowdown in Europe as recovery depends on exports. Recovery has exceeded expectations and the main drivers of growth were the domestic economy, private consumption and local investments. High unemployment and an elevated inflation still impacted consumption in the quarter together with uncertainty about the global macroeconomic development in 2012.

Deposit volumes increased in both corporate and household segments, but with lower spreads. Corporate lending increased while household volumes remained stable. Lending spreads were under pressure and decreased during the quarter.

The stable income growth continued during the quarter.

Poland

The Polish economy continued to develop favourably in the fourth quarter, though at slower rate compared to previous quarters. However, some of the factors which made Poland immune to the first wave of global crisis will also help this time. Low reliance on exports and credit will limit the scale of economic slowdown in the coming periods. Nevertheless, the slowdown will likely continue with an impact on banking business development, foreign trade and risk perception.

Lending volumes increased in the household segment together with spreads. Corporate volumes also increased, but a pressure and competition for

customers was visible. Deposits volumes increased both in household and corporate segments, but with lower spreads. Competition for deposits is increasing and will likely continue in the coming periods.

Income was unchanged compared to the previous quarter. Higher business volumes and growing number of customer transactions supported income, up 7% compared with one year ago. The household segment was the main growth engine, especially the mortgage lending business, where the growth in mortgage lending was still exceptionally high.

Credit quality

Net loan losses were EUR 19m in the fourth quarter, with increased provisions related to the household portfolio in Lithuania and Latvia as well as in Poland, here partly related to a general provision for the household portfolio. The increased provisions for the corporate sector concern mostly old identified problem customers. The loan loss ratio for Poland and the Baltic countries was 58 basis points in the fourth quarter.

In the Baltic countries, gross impaired loans amounted to EUR 448m or 550 basis points of total loans (680 basis points at the end of the third quarter). The provisioning ratio in the Baltic countries was 49% (52% at the end of the third quarter).

Result

Increased business activity and higher volumes supported income development in all lines of business. Total income increased 1% compared to the third quarter and with 10% compared to the fourth quarter last year. Total expenses remained stable compared to the previous quarter. Operating profit was down compared to previous quarter following the higher net loan losses and was largely unchanged compared to the same quarter last year. The total number of employees (FTEs) decreased in the fourth quarter, when operations were adapted for an expected lower business activities.

Banking Poland

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	38	32	37	34	32	19%	19%	141	115
Net fee and commission income	9	10	7	8	8	-10%	13%	34	26
Net result from items at fair value	11	16	12	11	14	-31%	-21%	50	51
Equity method & other income	1	1	1	0	1	0%	0%	3	7
Total income incl. allocations	59	59	57	53	55	0%	7%	228	199
Staff costs	-12	-13	-13	-13	-12	-8%	0%	-51	-42
Total expenses incl. allocations	-31	-29	-30	-29	-34	7%	-9%	-119	-105
Profit before loan losses	28	30	27	24	21	-7%	33%	109	94
Net loan losses	-7	-3	-1	-3	-2	133%		-14	-4
Operating profit	21	27	26	21	19	-22%	11%	95	90
Cost/income ratio, %	53	49	53	55	62			52	53
RAROCAR, %	15	16	15	14	13				
Economic capital (EC)	418	424	417	403	395	-1%	6%		
Risk-weighted assets (RWA)	5,968	5,751	5,609	5,178	5,393	4%	11%		
Number of employees (FTEs)	2,000	2,037	1,998	1,982	1,936	-2%	3%		
Volumes, EURbn:									
Lending to corporates	2.4	2.1	2.1	2.0	1.9	14%	26%		
Household lending	4.1	4.0	3.8	3.4	3.3	2%	24%		
Total lending	6.5	6.1	5.9	5.4	5.2	7%	25%		
Corporate deposits	1.7	1.2	1.3	1.2	1.4	42%	21%		
Household deposits	1.1	1.0	1.0	1.0	1.0	10%	10%		
Total deposits	2.8	2.2	2.3	2.2	2.4	27%	17%		
Spreads, %:									
Corporate lending	1.58	1.45	1.51	1.48	1.56				
Household lending	1.83	1.84	1.85	1.86	1.88				
Total lending spreads	1.74	1.71	1.73	1.72	1.76				
Corporate deposits	0.56	0.84	0.83	0.80	0.65				
Household deposits	0.81	0.92	0.89	0.71	0.58				
Total deposits spreads	0.67	0.88	0.86	0.76	0.62				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g mortgage and other long-term loans

Banking Baltic countries

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	37	39	37	35	36	-5%	3%	148	138
Net fee and commission income	13	10	8	10	9	30%	44%	41	46
Net result from items at fair value	2	1	-1	2	1	100%	100%	4	2
Equity method & other income	0	1	4	0	0	-100%		5	1
Total income incl. allocations	52	51	48	47	46	2%	13%	198	187
Staff costs	-7	-8	-8	-8	-8	-13%	-13%	-31	-29
Total expenses incl. allocations	-18	-22	-21	-20	-23	-18%	-22%	-81	-78
Profit before loan losses	34	29	27	27	23	17%	48%	117	109
Net loan losses	-12	-3	-1	5	-5		140%	-11	-77
Operating profit	22	26	26	32	18	-15%	22%	106	32
Cost/income ratio, %	35	43	44	43	50			41	42
RAROCAR, %	17	13	11	13	7				
Economic capital (EC)	456	454	500	522	427	0%	7%		
Risk-weighted assets (RWA)	6,912	6,801	7,022	6,961	7,386	2%	-6%		
Number of employees (FTEs)	1,093	1,155	1,195	1,201	1,167	-5%	-6%		
Volumes, EURbn:									
Lending to corporates	5.3	5.2	5.2	4.9	4.9	2%	8%		
Household lending	3.0	3.0	2.9	2.9	2.9	0%	3%		
Total lending	8.3	8.2	8.1	7.8	7.8	1%	6%		
Corporate deposits	1.5	1.3	1.2	1.1	1.2	15%	25%		
Household deposits	0.7	0.6	0.6	0.6	0.6	17%	17%		
Total deposits	2.2	1.9	1.8	1.7	1.8	16%	22%		
Spreads, %:									
Corporate lending	1.43	1.47	1.42	1.49	1.52				
Household lending	1.32	1.32	1.24	1.34	1.32				
Total lending spreads	1.39	1.41	1.35	1.43	1.44				
Corporate deposits	0.53	0.59	0.69	0.49	0.45				
Household deposits	0.62	0.68	0.73	0.58	0.48				
Total deposits spreads	0.56	0.62	0.71	0.52	0.46				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g mortgage and other long-term loans

Wholesale Banking

Nordea Wholesale Banking is the largest Nordic provider of banking and other financial solutions to corporate and institutional customers. The business area spans the value chain from customer units via product units to IT and operations units, enabling a coordinated development of services and products. In November, the Wholesale Banking organisation was changed to further strengthen customer services and increase productivity. As a result, the Financial Institutions Division was integrated into Corporate Merchant Banking to constitute the new Corporate & Institutional Banking (CIB) area.

Business development

Despite the continued uncertainty in the financial markets, the quarterly Wholesale Banking income increased significantly over the last quarter. The improvement was driven by stable customer activity and strong results from capital markets activities.

Wholesale Banking is working actively to increase the operational efficiency and manage its economic capital in all divisions. All parts of the organisation are implementing actions to optimise the business for the new regulatory demands on capital and liquidity.

Banking

Corporate customer activity was solid, driven by daily business. Lending and deposit volumes both increased in the quarter. The activity from financial institutions was subdued.

Customer activity was solid in the Shipping, Offshore & Oil Services division, driven by the Offshore and Oil Services segments. Weak market conditions in the

tanker, dry cargo and containership markets resulted in a general decline in vessel values and as a result of this, loan losses increased.

Capital markets

The result from capital markets activities improved significantly compared to the third quarter despite continued high volatility and low liquidity in core markets. The sovereign crisis and the resulting high volatility in financial markets led to strong customer activity in the FX and interest rate areas. In addition, many customers chose to take advantage of the record-low interest rate levels for hedging their exposures.

Primary bond market customer activity was somewhat subdued due to the general turmoil in the financial markets. In the loan markets, customer activity was stable due to a steady flow of refinancing and a number of transactions from financial sponsors.

Customer activity within the secondary equity product area increased over last quarter as several economic indicators showed reduced risk of recession in Germany and outside Europe. The 2011 Prospera survey showed that Nordea further strengthened the equity market positions in Denmark, Finland and Sweden. Corporate Finance customer activity remained subdued with few transactions, in line with the market activity.

Result

The fourth quarter operating profit was EUR 447m, an increase of 48% over the last quarter. The improvement was driven by a large increase in net results from items at fair value, mainly related to the strong result in Markets.

