

**PROSPECTUS SUPPLEMENT DATED 8 NOVEMBER 2011 TO THE BASE
PROSPECTUS DATED 20 APRIL 2011**



Nordea Bank AB (publ)

(incorporated with limited liability in the Kingdom of Sweden)

€40,000,000,000

Euro Medium Term Note Programme

This prospectus supplement (the "**Prospectus Supplement**") supplements the base prospectus dated 20 April 2011 and the base prospectus supplements dated 4 May 2011, 28 July 2011 and 9 September 2011 (together, the "**Base Prospectus**") and constitutes a supplementary prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and is prepared in connection with the €40,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by Nordea Bank AB (publ) ("**Nordea Bank**"). Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement.

The purpose of this Prospectus Supplement is to supplement the Base Prospectus with the consolidated unaudited financial statements and related notes thereto from the Nordea Group's Third Quarter Report 2011 (as defined below) and to update the section of the Base Prospectus entitled "*Description of the Nordea Group*" with information on the organisational structure that is the basis for the Nordea Group's new financial reporting structure and with information on the Nordea Group's revised financial targets and strategy.

This Prospectus Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus issued by Nordea Bank.

This Prospectus Supplement has been approved by the United Kingdom Financial Services Authority (the "**FSA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom.

Nordea Bank accepts responsibility for the information contained in this Prospectus Supplement. To the best of the knowledge and belief of Nordea Bank (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement and (b) any other statement in, or incorporated by reference to the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Prospectus Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

Investors should be aware of their rights under Section 87(Q)(4) of the Financial Services and Markets Act 2000. An investor which has agreed, prior to the date of publication of this Prospectus Supplement, to purchase or subscribe for Notes issued under the Programme may withdraw its acceptance before the end of the period of two working days beginning with the first working day after the date on which this Prospectus Supplement is published in accordance with the Prospectus Directive.

With effect from the date of this Prospectus Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

Interim Report – January to September 2011

On 19 October 2011, Nordea Bank published its interim report for the nine-month period ended 30 September 2011 (the "**Third Quarter Report 2011**"). The Third Quarter Report 2011 contains unaudited consolidated interim financial statements. By virtue of this Prospectus Supplement, the unaudited consolidated income statement, the balance sheet, the statement of changes in equity and the cash flow statement and the related notes of the Third Quarter Report 2011 are set out in the annex to this Prospectus Supplement, and such annex forms part of, the Base Prospectus.

The Nordea Group – Nordea Group's Organisation

As set forth in Note 2 (Segment Reporting) on page F-6 of the annex to this Prospectus Supplement, the Nordea Group has changed its financial reporting structure as from the third quarter of 2011.

- (1) The following paragraph is inserted above the section entitled "*The Nordea Group – Nordea's Operating Model*" on page 92 of the Base Prospectus:

"Nordea Group's Organisation

Overview

Up to and including the second quarter of 2011, the Nordea Group's financial reporting structure was largely aligned with the customer areas under the previous operating model described below and the Nordea Group's operations were divided into Nordic Banking

(including the operations within Corporate Merchant Banking), New European Markets, Financial Institutions and Shipping, Oil Services & International, and Other Operating Segments and Group Functions."

(2) The following section entitled "*Recent Developments*" starting on page 98 of the Base Prospectus was amended by the addition of the sub-section entitled "*Recent Developments - Nordea Reorganisation*", as included on page 2 of the Base Prospectus Supplement dated 4 May 2011, and is now further amended as follows:

- the second and third paragraphs of such sub-section in the Base Prospectus Supplement dated 4 May 2011 are deleted in their entirety and replaced by inserting the following paragraphs:

"The Nordea Group's organisational structure, which was implemented in June 2011, is built around three main business areas: Retail Banking, Wholesale Banking and Wealth Management. In addition to the business areas, the Nordea Group's organisation includes the Group Operations and Other Lines of Business business unit. Group Corporate Centre and Group Risk Management are the other central parts of the Nordea Group's organisation. The Nordea Group's financial reporting structure has been based on the new organisational structure from and including the third quarter of 2011.

