Nordea

Press release

Copenhagen, Helsinki, Oslo, Stockholm, 23 October 2008

Interim Report January - September 2008

Strong results in extreme market conditions

- **Income EUR 5,949m (EUR 5,744m in the first nine months 2007), up 4%**
- **Net interest income EUR 3,707m (EUR 3,139m), up 18%**
- **Cost increase in line with target 6.5%**
- **Profit before loan losses EUR 2,761m (EUR 2,751m)**
- **Loan losses EUR 146m (positive EUR 54m), a loan loss ratio of 8 basis points**
- **Operating profit EUR 2,615m (EUR 2,805m), down 7%**
- **No reclassification made of interest-bearing securities**
- **Unchanged risk-adjusted profit EUR 1,795m (EUR 1,798m) – but up 5% in customer areas**
- **Return on equity 15.7% (19.5%)**
- **Earnings per share EUR 0.78 (EUR 0.87)**
- **Tier 1 ratio 7.9% (7.9%), excluding transition rules**
- **Nordea expects unchanged risk-adjusted profit for the full year compared to last year (for full outlook for 2008, see page 8)**

Continued strength in customer areas

- **Continued support of customers – lending up 14%**
- **Increased margins on corporate lending and household mortgages**
- **Continued funding strength – despite market stress**
- **Strong and well-diversified credit portfolio**
- **Total deposits up 13%, annualised growth in the third quarter 16%**
- **Customer-driven capital markets activities performing well**
- **High profit growth in New European Markets**

"I am pleased that Nordea can once again report strong quarterly results despite the extreme developments in the financial markets. Our customer areas and growth initiatives continue to deliver as planned and our profitability is maintained at a high level. Uncertainty and risks, however, have increased significantly both in the financial markets and about the macroeconomic development. Nevertheless, we are confident and well prepared with strong profitability, high quality in the credit portfolio and a diversified funding base to face the times of weakening economic activity. I therefore believe that we are well positioned to outperform the market also going forward", says Christian Clausen, President and Group CEO of Nordea.

Income statement

EURm	Jan-Sep 2008	Jan-Sep 2007	Change %	Q3 2008	Q3 2007	Change %	Q2 2008	Change %
Net interest income	**3,707**	3,139	18	**1,296**	1,092	19	1,230	5
Net fee and commission income	**1,493**	1,614	-7	**480**	531	-10	518	-7
Net gains/losses on items at fair value	**703**	893	-21	**221**	264	-16	198	12
Equity method	**-21**	29		**-25**	10		22	
Other income	**67**	69	-3	**24**	17	41	24	0
Total operating income	**5,949**	**5,744**	**4**	**1,996**	**1,914**	**4**	**1,992**	**0**
Staff costs	**-1,913**	-1,773	8	**-635**	-596	7	-634	0
Other expenses	**-1,185**	-1,146	3	**-395**	-372	6	-406	-3
Depreciation of tangible and intangible assets	**-90**	-74	22	**-30**	-25	20	-33	-9
Total operating expenses	**-3,188**	**-2,993**	**7**	**-1,060**	**-993**	**7**	**-1,073**	**-1**
Profit before loan losses	**2,761**	**2,751**	**0**	**936**	**921**	**2**	**919**	**2**
Loan losses	**-146**	54		**-89**	13		-36	
Disposals of tangible and intangible assets	**0**	0		**0**	-2		0	
Operating profit	**2,615**	**2,805**	**-7**	**847**	**932**	**-9**	**883**	**-4**
Income tax expense	**-580**	-527	10	**-192**	-171	12	-190	1
Net profit for the period	**2,035**	**2,278**	**-11**	**655**	**761**	**-14**	**693**	**-5**

Business volumes, key items

EURbn	30 Sep 2008	30 Sep 2007	Change %	30 Jun 2008	Change %
Loans and receivables to the public	**272.1**	238.7	14	269.9	1
Deposits and borrowings from the public	**155.1**	135.0	15	146.8	6
of which savings deposits	**46.6**	39.3	19	45.1	3
Assets under management	**138.9**	162.9	-15	145.6	-5
Technical provisions, Life	**30.1**	32.4	-7	31.4	-4
Equity	**17.8**	16.3	9	17.2	3
Total assets	**439.8**	386.7	14	431.2	2

Ratios and key figures

	Jan-Sep 2008	Jan-Sep 2007	Q3 2008	Q3 2007	Q2 2008
Earnings per share (EPS)[1], EUR	**0.78**	0.87	**0.25**	0.29	0.27
EPS, rolling 12 months up to period end[1], EUR	**1.11**	1.21	**1.11**	1.21	1.15
Share price[2], EUR	**8.28**	12.21	**8.28**	12.21	8.77
Total shareholders' return, %	**-21.1**	10.6	**-2.4**	4.5	-9.4
Equity per share[2], EUR	**6.83**	6.28	**6.83**	6.28	6.60
Shares outstanding[2], million	**2,593**	2,591	**2,593**	2,591	2,593
Shares outstanding after full dilution[2], million	**2,595**	2,593	**2,595**	2,593	2,595
Return on equity, %	**15.7**	19.5	**15.0**	19.1	16.2
Cost/income ratio, %	**54**	52	**53**	52	54
Tier 1 capital ratio[2,3], %	**7.0**	7.2	**7.0**	7.2	7.0
Total capital ratio[2,3], %	**9.4**	9.6	**9.4**	9.6	9.3
Tier 1 capital[2,3], EURm	**15,275**	13,921	**15,275**	13,921	15,055
Risk-weighted amounts[2], EURbn	**218**	194	**218**	194	214
Number of employees (full-time equivalents)[2]	**33,761**	31,328	**33,761**	31,328	32,995
Risk-adjusted profit, EURm	**1,795**	1,798	**610**	601	601
Economic profit, EURm	**1,048**	1,184	**361**	391	351
Economic capital, EURbn	**12.0**	10.5	**12.0**	10.5	11.7
EPS, risk-adjusted, EUR	**0.69**	0.69	**0.23**	0.23	0.23
RAROCAR, %	**20.8**	23.8	**20.6**	23.1	20.5

[1] After full dilution.

[2] End of period.

[3] Including the result for the first nine months. According to Swedish FSA rules (excluding the unaudited result for Q3): Tier 1 capital EUR 14,882 m (30 Sep 2007: EUR 13,465m), capital base EUR 20,150m (30 Sep 2007: EUR 18,079m), Tier 1 capital ratio 6.8% (30 Sep 2007: 7.0%), total capital ratio 9.2% (30 Sep 2007: 9.3%).

The Group

Result summary for the first nine months 2008

Total income increased by 4% to EUR 5,949m. The income growth was particularly strong within customer areas. Nordic Banking and Institutional & International Banking reported an income growth of 10%, supported by a strong underlying business momentum and successful execution of strategic investment plans. The income drivers have gradually become margin improvements more than lending volume growth and strong deposit inflow rather than asset management fees. These balancing trends underline the robustness of the business. Also the growth in risk-adjusted profit in customer areas was strong with 5% and in line with plan.

However, following the extreme market conditions, the result in the asset management, treasury and markets operations were negatively affected and growth in risk-adjusted profit was therefore unchanged for the Group.

The strong growth in net interest income continued, driven by volume growth in combination with increased lending margins to both corporate and household customers. Due to its strong position, Nordea was able to conduct business with core customers as usual and respond to customer demand. In total, volumes held up well, although the growth rate weakened somewhat during the end of the third quarter, due to the intensified financial crisis and following the aim to balance lending and deposit growth and price loans according to new funding costs. A continued high activity level in the customer-driven capital markets operations also contributed to revenue growth.

The increase in total expenses was maintained at an unchanged growth rate, 6.5%, compared to the full year 2007.

The overall credit quality of the loan portfolio remains strong. Loan losses amounted to EUR 146m, giving a loan loss ratio of 8 basis points. Impaired loans gross increased 17% to EUR 1,677m. Around half of the increase is related to the Baltic countries. In the Nordic markets, impaired loans have increased from low levels.

For the Nordea Group, profit before loan losses were maintained at high level, EUR 2,761m and operating profit was down 7% to EUR 2,615m. Risk-adjusted profit was unchanged at EUR 1,795m.

Income

Total income increased by 4% to EUR 5,949m. Excluding the effect from the appreciation of OMX shares in 2007, the increase in total income was 5%. In Nordic Banking and Institutional & International Banking seen together, total income increased by 10%.

Net interest income

Net interest income increased 18% to EUR 3,707m, driven by a strong increase in lending and deposit volumes and increased margins in corporate lending and household mortgage lending.

Lending to the public increased by 14% to EUR 272bn. Compared to the second quarter of this year, lending increased by 1%, due to the aim to balance the growth rate in lending and the growth in deposits and to price loans according to new funding costs. Deposit volumes increased by 13% compared to one year ago, excluding repurchase agreements and by 15%, to EUR 155bn, including these.

The growth in corporate lending was 19%, excluding reversed repurchase agreements, which reflects strong demand across the Nordic region and New European Markets and from most sectors. During the market turmoil, with scarce liquidity in capital markets, Nordea's close customer relationships and strong balance sheet have provided opportunities to support customers with their short and long-term capital needs, while still complying with the prudent risk management policy. Nordea has in general strengthened its market positions in the Nordic markets.

Corporate lending margins improved during the first nine months of 2008, reflecting normalised pricing of risk. New lending is provided at higher margins, which will further improve average margins in the corporate lending portfolio. Total income from corporate customers was up 21% in the first nine months, mainly driven by a strong increase in net interest income.

Margins on household mortgage lending have started to increase during the third quarter in all countries except Denmark. The margin increase reflects a change in the credit cycle and normalising pricing of risk. Household mortgage lending increased by 10% compared to one year ago. Total lending to personal customers increased by 9% and income from business with personal customers increased by 3% compared to last year.

Nordea continued to attract high volumes into savings accounts with competitive interest rates. In total, deposit margins were unchanged compared to the previous quarter. The increase in household savings accounts was primarily strong in Finland and Sweden.

In Institutional & International Banking (IIB), solid income and profit growth was recorded in all divisions, as business activity continued at a high level. The total income increase of 29% was supported by strong growth in lending as well as deposit volumes. Financial Institutions has strengthened its market position and maintained the high income level, despite the financial crisis. In Shipping, Oil Services and International, strong income growth was reported in all segments.

In New European Markets, the high level of activity and organic growth continued, in particular in Poland and Russia, and income growth was 87% compared to the first nine months 2007. Lending volumes in New European Markets have continued to increase, with the strongest growth in Russia. In the Baltic countries, lending increased to EUR 7.3bn from EUR 4.8bn one year ago, however with a decelerating growth rate in recent quarters. Growth has been generated with continued caution and prudent risk management and is mainly due to increased corporate lending to existing customers. The growth rate is expected to decrease further.

Net fee and commission income

Net fee and commission income decreased by 7% to EUR 1,493m, with savings-related commission income being negatively affected by the weak equity markets. At the same time, both lending-related commission income and payment commission income increased.

Total payment commissions increased by 1% to EUR 581m, including a 4% increase in cards commissions. Lending-related commissions continued to increase, to EUR 340m, up 9% compared to last year, with strong development in particular within Corporate Merchant Banking.

Savings-related commissions decreased by 17% to EUR 878m, due to a decline in Assets under Management (AuM) and a decrease in income margins. In total, AuM decreased to EUR 138.9bn, down 15% compared to one year ago and down 5% compared to the end of June 2008. The margin decrease was a result of asset substitutions from equities towards fixed income products and lower transaction income. Despite challenging market conditions, the total net inflow in AuM during the first nine months was EUR 0.1bn, with the main net inflow of EUR 2.2bn stemming from Nordic Private Banking. A net inflow of EUR 1.8bn was also reported for Institutional clients. The main net outflow of EUR 3.5bn was from retail funds, but these outflows were more than compensated by net inflow into savings deposit accounts of EUR 5.8bn during the first nine months.

Net gains/losses on items at fair value

Net gains/losses on items at fair value decreased by 21%, or EUR 190m, to EUR 703m compared to the first nine months 2007. In customer areas, net gains/losses were down 3% to EUR 729m (EUR 748m last year). Strong activity within capital markets products, especially in risk management products in the interest rate and foreign exchange areas, compensated for valuation losses following the market turmoil. This resulted in a strong increase in net gains in Nordic Banking and Institutional and International Banking.

The decline in net gains/losses was mainly attributable to two factors. Most of the decline was due to the strong appreciation of listed and non-listed equities last year, eg the OMX holding. These revenues were approx. EUR 140m lower this year. The appreciation of OMX shares accounted for approx. EUR 90m.

Secondly, the negative impact on net gains/losses from specific valuation losses, due to the intensified credit market turmoil was approx. EUR 100m for the first nine months, of which approx. EUR 50m stems from the third quarter. Of this, approx. EUR 30m are fair value adjustments due to widening of credit spreads and approx. EUR 20m is the negative impact from Lehman Brothers Group’s bankruptcy petition filing, mainly from the replacement of derivative contracts with third parties.

On the other hand, the negative valuation effects have been compensated by strong income from the customer-driven capital markets activities.

The negative effect from increased interest rates in relation to the hedging strategies to reduce volatility in the return on the Group’s equity, has recovered during the third quarter.

Equity method

Income under the Equity method was EUR -21m, including the result from the 23% holding in Norwegian Eksportfinans of EUR -37m.

Expenses

Total expenses increased by 6.5% to EUR 3,188m, the same growth rate as in 2007, despite the number of employees being 8% higher than in the first nine months 2007. Almost half of the cost increase was related to investments in growth areas, ie Private Banking, Growth Plan Sweden, Capital Markets and New European Markets, of which a large part relates to Russia. Staff costs increased 8%, due to a higher number of employees following investments in growth areas and wage inflation.

The cost/income ratio increased to 54%, compared to 52% in the first nine months 2007.

Loan losses

Reversals and recoveries were lower than last year, whereas new provisions were higher, but largely at the same level as in previous quarters this year. Loan losses of EUR 146m were recorded in the first nine months, corresponding to a loan loss ratio of 8 basis points, including new collective allowances for the Baltic countries of EUR 16m in the third quarter to a total of EUR 107m. The total collective allowances for the Baltic countries correspond to 1.47% of the lending portfolio in the Baltic countries. Some increased net loan losses were seen in Nordic Banking.

Taxes
The effective tax rate for the first nine months 2008 was approx. 22%, compared to 19% last year. The lower effective tax rate previous year is mainly related to the revaluation of the tax asset in Finland and a positive one-off effect when Denmark lowered the tax rate as from 1 January 2007. The effective tax rate is below the average standard tax rate of 26%, but in line with the full-year outlook.

Net profit
Net profit decreased by 11% to EUR 2,035m, which is attributable to the shift in loan losses and a higher effective tax rate than last year. The net profit corresponds to a return on equity of 15.7%. Earnings per share were EUR 0.78.

Risk-adjusted profit
Risk-adjusted profit was unchanged at EUR 1,795m, compared to the first nine months 2007. Risk-adjusted profit in customer areas increased by 5%.

Third quarter 2008
Total income in the third quarter increased 4% compared to the third quarter last year. Profit before loan losses was up compared to both the third quarter last year and to the previous quarter.

Income
Total income was EUR 1,996m, up 4% compared to the third quarter 2007. Excluding the effect from the appreciation of OMX shares in 2007, the increase in total income was 7%. Net interest income increased 19% to EUR 1,296m, mainly as a result of the volume growth and continued widening lending margins.

Compared to the third quarter last year, net fee and commission income decreased by 10% to EUR 480m. However, a continued increase was seen in total lending-related commissions, which were up 12% to EUR 118m, following high activity especially within Corporate Merchant Banking. Total savings-related commissions decreased 19% to EUR 273m, due to the decline in Assets under Management and decreasing income margin as a result of, lower transaction activity and change in asset mix. Despite highly volatile financial markets, a net inflow in AuM of EUR 0.6bn was reported in the third quarter. That was the second consecutive quarter of net inflow. Total payment commissions decreased by 1% to EUR 198m. Compared to the second quarter 2008, net fee and commission income decreased by 7%.

Net gains/losses decreased by 16% to EUR 221m. The decrease of EUR 43m can more or less fully be explained by the EUR 60m lower income on listed and non-listed equities, eg the OMX shares, compared to last year. The result is also negatively impacted by fair value adjustments due to widening of credit spreads and by Lehman Brothers Group’s bankruptcy petition filing. On the other hand the customer-driven activities continued to perform strongly, with high demand for risk management products, which compensated for the negative valuation effects.

Income under the Equity method decreased to EUR -25m from EUR 10m the third quarter 2007, of which EUR -22m relates to the minority holding in Eksportfinans.

Expenses
Compared to the third quarter last year, total expenses increased by 7% to EUR 1,060m.

Staff costs increased by 7% to EUR 635m and other expenses increased by 6% to EUR 395m, due to investments in growth areas.

Loan losses
Loan losses were EUR 89m in the quarter compared to positive EUR 13m last year and corresponding to a loan loss ratio of 13 basis points. New provisions increased somewhat in most markets while reversals and recoveries were lower than in previous quarters.

Loan losses include increased collective allowances for the Baltic countries of EUR 16m to a total of EUR 107m.

Taxes
The effective tax rate in the third quarter was 22%, compared to 19% last year. The lower effective tax rate previous year is mainly related to the earlier mentioned revaluation of the tax asset in Finland.

Net profit
Compared to the third quarter 2007, net profit decreased by 14% to EUR 655m, following the shift in loan losses and higher tax expenses. Risk-adjusted profit increased by 1.5%.