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	338	332	319	316	314	2%	8%	1,305	1,234
Net fee and commission income	115	137	161	134	141	-16%	-18%	547	492
Net result from items at fair value	290	53	175	305	293		-1%	823	1,001
Equity method & other income	2	-2	2	3	2		0%	5	33
Total income incl. allocations	745	520	657	758	750	43%	-1%	2,680	2,760
Staff costs	-185	-168	-190	-186	-173	10%	7%	-729	-680
Total expenses incl. allocations	-223	-202	-227	-221	-240	10%	-7%	-873	-854
Profit before loan losses	522	318	430	537	510	64%	2%	1,807	1,906
Net loan losses	-75	-16	-14	-68	-78		-4%	-173	-220
Operating profit	447	302	416	469	432	48%	3%	1,634	1,686
Cost/income ratio, %	30	39	35	29	32			33	31
RAROCAR, %	24	14	19	24	22				
Economic capital (EC)	6,166	6,037	6,068	5,969	6,194	2%	0%		
Risk-weighted assets (RWA)	77,969	75,691	73,963	75,283	79,050	3%	-1%		
Number of employees (FTEs)	6,217	6,370	6,472	6,440	6,366	-2%	-2%		
Volumes, EURbn:									
Total lending	91.2	91.0	86.8	84.7	74.7	0%	22%		
Total deposits	62.7	59.7	58.1	49.5	44.5	5%	41%		
Spreads, %:									
Total lending spreads	1.56	1.56	1.49	1.45	1.46				
Total deposits spreads	0.19	0.20	0.23	0.22	0.23				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g. mortgage and other long-term loans. Spreads exclude Repo volumes within Capital Markets.

Corporate & Institutional Banking

Corporate & Institutional Banking (CIB) comprises the customer units servicing the largest corporate and institutional customers in Nordea.

Business development

The business momentum during the quarter was satisfactory in light of the modest global growth outlook which led to a cautious investment approach among corporate customers. The sovereign debt crisis put a damper on the business momentum for financial institutions.

The business volume from corporate customers was driven by daily business with focus on cash management, refinancing transactions and risk hedging. M&A and bond issuance activities were subdued. Customer activity within the capital markets area was strong for both corporate

customers and financial institutions, mostly driven by risk management products. Nordea's lending volumes increased in the quarter. Lending spreads were stable.

Deposit volumes increased compared to the third quarter. Competition between Nordic banks was particularly fierce for cash management and working capital mandates.

The relationship strategy approach towards customers further proved its value in the challenging economic environment. This was underlined by the results of annual customer surveys.

Result

Operating profit for the quarter was EUR 317m, 2% below the third quarter. Total income increased by 3%, but as the third quarter result included a net reversal of loan loss provisions, operating profit decreased slightly.

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	204	198	194	188	194	3%	5%	784	746
Net fee and commission income	119	132	154	136	147	-10%	-19%	541	531
Net result from items at fair value	117	96	107	105	165	22%	-29%	425	458
Equity method & other income	0	0	0	0	0			0	0
Total income incl. allocations	440	426	455	429	506	3%	-13%	1,750	1,735
Staff costs	-10	-9	-10	-10	-9	11%	11%	-39	-34
Total expenses incl. allocations	-123	-117	-113	-113	-112	5%	10%	-466	-444
Profit before loan losses	317	309	342	316	394	3%	-20%	1,284	1,291
Net loan losses	0	15	10	-55	-76	-100%	-100%	-30	-173
Operating profit	317	324	352	261	318	-2%	0%	1,254	1,118
Cost/income ratio, %	28	27	25	26	22			27	26
RAROCAR, %	21	21	21	20	26				
Economic capital (EC)	3,929	4,203	4,268	4,103	4,182	-7%	-6%		
Risk-weighted assets (RWA)	50,614	52,037	50,368	51,821	54,711	-3%	-7%		
Number of employees (FTEs)	224	224	230	232	237	0%	-5%		
Volumes, EURbn:									
Total lending	44.5	43.5	43.7	42.9	42.9	2%	4%		
Total deposits	40.4	36.2	34.2	31.8	32.6	12%	24%		
Spreads, %:									
Total lending spreads	1.30	1.31	1.25	1.26	1.26				
Total deposits spreads	0.17	0.19	0.22	0.21	0.23				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g. mortgage and other long-term loans

Shipping, Offshore & Oil Services

Shipping, Offshore & Oil Services (SOO) is the customer unit responsible for servicing customers in the shipping, offshore, oil services, cruise and ferries industries worldwide. Nordea is a leading bank to the global shipping and offshore sector with strong brand recognition and a world leading loan syndication franchise.

Business development

Customer activity was robust with solid loan syndication. The highest activity level was in the offshore and oil services sector, partly driven by high exploration and production spending by the oil and gas industries. New lending transactions were executed on conservative terms and at increased loan spreads.

Credit quality

The deterioration of the economic outlook in the second half of 2011 strongly affected cyclical sectors such as

the shipping industry. Weak market conditions in the tanker, dry cargo and containership markets resulted in a general decline in vessel values during the year. As a result of this, Nordea's loan losses related to the industry increased, but remained in line with the general industry development. The approach to the shipping industry remains unchanged with new business on conservative terms.

Result

Total income was EUR 110m, down 2% from the previous quarter and up 5% from the fourth quarter 2010. Operating profit was EUR 24m, down 65% from the previous quarter and down 72% from the fourth quarter 2010. This was caused by the increased net loan losses which amounted to EUR 71m. The loan loss ratio was 209 basis points compared to 76 basis points in the third quarter and was 99 basis points for the full year.

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	84	84	77	78	78	0%	8%	323	299
Net fee and commission income	23	16	26	16	13	44%	77%	81	60
Net result from items at fair value	3	12	6	7	14	-75%	-79%	28	34
Equity method & other income	0	0	0	0	0			0	0
Total income incl. allocations	110	112	109	101	105	-2%	5%	432	393
Staff costs	-6	-7	-6	-6	-5	-14%	20%	-25	-21
Total expenses incl. allocations	-15	-17	-16	-16	-15	-12%	0%	-64	-56
Profit before loan losses	95	95	93	85	90	0%	6%	368	337
Net loan losses	-71	-26	-24	-14	-4	173%		-135	-45
Operating profit	24	69	69	71	86	-65%	-72%	233	292
Cost/income ratio, %	14	15	15	16	14			15	14
RAROCAR, %	28	28	29	23	22				
Economic capital (EC)	933	913	873	987	1,067	2%	-13%		
Risk-weighted assets (RWA)	12,408	11,920	12,436	12,551	12,799	4%	-3%		
Number of employees (FTEs)	102	103	106	103	102	-1%	0%		
Volumes, EURbn:									
Total lending	13.6	13.4	12.8	13.2	13.6	1%	0%		
Total deposits	4.7	4.8	4.6	4.8	5.0	-2%	-6%		
Spreads, %:									
Total lending spreads	1.90	1.86	1.82	1.65	1.61				
Total deposits spreads	0.10	0.11	0.09	0.15	0.16				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g mortgage and other long-term loans

Banking Russia

Nordea Bank in Russia is a wholly owned, full-service bank. A particular focus is on large global companies and core Nordic customers.

Business development

The strong development in the third quarter was upheld in the fourth quarter. Lending continued to grow and customer deposits increased by EUR 900m, or 53%, compared to the third quarter. Lending spreads are stable, whereas deposit spreads are depressed.

Russian economy growth is stable. In the fourth quarter, Russian Economic Development Ministry forecast GDP growth of 3.7% for 2012.

Net loan losses were EUR 5m in the fourth quarter, compared to EUR 2m in the previous quarter. Gross impaired loans amounted to EUR 77m or 119 basis points of total loans, down from 139 basis points last quarter.

Result

Profitability remained at a high level in the fourth quarter. Total income increased 21% while costs increased 17% compared to the third quarter this year as well as to the fourth quarter last year. Operating profit was up 15% from the previous quarter and 3% year-on-year. The total number of employees (FTEs) was down 4% compared to the previous quarter and down 10% compared to the same quarter last year.

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	54	45	43	46	43	20%	26%	188	174
Net fee and commission income	3	4	3	4	4	-25%	-25%	14	12
Net result from items at fair value	6	3	3	2	5	100%	20%	14	14
Equity method & other income	0	0	1	0	0			1	1
Total income incl. allocations	63	52	50	52	52	21%	21%	217	201
Staff costs	-15	-14	-12	-17	-11	7%	36%	-58	-56
Total expenses incl. allocations	-27	-23	-23	-26	-23	17%	17%	-99	-90
Profit before loan losses	36	29	27	26	29	24%	24%	118	111
Net loan losses	-5	-2	0	0	1	150%		-7	-4
Operating profit	31	27	27	26	30	15%	3%	111	107
Cost/income ratio, %	43	44	46	50	44			46	45
RAROCAR, %	23	23	20	19	22				
Economic capital (EC)	424	362	347	356	345	17%	23%		
Risk-weighted assets (RWA)	6,270	6,745	5,540	5,783	5,739	-7%	9%		
Number of employees (FTEs)	1,547	1,615	1,695	1,704	1,710	-4%	-10%		
Volumes, EURbn:									
Lending to corporates	6.1	5.2	4.1	4.2	4.4	17%	39%		
Lending to households	0.4	0.3	0.3	0.3	0.3	33%	33%		
Total lending	6.5	5.6	4.4	4.5	4.7	16%	38%		
Corporate deposits	2.4	1.5	1.6	0.9	0.8	60%			
Household deposits	0.2	0.1	0.1	0.1	0.1	100%	100%		
Total deposits	2.6	1.7	1.7	1.0	1.0	53%	160%		
Spreads, %:									
Corporate lending	2.53	2.63	2.77	2.54	2.70				
Household lending	4.27	4.47	4.50	4.52	4.61				
Total lending spreads	2.63	2.75	2.89	2.66	2.82				
Corporate deposits	0.73	0.79	0.89	0.90	1.02				
Household deposits	0.27	0.17	0.03	0.16	0.14				
Total deposits spreads	0.68	0.74	0.80	0.82	0.91				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g mortgage and other long-term loans

**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

The Wholesale Banking other result improved significantly compared to the third quarter. This was driven by strong trading income.