In the Nordea Group's organisation, all parts of the value chains – customer responsibility, support, products, staff and IT-development – have been incorporated into the three main business areas with the objective to improve efficiency, increase return on equity and deepen customer relationships. By organising the business areas around value chains, Nordea believes that the responsibilities for creating efficiencies will be clearer and that the Nordea Group will be able to respond to new regulatory and investor demands in a more agile manner. The purpose of the organisational structure is also to enable all people within the Nordea Group to work even closer to customers, including understanding and delivering on their needs and preferences. Similar to the Nordea Group's previous operating model, segmentation of customers and differentiating both the value proposition and resource allocation according to customer needs are at the core of the Nordea Group's customer strategy in the new organisation.

Of the Nordea Group's business areas, Retail Banking is responsible for customer relations with household customers as well as large, medium-sized and small corporate customers in the Nordic and Baltic Sea region. Retail Banking is responsible for segmentation (customer groups) as well as value propositions (customer programs), cross-border customer strategies and sales processes. The Retail Banking business is operated through Banking Denmark, Banking Finland, Banking Norway, Banking Sweden and Banking Poland & Baltic countries.

The Wholesale Banking business area further builds on the Nordea Group's customer-centric relationship banking approach and aims to ensure that all service and product

competences of the Nordea Group reach its large corporate customers. The Wholesale Banking business area includes the business units Corporate Merchant Banking, Capital Markets, Shipping and Financial Institutions.

Wealth Management includes the business units Private Banking (Nordic and International), Asset Management and Life & Pensions. The Private Banking business is operated through an integrated model with Retail Banking.

The business unit Group Operations and Other Lines of Business operates the Nordea Group's common development and services, including IT, Processes, Services, and Premises and Property. It also contains two lines of business that have their own value chains and operating models, namely Nordea Bank Russia and Nordea Finance.

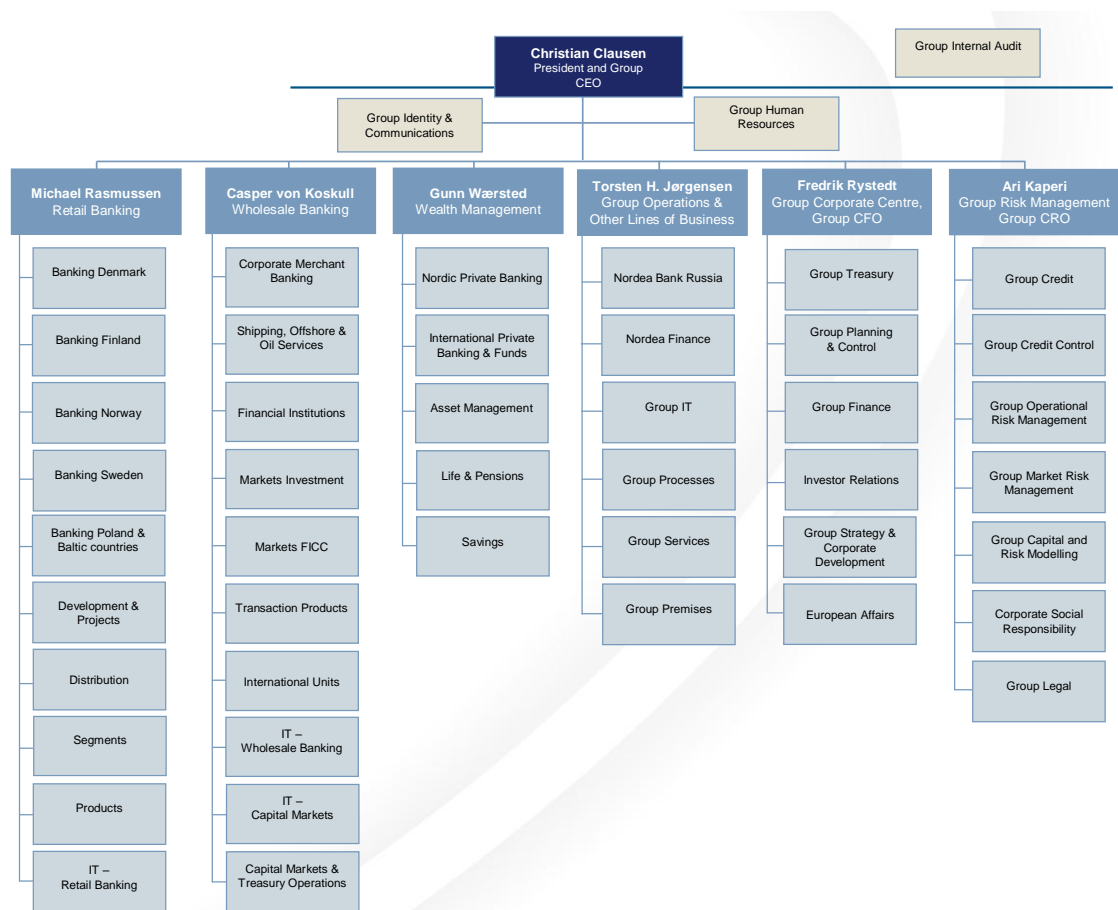
Group Corporate Centre and Group Risk Management are group functions that continue to operate in the same structure as they did in the Nordea Group's previous operating model.