Nordea’s funding operations
Even in the very difficult environment that the financial industry has faced, Nordea has in the third quarter 2008 continued to show funding strength and has been able to raise new funding at good prices on a relative basis. Nordea draws benefit from being a well recognised AA-rated bank, having a prudent liquidity management, with a conservative business profile. This, combined with its well-diversified and strong funding base, including stable household deposits and the access to two large domestic covered bond markets, have all contributed positively.

The lending/deposit ratio including covered bonds was 130% at the end of September and excluding covered bonds 175%.

The generally increased cost of long-term funding, seen in international markets during the third quarter, is to a large extent compensated by a re-pricing of the lending book.

Nordea has during the third quarter successfully issued two public transactions. In late July, Nordea issued a 5-year USD 5bn Extendible note in the US market and in early September, a EUR 500m dated subordinated bond in the European market. The extendible deal represented one of the larger extendible deals in the US market and had a first coupon price at Libor +35 basis points and the subordinated, lower tier 2 capital, deal had a price of Libor +170 basis points. The strong execution of both deals, underlines bondholders' confidence in Nordea and its asset quality.

Credit portfolio

Total lending increased by 14% compared to one year ago to EUR 272bn. The share of lending to corporate customers was 57%. The lending in the Baltic countries constitutes 2.7% of the Group's total lending.

Credit quality in the well diversified lending portfolio remained strong, with no industry sector showing any material change in credit strength since the beginning of the year.

Impaired loans gross in the Group increased by 17% to EUR 1,677m at the end of September 2008 compared to EUR 1,432m at the end of December 2007. Around half of the increase is attributable to the Baltic countries, where gross impaired loans increased to EUR 123m from EUR 29m. During the third quarter, a modest increase was also seen in the Nordic markets.

Impaired loans net, after allowances for individually assessed loans, in relation to total loans and receivables were 0.35%, up 0.04 %-points from the end of December 2007. The corresponding ratio for the Baltic countries was 1.45%, compared to 0.31% at the end of December 2007 and for Nordic Banking 0.42%, compared to 0.37% at the end of December 2007. The net impaired loans in the Baltic countries are fully covered by the collective allowances.

Market risk

Interest-bearing securities and treasury bills were EUR 50bn at the end of September, of which EUR 19bn in the life insurance operations and the remaining part in the liquidity and trading portfolios. 27% of the portfolio is Government bonds, 46% is mortgage institution bonds, 10% is corporate bonds and 17% are other types of securities, when measuring on financial instruments at fair value.

Of Nordea's total interest-bearing securities, only a limited part is marked-to-model, as presented in note 6 on page 46.

Interest rate risk VaR was EUR 110m at the end of the third quarter (EUR 57m by the end of 2007) and equity risk VaR was EUR 4m. Credit spread risk VaR was EUR 34m and foreign exchange risk VaR was EUR 10m. Total VaR was EUR 110m (EUR 59m at the end of 2007), including a diversification effect of 30%. Commodity risk totalled EUR 5m. The increase in VaR compared to the end of December 2007 was due to a change of the VaR model in the second quarter and the higher volatility in the market and not due to larger positions. Compared to the end of the second quarter this year, total VaR increased to EUR 110m from EUR 82m.

No reclassification of financial instruments

Nordea has not used the possibility to reclassify interest-bearing securities from the "fair value through profit and loss" category, according to an amendment to IAS 39 from International Accounting Standards Board on 13 October.

Capital position and capital management

At the end of September, Nordea's risk-weighted amounts (RWA) were EUR 194bn excluding transition rules, compared to EUR 177bn one year ago and EUR 190bn at the end of June 2008. The increase is mainly due to volume growth. RWA including transition rules increased by EUR 24bn to EUR 218bn, compared to one year ago.

Excluding transition rules, the tier 1 ratio was 7.9% and the total capital ratio was 10.6%. Including transition rules, the tier 1 ratio was 7.0% and the total capital ratio was 9.4%.

Nordea has an ongoing approval process for its internal-rating-based (IRB) models for its Retail credit portfolio, which is expected to result in reduced RWA by approx. 12%.

An approval from the regulatory authorities will increase the tier 1 ratio excluding transition rules to approx. 9%.

In light of the current financial crisis, new potential regulation and a possible new benchmark for capital levels, Nordea is currently evaluating its future capital policy. Based on the current capital base, the strong profit generation, the continuing implementation of the IRB Retail models and also considering the full pillar 2 regulations under the Capital Requirements Directive, Nordea views its capital position as strong.

Economic Capital increased by 14% to EUR 12.0bn at the end of September compared to one year ago, mainly reflecting the growth in lending volumes. Compared to the end of June 2008, Economic Capital increased by 3%.

Nordea share

During the third quarter, the share price of Nordea on the OMX Nordic Exchange depreciated from SEK 83.1 to SEK 81.1. Total shareholder return (TSR) during the first nine months 2008 was -21%. Nordea was number three of 20 in the European peer group, where the average TSR was -40%.

Events after the end of the quarter

Danish state guarantee scheme

The Danish Parliament has adopted an Act on Financial Stability and thereby set up a guarantee scheme valid until 30 September 2010, which guarantees the claims of unsecured creditors against losses in banks, only excluding covered bonds and subordinated debt.

The guarantee scheme comprises member banks of the Private Contingency Association for the Winding up of Distressed Banks, Savings Banks and Cooperative Banks (the Private Contingency Association).

Nordea has for commercial reasons decided that Nordea Bank Danmark A/S will participate in the scheme.

Nordea guarantees the payment of its portion of DKK 10bn to cover any losses under the guarantee scheme and participates with the same portion in the payment of an annual guarantee commission amounting to DKK 7.5bn annually for two years. If the losses exceed the guaranteed amount of DKK 10bn and the guarantee commission of DKK 15bn, additional losses of up to DKK 10bn should also be covered by further guarantee commission. The total guarantee and commission payments is capped to DKK 35bn for the Danish banking sector.

Nordea’s share of the commission payment to the guarantee scheme is expected to be in the range of EUR 180m-200m, per annum, for the two years that the guarantee is in force. The distribution key for the guarantee payments and the commission payments is the same and will be distributed according to the necessary capital base. Due to the low risk profile, Nordea expects to have a relatively low share of the capital base, somewhat below 20%.

Nordea expects part of the annual expenses to be compensated by positive development in funding costs, volumes and margins.

Other Nordic state guarantee schemes

In the last few days, the Swedish Government has, following the agreements made in the EU, issued a draft proposal concerning a state guarantee scheme and a stabilisation fund for the banking sector in Sweden. The proposal includes the structure and the financing of the scheme and the fund. Nordea is evaluating the Swedish state guarantee scheme, but it is not yet possible to quantify the potential impact on Nordea.

Also in Finland, a state guarantee schemes is presently being designed. In Norway, stabilising efforts have so far been focused on liquidity measures through the Central Bank of Norway.

Claims on Lehman Brothers Group

Following Lehman Brothers Holdings Inc’s decision of 15 September to file Chapter 11 bankruptcy petition, Nordea has in October filed its claims on the Lehman Brothers Group. Nordea has limited net exposure on Lehman Brothers Group, with exposure deriving from derivatives transactions in the trading operations including replacement costs.

In the legal process Nordea will present gross claims of approx. EUR 174m, and as previously communicated Nordea has significant collateral values protecting a very large part of the gross claim. The collateral, on accounts in Nordea, consists of cash.

Based on the legal claims which have been filed, Nordea expects a total net negative impact on the result to be approx. EUR 20m, mainly from replacements of derivative contracts with third parties. This result has been recognised in the third quarter.

Exposure to Icelandic financial institutions

Following the development in the Icelandic banking sector, Nordea in the beginning of October commented on its exposure to Icelandic financial institutions.

Nordea has a net exposure to Icelandic financial institutions in Iceland of approx. EUR 15m, mainly trading lines and foreign exchange and payment related overdraft facilities.

In addition, Nordea has exposure to wholly-owned subsidiaries of Icelandic financial institutions, which are located in other Nordic countries, mainly in Denmark and Norway. These institutions are supervised by the local financial supervisory authorities.

SAirGroup legal dispute

As previously communicated in the Annual Report a writ has been served on Nordea Bank Danmark in January 2006 based on an avoidance claim of USD 61.2m plus interest by SAirGroup in Nachlassliquidation filed with the Commercial Court of Zürich. The Zürich Commercial Court dismissed the claim in April 2008. The liquidation estate has appealed the case to the Swiss Supreme Court. Nordea is contesting the claim and has made no provisions.

Divestment of shares in NCSD

Nordea's sale during the second quarter 2008 of its 24.82% holding in NCSD Holding AB, which is subject to obtaining regulatory approvals, is expected to result in a reported gain for Nordea of approx. EUR 90m to be reported in the fourth quarter 2008.

Outlook 2008

It is clear that the macroeconomic outlook is deteriorating and that uncertainty has increased. Nordea expects to see a gradual slowdown in lending growth for the remainder of this year. On the other hand lending margins are expected to improve.

The uncertainty for financial markets and consequently also for Nordea's savings-related fees as well as capital markets businesses remain high.

Nordea has previously communicated an expected growth in risk-adjusted profit of approx. 5%, with the development in the financial markets to determine whether the growth would be somewhat above or below 5%. During the first nine months, customer areas have delivered according to plan, however with the extreme development in financial markets negatively affecting the risk-adjusted profit. Excluding the impact from the Nordic state guarantee schemes and excluding the gain from the sale of NCSD, Nordea expects risk-adjusted profit for the full year to be at approx. the same level as last year.

Cost growth for 2008 is expected to be in line with the cost growth for the first nine months.

The overall quality of the credit portfolio remains strong, but following the deteriorating economic outlook, loan losses will gradually increase.

Quarterly development

EURm	Q3 2008	Q2 2008	Q1 2008	Q4 2007*	Q3 2007	Jan-Sep 2008	Jan-Sep 2007
Net interest income	1,296	1,230	1,181	1,143	1,092	3,707	3,139
Net fee and commission income (note 1)	480	518	495	526	531	1,493	1,614
Net gains/losses on items at fair value	221	198	284	316	264	703	893
Equity method	-25	22	-18	12	10	-21	29
Other income	24	24	19	25	17	67	69
Total operating income	**1,996**	**1,992**	**1,961**	**2,022**	**1,914**	**5,949**	**5,744**
General administrative expenses (note 2):							
Staff costs	-635	-634	-644	-615	-596	-1,913	-1,773
Other expenses	-395	-406	-384	-429	-372	-1,185	-1,146
Depreciation of tangible and intangible assets	-30	-33	-27	-29	-25	-90	-74
Total operating expenses	**-1,060**	**-1,073**	**-1,055**	**-1,073**	**-993**	**-3,188**	**-2,993**
Profit before loan losses	**936**	**919**	**906**	**949**	**921**	**2,761**	**2,751**
Loan losses	-89	-36	-21	6	13	-146	54
Disposals of tangible and intangible assets	0	0	0	3	-2	0	0
Operating profit	**847**	**883**	**885**	**958**	**932**	**2,615**	**2,805**
Income tax expense	-192	-190	-198	-194	-171	-580	-527
Net profit for the period	**655**	**693**	**687**	**764**	**761**	**2,035**	**2,278**
Earnings per share (EPS)[1], EUR	0.25	0.27	0.26	0.33	0.29	0.78	0.87
EPS, rolling 12 months up to period end[1], EUR	1.11	1.15	1.19	1.20	1.21	1.11	1.21

Note 1 Net fee and commission income, EURm	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Jan-Sep 2008	Jan-Sep 2007
Asset Management commissions	130	141	146	192	182	417	570
Life insurance	62	70	67	74	63	199	196
Brokerage	47	63	54	59	65	164	201
Custody	22	18	24	19	19	64	60
Deposits	12	10	12	10	9	34	27
Total savings related commissions	273	302	303	354	338	878	1,054
Payments	107	106	104	111	108	317	323
Cards	91	86	87	89	92	264	253
Total payment commissions	198	192	191	200	200	581	576
Lending	83	85	68	49	70	236	209
Guarantees and documentary payments	35	35	34	34	35	104	102
Total lending related commissions	118	120	102	83	105	340	311
Other commission income	42	53	48	40	40	143	116
Fee and commission income	**631**	**667**	**644**	**677**	**683**	**1,942**	**2,057**
Life insurance	-18	-17	-20	-17	-15	-55	-51
Payment expenses	-74	-73	-67	-81	-69	-214	-189
Other commission expenses	-59	-59	-62	-53	-68	-180	-203
Fee and commission expenses	**-151**	**-149**	**-149**	**-151**	**-152**	**-449**	**-443**
Net fee and commission income	**480**	**518**	**495**	**526**	**531**	**1,493**	**1,614**

Note 2 General administrative expenses, EURm	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Jan-Sep 2008	Jan-Sep 2007
Staff	-635	-634	-644	-615	-596	-1,913	-1,773
of which variable salaries	-49	-53	-64	-63	-44	-166	-156
Information technology[2]	-144	-135	-130	-150	-138	-409	-388
Marketing	-19	-30	-25	-35	-17	-74	-69
Postage, telephone and office expenses	-49	-50	-53	-52	-41	-152	-145
Rents, premises and real estate expenses	-92	-94	-89	-96	-86	-275	-255
Other	-91	-97	-87	-96	-90	-275	-289
Total	**-1,030**	**-1,040**	**-1,028**	**-1,044**	**-968**	**-3,098**	**-2,919**

[1] After full dilution.

[2] Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc, but excluding IT expenses in the Life operations, were EUR -173m in Q3 2008 (Q3 2007: EUR -168m).

*** For comparison reasons the refund from the Finnish deposit guarantee system in Q4 2007 of EUR 120m reported as Other income has been excluded. For full income statement 2007 see page 38.**

Customer areas

EURm	Banking Denmark Jan-Sep 2008	2007	Banking Finland Jan-Sep 2008	2007	Banking Norway Jan-Sep 2008	2007	Banking Sweden Jan-Sep 2008	2007	Nordic Functions NB Jan-Sep 2008	2007	Total Nordic Banking Jan-Sep 2008	2007
Net interest income	865	761	856	788	500	400	834	718	41	26	3,096	2,693
Net fee and commission income	368	382	340	392	127	121	421	452	0	-1	1,256	1,346
Net gains/losses on items at fair value	121	112	100	77	71	60	81	76	1	0	374	325
Equity method	18	20	-5	0	0	0	0	0	0	0	13	20
Other income	4	1	6	8	7	6	1	11	2	4	20	30
Total operating income	**1,376**	**1,276**	**1,297**	**1,265**	**705**	**587**	**1,337**	**1,257**	**44**	**29**	**4,759**	**4,414**
Staff costs	-283	-269	-220	-218	-128	-119	-243	-222	-2	-19	-876	-847
Other expenses	-362	-341	-355	-327	-220	-209	-475	-459	-11	-5	-1,423	-1,341
Depreciations of tangible and intangible assets	-2	-1	-3	-1	-5	-3	-7	-6	-14	-6	-31	-17
Total operating expenses	**-647**	**-611**	**-578**	**-546**	**-353**	**-331**	**-725**	**-687**	**-27**	**-30**	**-2,330**	**-2,205**
Loan losses	-41	8	-27	46	-6	4	-12	-18	-3	45	-89	85
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**688**	**673**	**692**	**765**	**346**	**260**	**600**	**552**	**14**	**44**	**2,340**	**2,294**
Balance sheet, EURbn												
Loans and receivables to the public	66	60	52	46	40	35	64	59	0	0	222	200
Other assets	1	0	2	1	1	3	30	27	0	0	35	32
Total assets	**67**	**60**	**54**	**47**	**41**	**38**	**94**	**86**	**0**	**0**	**257**	**232**
Deposits and borrowings from the public	35	31	34	28	19	19	31	28	0	0	120	107
Other liabilities	29	27	18	17	20	18	60	56	0	0	128	118
Total liabilities	**64**	**58**	**52**	**45**	**39**	**37**	**92**	**84**	**0**	**0**	**248**	**225**
Equity	3	2	2	2	2	1	2	2	0	0	9	7
Total liabilities and equity	**67**	**60**	**54**	**47**	**41**	**38**	**94**	**86**	**0**	**0**	**257**	**232**
Economic capital	3	2	2	2	2	1	2	2	0	0	9	7
RAROCAR, %	24	26	34	38	20	17	23	23			25	26
Other segment items												
Capital expenditure, EURm											9	23