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	-4	5	5	4	-1			10	15
Net fee and commission income	-30	-15	-22	-22	-23	100%	30%	-89	-111
Net result from items at fair value	164	-58	59	191	109		50%	356	495
Equity method & other income	2	-2	1	3	2		0%	4	32
Total income incl. allocations	132	-70	43	176	87		52%	281	431
Staff costs	-154	-138	-162	-153	-148	12%	4%	-607	-569
Total expenses incl. allocations	-58	-45	-75	-66	-90	29%	-36%	-244	-264
Profit before loan losses	74	-115	-32	110	-3			37	167
Net loan losses	1	-3	0	1	1		0%	-1	2
Operating profit	75	-118	-32	111	-2			36	169
Economic capital (EC)	880	559	580	523	600	57%	47%		
Risk-weighted assets (RWA)	8,678	4,990	5,619	5,128	5,800	74%	50%		
Number of employees (FTEs)	4,344	4,428	4,441	4,401	4,317	-2%	1%		
Volumes, EURbn:									
Total lending volumes	26.6	28.6	25.9	24.2	13.6				
Total deposits volumes	15.0	17.0	17.6	11.8	5.7				

Volumes refers to Repo transactions within Capital Markets.

Wealth Management

Wealth Management provides high quality investment, savings and risk management products; it manages customers' assets and gives advice to affluent and high net worth individuals as well as institutional investors on their financial situation. Wealth management is the largest Nordic Private Bank, Life & Pension's provider and asset manager. The area consists of the businesses: Private Banking, Asset Management and Life & Pensions as well as the service unit Savings.

Business development

Tensions on the financial markets eased somewhat during the fourth quarter and Nordea's Assets under Management (AuM) increased with EUR 9.5bn to EUR 187bn up 5% from third quarter. Net inflow of EUR 1.7bn, positive market development as well as strong investment performance contributed to the increase in AuM.

Almost all lines of business contributed to the net inflow in the fourth quarter. Flow in Nordic Private Banking was turned around from negative in the third quarter to a strong net inflow of EUR 0.7bn. Global Fund Distribution captured a solid net inflow of EUR

0.7bn and both Institutional Clients and Life & Pensions contributed with positive net inflow.

Risk appetite of household customers, however, remained subdued and customers continued to prefer savings deposits to investment funds. As a result, the investment fund redemption trend continued in the fourth quarter resulting in net outflow from Nordic Retail funds of EUR 0.6bn.

Result

Wealth Management income was EUR 357m in the fourth quarter, up 33% from the previous quarter. The increase in income is attributable to three elements: improved financial buffers in Life & Pensions enabled recognition of approx. EUR 29m in fees relating to the period January-September 2011. Further, fourth quarter income also includes profit sharing in the Swedish Life & Pensions traditional portfolio, following an excellent investment performance in 2011 and performance fees related to the asset management business. As a consequence, operating profit increased with EUR 82m to EUR 168m.

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	31	30	32	29	27	3%	15%	122	94
Net fee and commission income	217	194	223	197	234	12%	-7%	831	785
Net result from items at fair value	102	37	75	91	113	176%	-10%	305	417
Equity method & other income	7	7	1	4	8	0%	-13%	19	30
Total income incl. allocations	357	268	331	321	382	33%	-7%	1,277	1,326
Staff costs	-111	-110	-111	-120	-117	1%	-5%	-452	-434
Total expenses incl. allocations	-187	-182	-185	-187	-187	3%	0%	-741	-706
Profit before loan losses	170	86	146	134	195	98%	-13%	536	620
Net loan losses	-2	0	-3	-5	0			-10	-1
Operating profit	168	86	143	129	195	95%	-14%	526	619
Cost/income ratio, %	52	68	56	58	49			58	53
RAROCAR, %	29	15	27	27	33				
Economic capital (EC)	1,724	1,586	1,564	1,444	1,691	9%	2%		
Risk-weighted assets (RWA)	3,072	3,025	2,997	2,881	2,982	2%	3%		
Number of employees (FTEs)	3,639	3,666	3,670	3,671	3,645	-1%	0%		
Volumes, EURbn:									
AuM, EURbn	187.4	177.9	191.1	192.0	191.0	5%	-2%		
Total lending volumes	8.0	7.7	7.8	7.5	7.8	3%	2%		
Total deposits volumes	11.0	10.3	9.8	9.1	9.6	7%	14%		

Assets under Management (AuM), volumes and net inflow

EURbn	Q4 2011	Q4 net inflow	Q3 2011	Q2 2011	Q1 2011	Q4 2010	2011 net inflow	2010 net inflow
Nordic Retail funds	31.1	-0.6	29.9	33.4	35.5	36.4	-2.3	0.7
Global Fund Distribution	6.3	0.7	5.2	6.1	6.1	5.8	0.8	1.9
Nordic Private Banking	51.4	0.7	48.9	55.6	56.6	57.3	0.1	2.7
International Private Banking	9.6	0.1	9.1	9.7	10.2	10.0	0.1	0.2
Institutional clients	38.6	0.3	36.7	36.6	34.7	32.8	5.0	2.1
Life & Pensions	50.4	0.5	48.1	49.7	48.9	48.7	1.3	1.9
Total	187.4	1.7	177.9	191.1	192.0	191.0	5.0	9.5

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 fourth quarter was a relatively strong quarter for Nordic Private Banking. Financial markets were still volatile, but recovered somewhat, which increased the value of AuM and customers' willingness to make investment decisions likewise. Accordingly, Nordic Private Banking's advisers generated net inflows of EUR 0.7bn in the fourth quarter. As a result, Nordic Private Banking AuM were EUR 51.4bn at the end of the quarter, which is an increase of EUR 2.5bn or 5% compared to the previous quarter.

Efforts of transferring smaller private banking customers to Retail Banking continued in the fourth quarter. This is part of a programme to enhance productivity in Nordic Private Banking and to align the service model with the characteristics and needs of the customers.

Income of EUR 86m in the fourth quarter was almost in line with third quarter income. Operating profit of EUR 16m reflects the seasonally higher costs in fourth quarter.

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

Volatility of financial markets decreased somewhat during the fourth quarter and International Private Banking succeeded in attracting new customers. Net inflow reached EUR 0.1bn and was primarily generated by the Ultra High Net Worth Team and the International Team. International Private Banking customers' risk-willingness, however, remained subdued which had similar effect on both client trading and lending activities. AuM developed positively, up 0.5bn or 5% to EUR 9.6bn from the previous quarter. This was supported by positive market attribution of EUR 0.4bn.

With an ambition of expanding the international private banking activities, the Zürich branch entered into an agreement with the Danish bank Sydbank in Switzerland to acquire part of their international private banking customer base. Transfer of clients commenced during the fourth quarter and will continue into 2012.

The combined result for International Private Banking & Funds was EUR 7m in the fourth quarter. Income was EUR 28m, down EUR 5m from previous quarter. Despite fluctuations in the quarterly results, the underlying development of the business is stable.