Business Areas

At the core of the Nordea Group's strategy is segmentation of customers and differentiating both value proposition and resource allocation according to customer needs. The Nordea Group's customer activities are organised around two major customer groups: household customers and corporate customers. With both its household customers and corporate customers, the Nordea Group seeks to build long-term banking relationships and to become a lifetime financial partner by gaining an understanding of the customers' specific product and service needs and by offering products and advice tailored to meet those requirements.

To serve its household customers and corporate customers, the Nordea Group has divided its operations into three main business areas (Retail Banking, Wholesale Banking and Wealth Management) and the business unit Group Operations and Other Lines of Business. The business areas each comprise a number of business units which operate as separate profit units.

The following chart sets forth the Nordea Group's organisation.



Retail Banking

Retail Banking is the largest of the business areas in Nordea. Retail Banking is responsible for customer relations with household customers as well as large, medium-sized and small corporate customers in the Nordic and Baltic Sea region. Retail Banking is responsible for segmentation (customer groups) as well as value propositions (customer programs), cross-border customer strategies and sales processes. The Retail Banking business is operated through Banking Denmark, Banking Finland, Banking Norway, Banking Sweden and Banking Poland & Baltic countries.

Within Retail Banking, the Nordea Group operates a multi-channel distribution strategy in the household customer segment to ensure that household customers can access the bank when and how it suits them. The three core elements of Retail Banking's distribution strategy are branches, contact centers and on-line and mobile banking. Through the Nordea Group's common customer relationship system, the three distribution channels are fully integrated so that customer interaction in one channel is simultaneously recorded in all channels. The Nordea Group assigns household customers in each of the Nordic markets to different segments based on the business volume and number of products and services the customer has with the Nordea Group: Gold, Silver and Bronze customers in the Nordea Group's customer programs. Retail Banking advisors work to develop relationships with the

Nordea Group's household customers and to provide them with product solutions tailored to meet their individual banking needs.

In the Nordic markets, Retail Banking divides its corporate customers further into the following customer segments: Large, Medium and Small corporates. The aim for the Small, Medium and Large customer segments is to develop customer relationships and to become the house bank for their respective customers. Retail Banking has launched a concept to service small corporate customers with one adviser for both their corporate and their household business.