Customer areas

EURm	Baltic countries Jan-Sep 2008	Baltic countries Jan-Sep 2007	Poland Jan-Sep 2008	Poland Jan-Sep 2007	Russia Jan-Sep 2008	Russia Jan-Sep 2007	Total New European Markets Jan-Sep 2008	Total New European Markets Jan-Sep 2007	Financial Institutions Jan-Sep 2008	Financial Institutions Jan-Sep 2007	Shipping, Oil Services & International Jan-Sep 2008	Shipping, Oil Services & International Jan-Sep 2007	Other IIB Jan-Sep 2008	Other IIB Jan-Sep 2007	Total IIB Jan-Sep 2008	Total IIB Jan-Sep 2007
Net interest income	69	49	68	34	95	29	226	108	54	47	150	125	20	15	450	295
Net fee and commission income	27	25	13	11	22	5	60	41	109	110	42	41	13	7	224	199
Net gains/losses on items at fair value	7	1	24	16	2	1	32	20	123	108	23	10	1	1	179	139
Equity method	0	0	0	0	0	0	0	0	0	0	0	0	-37	-3	-37	-3
Other income	1	0	2	2	1	1	4	3	0	0	0	0	0	2	4	5
Total operating income	**104**	**75**	**107**	**63**	**120**	**36**	**322**	**172**	**286**	**265**	**215**	**176**	**-3**	**22**	**820**	**635**
Staff costs	-21	-15	-25	-17	-38	-15	-87	-48	-23	-22	-30	-27	-3	-2	-143	-99
Other expenses	-20	-17	-31	-21	-17	-7	-69	-48	-112	-106	-8	-10	-14	-14	-203	-178
Depreciations of tangible and intangible assets	-2	-1	-4	-4	-1	0	-7	-5	0	0	0	0	0	-1	-7	-6
Total operating expenses	**-43**	**-33**	**-60**	**-42**	**-56**	**-22**	**-163**	**-101**	**-135**	**-128**	**-38**	**-37**	**-17**	**-17**	**-353**	**-283**
Loan losses	-7	0	1	0	0	0	-5	0	0	0	2	2	-45	-33	-48	-31
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**54**	**42**	**48**	**21**	**64**	**14**	**154**	**71**	**151**	**137**	**179**	**141**	**-65**	**-28**	**419**	**321**
Balance sheet, EURbn																
Loans and receivables to the public															33	23
Other assets															9	8
Total assets															**42**	**31**
Deposits and borrowings from the public															26	24
Other liabilities															16	6
Total liabilities															**42**	**30**
Equity															0	1
Total liabilities and equity															**42**	**31**
Economic capital															0	1
RAROCAR, %															36	39
Other segment items																
Capital expenditure, EURm															23	7

	Customer areas					Other				Group		
	Other customer operations		Total customer areas			Group Corporate Centre		Group Functions and Eliminations		Nordea Group		
	Jan-Sep		Jan-Sep			Jan-Sep		Jan-Sep		Jan-Sep		
EURm	**2008**	**2007**	**2008**	**2007**	**%**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**%**
Net interest income	46	46	3,592	3,034	18%	64	92	51	13	3,707	3,139	18%
Net fee and commission income	85	122	1,565	1,667	-6%	-3	-6	-69	-47	1,493	1,614	-7%
Net gains/losses on items at fair value	176	284	729	748	-3%	7	124	-33	21	703	893	-21%
Equity method	0	0	-24	17		0	1	3	11	-21	29	
Other income	6	11	30	46	-35%	0	22	37	1	67	69	-3%
Total operating income	**313**	**463**	**5,892**	**5,512**	**7%**	**68**	**233**	**-11**	**-1**	**5,949**	**5,744**	**4%**
Staff costs	-350	-319	-1,369	-1,265	8%	-31	-47	-513	-461	-1,913	-1,773	8%
Other expenses	0	3	-1,626	-1,516	7%	-73	-53	514	423	-1,185	-1,146	3%
Depreciations of tangible and intangible assets	-6	-6	-44	-29	52%	0	-39	-46	-6	-90	-74	22%
Total operating expenses	**-356**	**-322**	**-3,039**	**-2,810**	**8%**	**-104**	**-139**	**-45**	**-44**	**-3,188**	**-2,993**	**7%**
Loan losses	0	0	-137	54		0	0	-9	0	-146	54	
Disposals of tangible and intangible assets	0	-1	0	-1		0	19	0	-18	0	0	
Operating profit	**-43**	**140**	**2,716**	**2,755**	**-1%**	**-36**	**113**	**-66**	**-63**	**2,615**	**2,805**	**-7%**
Balance sheet, EURbn												
Loans and receivables to the public	16	12	271	235	15%	0	0			272	239	18%
Other assets	36	37	80	77	4%	14	16			168	148	14%
Total assets	**52**	**49**	**351**	**312**	**12%**	**14**	**16**			**440**	**387**	**14%**
Deposits and borrowings from the public	11	7	157	138	14%	0	0			155	135	15%
Other liabilities	40	41	184	165	11%	14	16			267	236	13%
Total liabilities	**51**	**48**	**341**	**303**	**12%**	**14**	**16**			**422**	**371**	**14%**
Equity	1	1	10	9	-	0	0			18	16	11%
Total liabilities and equity	**52**	**49**	**351**	**312**	**12%**	**14**	**16**			**440**	**387**	**14%**
Economic capital	1	1	10	9	3%	0	0			0	10	14%
RAROCAR, %										21	24	
Other segment items												
Capital expenditure, EURm	2	2	34	32		0	0			239	156	

Nordic Banking

- **Income growth 9%**
- **High corporate customer activity and increased lending margins – income growth 19% in the corporate segment**
- **Customers with savings move assets from retail funds to deposits**
- **Loan losses EUR 61m**
- **Continued strong credit quality**

Business development

Margins on corporate lending have for several years decreased to unsustainably low levels. Nordea adhered to the relationship strategy keeping the traditional corporate business while complying with the prudent risk policy. This strategy now shows its strength. Corporate business is an important driver for growth with 19% income growth in the corporate segment. The drivers for income growth are gradually shifting from volume growth to margins. Due to different market conditions, traditions and legislation, margin increases are taking effect at different pace in the different markets, but are taking place on new as well as existing lending. The third quarter was however generally characterised by strong activity in increasing corporate margins on new as well as existing lending.

The financial crisis has in general caused customers to become more risk averse. In the case of investment funds this development has been further fuelled by recent negative performance. Deposits have been the clear beneficiary as under current market circumstances the risk-return ratio of deposits is perceived increasingly attractive. Deposit volumes developed favourably due to active handling of the outflow from retail funds and channelling it into savings deposit accounts. Furthermore, new deposit volumes from the open market were attracted.

Result

In the third quarter, income in Nordic Banking increased by 9% to EUR 1,622m. Net interest income increased by 17% to EUR 1,103m, reflecting both volume growth in lending of 11% and increased corporate lending margins. Deposit growth was also strong at 12%, with close to unchanged margins compared to last year.

Net commission income decreased by 4% to EUR 417m, impacted by lower income from savings products. This is due to significant falls in equity markets and lower net sales of investment funds and structured products. Net gains/losses on items at fair value were unchanged at EUR 103m, reflecting a strong underlying demand for risk management products.

Total expenses increased by 6% to EUR 775m.

Net loan losses in the third quarter amounted to EUR 61m, still being at a low level of 11 basis points of lending on an annualised basis. The increase is mainly due to lower reversals and recoveries and partly due to slightly increased new provisions.

The number of employees in Nordic Banking increased by 3% or approx. 550 full-time equivalents (FTEs) compared to one year ago. The increased number of employees was part of the planned expansion to support the growth strategy and also includes 230 FTEs from the acquisition of branches from Svensk Kassaservice.

Operating profit was up 2% to EUR 786m. RAROCAR was 26% (27% last year) and the cost/income ratio continued to decrease to 48% (49%).

Nordic Banking, operating profit total

EURm	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Jan-Sep 2008	Jan-Sep 2007	Nordic functions Q3 2008	Nordic functions Q3 2007
Net interest income	1,103	1,022	971	973	939	3,096	2,693	14	10
Net fee and commission income	417	440	399	426	433	1,256	1,346	0	-1
Net gains/losses on items at fair value	103	141	130	135	102	374	325	0	1
Equity method	-2	12	3	5	8	13	20	0	0
Other operating income	1	11	8	10	7	20	30	1	2
Total income incl. allocations	**1,622**	**1,626**	**1,511**	**1,549**	**1,489**	**4,759**	**4,414**	**15**	**12**
Staff costs	-290	-292	-294	-293	-286	-876	-847	0	-6
Other expenses	-471	-475	-477	-495	-434	-1,423	-1,341	-5	-6
Depreciations etc.	-14	-9	-8	-9	-8	-31	-17	-5	-4
Expenses incl. allocations	**-775**	**-776**	**-779**	**-797**	**-728**	**-2,330**	**-2,205**	**-10**	**-16**
Profit before loan losses	**847**	**850**	**732**	**752**	**761**	**2,429**	**2,209**	**5**	**-4**
Loan losses	-61	-18	-10	-30	10	-89	85	0	4
Operating profit	**786**	**832**	**722**	**722**	**771**	**2,340**	**2,294**	**5**	**0**
Cost/income ratio, %	48	48	52	51	49	49	50		
RAROCAR, %	26	27	24	26	27	25	26		
Other information, EURbn									
Lending	221.7	220.8	213.5	207.2	199.6				
Deposits	119.7	116.1	114.2	110.1	106.6				
Economic capital	8.3	8.2	7.7	7.3	7.3				
Number of employees (FTEs)	17,162	16,817	16,688	16,580	16,609				

Nordic Banking total, lending and deposit margins

Lending margins, %	Q3 2008	Q2 2008	Q3 2007	Deposit margins, %	Q3 2008	Q2 2008	Q3 2007
To corporate customers	0.96	0.92	0.88	From corporate customers	0.95	0.97	0.98
To personal customers				From personal customers	1.83	1.79	1.82
- Mortgage	0.61	0.53	0.52				
- Consumer	3.06	3.01	3.17				
Total lending margins	1.01	0.95	0.94	Total deposit margins	1.40	1.40	1.41

Banking Denmark

Business development

During the third quarter, positive developments in both the corporate and the household segments continued with well-balanced growth in both lending and deposits.

During the summer, the Danish Central Bank and the Danish Private Contingency Fund took over the ailing Roskilde Bank. In the following sales process, Nordea acquired nine of the retail branches with well-performing business.

In the corporate segment, lending margins stabilised at a higher level reflecting the altered market conditions.

Total corporate lending showed growth of 10% compared to last year. In the wake of the financial crisis, Nordea has managed to attract a substantial amount of fixed-term deposits. Growth in corporate deposits was 27% compared to last year, which is significantly higher than the loan growth and reflects Nordea's strong position in the market. Nordea continued to strengthen its market position during the third quarter, in particular in the upper segments with a relatively high inflow of new customers.

The sales of risk management products continued to show significant growth.

Total lending to the household customer segments showed growth of 12%. Market share in mortgage lending in Denmark was stable. The mix in total bank lending is changing as collateralised lending is increasing more than non-collateralised lending.

In the household customer segment, savings products continued to suffer from the weak equity market. However, as customers are more risk averse, a strong increase is seen in volumes on savings deposits.

Result

Total income in Banking Denmark increased 8% compared to the third quarter 2007, significantly impacted by increases in corporate margins and the volume growth in both lending and deposits.

Total expenses increased 7% compared to the third quarter 2007. Net loan losses increased to 20 basis points of lending on an annualised basis. The loan losses are broadly spread in various sectors with some concentration to sub-suppliers to the construction industry and agriculture. In the first nine months 2008, loan losses were at a level of 9 basis points of lending on an annualised basis. The quality of the lending portfolio remains strong.

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

	Q3 2008	Q2 2008	Q3 2007
Income statement, EURm			
Net interest income	303	291	260
Net fee and commission income	126	135	125
Net gains/losses on items at fair value	31	44	35
Equity method	3	12	8
Other operating income	1	2	0
Total income incl. allocations	**464**	**484**	**428**
Staff costs	-91	-96	-91
Other expenses	-120	-121	-108
Depreciations etc.	-1	0	0
Expenses incl. allocations	**-212**	**-217**	**-199**
Profit before loan losses	**252**	**267**	**229**
Loan losses	-32	-7	6
Operating profit	**220**	**260**	**235**
Cost/income ratio, %	46	45	46
RAROCAR, %	24	27	27
Number of employees (FTEs)	4,969	4,928	4,989

	Q3 2008	Q2 2008	Q3 2007
Lending margins, %			
To corporate customers	1.10	1.09	0.93
To personal customers			
- Mortgage	0.49	0.49	0.48
- Consumer	3.62	3.76	3.65
Total lending margins	1.16	1.18	1.09
Deposit margins, %			
From corporate customers	0.46	0.51	0.64
From personal customers	1.62	1.46	1.61
Total deposit margins	0.97	0.97	1.12
Volumes, EURbn			
Lending	66.0	64.9	59.5
Deposits	35.1	32.9	31.1
Economic capital	2.6	2.6	2.2
Market shares, %			
Mortgage lending	15.5	15.6	15.3
Total household lending	15.1	15.1	15.1
Household deposits	21.1	20.9	21.3
Corporate lending[1]	21.1	20.5	19.6
Corporate deposits[1]	30.6	26.4	25.3

[1] Excluding financial institutions.

Banking Finland

Business development

During the third quarter, business development with both corporate and household customers was strong.

In the third quarter, Nordea took action to sell of EUR 0.6bn of municipality lending stock to Municipality Finance.

In the upper corporate customers segments, the main focus was on widening the lending margins. Despite the internationally increased margins in the corporate segment the competition in Finland has been fierce. Margin in new corporate loans has increased significantly since beginning of second quarter. In September, Nordea was the first bank in Finland to announce decisions to increase margin in part of the existing corporate lending portfolio.

Total corporate lending showed an increase of 18% compared to last year. Nordea maintained its strong position in the Finnish market during the third quarter. However, market share in corporate lending was slightly decreasing.

The market turmoil has led to increased sales of risk management products and services for corporate customers.

Lending volumes in the household customer segments grow at a steady, but slowing pace as demand for new housing loans is decreasing. Market share remained stable. Nordea was first in the Finnish market to openly increase the margins of new housing loans.

Prevailing investment market conditions have prompted a majority of customers risk averse, moving assets into savings deposits. The result has been significantly decreased stock and sales of investment funds, index-linked bonds and insurance savings.

Result

Total income in Banking Finland increased 3% compared to the third quarter 2007, driven by increase in net interest income following volume growth in lending and deposits. However, income growth was negatively affected by low savings fee and commission income. Total expenses increased by 7%.

Profit before loan losses was slightly higher than in the same quarter last year. Following increased net loan losses to 15 basis points of lending on an annualised basis, operating profit was down 10%. The increased loan losses were mainly in the manufacturing sector. In the first nine months 2008, loan losses were at a level of 8 basis points of lending on an annualised basis. The quality of the lending portfolio remains strong.

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

	Q3 2008	Q2 2008	Q3 2007
Income statement, EURm			
Net interest income	306	277	278
Net fee and commission income	110	120	121
Net gains/losses on items at fair value	24	41	21
Equity method	-5	0	0
Other operating income	0	4	2
Total income incl. allocations	**435**	**442**	**422**
Staff costs	-74	-71	-74
Other expenses	-118	-119	-105
Depreciations etc.	-1	-1	-1
Expenses incl. allocations	**-193**	**-191**	**-180**
Profit before loan losses	**242**	**251**	**242**
Loan losses	-19	-6	5
Operating profit	**223**	**245**	**247**
Cost/income ratio, %	44	43	43
RAROCAR, %	34	37	38
Number of employees (FTEs)	5,457	5,469	5,476

	Q3 2008	Q2 2008	Q3 2007
Lending margins, %			
To corporate customers	0.84	0.84	0.93
To personal customers			
- Mortgage	0.60	0.52	0.59
- Consumer	3.04	2.78	3.09
Total lending margins	0.97	0.91	1.01
Deposit margins, %			
From corporate customers	1.35	1.35	1.66
From personal customers	1.92	1.93	2.26
Total deposit margins	1.72	1.73	2.06
Volumes, EURbn			
Lending	51.9	51.1	45.7
Deposits	34.0	33.3	28.4
Economic capital	1.9	1.8	1.7
Market shares, %			
Mortgage lending	30.7	30.6	31.0
Total household lending	30.4	30.3	30.6
Household deposits	32.5	32.5	32.5
Corporate lending[1]	37.5	37.8	37.4
Corporate deposits[1]	42.4	43.0	41.9

[1] Excluding financial institutions.

Banking Norway

Business development

The positive trend seen in Norway for many quarters continued in the third quarter, with an income growth of 25%. Business development with both corporate and household customers remained strong.

Corporate lending margins have been raised significantly compared to the second quarter this year, reflecting international pricing for corporate customers.

Corporate lending volume increased by 16% compared to the third quarter 2007, mainly driven by segment Large and Corporate Merchant Banking. The corporate lending market share was close to unchanged during the third quarter.

The competition for corporate deposits has been tight and the market share has decreased slightly.

Lending margins to the personal customer segments improved compared to third quarter 2007.

The household customer lending growth was 5%. Growth has slowed during the last quarters and the market share was marginally down from the second quarter 2008.

Volume in household deposits increased by 4%. In a highly competitive market for household savings deposit, Nordea's market share was close to unchanged during the quarter.

Result

Total income in Banking Norway increased strongly by 25%. The income was strongly supported by increased lending margins and increased transaction deposits margins for customers in household segments. Net interest income increased by 32%.

Total expenses increased by 6%. Net loan losses remained at a low level.

Operating profit increased by 34%.

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

	Q3 2008	Q2 2008	Q3 2007		Q3 2008	Q2 2008	Q3 2007
Income statement, EURm				**Lending margins, %**			
Net interest income	183	164	139	To corporate customers	1.30	1.23	1.06
Net fee and commission income	46	40	39	To personal customers			
Net gains/losses on items at fair value	24	25	21	- Mortgage	0.75	0.53	0.38
Equity method	0	0	0	- Consumer	4.76	4.52	4.17
Other operating income	-1	4	3	Total lending margins	1.15	1.01	0.85
Total income incl. allocations	**252**	**233**	**202**	**Deposit margins, %**			
Staff costs	-43	-42	-41	From corporate customers	0.74	0.75	0.82
Other expenses	-72	-74	-69	From personal customers	1.29	1.44	1.47
Depreciations etc.	-3	-1	-1	Total deposit margins	0.94	1.00	1.05
Expenses incl. allocations	**-118**	**-117**	**-111**	**Volumes, EURbn**			
Profit before loan losses	**134**	**116**	**91**	Lending	39.7	39.9	35.5
Loan losses	-4	2	6	Deposits	19.3	19.4	18.9
Operating profit	**130**	**118**	**97**	Economic capital	1.5	1.5	1.3
				Market shares, %			
Cost/income ratio, %	47	50	55	Mortgage lending	11.0	11.1	11.1
RAROCAR, %	23	20	18	Total household lending	10.7	10.8	10.8
				Household deposits	8.6	8.5	8.5
Number of employees (FTEs)	1,877	1,843	1,806	Corporate lending[1]	15.0	15.1	14.7
				Corporate deposits[1]	16.7	16.9	17.2

[1] Excluding shipping customers.