Nordic Private Banking

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	21	21	20	17	17	0%	24%	79	59
Net fee and commission income	44	50	55	58	55	-12%	-20%	207	192
Net result from items at fair value	18	17	18	16	16	6%	13%	69	50
Equity method & other income	3	0	0	0	0			3	0
Total income incl. allocations	86	88	93	91	88	-2%	-2%	358	301
Staff costs	-30	-28	-26	-29	-30	7%	0%	-113	-110
Total expenses incl. allocations	-68	-61	-60	-64	-61	11%	11%	-253	-234
Profit before loan losses	18	27	33	27	27	-33%	-33%	105	67
Net loan losses	-2	0	-3	-5	-1		114%	-10	-2
Operating profit	16	27	30	22	26	-41%	-38%	95	65
Cost/income ratio, %	79	69	65	70	69			71	78
RAROCAR, %	20	43	53	44	43				
Economic capital (EC)	222	197	169	162	159	13%	40%		
Risk-weighted assets (RWA)	1,102	1,156	1,171	1,187	1,129	-5%	-2%		
Number of employees (FTEs)	998	996	986	979	971	0%	3%		
Volumes, EURbn:									
AuM, EURbn	51.4	48.9	55.6	56.6	57.3	5%	-10%		
Household mortgage lending	4.5	4.4	4.4	4.3	4.2	1%	6%		
Consumer lending	2.2	1.9	1.9	1.9	2.6	17%	-14%		
Total lending	6.7	6.3	6.3	6.2	6.8	6%	-2%		
Household deposits	8.5	8.1	7.9	7.3	7.9	5%	7%		
Total deposits	8.5	8.1	7.9	7.3	7.9	5%	7%		
Spreads, %:									
Total lending spreads	0.85	0.86	0.80	0.81	0.75				
Total deposits spreads	0.33	0.41	0.40	0.25	0.27				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g mortgage and other long-term loans

International Private Banking & Funds

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	9	8	10	11	9	13%	0%	38	32
Net fee and commission income	12	14	20	19	16	-14%	-25%	65	54
Net result from items at fair value	4	7	5	6	8	-43%	-50%	22	25
Equity method & other income	3	4	1	1	0	-25%		9	0
Total income incl. allocations	28	33	36	37	33	-15%	-15%	134	111
Staff costs	-14	-14	-15	-14	-15	0%	-7%	-57	-54
Total expenses incl. allocations	-21	-22	-22	-22	-21	-5%	0%	-87	-79
Profit before loan losses	7	11	14	15	12	-36%	-42%	47	32
Net loan losses	0	0	0	0	0			0	0
Operating profit	7	11	14	15	12	-34%	-39%	47	32
Cost/income ratio, %	75	67	61	59	64			65	71
RAROCAR, %	10	16	22	25	17				
Economic capital (EC)	171	162	159	154	164	6%	5%		
Risk-weighted assets (RWA)	1,970	1,869	1,826	1,694	1,854	5%	6%		
Number of employees (FTEs)	355	357	354	353	354	-1%	0%		
Volumes, EURbn:									
AuM, EURbn	15.9	14.3	15.8	16.3	15.8	10%	0%		
Household mortgage lending	0.4	0.3	0.3	0.3	0.3	29%	33%		
Consumer lending	0.9	1.1	1.2	1.0	0.7	-18%	29%		
Total lending	1.3	1.4	1.5	1.3	1.0	-8%	30%		
Household deposits	2.5	2.2	1.9	1.8	1.7	14%	47%		
Total deposits	2.5	2.2	1.9	1.8	1.7	14%	47%		
Spreads, %:									
Total lending spreads	0.75	0.70	0.70	0.50	0.50				
Total deposits spreads	0.44	0.60	0.60	0.80	0.80				

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for e.g mortgage and other long-term loans

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

Nordea's fourth quarter investment performance was strong with 77% of composites outperforming benchmarks. However, the full-year investment performance was at a corresponding 41%. In general, fixed income composites showed positive development in the quarter, whereas several equity composites experienced difficulties as markets were driven by insecurity in regards to the development of the macroeconomic environment. On a long-term horizon (36 months), Nordea's relative investment performance continues to be strong, with 81% of the investment composites outperforming their benchmark.

In the fourth quarter, an outflow of EUR 0.6bn in Nordic retail funds' net was reported. As in previous quarter, the outflow was largely driven by customers reducing their risk exposure and moving assets to deposit products.

Institutional asset management ended a record year with the fourth quarter being the 12th consecutive quarter with a positive net flow. The net inflow in the fourth quarter of EUR 0.3bn came mainly from existing clients in the Nordic region and especially Denmark reported very strong inflows – some into new products. The total inflow for 2011 was EUR 5.0bn, which is the highest ever reported for Nordea's institutional asset management business.

The product portfolio was strengthened in the fourth quarter with several product launches. Among those a number of emerging market funds, Polish balanced funds and also the Alternative Investment funds offering to Private Banking customers were expanded with a Nordea Global Real Estate Fund.

Global Fund Distribution reported a strong net inflow, of EUR 0.7bn in the fourth quarter. AuM were EUR 6.3bn at the end of the quarter, up EUR 1.1bn supported by positive investment return of EUR 0.4bn. Although volatility of financial markets decreased somewhat during the fourth quarter, investors remained cautious with regard to equities. As a consequence redemptions from equity funds continued but at a slower pace than in the previous quarter. Efforts in positioning Nordic fixed income as an attractive Euro diversification continued to pay off and also the Global Fund Distributions' credit solutions (High Yield and Corporate Bond) for the US market attracted significant assets during the fourth quarter. This development reflected a return to more risky assets in the fixed income area.

Result

Asset Management income was EUR 101m in the fourth quarter, up 22% compared to previous quarter. The increase in income was primarily driven by performance fees of EUR 12m. Operating profit was EUR 53m, up 39% from the previous quarter.

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	1	1	1	1	1	0%	0%	4	1
Net fee and commission income	103	84	89	88	112	23%	-8%	364	345
Net result from items at fair value	-3	-2	0	0	0	50%		-5	-2
Equity method & other income	0	0	0	0	2		-85%	0	7
Total income incl. allocations	101	83	90	89	115	22%	-12%	363	351
Staff costs	-23	-23	-25	-28	-29	0%	-21%	-99	-94
Total expenses incl. allocations	-48	-45	-50	-50	-53	7%	-9%	-193	-187
Profit before loan losses	53	38	40	39	62	39%	-15%	170	164
Net loan losses	0	0	0	0	0			0	0
Operating profit	53	38	40	39	62	39%	-15%	170	164
Cost/income ratio, %	48	54	56	56	46			53	53
Income, spread (basis points)	38	31	33	34	44				
Economic capital (EC)	54	57	57	57	67	-5%	-19%		
AuM, EURbn	110.0	104.8	109.0	107.4	105.9	5%	4%		
Number of employees (FTEs)	517	520	522	522	522	-1%	-1%		

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 1,301m in the fourth quarter, up 9% from previous quarter driven by strong year-end sales. Sales via the Nordea bank channel accounted for almost half of total premiums in fourth quarter.

Life & Pensions' strategic focus to shift the product portfolio towards capital-efficient products continued in the fourth quarter. Effects were that 69% of total premiums were channelled into unit linked, premium guarantee traditional or pure risk products. Accordingly, fourth quarter's net inflow mix was EUR 0.4bn in unit-linked products and EUR 0.1bn in guaranteed products.

Financial buffers in the traditional portfolios increased EUR 0.2bn during the fourth quarter to EUR 1.3bn, corresponding to 5.1% of technical provision, 0.7 %-points higher than end third quarter. The majority of the increase was taken in the Danish portfolio, restoring the buffers to

such an extent that part of the fee income accrued to a fee reservation account in the third quarter could be recognised as income in the fourth quarter. Total investment return in the traditional portfolio was 1.6% in the fourth quarter and 5.1% in the full year 2011, reflecting the strong asset and liability management efforts on managing the buffers in an extraordinarily turbulent financial environment.

Result

The fourth quarter's operating profit was strong at EUR 92m, reflecting the improved financial buffer situation as approximately EUR 29m in fees relating to the period January-September were recognised as income in the year-end closing. By year-end approximately EUR 50m remains booked on the fee reservation account. Further, the fourth quarter result also includes profit sharing in the Swedish traditional portfolio, following an excellent investment performance in 2011.

Unit linked and pure risk products continued to increase in importance as main profit generators. In fourth quarter Unit linked and risk products contributed with 59% of total underlying operating profit.

MCEV increased by EUR 39m in the fourth quarter to EUR 2,714m, although the continued decrease in long interest rates put significant pressure on the predicted ability to generate future profits in some of the traditional portfolios. Stable inflow of profitable new business sales contributed by EUR 189m to MCEV in 2011.

EURm	Q411	Q311	Q211	Q111	Q410	Ch. Q411/Q311	Q411/Q410	2011	2010
Net interest income	0	0	0	0	0			0	0
Net fee and commission income	58	46	60	32	52	26%	12%	196	197
Net result from items at fair value	83	15	52	70	89		-7%	220	342
Equity method & other income	1	3	-3	0	4	-67%	-75%	1	17
Total income incl. allocations	142	64	109	102	145	122%	-2%	417	556
Staff costs	-29	-32	-30	-34	-30	-9%	-3%	-125	-124
Total expenses incl. allocations	-50	-54	-53	-52	-52	-7%	-4%	-209	-206
Profit before loan losses	92	10	56	50	93		-1%	208	350
Net loan losses	0	0	0	0	0			0	0
Operating profit	92	10	56	50	93		-1%	208	350
Cost/income ratio, %	35	84	49	51	36			50	37
RAROCAR, %	21	2	14	14	21				
Economic capital (EC)	1,276	1,173	1,179	1,071	1,302	9%	-2%		
AuM, EURbn	45.5	43.4	44.7	43.9	43.7	5%	4%		
Premiums	1,301	1,196	1,671	1,738	1,472	9%	-12%		
Number of employees (FTEs)	1,334	1,351	1,361	1,376	1,370	-1%	-3%		
Profit drivers									
Profit Traditional products	53	-52	19	19	55		-4%	39	195
Profit New Traditional products	-2	1	0	1	1			0	1
Profit Unit Linked products	22	17	19	17	15	29%	47%	75	57
Profit Risk products	10	20	13	12	12	-50%	-17%	55	48
Total product result	83	-14	51	49	83		0%	169	301
Return on S/E, other profits and group adjustments	9	24	5	1	10	-63%	-10%	39	49
Operating profit	92	10	56	50	93		-1%	208	350