Banking Sweden

Business development

In the third quarter, business development with the corporate and household customers remained strong.

In the beginning of the quarter Nordea acquired 68 branches from Svensk Kassaservice. The migration of the new branches has been successful and will contribute to the service offering to Nordea customers, not least within the capital and large city areas. In the third quarter, the acquisition has had insignificant effect on the result.

Corporate lending margins increased in the third quarter compared to the previous quarter. Corporate lending and deposit volumes increased by 15% and 19% respectively compared to the third quarter in 2007.

The inflow of new corporate business was sizeable and particularly strong within Corporate Merchant Banking, following a number of large deals during the quarter. The market share of corporate loans and corporate deposits increased compared to third quarter 2007.

Lending volumes to household customers continued to grow, though at a slightly slower pace as demand for new housing loans is decreasing. Household mortgage margins increased in the third quarter.

Savings customers continued to reduce their risks by gradually shifting their assets from investment funds, index-linked bonds and other equity-based products to savings deposits, thereby leading to lower savings-related commission income and higher net interest income.

Result

Total income increased 7% with a strong contribution from net interest income, which increased by 18%. Net fee and commission income decreased by 9% mainly related to the decline in assets under management in the investment funds and insurance areas. Total expenses increased by 9%, following an increased number of employees. Approx. half the increase in number of employees is due to Growth plan Sweden and the other half is due to the acquisition of branches from Svensk Kassaservice. Net loan losses remained at a low level.

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

	Q3 2008	Q2 2008	Q3 2007
Income statement, EURm			
Net interest income	297	275	252
Net fee and commission income	135	145	149
Net gains/losses on items at fair value	24	31	24
Equity method	0	0	0
Other operating income	0	0	0
Total income incl. allocations	**456**	**451**	**425**
Staff costs	-82	-82	-74
Other expenses	-156	-157	-146
Depreciations etc.	-4	-2	-2
Expenses incl. allocations	**-242**	**-241**	**-222**
Profit before loan losses	**214**	**210**	**203**
Loan losses	-6	-4	-11
Operating profit	**208**	**206**	**192**
Cost/income ratio, %	53	53	52
RAROCAR, %	24	23	24
Number of employees (FTEs)	4,856	4,574	4,336

	Q3 2008	Q2 2008	Q3 2007
Lending margins, %			
To corporate customers	0.72	0.67	0.69
To personal customers			
- Mortgage	0.66	0.57	0.62
- Consumer	1.90	1.80	2.22
Total lending margins	0.79	0.73	0.78
Deposit margins, %			
From corporate customers	1.27	1.28	1.20
From personal customers	2.03	2.01	1.90
Total deposit margins	1.66	1.67	1.57
Volumes, EURbn			
Lending	64.1	64.9	58.9
Deposits	31.3	30.5	28.3
Economic capital	2.3	2.3	2.1
Market shares, %			
Mortgage lending	14.9	14.9	14.9
Total household lending	14.0	14.0	13.9
Household deposits	17.8	17.6	17.7
Corporate lending	14.1	14.8	13.5
Corporate deposits	21.3	20.8	20.8

Institutional & International Banking

- **Healthy income growth**
- **All divisions gained customers on the back of the turmoil in the global financial markets**
- **Largely stable credit quality – impaired loan increased from low levels in the Baltic countries**
- **Strong development in New European Markets**

Business development

Financial Institutions

The third quarter 2008 was characterised by intensified turmoil in the global financial markets marked by increasing efforts by governments and central banks to rectify the situation by various rescue measures. Despite this, Financial Institutions Division managed to execute several large transactions and attract further sub-custody volumes in the third quarter, which resulted in income growth of 5% compared to the third quarter last year. The number of sub-custody transactions increased by 22% compared with the previous quarter, to almost 7.5 million.

Financial Institutions Division continued to support its customers during the ongoing crisis and further strengthened its position. First of all, several of the Nordic customers decreased their international relations and instead opt for the relative stability of known Nordic counterparties. Secondly, several of the international and local competitors are now somewhat less active in the Nordic market.

By way of proactive and diligent work involving stakeholders across Nordea, Financial Institutions Division has managed to handle adverse situations in a satisfactory manner. Financial Institutions Division will continue to actively seek out business opportunities with counterparties that are less affected by the ongoing financial turmoil and will closely monitor the situation in the global financial markets.

Shipping, Oil Services & International

Continued strong business activity in all segments marked the third quarter, as income rose 39%. In general the shipping market started to weaken in the quarter and there is increased volatility in most segments. In the container and dry bulk sectors there is a significant pressure on the freight rates. The softening outlook derives from lower economic growth expectations, increased costs and significant fleet expansion. Nordea's exposure to the shipping industry is well diversified with an underweight towards the container sector.

Despite the challenging credit markets in the third quarter, all syndicated loan transactions with an aggregated volume of USD 8.0bn were successfully closed. On the backdrop of the current financial turmoil fewer new transactions are expected, although there are a number of companies that require financing of planned fleet expansions in the years to come. Terms and conditions have been tightened considerably over the year and pricing of new transactions have picked up during the quarter.

Demand in the oil and offshore segment remains high, although the recent drop in oil prices could dampen the spending on exploration and production investments. However, oil supply continues to be tight and depletion of existing oil and gas fields remain high.

New European Markets

In New European Markets Division the business trend remained strong in the quarter supported by increased business volumes, customer gains as well as increased margins. Total income increased by 78% compared to the third quarter 2007.

In Poland the positive development continued during the third quarter, in terms of increased distribution capacity and improved profitability, but also when it comes to customer satisfaction. In the quarter, nine new branches were opened and the location pipeline will result in a larger number of openings in the fourth quarter. The plan for 2008 is still to open up to 60 new branches. The new sales capacity will primarily target personal customers and SMEs.

In the Baltic countries profitability increased supported by higher net interest income as a result of increased business volumes as well as higher lending margins. Lending growth has come down compared to first half of 2008. The increase in corporate lending volumes during the quarter is mainly attributable to existing local customers and Nordic-related customers and only around 10% is related to new local corporate customers. In the quarter, the highest lending growth in the Baltic countries was reported in Lithuania. Despite the continued softening economies in the Baltic countries Nordea has managed to keep loan losses at a low level and the credit quality remains high. Individual loan losses amounted to EUR 6m in the third quarter of 2008. Impaired loans have increased in the Baltic countries, albeit from very low levels, and amounted to, net of allowances for individually assessed loans, 1.45% of total loans and receivables. The collective allowances of EUR 107m for the Baltic countries, which corresponds to 1.47% of total lending in the Baltic countries, cover the main part of the impaired loans.

In Russia, the business activity continued to be high in the third quarter, resulting in increased business volumes. The main growth driver during the quarter was increased business with existing corporate customers. Nordea has also continued to gain household customers.

Nordea continues to gain market share in a controlled way in all countries in New European Markets. Lending margins have improved during 2008 as well as compared with third quarter in 2007, mainly as a result of the inclusion of Orgresbank in Russia where margins in general are significantly higher than in Poland and the Baltic Countries. Margins on new loan facilities have increased in the quarter. Deposit volumes continued to grow at a high rate partly as a consequence of the heightened financial turmoil. During the quarter, the comprehensive training programmes continued. Emphasis on customer advisory meetings is in focus aiming at further increasing growth pace of the household segment. The efforts have been successful as confirmed by the 53% increase in the number of Gold customers, being a major income driver in the household business.

Result

Solid growth was recorded in all divisions in the third quarter of 2008, as the business activity within Institutional & International Banking continued at a high level. Total income amounted to EUR 279m for the quarter, up 30%. Net interest income increased by 46% to EUR 164m compared to previous year, supported by strong growth in lending as well as deposit volumes. Lending volumes increased by 46% and deposits grew by 6%. As a result of the high level of customer activity in the quarter net fee and commission income increased by 12% to EUR 77m. Net gains/losses on items at fair value rose by 58% to EUR 60m. Income under equity method was negative EUR 23m referring to Nordea’s minority position of 23% in Norwegian Eksportfinans. Total expenses amounted to EUR 120m in the third quarter 2008, up 20%, mainly because of further investments within New European Markets. The number of employees (full-time equivalents) was 5,013 by the end of September. The increased staff number is mainly attributable to New European Markets. Loan losses were EUR 28m, of which EUR 16m related to collectively assessed loans in the Baltic countries. This reflects the slowdown in the macroeconomic development in this region. Profit before loan losses increased by 38% to EUR 159m, in the third quarter 2008. Operating profit amounted to EUR 131m, up 11%, fuelled by higher business volumes, continued cost control and limited loan losses. New European Markets’ operating profit amounted to EUR 58m, up 93%. RAROCAR improved to 40% in the third quarter 2008 and the cost/income ratio was 43%, reflecting high income and improved operational efficiency.

Institutional & International Banking, operating profit by area

	Total		Baltic countries		Poland		Russia		New European Markets total		Financial Institutions		Shipping, Oil Services & International		Other	
EURm	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 -08	Q3 -07
Net interest income	164	112	25	19	26	13	37	16	87	47	16	17	56	44	4	3
Net fee and commission income	77	69	11	10	5	4	6	3	21	16	38	35	13	15	5	3
Net gains/losses on items at fair value	60	38	3	0	10	6	0	-2	12	4	35	33	13	0	0	1
Equity method	-23	-6	0	0	0	0	0	0	0	0	0	0	0	0	-23	-6
Other operating income	1	2	0	0	1	1	0	0	1	1	0	0	0	0	0	1
Tot. income incl. alloc.	**279**	**215**	**39**	**29**	**42**	**23**	**43**	**17**	**121**	**68**	**89**	**85**	**82**	**59**	**-15**	**2**
Staff costs	-48	-38	-7	-6	-10	-6	-13	-8	-30	-20	-8	-7	-10	-10	0	-2
Other expenses	-69	-60	-6	-6	-12	-7	-6	-4	-25	-18	-37	-36	-3	-2	-5	-5
Depreciations etc.	-3	-2	-1	0	-2	-1	0	0	-3	-1	0	0	0	0	0	-1
Expenses incl. allocations	**-120**	**-100**	**-14**	**-12**	**-24**	**-14**	**-19**	**-12**	**-58**	**-39**	**-45**	**-43**	**-13**	**-12**	**-5**	**-7**
Profit before loan losses	**159**	**115**	**25**	**17**	**18**	**9**	**24**	**5**	**63**	**29**	**44**	**42**	**69**	**47**	**-21**	**-5**
Loan losses	-28	3	-6	0	0	0	0	1	-5	1	0	0	1	1	-23	1
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**131**	**118**	**19**	**17**	**18**	**9**	**24**	**6**	**58**	**30**	**44**	**42**	**70**	**48**	**-44**	**-4**
Cost/income ratio, %	43	47	36	41	57	63	44	71	48	58	51	51	16	20		
RAROCAR, %	40	37	24	28	36	35	44	16	39	23	38	63	73	39		
Other info, EURbn																
Lending	32.9	22.6	7.3	4.8	3.9	2.3	3.5	0.9	14.8	8.0	2.5	2.9	13.6	10.1	2.1	1.6
Deposits	26.2	24.7	1.6	1.4	2.3	1.4	0.6	0.3	4.5	3.2	15.7	15.7	5.7	5.6	0.3	0.3
Economic capital	1.1	0.9	0.3	0.2	0.1	0.1	0.2	0.1	0.4	0.3	0.3	0.2	0.3	0.3	0.0	0.0
Number of empl. (FTEs)	5,013	3,858	1,130	948	1,440	1,000	1,704	1,217	4,291	3,178	401	407	293	252	28	21

New European Markets, lending and deposit margins

Lending margins, %	Q3 2008[1]	Q2 2008[1]	Q3 2007	Deposit margins, %	Q3 2008[1]	Q2 2008[1]	Q3 2007
To corporate customers	1.67	1.63	1.07	From corporate customers	1.39	1.53	1.43
To personal customer	1.47	1.41	1.28	From personal customers	1.17	1.20	1.63

[1] Margins include Russia from the first quarter 2008.

Institutional & International Banking, key figures per quarter

EURm	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Total operating income	279	299	242	233	215
Total operating expenses	-120	-118	-115	-111	-100
Loan losses	-28	-13	-7	36	3
Operating profit	**131**	**168**	**120**	**158**	**118**
RAROCAR, %	40	37	30	33	37
Cost/income ratio, %	43	39	48	48	47
Number of employees (full-time equivalents)	5,013	4,766	4,516	4,194	3,858

Other customer operations

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

International Private Banking & Funds

International Private Banking & Funds is responsible for the Group's advisory services to wealthy individuals resident outside Nordea's home markets. It is also the Group's platform for distribution of funds in Europe. Nordea funds are licensed for sale across 16 European countries.

Business development and result

Despite highly volatile financial markets, Nordea's international private banking and fund distribution business reported a net inflow of EUR 0.1bn in the third quarter. Assets under Management (AuM) were, however, reduced to EUR 10.0bn due to a market depreciation effect of EUR 0.7bn. The decrease in AuM affected the income for International Private Banking & Funds, ending at EUR 25m in the third quarter, down 36% from third quarter last year.

In International Private Banking, the launch of several interesting structured products and active sales efforts attracted new assets resulting in a net inflow of EUR 0.1bn. Also, the International Private Banking client base continued to increase during the third quarter. Due to market depreciation AuM were down EUR 0.4bn to EUR 7.9bn at the end of the third quarter.

In the light of the financial market downturn, most 3rd party fund distributors across Europe experienced net outflows. Reporting a flat net flow in third quarter, Nordea European Fund Distribution managed to resist this trend, although AuM was reduced to EUR 2.1bn. Launch of new products and strong sales activities made the difference – especially Heracles L/S Fund and the Global Stable Equity Fund attracted new assets.

Life customer operations

The customer operation Life includes the Life Insurance operations outside Nordea Bank's distribution network. This includes sales to Nordic customers through Life & Pensions' own sales force, brokers and tied agents. The Life customer operation also includes the Polish life business.

Business development and result

Gross written premiums continued to grow in the third quarter mainly driven by the Danish and Polish businesses.

Polish premium growth was still very strong, even though the pace slowed down and ended at a growth rate of 58% compared to third quarter last year. In total gross written premiums ended at EUR 181m.

Gross written premiums in the Danish operation exceeded third quarter last year by 22%. The Danish business succeeded in attracting new corporate customers, which contributed to the premium growth.

Life customer operations generated an income of EUR 59m in third quarter, down 26% from same period last year. The operating profit reached EUR 11m down 70%. The result for Life customer operations is included in the result for Life & Pensions, see page 32.

Other

The customer operations "Other" mainly includes the result in Capital Markets Products, which is not allocated to Nordic Banking or Institutional & International Banking. For the presentation of Capital Markets Products' product result, see page 29.

Total income and net gains/losses on items at fair value in the third quarter 2008 were lower than last year, due to the negative effects of the financial market crisis.

Other customer operations, by unit

EURm	Total Q3 2008	Total Q3 2007	International Private Banking & Funds Q3 2008	International Private Banking & Funds Q3 2007	Life Q3 2008	Life Q3 2007	Other Q3 2008	Other Q3 2007
Net interest income	12	16	11	10	0	0	1	6
Net fee and commission income	25	34	14	22	26	21	-15	-9
Net gains/losses on items at fair value	18	46	0	3	29	58	-11	-15
Equity method	0	0	0	0	0	0	0	0
Other income	4	5	0	4	4	1	0	0
Total operating income	**59**	**101**	**25**	**39**	**59**	**80**	**-25**	**-18**
Staff costs	-110	-99	-12	-13	-30	-25	-68	-61
Other expenses	-2	-1	-7	-5	-17	-17	22	21
Depreciations	-2	-2	-1	-1	-1	-1	0	0
Total operating expenses	**-114**	**-102**	**-20**	**-19**	**-48**	**-43**	**-46**	**-40**
Loan losses	0	0	0	0	0	0	0	0
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0
Operating profit	**-55**	**-1**	**5**	**20**	**11**	**37**	**-71**	**-58**
Balance sheet, EURbn								
Loans and receivables to the public	16	12	2	2	2	1	12	9
Other assets	36	37	1	2	35	35	0	0
Total assets	**52**	**49**	**3**	**4**	**37**	**36**	**12**	**9**
Deposits and borrowings from the public	11	7	2	3	3	1	6	3
Other liabilities	40	41	1	1	33	34	6	6
Total liabilities	**51**	**48**	**3**	**4**	**36**	**35**	**12**	**9**
Economic capital	1	1	0	0	1	1	0	0

Group Corporate Centre

- **Continued benefit from strong and diversified funding base**
- **Prudent liquidity management**
- **Volatile financial markets had limited impact on investment performance**

Business development

In extreme market conditions, Nordea and Group Treasury have continued to benefit from its focus on prudent liquidity management and low investment risk.

Even in the very difficult environment that the financial industry has encountered, Nordea has during the third quarter been able to conduct its funding operations without undue costs.

Nordea has been able to maintain its presence in the short interbank market and sees the flight to quality continuing. All Nordea short-term programmes have been well-performing, though at slighter lower volumes.

On the long-term side, the domestic covered bond markets in Denmark and Sweden, despite international turbulence, have been functioning, though with less depth and flows. Bond issuance in the Danish and Swedish covered bond markets during the third quarter amounted to EUR 5.4bn. Access to large domestic markets has once again proved valuable in times of external shocks.

The international primary markets for covered bonds and senior unsecured debt have for some periods been effectively closed, with brief issuance windows for high quality issuers in between. Nordea was able to capture issuance opportunities for two public transactions during the quarter.

In late July, Nordea issued a 5-year USD 5bn Extendible note in the US market and in early September, issued a EUR 500m dated subordinated bond in the European market at a pricing of Libor +170 basis points. The extendible deal represents one of the larger extendible deals in the US market at a first coupon price at Libor +35 basis points. The dated subordinated deal was closed already after two hours, having a book of 1.3bn EUR with more than 100 investors participating. The strong execution of both deals, underlines bondholders' confidence in Nordea and its asset quality.

At the end of September, the price risk on Group Treasury's interest rate positions, calculated as VaR, was EUR 58m, compared to EUR 43m at the end of June 2008. The risk related to equities, calculated as VaR, was EUR 4m compared to EUR 5m at the end of June 2008.

The structural interest income risk (SIIR) was EUR 204m assuming increased market rates by 100 basis points and EUR -232m assuming decreased market rates by 100 basis points.

In line with its prudent liquidity management, Nordea has executed a securitisation transaction of part of its Finnish household mortgage portfolio, allowing for additional eligible ECB collateral within its liquidity portfolio. The portfolio represents high-quality mortgage loans. The customers are not affected in any way by this transaction. The transaction of EUR 7.5bn was closed on 17 October.

Result

Total operating income in Group Corporate Centre was down to EUR 48m from EUR 115m in the third quarter last year, due to lower net gains/losses and net interest income. Net gains/losses are mainly affected by the higher appreciation of listed and non-listed equities in the third quarter last year of EUR 60m, eg the OMX shares and effects from widening credit spreads. Net interest income is affected by increased funding costs.

Group Corporate Centre, key figures per quarter

EURm	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	6	20	39	30	32
Net fee and commission income	-2	0	-1	-2	-2
Net gains/losses on items at fair value	44	-56	19	10	81
Equity method	0	0	0	0	1
Other income	0	-1	1	1	3
Total operating income	**48**	**-37**	**58**	**39**	**115**
Total operating expenses	**-32**	**-33**	**-39**	**-40**	**-34**
Operating profit	**16**	**-70**	**19**	**-1**	**81**
Number of employees (full-time equivalents)	241	235	238	232	238

Customer segments

The financial disclosure is extended by presenting the business development and the development in income, volumes and margins for the main customer segments. The segments are divided into corporate and personal customer segments and into Nordic and other customer segments. The presented customer segments do not comprise all volumes or result items within the Group.

Corporate customers

During the market turmoil, the liquidity in the capital markets has been increasingly scarce. The strong funding position and solid balance sheet enabled Nordea to back its corporate customers through difficult market conditions. Building on the relationship strategy and the well established prudent risk management policy focus has been to realise a controlled volume growth and further shifting income growth components from volume to margins.

The strategy is to stand by house-bank customers meeting them with a fair price reflecting risk and the increasing funding cost while expecting a fair wallet share. As a result of this strategy, volume has been flattening out on a satisfactory growth level and lending margins are widening.

Nordea continued assisting corporate customers hedging their market risk in volatile market conditions, resulting in income growth on risk management products.

Corporate Merchant Banking and Large corporate customers

The two upper segments of corporate customers, Corporate Merchant Banking and Large corporate customers contribute to 52% of total income on corporate customers and financial institutions. Income growth in these segments was 29% compared to the third quarter 2007.

The strategy for these customers is to provide highly competent partnership service from centralised competence centres. The customers in Corporate Merchant Banking are served from one central unit in each country, whereas the customers in segment Large are served from 63 corporate service units located in major urban areas.

Following the house-bank philosophy Nordea stood firm on increasing wallet share on the full product range as a prerequisite for supporting the largest customers.

Other corporate customers

Customers in other corporate segments are served in selected branches. Income growth from these segments was 2%, which is reflecting the controlled volume growth and margin increases.

Following the house-bank philosophy Nordea stood firm on expecting a full wallet share as a prerequisite for continued customer relationship.

New European Markets’ corporate customers

The volume growth in the corporate segment continued to develop favourably in the third quarter. Lending volumes reached EUR 10.3bn. The growth was supported by strong development in Orgresbank. Nordea has continued to strengthen its position among the top-tier Russian corporates as several large mandates were secured in the quarter. Also Poland showed robust growth.

The increase in corporate lending volumes in the Baltic countries is mainly attributable to existing local customers and Nordic related customers and the share of Nordic related lending in the Baltic countries is now clearly above 25%.

Lending margins continued to increase during third quarter of 2008, mainly as a result of the inclusion of Orgresbank in the data as of 2008. In Russia corporate lending margins are significantly higher compared to Poland and the Baltic countries. Deposit volumes increased by 36% compared to the third quarter 2007 supporting the strong growth in income, up 74%, reaching EUR 73m in the quarter.

Personal customers

The premium segments Nordic Private Banking and Gold contribute to 65% of total income on personal customers.

Nordic Private Banking

In the top personal segment, Private Banking, the number of customers increased by 10% and a net inflow in the third quarter ended at EUR 0.8bn.

The continued turmoil in the equity markets increased pressure on Nordic Private Banking income development in the third quarter, and income declined 4% compared to third quarter last year. However income margins were increasing, and compared to third quarter last year, margins increased with 0.07 %-points. AuM decreased to EUR 40bn as a result of market depreciation.

Activity levels among customers continued to be high in the third quarter; key focus of the customers was to decrease exposure to equity markets moving more funds into deposits. Net interest income subsequently increased 16%, while net commission income was down 10% compared to same period last year.

The Nordic Private Banking customer base continued to grow during the third quarter and the new customers were both Nordic Banking customers now qualifying for Private Banking and new customers from competitors. Especially in the upper private banking segments, Nordic Private Banking experienced an inflow of customers from smaller competitors.

Gold customers

The Gold segment in the long run achieves profitable growth by increasing sale of the entire product range. Income growth in the Gold segment was 6% compared to the same quarter last year.

The income was affected by the turmoil in the equity market, causing the sharp reduction in fee income on savings. A successful development of the product mix to meet the increased competition in this area led to a 19% increase in volumes in savings accounts.

Customers elevated to Gold customers are offered our best services and prices. The decrease in margin from elevating customers to the Gold level is more than compensated by increased product penetration.

The focus on developing the potential in the customer base continues to be successful with a 5% increase in the number of Gold customers, compared to one year ago. Approx. 20% of new Gold customers are new customers to Nordea, which reflects the attractiveness of Nordea's customer programme. As a result of the financial turmoil and especially the problems of some smaller banks, the number of new customers increased toward the end of the third quarter.

Mortgage margin poses an opportunity in the current market conditions. In Sweden and Finland Nordea has taken a first mover strategy to increase mortgage margins, turning the development of average margin of the mortgage stock.

The activities to increase the number of proactive meetings with customers have continued. The focus is to increase pro-activity towards Gold customers in a market situation where customer's financial affairs are of utmost priority.

Other personal customers

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

The risk indicators of all personal customers continued to be stable and on a low level during the third quarter.

New European Markets' personal customers

The business development in the personal customer segment continued to be strong in the third quarter. Lending volumes amounted to EUR 4.3bn, up 59% compared to the third quarter of 2007. The growth was especially strong in Poland, supported by the branch network expansion. Deposit volumes developed favourable in the quarter and increased by 50%. Nordea had 696,000 customers up by 27% compared to one year ago, while the number of Gold customers increased by 53%. Expanding the number of Gold customers is fundamental in the personal customer segment strategy. Total income rose by 61%, compared to the third quarter 2007, to EUR 29m in the quarter.

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

	Corporate Merchant Banking and Large corporate customers		Other corporate customers		Nordic corporate customers	
	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007
Number of customers, '000	23	20				
Income, EURm	518	401	228	224	746	624
Volumes, EURbn[1]						
Lending	85.8	71.1	25.8	26.4	111.6	97.5
Deposits	34.1	28.3	20.4	18.5	54.5	46.8
Margins, %						
Lending	0.94	0.82	1.00	0.97	0.96	0.88
Deposits	0.55	0.51	1.68	1.64	0.95	0.98

	New European Markets Corporate customers[2]		Shipping customers		Financial institutions		Corporate and financial institutions Total	
	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007
Number of customers, '000	75	66	2	2	1	1		
Income, EURm	73	42	82	59	89	85	990	810
Volumes, EURbn[1]								
Lending	10.3	5.3	13.6	10.1	2.5	2.9	137.9	115.7
Deposits	3.0	2.2	5.7	5.6	15.7	15.7	78.9	70.3
Margins, %								
Lending	1.67	1.07	1.09	0.91	0.60	0.38	1.02	0.88
Deposits	1.39	1.43	0.44	0.39	0.39	0.31	0.82	0.80

[1] Volumes are excluding reversed repurchase agreements and repurchase agreements.
[2] Margins for the third quarter 2007 does not include Russia.

Personal customer segments, key figures

	Nordic Private Banking		Gold customers		Other personal customers		Nordic personal customers	
	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007
Number of customers, '000	82	75	2,494	2,379				
Income, EURm	78	81	491	463	254	254	824	798
Volumes, EURbn								
Lending	4.5	3.8	94.0	86.4	11.5	11.9	110.1	102.1
Deposits	6.4	4.8	42.0	37.4	16.9	17.6	65.1	59.8
Assets under Management	40.2	46.1						
Margins, %								
Lending	0.69	0.64	0.86	0.77	2.42	2.34	1.05	0.99
Deposits	0.73	0.75	1.58	1.47	2.78	2.49	1.83	1.82

	New European Markets Personal customers		International Private Banking		Personal customers Total	
	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007
Number of customers, '000	696	550	12	11		
Income, EURm	29	18	17	23	870	839
Volumes, EURbn						
Lending	4.3	2.7	1.1	1.6	115.5	106.4
Deposits	1.5	1.0	1.9	2.0	68.7	62.8
Assets under Management			7.9	9.8		
Margins, %						
Lending	1.47	1.28	0.64	0.80	1.06	0.99
Deposits	1.17	1.63	0.58	0.66	1.78	1.78

Product groups

For lending and deposit product groups, volumes, income and margins are presented. For other major product groups, income - and for some product groups, product results - are presented. The presentation includes activities in the Nordic countries, New European Markets and other markets. The presented product groups do not comprise all volumes or result items within the Group.

Corporate lending

Corporate lending income growth continued strong in the third quarter, fuelled by volume growth of 22% and increased margins. Income growth was 45% supported by continued high customer activity in all areas and by increased market shares. Margins improved 0.07 %-points to 0.92 %-points compared with the third quarter last year, and strengthened compared with previous quarter as a result of Nordea's systematic work to price according to risk.

Household mortgage lending

Strong income growth of 27% was reported on household mortgage lending in the third quarter, fuelled by double-digit volumes growth of 10% and increased margins. Margins started to increase during the third quarter, and improved 0.11 %-points to 0.64 %-points compared with the third quarter 2007.

Consumer lending

A positive trend continued in other consumer lending with 7% income growth supported by volume growth of 9%, while margins have remained stable.

Corporate and Household deposits

Income growth continued on both corporate and household deposits, up 2% and 14% respectively, excluding hedged income from Group Treasury. Strong volume growth was driven by competitive pricing of savings account and redistribution from retail funds. The average margins were largely unchanged despite fierce price competition.

Payments

Nordea continued to gain market share in the large corporate segment. Competition although remained fierce, putting pressure on prices and income decreased 2% compared to the third quarter 2007.

Cards

The number of cards issued as well as the usage continued to increase in the third quarter. However, income has decreased 5% compared to the third quarter 2007, due to higher issuing costs and lower average annual fees.

Guarantees and documentary payments

Guarantee and documentary payment income increased in the third quarter and income growth was 19% compared with the third quarter 2007. Documentary payments business continued to benefit from the prolonged market turmoil and business activity remained high.

Product groups, key figures

	Corporate lending		Household mortgage lending		Consumer lending		Corporate deposits		Household deposits	
	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007
Volumes, EURbn	131.2	107.7	90.1	81.9	20.6	19.0	78.9	70.3	68.7	62.8
Income, EURm[1]	439	302	171	135	168	157	158	155	274	240
Margins, %	0.92	0.85	0.64	0.53	2.78	2.79	0.82	0.80	1.78	1.78

[1] Income excludes hedged income.

	Payments		Cards		Guarantees and documentary payments		Capital Markets Products		Savings Products & Asset Management		Life & Pensions	
EURm	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007	Q3 2008	Q3 2007
Income	105	107	64	67	37	31	281	240	154	200	94	105
Expenses							-109	-94	-73	-74	-47	-43
Distribution expenses							-2	-4	-34	-37	-3	-4
Product result[2]							**170**	**142**	**47**	**89**	**44**	**58**

[2] Excluding loan losses.

Capital Markets Products

- **Severe market conditions**
- **Strong customer activity continued**
- **Especially strong demand for corporate and institutional risk management products while demand for asset products was more subdued**
- **Satisfactory product result**

Business development

The third quarter was dominated by the severe market conditions with falling equity markets, credit concerns and extreme interest rate and foreign exchange volatility. This obviously provided a very challenging backdrop for the business, especially with regards to executing customer flow and managing risks in very illiquid markets.

The bankruptcy protection filing of the international investment bank Lehman had a significant impact on the markets. Also Capital Markets Products (CMP) has traded with Lehman Brothers Group as a counterpart; however, the impact of Lehman Brothers Group's filing on CMP has been contained and the economic impact limited.

On a positive note, the strong customer activity which Markets has experienced during the last many quarters continued, again with a focus on risk management products. As in previous quarters, corporate customers demanded risk management products across all product lines, and CMP experienced strong activity in foreign exchange, fixed income, equity and commodity risk management products. Also institutional customers were very active towards the end of the quarter in risk management products, especially with regards to equities, fixed income and foreign exchange products.

With regard to asset products, activity was subdued. However, Markets' increased focus on equities is paying off in the sense that there has been an increase in Nordea's market share. Corporate finance activity has also been relative high.

The primary credit markets were effectively closed during most of the quarter. However, the syndicated loan market experienced high activity and CMP maintained its market leading position among Nordic borrowers.

Result

Strong customer activity led to a satisfactory product result of EUR 170m which was 20% higher than the third quarter last year. Income was positively impacted by the continued high customer activity in all market segments, however with a difficult backdrop of continued challenging market conditions. The negative impact on the result from credit-risk related fair value adjustments and losses in connection with the Lehman Brothers Group filing was approx. EUR 50m in the third quarter.

Capital Markets Products, product result

EURm	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	86	75	67	67	67
Net fee and commission income	67	65	53	63	54
Net gains/losses on items at fair value	128	194	193	189	119
Other income	0	0	0	1	0
Total income	**281**	**334**	**313**	**320**	**240**
Staff costs	-68	-82	-72	-74	-61
Other expenses	-41	-38	-35	-41	-33
Depreciations	0	0	0	0	0
Operating expenses	**-109**	**-120**	**-107**	**-115**	**-94**
Distribution expenses	-2	-5	-5	-8	-4
Loan losses	0	0	-11	0	0
Product result	**170**	**209**	**190**	**197**	**142**
Cost/income ratio, %	39	36	34	36	39
Economic capital, EURbn	1.3	0.8	1.2	1.1	1.2
Number of employees (full-time equivalents)	1,590	1,567	1,537	1,501	1,468

Savings Products & Asset Management

- **Net inflow of EUR 0.6bn despite turmoil in financial markets**
- **Private Banking strong contributor to net inflow**
- **Income and product result down due to lower Assets under Management and lower average margin**

Business development

Following a third quarter characterised by high volatility on the financial market and customers' increasing risk aversion, Nordea's Assets under Management (AuM) decreased to EUR 139bn, primarily due to market depreciation, as a net inflow of EUR 0.6bn was reported in the third quarter.

The increasing risk premiums on the market affected investment return negatively – particularly for the fixed income products with money market or credit/mortgage exposure. Thus 35% of composites outperformed their benchmark year to date. For the equity mandates, relative investment return was stronger. Especially the product lines designed to mitigate high volatility, eg Stable equity, proved its ability to deliver alpha also in difficult market situations.

In the light of the financial crisis, household customers were becoming more risk avert and were fleeing to safety. Nordea coped with the turbulent market environment well and total household savings sales were EUR 1.6bn in the third quarter. Reflecting the sentiment among retail investors all over the Nordic region, the majority of the inflow was seen in savings accounts. Retail funds were showing a net outflow of EUR 0.7bn, mainly within money market and fixed income funds. This development illustrates the substitution effect between lower risk funds and Nordea's account products with attractive interest rates, combined with prevailing state capital protection guarantees.

The institutional asset management activities continued to show a positive development in third quarter. Net inflow was EUR 0.1bn and AuM ended at EUR 25bn. During the quarter inflow increased from existing clients and several new mandates were won both in the Nordic and the International business, contributing to the positive flow as well.

Despite highly volatile financial markets, Nordic Private Banking contributed strongly to overall net inflow by EUR 0.8bn. AuM was down EUR 2bn ending at EUR 40bn due to market depreciation. The customer base continued to increase, and the third quarter was characterised by high activity level among customers focusing at decreasing exposure to equity markets and moving more funds into deposits (see page 25 for more information on Nordic Private Banking).