Customer segments

Corporate customer segments and financial institutions, key figures

	Large						Other			Poland & Baltic		
	Corporate & Institutional Banking			corporate customers (Nordic)			corporate customers (Nordic)			corporate customers		
	Q4 11	Q3 11	Q4 10	Q4 11	Q3 11	Q4 10	Q4 11	Q3 11	Q4 10	Q4 11	Q3 11	Q4 10
Number of customer '000 (EOP)	12	12	11	28	28	26				94	91	84
Income, EURm	440	426	506	351	336	326	238	236	234	54	50	48
Volumes, EURbn												
Lending	44.5	43.5	42.9	56.5	54.9	52.8	26.0	25.7	25.2	7.7	7.3	6.8
Deposit	40.4	36.2	32.6	20.0	19.9	20.4	22.3	20.9	21.9	3.2	2.5	2.6
spreads, pct p.a.												
Lending	1.30%	1.31%	1.26%	1.26%	1.25%	1.26%	1.62%	1.56%	1.58%	1.49%	1.46%	1.53%
Deposit	0.17%	0.19%	0.23%	0.44%	0.43%	0.44%	0.78%	0.86%	0.66%	0.55%	0.71%	0.55%
	Russian corporate customers						Shipping customers			Corporate and financial institutions Total		
	Q4 11	Q3 11	Q4 10	Q4 11	Q3 11	Q4 10				Q4 11	Q3 11	Q4 10
Number of customer '000 (EOP)	6	6	6	2	2	2						
Income, EURm	45	33	37	110	112	105				1,238	1,193	1,256
Volumes, EURbn												
Lending	6.1	5.2	4.4	13.6	13.4	13.6				154.4	150.0	145.7
Deposit	2.4	1.5	0.8	4.7	4.8	5.0				93.0	85.8	83.3
spreads, pct p.a.												
Lending	2.53%	2.63%	2.70%	1.90%	1.86%	1.61%				1.45%	1.43%	1.40%
Deposit	0.73%	0.79%	1.02%	0.10%	0.11%	0.16%				0.40%	0.45%	0.41%

Household customer segments, key figures

	Nordic			Gold			Other			Poland & Baltic		
	Private Banking			customers (Nordic)			household customers (Nordic)			household customers		
	Q4 11	Q3 11	Q4 10	Q4 11	Q3 11	Q4 10	Q4 11	Q3 11	Q4 10	Q4 11	Q3 11	Q4 10
Number of customer '000 (EOP)	95	96	93	2,918	2,903	2,800				925	901	826
Of which Gold+Private Bank										150	144	125
Income, EURm	115	116	120	608	570	516	183	190	179	50	57	46
Volumes, EURbn												
Lending	6.7	6.3	6.8	128.4	125.3	120.5	9.1	9.1	9.5	7.1	7.0	6.2
Deposit	8.5	8.1	7.9	54.4	53.0	50.1	16.4	16.2	16.8	1.8	1.6	1.6
Assets under Management	51.4	48.9	57.3									
spreads, pct p.a.												
Lending	0.85%	0.86%	0.75%	1.15%	1.06%	1.03%	3.45%	3.37%	3.45%	1.63%	1.63%	1.61%
Deposit	0.33%	0.41%	0.27%	0.48%	0.55%	0.31%	1.01%	1.08%	0.70%	0.74%	0.84%	0.54%
	Russian household customers						International Private Banking			Household customers Total		
	Q4 11	Q3 11	Q4 10	Q4 11	Q3 11	Q4 10				Q4 11	Q3 11	Q4 10
Number of customer '000 (EOP)	62	59	52	12	12	12				3,175	3,154	3,029
Of which Gold+Private Bank												
Income, EURm	5	4	4	25	24	26				985	961	891
Volumes, EURbn												
Lending	0.4	0.3	0.3	1.2	1.3	1.0				152.9	149.3	144.3
Deposit	0.1	0.1	0.1	2.5	2.2	1.6				83.8	81.2	78.2
Assets under Management				9.6	9.1	10.0				61.0	58.0	67.3
spreads, pct p.a.												
Lending	4.27%	4.47%	4.61%	0.75%	0.76%	0.70%				1.30%	1.23%	1.22%
Deposit	0.27%	0.17%	0.14%	0.44%	0.50%	0.76%				0.58%	0.65%	0.41%

Spreads do not reflect Nordea's profit margin on different products, as total funding costs is higher for eg mortgage and other long-term loans

Income statement

EURm	Note	Q4 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Operating income					
Interest income		3,169	2,628	11,955	9,687
Interest expense		-1,742	-1,263	-6,499	-4,528
Net interest income		1,427	1,365	5,456	5,159
Fee and commission income		771	798	3,122	2,955
Fee and commission expense		-183	-180	-727	-799
Net fee and commission income	3	588	618	2,395	2,156
Net result from items at fair value	4	506	504	1,517	1,837
Profit from companies accounted for under the equity method		15	5	42	66
Other operating income		22	15	91	116
Total operating income		2,558	2,507	9,501	9,334
Operating expenses					
General administrative expenses:					
Staff costs		-714	-675	-3,113	-2,784
Other expenses	5	-502	-543	-1,914	-1,862
Depreciation, amortisation and impairment charges of tangible and intangible assets		-50	-52	-192	-170
Total operating expenses		-1,266	-1,270	-5,219	-4,816
Profit before loan losses		1,292	1,237	4,282	4,518
Net loan losses	6	-263	-166	-735	-879
Operating profit		1,029	1,071	3,547	3,639
Income tax expense		-243	-301	-913	-976
Net profit for the period		786	770	2,634	2,663
Attributable to:					
Shareholders of Nordea Bank AB (publ)		785	769	2,627	2,657
Non-controlling interests		1	1	7	6
Total		786	770	2,634	2,663
Basic earnings per share, EUR		0.19	0.19	0.65	0.66
Diluted earnings per share, EUR		0.19	0.19	0.65	0.66

Statement of comprehensive income

EURm	Q4 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Net profit for the period	786	770	2,634	2,663
Currency translation differences during the period	229	181	-28	669
Currency hedging of net investments in foreign operations	-113	-96	0	-407
Tax on currency hedging of net investments in foreign operations	30	25	0	107
Available-for-sale investments:				
Valuation gains/losses during the period	10	3	5	3
Tax on valuation gains/losses during the period	-2	-1	-1	-1
Cash flow hedges:				
Valuation gains/losses during the period	166	-	166	1
Tax on valuation gains/losses during the period	-43	-	-43	0
Other comprehensive income, net of tax	277	112	99	372
Total comprehensive income	1,063	882	2,733	3,035
Attributable to:				
Shareholders of Nordea Bank AB (publ)	1,062	881	2,726	3,029
Non-controlling interests	1	1	7	6
Total	1,063	882	2,733	3,035

Balance sheet

EURm	Note	31 Dec 2011	31 Dec 2010
Assets			
Cash and balances with central banks		3,765	10,023
Treasury bills		11,105	13,112
Loans to credit institutions	7	51,865	15,788
Loans to the public	7	337,203	314,211
Interest-bearing securities		81,268	69,137
Financial instruments pledged as collateral		8,373	9,494
Shares		20,167	17,293
Derivatives	10	171,943	96,825
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-215	1,127
Investments in associated undertakings		591	554
Intangible assets		3,321	3,219
Property and equipment		469	454
Investment property		3,644	3,568
Deferred tax assets		169	278
Current tax assets		185	262
Retirement benefit assets		223	187
Other assets		19,425	22,857
Prepaid expenses and accrued income		2,703	2,450
Total assets		716,204	580,839
<i>Of which assets customer bearing the risk</i>		<i>16,170</i>	<i>16,230</i>
Liabilities			
Deposits by credit institutions		55,316	40,736
Deposits and borrowings from the public		190,092	176,390
Liabilities to policyholders		40,715	38,766
Debt securities in issue		179,950	151,578
Derivatives	10	167,390	95,887
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,274	898
Current tax liabilities		154	502
Other liabilities		43,368	38,590
Accrued expenses and prepaid income		3,496	3,390
Deferred tax liabilities		1,018	885
Provisions		483	581
Retirement benefit obligations		325	337
Subordinated liabilities		6,503	7,761
Total liabilities		690,084	556,301
Equity			
Non-controlling interests		86	84
Share capital		4,047	4,043
Share premium reserve		1,080	1,065
Other reserves		-47	-146
Retained earnings		20,954	19,492
Total equity		26,120	24,538
Total liabilities and equity		716,204	580,839
Assets pledged as security for own liabilities ¹		146,894	149,117
Other assets pledged		6,090	5,972
Contingent liabilities		24,468	23,963
Credit commitments ²		85,319	88,740
Other commitments ³		1,651	2,686

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 47,607m (31 Dec 2010: EUR 50,522m).