Also International Private Banking reported a net inflow of EUR 0.1bn and an increase in client base in the third quarter. European fund distribution business managed to resist the financial turmoil and reported a flat net flow in the third quarter. AuM for International Private Banking and European Fund Distribution was, however, reduced to EUR 10.0bn due to market depreciation (see page 22 for more information on International Private Banking & Funds).

In Life & Pensions, premium growth contributed to the overall net inflow in third quarter with EUR 0.3bn and AuM were EUR 37bn at the end of the third quarter (see page 32 for more information on Life & Pensions).

Result

Savings Products & Asset Management income consists of income related to funds, international private banking and institutional mandates including life mandates (AuM of EUR 90bn) as well as income from a few savings products not related to AuM.

Income in the third quarter was EUR 154m, down 23% compared to the third quarter last year. The decrease in income was first and foremost a consequence of a EUR 19bn decrease in AuM. However, a drop in income margin of 6 bps compared to third quarter last year and negative return related to seed money also affected the third quarter income negatively.

Three elements were driving the decrease in income margin during the third quarter. Firstly, a continued imbalance in sales mix, ie outflow from retail funds combined with positive institutional sales impacted the income margin negatively, as retail funds margins are higher than margins related to institutional sales. Secondly, due to negative equity market returns, the equity asset class were further reduced, down 2 %-points from the second quarter this year and 10 %-points from the third quarter last year. This reduction had a negative impact on income margin, as equities are a relatively higher margin product compared to other asset types. Finally, the stagnating investment product market caused by turmoil in the financial markets led to a decrease in transaction income margin.

Product result was down EUR 42m or 47% compared to third quarter last year. The decrease in product result was a direct consequence of the decrease in income as costs were down 1% compared to same quarter last year following lower staff costs.

Assets under Management (AuM), volumes and net inflow

EURbn	Q3 2008	Q3 Net inflow	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Nordic Retail funds	26.7	-0.7	29.6	30.3	34.4	36.7
European Fund Distribution	2.1	0.0	2.4	2.5	3.6	4.5
Private Banking activities						
Nordic Private Banking	40.2	0.8	41.9	41.6	45.7	46.1
International Private Banking	7.9	0.1	8.3	8.9	9.6	9.8
Institutional clients	25.0	0.1	25.7	25.9	24.9	26.9
Life & Pensions	37.0	0.3	37.7	37.6	38.8	38.9
Total	**138.9**	**0.6**	**145.6**	**146.8**	**157.1**	**162.9**

Savings Products & Asset Management, key figures per quarter

EURm	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	13	13	17	14	12
Net fee and commission income	142	148	154	200	185
Net gains/losses on items at fair value	-1	5	-2	3	3
Equity method	0	0	0	0	0
Other income	0	0	0	0	0
Total income	**154**	**166**	**169**	**217**	**200**
of which related to AuM	***129***	***136***	***146***	***184***	***168***
Staff costs	-37	-39	-39	-42	-41
Other expenses	-36	-36	-35	-40	-33
Operating expenses	**-73**	**-75**	**-74**	**-82**	**-74**
Distribution expenses in Nordic Banking	-34	-35	-35	-37	-37
Product result	**47**	**56**	**60**	**98**	**89**
of which income in Nordic Banking	*115*	*117*	*133*	*146*	*141*
Cost/income ratio, %	70	66	64	55	56
Income related to AuM, margins (%)	0.55	0.56	0.59	0.70	0.61
Assets under Management, EURbn[1]	90	94	97	103	109
of which (%)					
Equity	*31*	*33*	*32*	*39*	*41*
Fixed income and Other	*69*	*67*	*68*	*61*	*59*
Economic capital	259	259	143	143	143
Number of employees (full-time equivalents)	1,089	1,069	1,062	1,040	1,027

[1] The difference compared to total Assets under Management, EUR 138.9bn, is related to assets within Nordic Private Banking and Life & Pensions assets not managed by Savings Products & Asset Management.

Life & Pensions

- **Actions to reduce risk exposure were carried out**
- **Gross written premiums up 15%**
- **Product result affected by the financial turmoil – down 24%**

Business development

Navigating in the financial turmoil was the theme of the third quarter. Actions to reduce the overall risk exposure were taken during the quarter. Despite the financial difficulties, the investment return ended at 0% in the third quarter. A new legislation for recognition of liabilities at market value was introduced in Finland, which caused a reclassification and restatement of the second and third quarters' financial buffers. Consequently, the third quarter's financial buffers ended at EUR 1,600m or 6.9% of Life provisions, down 2 %-points from the second quarter.

The growth in gross written premiums was still solid at 15% compared to third quarter last year and ended at EUR 1,045m. Underlying growth was at a high level compared to the same period last year as one single event in Norway contributed to an extraordinary high level of gross written premiums in third quarter 2007. Productwise, the premium growth was mainly stemming from traditional products and country wise from Denmark, Sweden and Poland. Sales in Finland continued to improve following the introduction of the *Selekta Capital* in the second quarter 2008.

Premium growth contributed to an overall net inflow in the third quarter of EUR 0.3bn and AuM were EUR 37bn at the end of the third quarter.

Result

Life & Pensions' result continued to be affected by the intensified turmoil on the financial markets, thus ending at a product result of EUR 44m for the quarter, down 24% compared to third quarter last year. Life & Pensions' result was especially impacted by a mark-to-market loss due to the widening of the mortgage spreads and large claims in the health and accident business.

Life & Pensions, key figures per quarter

EURm	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Profit drivers					
Traditional insurance:					
Fee contribution/ profit sharing	20	26	31[1]	59	39
Contribution from cost result	-8	-1	-3	-1	0
Contribution from risk result	8	12	6	11	7
Return on shareholders’ equity and other profits	7	6	11[1]	12	-1
Total profit Traditional	27	43	45	81	45
Total profit Unit linked	20	16	14	14	17
Estimated distribution expenses in Nordic Banking	-3	-3	-4	-4	-4
Product result	**44**	**56**	**55**	**91**	**58**
of which income in Nordic Banking	*31*	*31*	*28*	*33*	*28*
Key figures					
Premiums written, net of reinsurance	1,045	1,197	1,078	1,038	905
of which from Traditional business	670	733	628	646	498
of which from Unit-linked business	375	464	450	392	407
Operating expenses	47	52	48	51	42
Investment assets:					
Bonds	17,063	16,658	16,418	15,799	15,994
Equities	3,179	3,645	3,807	4,772	4,855
Alternative investments	2,848	2,789	2,736	2,788	2,700
Property	3,114	3,143	3,158	3,178	3,094
Unit linked	6,578	7,002	6,896	7,349	7,498
Total investment assets	**32,782**	**33,237**	**33,014**	**33,885**	**34,141**
Investment return, %	0.0	-0.4	-1.5	0.4	1.3
Technical provisions	30,116	31,410	31,227	32,118	32,442
of which financial buffers[2]	1,600	2,035	1,491	2,231	2,451
Economic capital	1,051	1,084	1,096	1,136	1,121
Number of employees (full-time equivalents)	1,350	1,327	1,292	1,252	1,258

[1] The first quarter 2008 has been restated between Fee contribution/ profit sharing and Return on shareholders' equity and other profits.
[2] The financial buffers for the third quarter and the second quarter have been restated due to introduction of new legislation for recognition of liabilities at market value in Finland. Total financial buffers have been reclassified as well.

Customer areas

EURm	Banking Denmark					Banking Finland					Banking Norway					Banking Sweden				
Customer responsible units	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**
Net interest income	303	291	271	275	260	306	277	273	277	278	183	164	153	144	139	297	275	262	266	252
Net fee and commission income	126	135	107	107	125	110	120	110	117	121	46	40	41	49	39	135	145	141	152	149
Net gains/losses on items at fair value	31	44	46	43	35	24	41	35	34	21	24	25	22	20	21	24	31	26	38	24
Equity method	3	12	3	5	8	-5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other income	1	2	1	1	0	0	4	2	3	2	-1	4	4	1	3	0	0	1	4	0
Total operating income	**464**	**484**	**428**	**431**	**428**	**435**	**442**	**420**	**431**	**422**	**252**	**233**	**220**	**214**	**202**	**456**	**451**	**430**	**460**	**425**
Staff costs	-91	-96	-96	-91	-91	-74	-71	-75	-74	-74	-43	-42	-43	-44	-41	-82	-82	-79	-78	-74
Other expenses	-120	-121	-121	-121	-108	-118	-119	-118	-128	-105	-72	-74	-74	-74	-69	-156	-157	-162	-173	-146
Depreciations of tangible and intangible assets	-1	0	-1	-1	0	-1	-1	-1	-1	-1	-3	-1	-1	-1	-1	-4	-2	-1	-2	-2
Total operating expenses	**-212**	**-217**	**-218**	**-213**	**-199**	**-193**	**-191**	**-194**	**-203**	**-180**	**-118**	**-117**	**-118**	**-119**	**-111**	**-242**	**-241**	**-242**	**-253**	**-222**
Loan losses	-32	-7	-2	-7	6	-19	-6	-2	14	5	-4	2	-4	3	6	-6	-4	-2	-8	-11
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**220**	**260**	**208**	**211**	**235**	**223**	**245**	**224**	**242**	**247**	**130**	**118**	**98**	**98**	**97**	**208**	**206**	**186**	**199**	**192**
Balance sheet, EURbn																				
Loans and receivables to the public	66	65	64	63	60	52	51	49	48	46	40	40	38	37	36	64	65	63	60	59
Other assets	1	0	0	0	0	2	-4	-4	-4	1	1	2	1	1	2	30	30	28	28	27
Total assets	**67**	**65**	**64**	**63**	**60**	**54**	**47**	**45**	**44**	**47**	**41**	**41**	**39**	**38**	**38**	**94**	**95**	**91**	**88**	**86**
Deposits and borrowings from the public	35	33	32	32	31	34	33	33	30	28	19	19	20	19	19	31	31	30	29	28
Other liabilities	29	29	30	29	27	18	12	10	12	17	20	21	18	18	18	61	62	59	57	56
Total liabilities	**64**	**62**	**62**	**61**	**58**	**52**	**45**	**43**	**42**	**45**	**39**	**40**	**38**	**37**	**37**	**92**	**93**	**89**	**86**	**84**
Equity	3	3	2	2	2	2	2	2	2	2	2	2	1	1	1	2	2	2	2	2
Total liabilities and equity	**67**	**65**	**64**	**63**	**60**	**54**	**47**	**45**	**44**	**47**	**41**	**42**	**39**	**38**	**38**	**94**	**95**	**91**	**88**	**86**
Economic capital	3	3	2	2	2	2	2	2	2	2	2	2	1	1	1	2	2	2	2	2
Other segment items																				
Capital expenditure, EURm																				

Customer areas

EURm	Nordic Functions NB					Baltic countries					Poland					Russia				
Customer responsible units	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**
Net interest income	14	15	12	11	10	25	23	21	19	19	26	23	19	18	13	37	30	28	27	16
Net fee and commission income	0	0	0	1	-1	11	9	7	8	10	5	5	4	5	4	6	9	7	2	3
Net gains/losses on items at fair value	0	0	1	0	1	3	3	1	4	0	10	8	6	5	6	0	-1	3	-2	-2
Equity method	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other income	1	1	0	1	2	0	0	1	0	0	1	1	0	1	1	0	1	0	0	0
Total operating income	**15**	**16**	**13**	**13**	**12**	**39**	**35**	**30**	**31**	**29**	**42**	**37**	**29**	**29**	**23**	**43**	**39**	**38**	**27**	**17**
Staff costs	0	-1	-1	-6	-6	-7	-7	-7	-7	-6	-10	-8	-8	-6	-6	-13	-12	-13	-11	-8
Other expenses	-5	-4	-2	1	-6	-6	-7	-6	-7	-6	-12	-10	-9	-6	-7	-6	-6	-5	-5	-4
Depreciations of tangible and intangible assets	-5	-5	-4	-4	-4	-1	0	0	0	0	-2	-1	-1	-1	-1	0	-1	0	-1	0
Total operating expenses	**-10**	**-10**	**-7**	**-9**	**-16**	**-14**	**-14**	**-13**	**-14**	**-12**	**-24**	**-19**	**-18**	**-13**	**-14**	**-19**	**-19**	**-18**	**-17**	**-12**
Loan losses	0	-3	0	-32	4	-6	-2	0	-1	0	0	0	0	-2	0	0	0	0	1	1
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**5**	**3**	**6**	**-28**	**0**	**19**	**19**	**16**	**17**	**17**	**18**	**18**	**12**	**14**	**9**	**24**	**20**	**20**	**11**	**6**
Balance sheet, EURbn																				
Loans and receivables to the public																				
Other assets																				
Total assets																				
Deposits and borrowings from the public																				
Other liabilities																				
Total liabilities																				
Equity																				
Total liabilities and equity																				
Economic capital																				
Other segment items																				
Capital expenditure, EURm																				

Customer areas

EURm Customer responsible units	Financial Institutions Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Shipping, Oil Services & International Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Other IIB Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Other customer operations Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	16	21	17	18	17	56	49	45	45	44	4	7	3	3	3	12	15	19	19	16
Net fee and commission income	38	37	34	26	35	13	20	9	13	15	5	4	3	4	3	25	29	31	48	34
Net gains/losses on items at fair value	35	37	51	30	33	13	5	5	3	0	0	0	0	-1	1	18	75	83	126	46
Equity method	0	0	0	0	0	0	0	0	0	0	-23	9	-23	4	-6	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0	0	0	0	0	1	2	1	4	1	1	1	5
Total operating income	**89**	**95**	**102**	**74**	**85**	**82**	**74**	**59**	**61**	**59**	**-15**	**20**	**-16**	**11**	**2**	**59**	**120**	**134**	**194**	**101**
Staff costs	-8	-8	-7	-9	-7	-10	-10	-10	-10	-10	0	-4	-2	-1	-2	-110	-124	-116	-115	-99
Other expenses	-37	-36	-39	-37	-36	-3	-1	-4	-3	-2	-5	-7	-4	-7	-5	-2	-5	7	-14	-1
Depreciations of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	1	-1	0	-1	-2	-2	-2	-3	-2
Total operating expenses	**-45**	**-44**	**-46**	**-46**	**-43**	**-13**	**-11**	**-14**	**-13**	**-12**	**-5**	**-10**	**-6**	**-8**	**-7**	**-114**	**-131**	**-111**	**-132**	**-102**
Loan losses	0	0	0	0	0	1	1	0	0	1	-23	-13	-7	37	1	0	0	0	0	0
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Operating profit	**44**	**51**	**56**	**28**	**42**	**70**	**64**	**45**	**48**	**48**	**-44**	**-3**	**-29**	**40**	**-4**	**-55**	**-11**	**23**	**63**	**-1**
Balance sheet, EURbn																				
Loans and receivables to the public																16	18	12	10	12
Other assets																36	36	36	37	37
Total assets																**52**	**54**	**48**	**47**	**49**
Deposits and borrowings from the public																11	8	6	8	7
Other liabilities																40	45	41	38	41
Total liabilities																**51**	**53**	**47**	**46**	**48**
Equity																0	0	0	0	0
Total liabilities and equity																**51**	**53**	**47**	**46**	**48**
Economic capital																1	1	1	1	1
Other segment items																				
Capital expenditure, EURm																				

	Customer areas					**Other**										**Group**				
	Total Customer areas					**Group Corporate Centre**					**Group Functions and Eliminations**					**Nordea Group**				
EURm	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**
Net interest income	1,279	1,190	1,123	1,121	1,067	6	20	39	30	32	12	20	19	-8	-7	1,296	1,230	1,181	1,143	1,092
Net fee and commission income	519	552	494	532	536	-2	0	-1	-2	-2	-37	-34	2	-4	-3	480	518	495	526	531
Net gains/losses on items at fair value	181	268	280	300	186	44	-56	19	10	81	-4	-14	-15	6	-3	221	198	284	316	264
Equity method	-25	21	-20	9	2	0	0	0	0	1	0	1	2	3	7	-25	22	-18	12	10
Other income	6	14	10	14	14	0	-1	1	1	3	18	11	8	10	0	24	24	19	25	17
Total operating income	**1,960**	**2,045**	**1,887**	**1,976**	**1,805**	**48**	**-37**	**58**	**39**	**115**	**-11**	**-16**	**16**	**7**	**-6**	**1,996**	**1,992**	**1,961**	**2,022**	**1,914**
Staff costs	-448	-465	-456	-452	-423	-10	-10	-11	-10	-9	-177	-159	-177	-153	-164	-635	-634	-644	-615	-596
Other expenses	-542	-547	-537	-574	-495	-22	-23	-28	-30	-25	169	164	181	175	148	-395	-406	-384	-429	-372
Depreciations of tangible and intangible assets	-19	-13	-12	-14	-12	0	0	0	0	0	-11	-20	-15	-15	-13	-30	-33	-27	-29	-25
Total operating expenses	**-1,009**	**-1,025**	**-1,005**	**-1,040**	**-930**	**-32**	**-33**	**-39**	**-40**	**-34**	**-19**	**-15**	**-11**	**7**	**-29**	**-1,060**	**-1,073**	**-1,055**	**-1,073**	**-993**
Loan losses	-89	-31	-17	6	13	0	0	0	0	0	0	-5	-4	0	0	-89	-36	-21	6	13
Disposals of tangible and intangible assets	0	0	0	1	0	0	0	0	0	0	0	0	0	2	-2	0	0	0	3	-2
Operating profit	**862**	**989**	**865**	**943**	**888**	**16**	**-70**	**19**	**-1**	**81**	**-30**	**-36**	**1**	**16**	**-37**	**847**	**883**	**885**	**958**	**932**
Balance sheet, EURbn																				
Loans and receivables to the public	271	268	251	242	235	0	0	0	0	0						272	270	254	245	239
Other assets	80	72	70	71	56	14	11	18	15	16						168	161	157	144	148
Total assets	**351**	**340**	**321**	**313**	**291**	**14**	**11**	**18**	**15**	**16**						**440**	**431**	**411**	**389**	**387**
Deposits and borrowings from the public	157	150	145	149	139	0	0	0	0	0						155	147	141	142	135
Other liabilities	184	180	166	155	143	14	11	18	15	16						267	267	252	230	236
Total liabilities	**341**	**330**	**311**	**304**	**282**	**14**	**11**	**18**	**15**	**16**						**422**	**414**	**393**	**372**	**371**
Equity	10	0	0	0	0	0	0	0	0	0						18	17	18	17	16
Total liabilities and equity	**351**	**330**	**311**	**304**	**282**	**14**	**11**	**18**	**15**	**16**						**440**	**431**	**411**	**389**	**387**
Economic capital	10	10	10	9	9	0	0	0	0	0						12	12	12	11	10
Other segment items																				
Capital expenditure, EURm	34	17	12	20	4											83	91	65	119	57