³ The comparative figures for 2010 have been restated to ensure consistency between the years.

Statement of changes in equity

EURm	Attributable to shareholders of Nordea Bank AB (publ)								Non-controlling interests	Total equity
	Share capital ¹	Share premium reserve	Other reserves:			Retained earnings	Total			
			Translation of foreign operations	Cash flow hedges	Available-for-sale investments					
Opening balance at 1 Jan 2011	4,043	1,065	-148	-	2	19,492	24,454	84	24,538	
Total comprehensive income	-	-	-28	123	4	2,627	2,726	7	2,733	
Issued C-shares ³	4	-	-	-	-	-	4	-	4	
Repurchase of C-shares ³	-	-	-	-	-	-4	-4	-	-4	
Share-based payments	-	-	-	-	-	11	11	-	11	
Dividend for 2010	-	-	-	-	-	-1,168	-1,168	-	-1,168	
Purchases of own shares ²	-	-	-	-	-	-4	-4	-	-4	
Other changes	-	15 ⁴	-	-	-	-	15	-5	10	
Closing balance at 31 Dec 2011	4,047	1,080	-176	123	6	20,954	26,034	86	26,120	

EURm	Attributable to shareholders of Nordea Bank AB (publ)								Non-controlling interests	Total equity
	Share capital ¹	Share premium reserve	Other reserves:			Retained earnings	Total			
			Translation of foreign operations	Cash flow hedges	Available-for-sale investments					
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	

¹ Total shares registered were 4,047 million (31 Dec 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 31 Dec 2011 were 20.7 million (31 Dec 2010: 16.9 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 18.2 million (31 Dec 2010: 15.4 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-Dec 2011	Jan-Dec 2010
<i>Operating activities</i>		
Operating profit	3,547	3,639
Adjustments for items not included in cash flow	608	1,619
Income taxes paid	-981	-1,045
Cash flow from operating activities before changes in operating assets and liabilities	3,174	4,213
Changes in operating assets and liabilities	627	-6,411
Cash flow from operating activities	3,801	-2,198
<i>Investing activities</i>		
Sale/acquisition of business operations	-	-46
Property and equipment	-123	-98
Intangible assets	-191	-181
Net investments in debt securities, held to maturity	7,876	1,991
Other financial fixed assets	-68	1
Cash flow from investing activities	7,494	1,667
<i>Financing activities</i>		
New share issue	4	6
Issued/amortised subordinated liabilities	-1,341	194
Divestment/repurchase of own shares incl change in trading portfolio	-4	74
Dividend paid	-1,168	-1,006
Cash flow from financing activities	-2,509	-732
Cash flow for the period	8,786	-1,263
Cash and cash equivalents at beginning of the period	13,706	13,962
Translation difference	114	1,007
Cash and cash equivalents at end of the period	22,606	13,706
Change	8,786	-1,263
Cash and cash equivalents	31 Dec	31 Dec
The following items are included in cash and cash equivalents (EURm):	<u>2011</u>	<u>2010</u>
Cash and balances with central banks	3,765	10,023
Loans to credit institutions, payable on demand	18,840	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 and 2011:54), 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 and reverse 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 full year 2010 is disclosed in the below table.

EURm	Jan-Dec 2010	
	New policy	Old policy
Lending	397	323
Other commission income	217	291

Recognition of repurchase 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.

EURm	31 Dec 2011		30 Sep 2011		30 Jun 2011		31 Mar 2011		31 Dec 2010	
	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	51,865	53,212	32,649	34,810	20,719	22,973	22,456	26,284	15,268	15,788
Loans to the public	337,203	346,273	332,537	344,105	324,997	332,202	322,414	330,536	313,630	314,211
Other liabilities	43,368	53,785	34,495	48,224	28,843	38,302	33,057	45,007	37,489	38,590
Repurchase agreements										
Deposits by credit institutions	55,316	59,145	49,538	55,213	46,149	48,935	46,985	50,235	38,264	40,736
Deposits and borrowings from the public	190,092	194,416	185,263	190,722	180,863	187,885	173,262	182,344	175,245	176,390
Other assets	19,425	27,578	16,308	27,442	13,836	23,644	11,831	24,163	19,240	22,857

Exchange rates

	Jan-Dec 2011	Jan-Dec 2010
EUR 1 = SEK		
Income statement (average)	9.0293	9.5463
Balance sheet (at end of period)	8.9120	8.9655
EUR 1 = DKK		
Income statement (average)	7.4506	7.4472
Balance sheet (at end of period)	7.4342	7.4535
EUR 1 = NOK		
Income statement (average)	7.7946	8.0080
Balance sheet (at end of period)	7.7540	7.8000
EUR 1 = PLN		
Income statement (average)	4.1203	3.9957
Balance sheet (at end of period)	4.4580	3.9750
EUR 1 = RUB		
Income statement (average)	40.8809	40.2749
Balance sheet (at end of period)	41.7650	40.8200

Note 2 Segment reporting

	Operating segments												Total Group	
	Retail Banking		Wholesale Banking		Group Corporate Centre		Other Operating segments ¹		Total operating segments		Reconciliation			
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Total operating income, EURm	5,759	5,218	2,657	2,766	358	476	817	989	9,591	9,449	-90	-115	9,501	9,334
Operating profit, EURm	1,824	1,210	1,626	1,694	181	282	107	217	3,738	3,403	-191	236	3,547	3,639
Loans to the public ² , EURbn	221	225	48	49	-	-	-	-	269	274	68	40	337	314
Deposits and borrowings from the public ² , EURbn	111	113	35	29	-	-	-	-	146	142	44	34	190	176

¹ Including the main business area Wealth Management.

² The volumes are only disclosed separate for operating segments if separately reported to the Chief Operating Decision Maker.

Break-down of Retail Banking and Wholesale Banking

	Total operating income, EURm		Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	Jan-Dec		Jan-Dec		31 Dec		31 Dec	
	2011	2010	2011	2010	2011	2010	2011	2010
Retail Banking Nordic ¹	5,271	4,772	1,703	1,144	208	204	107	107
Retail Banking Poland & Baltic countries ¹	432	389	159	105	13	21	4	6
Retail Banking Other ²	56	57	-38	-39	-	-	-	-
Retail Banking	5,759	5,218	1,824	1,210	221	225	111	113
Corporate & Institutional Banking	1,735	1,755	1,243	1,130	43	45	34	28
Shipping, Offshore & Oil Services	429	394	231	292	-	-	-	-
Nordea Bank Russia	213	192	109	100	5	4	1	1
Capital Markets unallocated	269	386	46	142	-	-	-	-
Wholesale Banking Other ³	11	39	-3	30	-	-	-	-
Wholesale Banking	2,657	2,766	1,626	1,694	48	49	35	29

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, Segment CIB and IT within the main business area Wholesale Banking.

Reconciliation between total operating segments and financial statements

	Operating profit, Jan-Dec		Loans to the public, EURbn, 31 Dec		Deposits and borrowings, 31 Dec	
	2011	2010	2011	2010	2011	2010
	Total Operating segments	3,738	3,403	269	274	146
Group functions ¹	-40	-80	-	-	-	-
Unallocated items	-335	155	60	45	27	30
Differences in accounting policies ²	184	161	8	-5	17	4
Total	3,547	3,639	337	314	190	176

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 172m (EUR 165m). Impact on operating profit from plan rates used in the segment reporting EUR 12m (EUR -4m).

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. In Nordea the CODM has been defined as Group Executive Management. 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. Group Corporate Centre and the separate divisions within the three main business areas and within the business unit Group Operations & Other Lines of Business have, based on the new organisation, been identified as operating segments. The changes compared to the previous segment reporting are mainly that Nordic Banking has been renamed 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. A new operating segment named Corporate & Institutional Banking has been established, including the former division Corporate Merchant Banking, previously included in Nordic Banking, and the former operating segment Financial Institutions. Capital Markets unallocated and Group Corporate Centre are furthermore disclosed separately as operating segments. 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	Q4 2011	Q3 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Asset management commissions	181	182	193	754	698
Life insurance	72	76	80	306	305
Brokerage	48	42	52	200	198
Custody	25	18	23	90	77
Deposits	11	11	12	44	45
Total savings related commissions	337	329	360	1,394	1,323
Payments	110	105	106	421	412
Cards	116	118	104	446	397
Total payment commissions	226	223	210	867	809
Lending	111	108	101	437	397
Guarantees and documentary payments	55	52	54	214	209
Total lending related commissions	166	160	155	651	606
Other commission income	42	48	73	210	217
Fee and commission income	771	760	798	3,122	2,955
Life insurance	0	-21	-14	-68	-62
Payment expenses	-87	-75	-82	-305	-300
State guarantee fees	-17	-12	-8	-55	-162
Other commission expenses	-79	-70	-76	-299	-275
Fee and commission expenses	-183	-178	-180	-727	-799
Net fee and commission income	588	582	618	2,395	2,156

Note 4 Net result from items at fair value

EURm	Q4 2011	Q3 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Shares/participations and other share-related instruments	1,696	-2,189	1,151	-518	2,394
Interest-bearing securities and other interest-related instruments	-174	850	-495	1,452	2,051
Other financial instruments	24	153	-30	163	-230
Foreign exchange gains/losses	2	383	-64	546	-20
Investment properties	18	38	43	158	161
Change in technical provisions ¹ , Life insurance	-909	51	-238	-937	-2,423
Change in collective bonus potential, Life insurance	-162	809	113	607	-160
Insurance risk income, Life insurance	46	49	79	217	312
Insurance risk expense, Life insurance	-35	-33	-55	-171	-248
Total	506	111	504	1,517	1,837

Of which Life insurance

EURm	Q4 2011	Q3 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Shares/participations and other share-related instruments	1,632	-2,100	967	-629	1,977
Interest-bearing securities and other interest-related instruments	-428	1,281	-750	959	882
Other financial instruments	2	-1	0	0	1
Foreign exchange gains/losses	-91	-91	-77	-23	-196
Investment properties	17	38	42	156	160
Change in technical provisions ¹ , Life insurance	-909	51	-238	-937	-2,423
Change in collective bonus potential, Life insurance	-162	809	113	607	-160
Insurance risk income, Life insurance	46	49	79	217	312
Insurance risk expense, Life insurance	-35	-33	-55	-171	-248
Total	72	3	81	179	305

¹ Premium income amounts to EUR 622m for Q4 2011 and EUR 2,544m for Jan-Dec 2011 (Q3 2011: EUR 539m, Q4 2010: EUR 482m, Jan-Dec 2010: EUR 1,733m).

Note 5 Other expenses

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
EURm	2011	2011	2010	2011	2010
Information technology	-163	-154	-185	-647	-639
Marketing and entertainment	-40	-26	-51	-131	-144
Postage, transportation, telephone and office expenses	-61	-57	-58	-232	-227
Rents, premises and real estate expenses	-103	-122	-106	-444	-400
Other	-135	-115	-143	-460	-452
Total	-502	-474	-543	-1,914	-1,862

Note 6 Net loan losses

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
EURm	2011	2011	2010	2011	2010
Loan losses divided by class					
Loans to credit institutions	0	1	-1	2	0
Loans to the public	-278	-109	-156	-659	-738
- of which provisions	-380	-253	-324	-1,154	-1,185
- of which write-offs	-235	-201	-183	-800	-535
- of which allowances used for covering write-offs	180	151	122	625	378
- of which reversals	131	177	207	596	531
- of which recoveries	26	17	22	74	73
Off-balance sheet items	15	-4	-9	-78	-141
Total	-263	-112	-166	-735	-879

Key ratios

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
	2011	2011	2010	2011	2010
Loan loss ratio, basis points	33	14	23	23	31
- of which individual	37	22	38	30	33
- of which collective	-4	-8	-15	-7	-2

Note 7 Loans and impairment¹

EURm	Total					
	31 Dec 2011	30 Sep 2011	31 Dec 2010			
Loans, not impaired	386,101	362,405	327,684			
Impaired loans	5,438	5,166	4,849			
- Performing	3,287	2,985	2,838			
- Non-performing	2,151	2,181	2,011			
Loans before allowances	391,539	367,571	332,533			
Allowances for individually assessed impaired loans	-1,892	-1,780	-1,752			
- Performing	-1,080	-1,004	-969			
- Non-performing	-812	-776	-783			
Allowances for collectively assessed impaired loans	-579	-605	-782			
Allowances	-2,471	-2,385	-2,534			
Loans, carrying amount	389,068	365,186	329,999			
EURm	Credit institutions			The public		
	31 Dec 2011	30 Sep 2011	31 Dec 2010	31 Dec 2011	30 Sep 2011	31 Dec 2010
Loans, not impaired	51,867	32,651	15,791	334,234	329,754	311,893
Impaired loans	26	26	33	5,412	5,140	4,816
- Performing	-	-	4	3,287	2,985	2,834
- Non-performing	26	26	29	2,125	2,155	1,982
Loans before allowances	51,893	32,677	15,824	339,646	334,894	316,709
Allowances for individually assessed impaired loans	-26	-26	-33	-1,866	-1,754	-1,719
- Performing	-	-	-4	-1,080	-1,004	-965
- Non-performing	-26	-26	-29	-786	-750	-754
Allowances for collectively assessed impaired loans	-2	-2	-3	-577	-603	-779
Allowances	-28	-28	-36	-2,443	-2,357	-2,498
Loans, carrying amount	51,865	32,649	15,788	337,203	332,537	314,211

Allowances and provisions

EURm	31 Dec 2011	30 Sep 2011	31 Dec 2010
Allowances for items in the balance sheet	-2,471	-2,385	-2,534
Provisions for off balance sheet items	-93	-94	-331
Total allowances and provisions	-2,564	-2,479	-2,865

Key ratios

	31 Dec 2011	30 Sep 2011	31 Dec 2010
Impairment rate, gross, basis points	139	141	146
Impairment rate, net, basis points	91	92	93
Total allowance rate, basis points	63	65	76
Allowances in relation to impaired loans, %	35	34	36
Total allowances in relation to impaired loans, %	45	46	52
Non-performing, not impaired, EURm	405	388	316

¹ The comparative figures for 30 September 2011 regarding impaired loans have been restated to ensure consistency between the periods.

Note 8 Classification of financial instruments

EURm	Loans and receivables	Held to maturity	Held for trading	Designated at fair value			Available for sale	Total
				through profit or loss	Derivatives used for hedging			
Financial assets								
Cash and balances with central banks	3,765	-	-	-	-	-	-	3,765
Treasury bills	300	361	9,838	-	-	606	-	11,105
Loans to credit institutions	43,026	-	5,312	3,527	-	-	-	51,865
Loans to the public	264,272	-	23,718	49,213	-	-	-	337,203
Interest-bearing securities	100	7,532	33,300	21,138	-	19,198	-	81,268
Financial instruments pledged as collateral	-	-	8,373	-	-	-	-	8,373
Shares	-	-	4,474	15,683	-	-	10	20,167
Derivatives	-	-	169,402	-	2,541	-	-	171,943
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-215	-	-	-	-	-	-	-215
Other assets	12,548	-	-	6,854	-	-	-	19,402
Prepaid expenses and accrued income	2,124	-	169	36	-	-	-	2,329
Total 31 Dec 2011	325,920	7,893	254,586	96,451	2,541	19,814	707,205	
Total 31 Dec 2010	291,153	16,055	172,613	85,669	726	5,765	-	571,981
Financial liabilities								
EURm			Held for trading	Designated at fair value			Other financial liabilities	Total
				through profit or loss	Derivatives used for hedging			
Deposits by credit institutions			12,934	7,204	-	35,178	-	55,316
Deposits and borrowings from the public			14,092	6,962	-	169,038	-	190,092
Liabilities to policyholders, investment contracts			-	10,226	-	-	-	10,226
Debt securities in issue			6,087	31,756	-	142,107	-	179,950
Derivatives			166,763	-	627	-	-	167,390
Fair value changes of the hedged items in portfolio hedge of interest rate risk			-	-	-	1,274	-	1,274
Other liabilities			13,539	5,024	-	24,677	-	43,240
Accrued expenses and prepaid income			-	664	-	1,805	-	2,469
Subordinated liabilities			-	-	-	6,503	-	6,503
Total 31 Dec 2011			213,415	61,836	627	380,582	656,460	
Total 31 Dec 2010			139,188	57,967	661	325,601	-	523,417

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

31 Dec 2011, EURm	Quoted prices in active markets for same instrument (Level 1)	<i>Of which Life</i>	Valuation technique using observable data (Level 2)	<i>Of which Life</i>	Valuation technique using non-observable data (Level 3)	<i>Of which Life</i>	Total
Assets							
Loans to credit institutions	48	-	8,791	-	-	-	8,839
Loans to the public	-	-	72,931	-	-	-	72,931
Debt securities ¹	71,424	14,443	19,230	5,944	1,149	750	91,803
Shares ²	15,893	12,134	3	-	4,921	3,425	20,817
Derivatives	551	3	170,435	11	957	-	171,943
Other assets	-	-	6,854	-	-	-	6,854
Prepaid expenses and accrued income	-	-	205	-	-	-	205
Liabilities							
Deposits by credit institutions	-	-	20,138	-	-	-	20,138
Deposits and borrowings from the public	-	-	21,054	-	-	-	21,054
Liabilities to policyholders	-	-	10,226	10,226	-	-	10,226
Debt securities in issue	31,756	-	6,087	-	-	-	37,843
Derivatives	396	38	165,748	17	1,246	5	167,390
Other liabilities	8,212	-	10,351	-	-	-	18,563
Accrued expenses and prepaid income	-	-	664	-	-	-	664

¹ Of which EUR 10,444 Treasury bills and EUR 73,636m Interest-bearing securities (the portion held at fair value in Note 8). EUR 7,723m relates to the balance sheet item Financial instruments pledged as collateral.

² EUR 650m relates to the balance sheet item Financial instruments pledged as collateral.