Income statement

EURm	Note	Q3 2008	Q3 2007	Jan-Sep 2008	Jan-Sep 2007	Full year 2007
Operating income						
Interest income		*4,335*	*3,259*	*12,162*	*9,379*	*12,909*
Interest expense		*-3,039*	*-2,167*	*-8,455*	*-6,240*	*-8,627*
Net interest income		1,296	1,092	3,707	3,139	4,282
Fee and commission income		*631*	*683*	*1,942*	*2,057*	*2,734*
Fee and commission expense		*-151*	*-152*	*-449*	*-443*	*-594*
Net fee and commission income		480	531	1,493	1,614	2,140
Net gains/losses on items at fair value	2	221	264	703	893	1,209
Profit from companies accounted for under the equity method		-25	10	-21	29	41
Other operating income		24	17	67	69	214
Total operating income		**1,996**	**1,914**	**5,949**	**5,744**	**7,886**
Operating expenses						
General administrative expenses:						
Staff costs		-635	-596	-1,913	-1,773	-2,388
Other expenses		-395	-372	-1,185	-1,146	-1,575
Depreciation, amortisation and impairment charges of tangible and intangible assets		-30	-25	-90	-74	-103
Total operating expenses		**-1,060**	**-993**	**-3,188**	**-2,993**	**-4,066**
Loan losses	3	-89	13	-146	54	60
Disposals of tangible and intangible assets		0	-2	0	0	3
Operating profit		**847**	**932**	**2,615**	**2,805**	**3,883**
Income tax expense		-192	-171	-580	-527	-753
Net profit for the period		**655**	**761**	**2,035**	**2,278**	**3,130**
Attributable to:						
Shareholders of Nordea Bank AB (publ)		655	759	2,033	2,274	3,121
Minority interests		0	2	2	4	9
Total		**655**	**761**	**2,035**	**2,278**	**3,130**
Earnings per share, EUR		0.25	0.29	0.78	0.87	1.20
Earnings per share, after full dilution, EUR		0.25	0.29	0.78	0.87	1.20

Balance sheet

EURm	Note	30 Sep 2008	31 Dec 2007	30 Sep 2007
Assets				
Cash and balances with central banks		2,628	5,020	1,381
Treasury bills and other eligible bills		9,589	8,503	7,434
Loans and receivables to credit institutions	4	35,427	24,262	33,637
Loans and receivables to the public	4	272,149	244,682	238,719
Interest-bearing securities		37,058	35,472	23,359
Financial instruments pledged as collateral		3,370	4,790	15,084
Shares		13,832	17,644	18,487
Derivatives	7	46,146	31,498	32,348
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-68	-105	-130
Investments in associated undertakings		414	366	400
Intangible assets		2,769	2,725	2,554
Property and equipment		380	342	327
Investment property		3,678	3,492	3,346
Deferred tax assets		152	191	320
Current tax assets		314	142	145
Retirement benefit assets		133	123	88
Other assets		9,018	7,724	7,245
Prepaid expenses and accrued income		2,807	2,183	1,988
Total assets		**439,796**	**389,054**	**386,732**
Of which assets customer bearing the risk		*9,739*	*11,344*	*11,129*
Liabilities				
Deposits by credit institutions		42,932	30,077	36,163
Deposits and borrowings from the public		155,079	142,329	135,036
Liabilities to policyholders		31,159	32,280	32,442
Debt securities in issue		113,747	99,792	95,601
Derivatives	7	44,382	33,023	34,791
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-187	-323	-393
Current tax liabilities		428	300	344
Other liabilities		20,664	22,860	24,014
Accrued expenses and prepaid income		4,341	2,762	3,582
Deferred tax liabilities		874	703	597
Provisions		86	73	149
Retirement benefit obligations		415	462	454
Subordinated liabilities		8,072	7,556	7,607
Total liabilities		**421,992**	**371,894**	**370,387**
Equity	8			
Minority interests		79	78	73
Share capital		2,600	2,597	2,597
Other reserves		-265	-160	-117
Retained earnings		15,390	14,645	13,792
Total equity		**17,804**	**17,160**	**16,345**
Total liabilities and equity		**439,796**	**389,054**	**386,732**
Assets pledged as security for own liabilities		24,598	17,841	17,473
Other assets pledged		8,372	6,304	441
Contingent liabilities		27,548	24,254	24,635
Derivative commitments		4,022,200	3,405,332	3,224,858
Credit commitments[1]		95,986	81,607	80,652
Other commitments		4,538	5,399	4,322

[1] Including unutilised portion of approved overdraft facilities of EUR 50,740m (31 dec 2007: 43,437m, 30 Sep 2007: 43,490m).

Statement of recognised income and expense

EURm	Jan-Sep 2008	Jan-Sep 2007	Full year 2007
Currency translation differences during the period	-220	167	-26
Currency hedging	160	-179	-24
Available-for-sale investments:			
Valuation gains/losses taken to equity	0	6	1
Transferred to profit or loss on sale for the period	-5	-	-
Cash flow hedges:			
Gains/losses taken to equity	-3	-	-
Tax on items taken directly to or transferred from equity	-37	0	0
Net income recognised directly in equity	-105	-6	-49
Net profit for the period	2,035	2,278	3,130
Total recognised income and expense for the period	**1,930**	**2,272**	**3,081**
Attributable to:			
Shareholders of Nordea Bank AB (publ)	1,928	2,268	3,072
Minority interests	2	4	9
Total	**1,930**	**2,272**	**3,081**

Cash flow statement

EURm	Jan-Sep 2008	Jan-Sep 2007	Full year 2007
Operating activities			
Operating profit	2,615	2,805	3,883
Adjustments for items not included in cash flow	239	967	-292
Income taxes paid	-516	-579	-591
Cash flow from operating activities before changes in operating assets and liabilities	2,338	3,193	3,000
Changes in operating assets and liabilities	-4,289	-1,973	1,419
Cash flow from operating activities	-1,951	1,220	4,419
Investing activities			
Sale/acquisition of group undertakings	-	-32	14
Property and equipment	-106	-93	-139
Intangible assets	-124	-47	-119
Other financial fixed assets	-626	-196	-107
Cash flow from investing activities	-856	-368	-351
Financing activities			
New share issue	3	3	3
Issued/amortised subordinated liabilities	500	-315	-315
Repurchase of own shares incl change in trading portfolio	2	-6	8
Dividend paid	-1,297	-1,271	-1,271
Cash flow from financing activities	-792	-1,589	-1,575
Cash flow for the period	**-3,599**	**-737**	**2,493**
Cash and cash equivalents at beginning of period	**7,097**	**4,650**	**4,650**
Exchange rate difference	-96	-10	-46
Cash and cash equivalents at end of period	**3,402**	**3,903**	**7,097**
Change	**-3,599**	**-737**	**2,493**

Cash and cash equivalents	30 Sep	30 Sep	31 Dec
The following items are included in cash and cash equivalents (EURm):	2008	2007	2007
Cash and balances with central banks	2,628	1,381	5,020
Loans and receivables to credit institutions, payable on demand	774	2,522	2,077

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

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

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

Notes to the financial statements

Note 1 Accounting principles

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

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

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the annual report 2007.

An addition to the accounting policies has been made in the third quarter as an amendment to IAS 39 and IFRS 7 has been published in October with effective date 1 July 2008. The impact from this amendment is that financial assets can, in rare circumstances, be reclassified out of the fair value through profit or loss category if the assets are no longer held for the purpose of selling or repurchasing in the near term. Nordea has not made any reclassifications as a result of this amendment in the third quarter.

Exchange rates

EUR 1 = SEK	Jan-Sep 2008	Jan-Dec 2007	Jan-Sep 2007
Income statement (average)	9.4091	9.2498	9.2353
Balance sheet (at end of period)	9.7914	9.4572	9.1979
EUR 1 = DKK			
Income statement (average)	7.4577	7.4505	7.4488
Balance sheet (at end of period)	7.4616	7.4588	7.4538
EUR 1 = NOK			
Income statement (average)	7.9885	8.0147	8.0606
Balance sheet (at end of period)	8.3195	7.9738	7.7048
EUR 1 = PLN			
Income statement (average)	3.4236	3.7790	3.8231
Balance sheet (at end of period)	3.3952	3.6022	3.7672

Note 2 Net gains/losses on items at fair value

EURm	Q3 2008	Q3 2007	Jan-Sep 2008	Jan-Sep 2007	Full year 2007
Shares/participations and other share-related instruments	-621	3	-1,891	1,044	827
Interest-bearing securities and other interest-related instruments	207	41	307	-3	63
Other financial instruments	103	55	207	51	103
Foreign exchange gains/losses	-23	250	311	459	568
Investment properties	39	76	79	262	432
Change in technical provisions, Life insurance[1]	132	-232	309	-781	-866
Change in collective bonus potential, Life insurance	380	59	1,351	-158	41
Insurance risk income, Life insurance	73	66	208	193	256
Insurance risk expense, Life insurance	-69	-54	-178	-174	-215
Total	**221**	**264**	**703**	**893**	**1,209**

[1] Premium income amounts to EUR 598m for Q3 2008 and EUR 1,837m for Jan-Sep 2008 (Q3 2007: -191m, Jan-Sep 2007: EUR 1,639m, Jan-Dec 2007: EUR 2,274m).

Note 3 Loan losses

EURm	Q3 2008	Q3 2007	Jan-Sep 2008	Jan-Sep 2007	Full year 2007
Loan losses divided by class, net					
Loans and receivables to credit institutions	1	1	0	1	9
- of which write-offs and provisions	0	0	-2	-1	-1
- of which reversals and recoveries	1	1	2	2	10
Loans and receivables to the public	-75	5	-123	55	-2
- of which write-offs and provisions	-136	-83	-381	-289	-451
- of which reversals and recoveries	61	88	258	344	449
Off-balance sheet items[1]	-15	7	-23	-2	53
- of which write-offs and provisions	-16	-12	-30	-33	-22
- of which reversals and recoveries	1	19	7	31	75
Total	**-89**	**13**	**-146**	**54**	**60**
Specification of Loan losses					
Changes of allowance accounts in the balance sheet	-88	0	-146	36	30
- of which Loans and receivables	-74	-7	-124	38	-23
- of which Off-balance sheet items[1]	-14	7	-22	-2	53
Changes directly recognised in the income statement	-1	13	0	18	30
- of which realised loan losses	-17	-10	-54	-42	-55
- of which realised recoveries	16	23	54	60	85
Total	**-89**	**13**	**-146**	**54**	**60**

[1] Included in Provisions in the balance sheet.

Note 4 Loans and receivables and their impairment

EURm	Total 30 Sep 2008	31 Dec 2007	30 Sep 2007
Loans and receivables, not impaired	306,873	268,469	271,823
Impaired loans and receivables:	1,677	1,432	1,458
- Performing	1,002	924	971
- Non-performing	675	508	487
Loans and receivables before allowances	**308,550**	**269,901**	**273,281**
Allowances for individually assessed impaired loans	-583	-603	-632
- Performing	-315	-307	-349
- Non-performing	-268	-296	-283
Allowances for collectively assessed impaired loans	-391	-354	-293
Allowances	**-974**	**-957**	**-925**
Loans and receivables, carrying amount	**307,576**	**268,944**	**272,356**

	Credit institutions			The public		
EURm	30 Sep 2008	31 Dec 2007	30 Sep 2007	30 Sep 2008	31 Dec 2007	30 Sep 2007
Loans and receivables, not impaired	35,430	24,264	33,643	271,443	244,205	238,180
Impaired loans and receivables:	7	8	7	1,670	1,424	1,451
- Performing	7	7	6	995	917	965
- Non-performing	0	1	1	675	507	486
Loans and receivables before allowances	**35,437**	**24,272**	**33,650**	**273,113**	**245,629**	**239,631**
Allowances for individually assessed impaired loans	-7	-8	-7	-576	-595	-625
- Performing	-7	-7	-6	-308	-300	-343
- Non-performing	0	-1	-1	-268	-295	-282
Allowances for collectively assessed impaired loans	-3	-2	-6	-388	-352	-287
Allowances	**-10**	**-10**	**-13**	**-964**	**-947**	**-912**
Loans and receivables, carrying amount	**35,427**	**24,262**	**33,637**	**272,149**	**244,682**	**238,719**

Note 4, continued

Reconciliation of allowance accounts for impaired loans

	Credit institutions		The public		Total		
Loans and receivables, EURm	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Total
Opening balance at 1 Jan 2008	**-8**	**-2**	**-595**	**-352**	**-603**	**-354**	**-957**
Provisions	0	-2	-247	-81	-247	-83	-330
Reversals	1	1	157	47	158	48	206
Changes through the income statement	**1**	**-1**	**-90**	**-34**	**-89**	**-35**	**-124**
Allowances used to cover write-offs	0	0	101	0	101	0	101
Currency translation differences	0	0	8	-2	8	-2	6
Closing balance at 30 Sep 2008	**-7**	**-3**	**-576**	**-388**	**-583**	**-391**	**-974**
Opening balance at 1 Jan 2007	**-7**	**-13**	**-757**	**-341**	**-764**	**-354**	**-1,118**
Provisions	0	-1	-230	-166	-230	-167	-397
Reversals	0	10	238	126	238	136	374
Changes through the income statement	**0**	**9**	**8**	**-40**	**8**	**-31**	**-23**
Allowances used to cover write-offs	0	0	150	0	150	0	150
Reclassification	-	-1	-	33	-	32	32
Currency translation differences	-1	3	4	-4	3	-1	2
Closing balance at 31 Dec 2007	**-8**	**-2**	**-595**	**-352**	**-603**	**-354**	**-957**
Opening balance at 1 Jan 2007	**-7**	**-13**	**-757**	**-341**	**-764**	**-354**	**-1,118**
Provisions	0	-1	-176	-70	-176	-71	-247
Reversals	-	2	197	86	197	88	285
Changes through the income statement	**0**	**1**	**21**	**16**	**21**	**17**	**38**
Allowances used to cover write-offs	-	-	87	-	87	-	87
Currency translation differences	0	6	24	38	24	44	68
Closing balance at 30 Sep 2007	**-7**	**-6**	**-625**	**-287**	**-632**	**-293**	**-925**

Allowances and provisions

EURm	30 Sep 2008	31 Dec 2007	30 Sep 2007
Allowances for items in the balance sheet	-974	-957	-925
Provisions for off balance sheet items	-76	-55	-125
Total allowances and provisions	**-1,050**	**-1,012**	**-1,050**

Key ratios

	30 Sep 2008	31 Dec 2007	30 Sep 2007
Impairment rate, gross[1], %	0.54	0.53	0.53
Impairment rate, net[2], %	0.35	0.31	0.30
Total allowance rate[3], %	0.32	0.35	0.34
Allowance rate, impaired loans[4], %	34.76	42.11	43.35
Non-performing loans and receivables, not impaired[5], EURm	98	98	94

[1] Individually assessed impaired loans and receivables before allowances divided by total loans and receivables before allowances, %.

[2] Individually assessed impaired loans and receivables after allowances divided by total loans and receivables before allowances, %.

[3] Total allowances divided by total loans and receivables before allowances, %.

[4] Allowances for individually assessed impaired loans and receivables divided by individually assessed impaired loans and receivables before allowances, %.

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

Note 5 Classification of financial instruments

EURm	Loans and receivables	Held to maturity	Held for trading	Assets at fair value	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	2,628						2,628
Treasury bills and other eligible bills	11	2,163	7,415				9,589
Loans and receivables to credit institutions	24,405		11,022				35,427
Loans and receivables to the public	225,897		11,619	34,633			272,149
Interest-bearing securities		3,967	16,434	16,608		49	37,058
Financial instruments pledged as collateral			3,370				3,370
Shares			4,389	9,435		8	13,832
Derivatives			45,798		348		46,146
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-68						-68
Other assets	5,300			3,685			8,985
Prepaid expenses and accrued income	1,938		466				2,404
Total 30 Sep 2008	**260,111**	**6,130**	**100,513**	**64,361**	**348**	**57**	**431,520**
Total 31 Dec 2007	231,608	1,632	84,502	63,053	415	66	381,276
Total 30 Sep 2007	227,869	1,707	90,188	59,021	381	68	379,234

EURm	Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	6,967			35,965	42,932
Deposits and borrowings from the public	5,987	6,240		142,852	155,079
Liabilities to policyholders, investment contracts	4,444				4,444
Debt securities in issue	5,359	36,928		71,460	113,747
Derivatives	43,945		437		44,382
Fair value changes of the hedged items in portfolio hedge of interest rate risk				-187	-187
Other liabilities	8,570	3,446		7,783	19,799
Accrued expenses and prepaid income	82			3,329	3,411
Subordinated liabilities				8,072	8,072
Total 30 Sep 2008	**75,354**	**46,614**	**437**	**269,274**	**391,679**
Total 31 Dec 2007	57,624	37,113	699	245,760	341,196
Total 30 Sep 2007	64,275	37,947	655	237,011	339,888

Note 6 Financial instruments at fair value

Determination of fair value from quoted market prices or valuation techniques

EURm	Instruments with quoted prices (Level 1)	*Of which Life*	Valuation technique using observable data (Level 2)	*Of which Life*	Valuation technique using non-observable data (Level 3)	*Of which Life*	Total
Assets							
Interest-bearing securities and Treasury bills and other eligible bills[1]	37,982	*15,824*	2,244	*1,445*	280	*137*	40,506
Of which:							
- State and sovereigns	*10,759*	*4,326*	*-*	*-*	*-*	*-*	*10,759*
- Municipalities and other public bodies	*485*	*414*	*294*	*278*	*-*	*-*	*779*
- Mortgage institutions	*18,255*	*6,912*	*361*	*266*	*143*	*-*	*18,759*
- Other credit institutions	*3,967*	*1,594*	*734*	*480*	*-*	*-*	*4,701*
- Corporates	*2,738*	*991*	*226*	*225*	*-*	*-*	*2,964*
- Corporates, sub-investment grade	*1,258*	*1,201*	*-*	*-*	*-*	*-*	*1,258*
- Other	*520*	*386*	*629*	*196*	*137*	*137*	*1,286*
Financial instruments pledged as collateral	3,370	*8*	-	-	-	-	3,370
Shares	11,739	*4,784*	1,099	*1,099*	994	*292*	13,832
Derivatives	762	-	42,920	-	2,116	-	45,798
Liabilities							
Debt securities in issue	31,654	-	10,633	-	-	-	42,287
Derivatives	593	-	41,126	*102*	2,226	-	43,945

[1] Of which EUR 7,415m Treasury bills and other eligible bills and EUR 33,091m Interest-bearing securities (The portion held at fair value in note 5).

Special Purpose Entities (SPEs) - On balance

EURm	Purpose	Duration	Nordea share of investment	Total issue	Accounting treatment
Viking Group	Factoring	<1 years	648	686	Consolidated
CMO Denmark A/S	Collateralised Mortgage Obligation	>5 years	2	33	Consolidated
Kalmar Structured Finance A/S	Credit Linked Note	>5 years	1	147	Consolidated
Nordea Bank Finland Plc[1]	Credit Linked Note	1-3 years	-	305	On balance
Total			**651**	**1,171**	

[1] Not a separate SPE. Has been included to account for Nordea's total activities in securitisations.

Special Purpose Entities (SPEs) - Off balance

EURm	Purpose	Duration	Nordea share of investment	Total issue	Accounting treatment
Mermaid Repackaging Plc	Collateralised Debt Obligation	4 years	-	78	Not consolidated[1]

[1] Nordea is arranger of the issues structured through Mermaid Repackaging Plc but is not liquidity or credit enhancement provider.

Collateralised Debt Obligations (CDO) - Exposure

Notionals EURm	Bought	Sold
CDOs, gross	4,836	4,029
Hedged exposures	2,928	2,928
CDOs, net[1]	**1,908[2]**	**1,101[3]**
Of which:		
- Equity	*319*	*123*
- Mezzanine	*542*	*279*
- Super senior	*1,047*	*699*

[1] Net exposure disregards exposure where bought and sold tranches are completely identical in terms of reference pool attachment, detachment, maturity and currency.
[2] Of which investment grade EUR 1,538m and sub investment grade EUR 370m.
[3] Of which investment grade EUR 949m and sub investment grade EUR 152m.

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

Credit Default Swaps (CDS) - Exposure

CDSs are used for hedging exposure in CDOs as well as Credit Bonds. The net position from bought protection amounts to EUR 1,723m and the net position from sold protection amounts to EUR 2,130m.

Note 7 Derivatives

Fair value	30 Sep 2008		31 Dec 2007		30 Sep 2007	
EURm	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives	21,698	22,544	19,860	20,462	19,414	20,247
Equity derivatives	1,013	1,055	1,310	1,840	1,471	1,978
Foreign exchange derivatives	18,367	15,853	7,365	7,599	9,291	10,199
Credit derivatives	2,886	2,734	1,163	1,115	861	817
Other derivatives	1,834	1,759	1,385	1,308	930	895
Total	**45,798**	**43,945**	**31,083**	**32,324**	**31,967**	**34,136**
Derivatives used for hedging						
Interest rate derivatives	187	94	252	124	211	171
Equity derivatives	4	15	55	73	91	116
Foreign exchange derivatives	157	328	108	502	79	368
Total	**348**	**437**	**415**	**699**	**381**	**655**
Total fair value						
Interest rate derivatives	21,885	22,638	20,112	20,586	19,625	20,418
Equity derivatives	1,017	1,070	1,365	1,913	1,562	2,094
Foreign exchange derivatives	18,524	16,181	7,473	8,101	9,370	10,567
Credit derivatives	2,886	2,734	1,163	1,115	861	817
Other derivatives	1,834	1,759	1,385	1,308	930	895
Total	**46,146**	**44,382**	**31,498**	**33,023**	**32,348**	**34,791**

Nominal amount	30 Sep	31 Dec	30 Sep
EURm	2008	2007	2007
Derivatives held for trading			
Interest rate derivatives	3,079,948	2,571,356	2,464,197
Equity derivatives	25,066	27,334	20,052
Foreign exchange derivatives	776,621	667,979	606,007
Credit derivatives	96,501	90,476	92,495
Other derivatives	15,396	10,635	11,315
Total	**3,993,532**	**3,367,780**	**3,194,066**
Derivatives used for hedging			
Interest rate derivatives	22,365	32,918	24,758
Equity derivatives	98	253	440
Foreign exchange derivatives	6,205	4,381	5,594
Total	**28,668**	**37,552**	**30,792**
Total nominal amount			
Interest rate derivatives	3,102,313	2,604,274	2,488,955
Equity derivatives	25,164	27,587	20,492
Foreign exchange derivatives	782,826	672,360	611,601
Credit derivatives	96,501	90,476	92,495
Other derivatives	15,396	10,635	11,315
Total	**4,022,200**	**3,405,332**	**3,224,858**

Note 8 Equity

	Attributable to shareholders of Nordea Bank AB (publ)					
EURm	Share capital[1]	Other reserves	Retained earnings	**Total**	**Minority interests**	**Total equity**
Opening balance at 1 Jan 2008	**2,597**	**-160**	**14,645**	**17,082**	**78**	**17,160**
Net change in available-for-sale investments, net of tax		-5		-5		-5
Net change in cash flow hedges, net of tax		-3		-3		-3
Currency translation differences		-97		-97		-97
Net income recognised directly in equity		*-105*		*-105*		*-105*
Net profit for the period			2,033	2,033	2	2,035
Total recognised income and expense in equity		*-105*	*2,033*	*1,928*	*2*	*1,930*
Issued C-shares[3]	3			3		3
Repurchase of C-shares[3]			-3	-3		-3
Share-based payments[3]			7	7		7
Dividend for 2007			-1,297	-1,297		-1,297
Purchases of own shares[2]			5	5		5
Other changes				0	-1	-1
Closing balance at 30 Sep 2008	**2,600**	**-265**	**15,390**	**17,725**	**79**	**17,804**

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

	Attributable to shareholders of Nordea Bank AB (publ)					
EURm	Share capital[1]	Other reserves	Retained earnings	**Total**	**Minority interests**	**Total equity**
Opening balance at 1 Jan 2007	**2,594**	**-111**	**12,793**	**15,276**	**46**	**15,322**
Net change in available-for-sale investments, net of tax		6		6		6
Currency translation differences		-12		-12		-12
Net income recognised directly in equity		*-6*		*-6*		*-6*
Net profit for the period			2,274	*2,274*	4	2,278
Total recognised income and expense in equity		*-6*	*2,274*	*2,268*	*4*	*2,272*
Issued C-shares[4]	3			3		3
Repurchase of C-shares[4]			-3	-3		-3
Share-based payments[4]			2	2		2
Dividend for 2006			-1,271	-1,271		-1,271
Purchases of own shares[2]			-3	-3		-3
Other changes					23	23
Closing balance at 30 Sep 2007	**2,597**	**-117**	**13,792**	**16,272**	**73**	**16,345**

[1] Total shares registered were 2,600 million (31 Dec 2007: 2,597 million, 30 Sep 2007: 2,597 million).

[2] Refers to the change in the trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares in the trading portfolio and in the portfolio schemes at 30 Sep 2008 was 0.9 million (31 Dec 2007: 1.6 million, 30 Sep 2007: 2.6 million).

[3] Refers to the Long Term Incentive Programme (LTIP 2008). LTIP 2008 was hedged by issuing 2,880,000 C-shares, the shares have been bought back and converted to ordinary shares.

[4] Refers to the Long Term Incentive Programme (LTIP 2007). LTIP 2007 was hedged by issuing 3,120,000 C-shares, the shares have been bought back and converted to ordinary shares.

Note 9 Capital adequacy

Capital Base[1]

EURm	30 Sep 2008	31 Dec 2007	30 Sep 2007
Tier 1 capital	15,275	14,230	13,921
Total capital base	20,542	18,660	18,534

Capital requirement EURm	30 Sep 2008 Capital requirement	30 Sep 2008 RWA	31 Dec 2007 Capital requirement	31 Dec 2007 RWA	30 Sep 2007 Capital requirement	30 Sep 2007 RWA
Credit risk	**14,186**	**177,320**	**12,556**	**156,952**	**12,908**	**161,346**
IRB foundation	7,743	96,786	6,709	83,865	7,205	90,065
- of which corporate	6,805	85,058	5,899	73,736	6,398	79,973
- of which institutions	811	10,136	744	9,302	727	9,085
- of which other	127	1,592	66	827	80	1,007
Standardised	6,443	80,534	5,387	67,342	5,319	66,486
- of which retail	4,420	55,251	3,953	49,414	4,088	51,098
- of which sovereign	25	316	19	243	24	295
- of which other	1,998	24,967	1,415	17,685	1,207	15,093
Basel I reporting entities	na	na	460	5,745	384	4,795
Market risk	**351**	**4,387**	**284**	**3,554**	**351**	**4,382**
- of which trading book, VaR	95	1,183	42	527	54	671
- of which trading book, non-VaR	256	3,204	242	3,027	285	3,567
- of which FX, non-VaR	0	0	0	0	12	144
Operational risk	**951**	**11,896**	**878**	**10,976**	**878**	**10,976**
Standardised	951	11,896	878	10,976	878	10,976
Sub total	**15,488**	**193,603**	**13,718**	**171,482**	**14,137**	**176,704**
Adjustment for transition rules						
Additional capital requirement according to transition rules	1,966	24,573	2,649	33,103	1,367	17,084
Total	**17,454**	**218,176**	**16,367**	**204,585**	**15,504**	**193,788**

Capital ratio

	30 Sep 2008	31 Dec 2007	30 Sep 2007
Tier I ratio, %, incl profit	7.0	7.0	7.2
Capital ratio, %, incl profit	9.4	9.1	9.6

Analysis of capital requirements

Exposure class	Average risk weight (%)	Capital requirement (EURm)
Corporate	56	6,805
Institutions	25	811
Retail	45	4,420
Sovereign	1	25
Other	82	2,125
Total credit risk		**14,186**

[1] Including the result for the first nine months. According to Swedish FSA rules (excluding the unaudited result for Q3): Tier 1 capital EUR 14,882m (30 Sep 2007: EUR 13,465m), capital base EUR 20,150m (30 Sep 2007: EUR 18,079m), Tier 1 capital ratio 6.8% (30 Sep 2007: 7.0%), total capital ratio 9.2% (30 Sep 2007: 9.3%).

Note 10 Risks and uncertainties

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

Nordea's main risk exposure is credit risk. The Group also assumes risks like market risk, liquidity risk, operational risk and life insurance risk. For further information on risk composition, see the Annual Report 2007.

The intensified credit market turmoil and the deteriorating macroeconomic outlook have so far not had material impact on Nordea's financial position. However, uncertainty and risk levels are increasing.

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

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

Nordea Bank AB (publ)

Income statement

EURm	Q3 2008	Q3 2007	Jan-Sep 2008	Jan-Sep 2007	Full year 2007
Operating income					
Interest income	*989*	*653*	*2,707*	*1,966*	*2,741*
Interest expense	*-873*	*-570*	*-2,372*	*-1,702*	*-2,381*
Net interest income	116	83	335	264 [1]	360
Fee and commission income	*157*	*157*	*475*	*453*	*618*
Fee and commission expense	*-39*	*-35*	*-117*	*-105*	*-155*
Net fee and commission income	118	122	358	348	463
Net gains/losses on items at fair value	49	108	4	156 [1]	192
Dividends	0	3	293	155	1,325
Other operating income	25	26	77	95	127
Total operating income	**308**	**342**	**1,067**	**1,018**	**2,467**
Operating expenses					
General administrative expenses:					
Staff costs	-154	-145	-472	-447	-596
Other expenses	-118	-118	-358	-380	-514
Depreciation, amortisation and impairment charges of tangible and intangible assets	-28	-23	-78	-76	-101
Total operating expenses	**-300**	**-286**	**-908**	**-903**	**-1,211**
Loan losses	-4	-13	-20	-15	25
Disposals of tangible and intangible assets	0	0	0	0	0
Operating profit	**4**	**43**	**139**	**100**	**1,281**
Appropriations	-11	-10	-34	-32	-44
Income tax expense	-12	-24	25	3	-34
Net profit for the period[2]	**-19**	**9**	**130**	**71**	**1,203**

[1] As reported in the interim report of Q3 2007, certain assets and liabilities in Nordea Markets were reclassified. Restatements of related items in the income statement have been made accordingly.

[2] The negative net profit in Nordea Bank AB (publ) in the period is mainly due to the treasury operations, where hedging strategies are used to reduce the volatility in the return on the Group's equity.

Nordea Bank AB (publ)
Balance sheet

EURm	30 Sep 2008	31 Dec 2007	30 Sep 2007
Assets			
Cash and balances with central banks	195	296	281
Treasury bills and other eligible bills	336	567	618
Loans and receivables to credit institutions	46,288	36,824	40,083
Loans and receivables to the public	31,086	26,640	23,897
Interest-bearing securities	7,450	5,216	5,038
Financial instruments pledged as collateral	2,613	2,806	542
Shares	1,219	2,034	2,936
Derivatives	1,654	1,281	1,312
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	-4	-5
Investments in group undertakings	15,616	15,488	16,820
Investments in associated undertakings	30	30	30
Intangible assets	770	819	810
Property and equipment	72	53	52
Deferred tax assets	27	34	37
Current tax assets	144	52	105
Other assets	826	1,940	834
Prepaid expenses and accrued income	644	402	391
Total assets	**108,970**	**94,478**	**93,781**
Liabilities			
Deposits by credit institutions	28,432	24,275	23,766
Deposits and borrowings from the public	34,737	32,296	31,009
Debt securities in issue	22,575	13,839	13,661
Derivatives	1,507	1,581	1,754
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-17	-69	-88
Current tax liabilities	0	0	0
Other liabilities	3,284	4,014	5,875
Accrued expenses and prepaid income	890	341	661
Deferred tax liabilities	0	2	2
Provisions	5	2	36
Retirement benefit obligations	124	129	133
Subordinated liabilities	6,685	6,151	6,178
Total liabilities	**98,222**	**82,561**	**82,987**
Untaxed reserves	**6**	**7**	**5**
Equity			
Share capital	2,600	2,597	2,597
Other reserves	-3	5	-
Retained earnings	8,145	9,308	8,192
Total equity	**10,742**	**11,910**	**10,789**
Total liabilities and equity	**108,970**	**94,478**	**93,781**
Assets pledged as security for own liabilities	2,891	3,054	1,241
Other assets pledged	7,507	7,270	781
Contingent liabilities	18,104	14,066	13,128
Derivative commitments	433,380	299,852	354,200
Credit commitments[1]	27,589	27,696	27,277
Other commitments	1,460	1,778	2,011

[1] Including unutilised portion of approved overdraft facilities of EUR 11,210m (31 dec 2007: 10,620m, 30 Sep 2007: 10,502m).

For further information:

- A press and analyst conference with management will be arranged on 23 October 2008 at 9.30 CET, at Smålandsgatan 17, Stockholm.
- An international telephone conference for analysts with management will be arranged on 23 October at 13.30 CET. (Please dial +44 (0) 203 037 9110, access code Nordea, 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 30 October, by dialling +44 (0) 208 196 1998, access code 7308947#.
- An analyst and investor presentation will be arranged in London on 24 October at 8.00 GMT at Sofitel London St James, 6 Waterloo Place, London SW1Y 4AN. To attend, please contact Sharon McClafferty by telephone +44 (0) 207 905 5662 or e-mail sharon.mcclafferty@abgsc.com.
- This interim report is available on www.nordea.com. An investor presentation and a fact book are available on www.nordea.com.

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Financial calendar

10 February 2009 – full-year report for 2008
2 April 2009 – Annual General Meeting
29 April 2009 – first quarterly report 2009
21 July 2009 – second quarterly report 2009
28 October 2009 – third quarterly report 2009

Stockholm 23 October 2008

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 information was submitted for publication at approx. 08.00 CET on 23 October 2008.

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

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