Note 10 Derivatives

Fair value EURm	31 Dec 2011		31 Dec 2010	
	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading				
Interest rate derivatives	149,336	146,540	79,683	77,810
Equity derivatives	638	688	779	804
Foreign exchange derivatives	16,527	16,535	13,170	13,855
Credit derivatives	1,483	1,493	908	929
Commodity derivatives	1,376	1,296	1,534	1,525
Other derivatives	42	211	25	303
Total	169,402	166,763	96,099	95,226
Derivatives used for hedging				
Interest rate derivatives	1,941	493	461	422
Equity derivatives	-	-	0	1
Foreign exchange derivatives	600	134	265	238
Total	2,541	627	726	661
Total fair value				
Interest rate derivatives	151,277	147,033	80,144	78,232
Equity derivatives	638	688	779	805
Foreign exchange derivatives	17,127	16,669	13,435	14,093
Credit derivatives	1,483	1,493	908	929
Commodity derivatives	1,376	1,296	1,534	1,525
Other derivatives	42	211	25	303
Total	171,943	167,390	96,825	95,887
Nominal amount			31 Dec	31 Dec
EURm			2011	2010
Derivatives held for trading				
Interest rate derivatives			5,701,729	4,761,179
Equity derivatives			17,144	22,003
Foreign exchange derivatives			954,193	860,298
Credit derivatives			61,889	51,224
Commodity derivatives			16,547	15,823
Other derivatives			2,170	2,904
Total			6,753,672	5,713,431
Derivatives used for hedging				
Interest rate derivatives			60,103	29,643
Equity derivatives			-	9
Foreign exchange derivatives			10,505	4,526
Total			70,608	34,178
Total nominal amount				
Interest rate derivatives			5,761,832	4,790,822
Equity derivatives			17,144	22,012
Foreign exchange derivatives			964,698	864,824
Credit derivatives			61,889	51,224
Commodity derivatives			16,547	15,823
Other derivatives			2,170	2,904
Total			6,824,280	5,747,609

Note 11 Capital adequacy**Capital Base**

EURm	31 Dec 2011	31 Dec 2010
Core Tier 1 capital	20,677	19,103
Tier 1 capital	22,641	21,049
Total capital base	24,838	24,734

Capital requirement

EURm	31 Dec 2011 Capital requirement	31 Dec 2011 RWA	31 Dec 2010 Capital requirement	31 Dec 2010 RWA
Credit risk	12,929	161,604	13,173	164,662
IRB	9,895	123,686	10,028	125,346
- of which corporate	6,936	86,696	7,204	90,047
- of which institutions	897	11,215	722	9,021
- of which retail	1,949	24,367	1,964	24,556
- of which other	113	1,408	138	1,722
Standardised	3,034	37,918	3,145	39,316
- of which sovereign	43	536	35	434
- of which retail	795	9,934	781	9,760
- of which other	2,196	27,448	2,329	29,122
Market risk¹	652	8,144	461	5,765
- of which trading book, Internal Approach	390	4,875	105	1,317
- of which trading book, Standardised Approach	206	2,571	278	3,469
- of which banking book, Standardised Approach	56	698	78	979
Operational risk	1,236	15,452	1,176	14,704
Standardised	1,236	15,452	1,176	14,704
Sub total	14,817	185,200	14,810	185,131
Adjustment for transition rules				
Additional capital requirement according to transition rules	3,087	38,591	2,370	29,629
Total	17,904	223,791	17,180	214,760

Capital ratio

	31 Dec 2011	31 Dec 2010
Core Tier I ratio, %, incl profit	9.2	8.9
Tier I ratio, %, incl profit	10.1	9.8
Capital ratio, %, incl profit	11.1	11.5

Analysis of capital requirements

Exposure class, 31 Dec 2011	Average risk weight (%)	Capital requirement (EURm)
Corporate	53%	6,936
Institutions	16%	897
Retail IRB	16%	1,949
Sovereign	1%	43
Other	77%	3,104
Total credit risk		12,929

¹ Note that the comparison figures are not restated with respect to CRD III.

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 and 2011:54). 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 accounting for group contributions and 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.

The accounting for group contributions has been changed as a result of the withdrawal of UFR 2 “Group contributions and shareholders’ contributions”, issued by the Swedish Financial Reporting Board. Previously, group contributions paid or received for the purpose of optimising the tax expense were reported as a decrease/increase of unrestricted equity (after adjustment for tax), through other comprehensive income. Group contributions regarded as substitutes for dividends were accounted for as dividends. As from 2011 group contributions paid to subsidiaries are recognised as an increase in the value of investments in group undertakings, net of tax. Group contributions received from subsidiaries are recognised as dividends. The possible tax effects on group contributions received are classified as “Income tax expense” in the income statement. The comparable figures have been restated accordingly and the impact is disclosed in the below table.

	31 Dec 2011		31 Dec 2010	
	New policy	Old policy	New policy	Old policy
EURm				
Investments in group undertakings	16,713	16,604	16,690	16,607
Retained earnings	11,807	11,698	11,471	11,388

Income statement

EURm	Q4 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Operating income				
<i>Interest income</i>	743	502	2,626	1,641
<i>Interest expense</i>	-546	-348	-1,946	-1,057
Net interest income	197	154	680	584
<i>Fee and commission income</i>	210	195	777	735
<i>Fee and commission expense</i>	-72	-45	-217	-164
Net fee and commission income	138	150	560	571
Net result from items at fair value	39	62	234	157
Dividends	1,410	1,903	1,534	2,203
Other operating income	33	35	122	123
Total operating income	1,817	2,304	3,130	3,638
Operating expenses				
General administrative expenses:				
Staff costs	-202	-193	-823	-745
Other expenses	-141	-161	-561	-526
Depreciation, amortisation and impairment charges of tangible and intangible assets	-26	-30	-112	-112
Total operating expenses	-369	-384	-1,496	-1,383
Profit before loan losses	1,448	1,920	1,634	2,255
Net loan losses	-28	-19	-20	-33
Impairment of securities held as financial non-current assets	-1	-	-9	-105
Operating profit	1,419	1,901	1,605	2,117
Appropriations	1	0	1	0
Income tax expense	-96	-87	-114	-115
Net profit for the period	1,324	1,814	1,492	2,002

Nordea Bank AB (publ)

Balance sheet

EURm	31 Dec 2011	31 Dec 2010
Assets		
Cash and balances with central banks	152	182
Treasury bills	3,730	4,858
Loans to credit institutions	59,379	48,151
Loans to the public	36,421	33,800
Interest-bearing securities	14,584	15,848
Financial instruments pledged as collateral	1,237	6,160
Shares	1,135	320
Derivatives	4,339	2,611
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-632	795
Investments in group undertakings	16,713	16,690
Investments in associated undertakings	5	4
Intangible assets	658	671
Property and equipment	81	77
Deferred tax assets	26	8
Current tax assets	12	1
Other assets	2,262	2,620
Prepaid expenses and accrued income	1,279	1,009
Total assets	141,381	133,805
Liabilities		
Deposits by credit institutions	22,442	28,644
Deposits and borrowings from the public	44,389	39,620
Debt securities in issue	45,367	33,424
Derivatives	3,014	2,174
Fair value changes of the hedged items in portfolio hedge of interest rate risk	147	749
Current tax liabilities	71	110
Other liabilities	1,776	4,458
Accrued expenses and prepaid income	851	721
Deferred tax liabilities	2	0
Provisions	90	35
Retirement benefit obligations	153	149
Subordinated liabilities	6,154	7,135
Total liabilities	124,456	117,219
Untaxed reserves	4	6
Equity		
Share capital	4,047	4,043
Share premium reserve	1,080	1,065
Other reserves	-13	1
Retained earnings	11,807	11,471
Total equity	16,921	16,580
Total liabilities and equity	141,381	133,805
Assets pledged as security for own liabilities	3,530	6,843
Other assets pledged	7,264	7,259
Contingent liabilities	24,720	23,903
Credit commitments ¹	25,098	29,485
Other commitments ²	-	389

¹ Including unutilised portion of approved overdraft facilities of EUR 12,259m (31 Dec 2010: EUR 13,972m).

² The comparative figures for 2010 have been restated to ensure consistency between the years.

For further information:

- A press and analyst conference with management will be arranged on 24 January at 09.30 CET, at Smålandsgatan 17, Stockholm.
- An international telephone conference for analysts with management will be arranged on 24 January at 16.00 CET. (Please dial +44 20 3140 8286, confirmation code 4222932#, 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 31 January, by dialling +44 20 7111 1244, access code 4222932#.
- This quarterly report, an investor presentation and a fact book are available on www.nordea.com.
- Nordea Bank AB's Annual Report 2011 and the Capital adequacy and Risk management report (Pillar 3) will be published on www.nordea.com during week 7. From week 9 (the week starting 27 February), the printed Annual Report will be available.

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Financial calendar

24 April 2012 – first quarter report 2012
18 July 2012 – second quarter report 2012
24 October 2012 – third quarter report 2012

Stockholm 24 January 2012

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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