Wholesale Banking

The Wholesale Banking business area was established to further build on the Nordea Group's customer centric relationship banking approach and to ensure that all service and product competences of the Nordea Group reach its large corporate customers. This business area includes the business units Corporate Merchant Banking, Shipping, Offshore & Oil Services, Financial Institutions, separate Capital Markets unit and the International Units.

Corporate Merchant Banking

The Corporate Merchant Banking organisation serves the Nordea Group's largest Nordic customers in one central unit in each market. The Nordea Group seeks to establish strategic partnerships with its Corporate Merchant Banking customers by becoming their primary source for a wide range of financial services, including day-to-day banking services such as cash management. The Nordea Group provides Corporate Merchant Banking customers with tailored, highly individualised product solutions and terms. A central part of the Nordea Group's corporate strategy is to create value by relationship banking, through a named senior relationship manager responsible for developing and organising the customer relationship and having a total view of the customer's business and financial affairs. In the upper segments (Corporate Merchant Banking customers as well as Large corporate customers to a large degree), the Nordea Group's aim is to establish partnerships that develop into house bank relationships, comprising the full spectrum of financial services or to a high level of ancillary business.

Financial Institutions

When serving large financial institution customers, such as banks, investment banks, hedge funds and other financial institutions, the Nordea Group employs the relationship banking concept used for large corporates and for Corporate Merchant Banking customers, seeking to establish a strategic partnership with the customer and to provide specialised advice and tailored products and services.

Shipping, Offshore & Oil Services

Nordea believes that the Nordea Group has a solid recognition in the maritime sector. With a global business platform, strong syndication franchise and consistent presence in the market during business cycles, Nordea believes that the Nordea Group has positioned itself as a globally leading bank to the shipping, offshore and oil services industries, and further that the Nordea Group's exposure to the shipping, offshore and oil services industries is well diversified.

International Units

The Nordea Group operates an international network of branches in New York, London, Frankfurt, Shanghai and Singapore, as well as representative offices in Sao Paulo and Beijing. In addition to its own network, the Nordea Group has entered into various cooperation agreements with banks around the world. As a result, the Nordea Group is able to offer its corporate customers high-quality solutions for their international business. The product offering focuses on day-to-day banking services, credit products, cash management, trade finance and capital markets products. The Nordea Group's business in the Baltic countries is operated through branches of Nordea Bank Finland.

Wealth Management

Private Banking

The Nordea Group operates its Private Banking business through an integrated model with Retail Banking. The Nordea Group believes that this integrated operating model enables it to fully leverage the distribution capabilities and customer base of the whole Group as well as to utilise the investment and product development competencies in the Group.

In addition to its Nordic Private Banking operations, the Nordea Group engages in International Private Banking operations that are targeted to both customers of a Nordic origin domiciled outside the Nordic region and international customers of non-Nordic origin.

Asset Management

Asset Management is responsible for delivering the Nordea Group's savings products to household customers, including private banking customers. The savings product offering to household customers consists of savings account products, investment products such as investments funds, structured products, equity trading and fixed income products as well as life insurance and pension products. Asset Management is also responsible for the Nordea Group's asset management offerings to large corporate and institutional customers.

Life & Pensions

Life & Pensions covers product development and packaging of life insurance and pension products to corporate and household customers. Customers are served through banking branches, Life & Pensions own sales force or via tied agents and brokers."

- (3) The following section entitled "*Recent Developments*" starting on page 98 of the Base Prospectus was amended by the addition of the sub-section entitled "*Recent Developments - Nordea Reorganisation*", as included on page 2 of the Base Prospectus Supplement dated 4 May 2011, and is now further amended as follows:
- The fifth paragraph of such sub-section in the Base Prospectus Supplement dated 4 May 2011 is amended by:
 - the insertion of the sub-heading "Management";
 - the word "are" in the first sentence is deleted and replaced by the words "have been"; and
 - the words "will retire" in the first sentence is deleted and replaced by the words "has retired".

The Nordea Group – Strategy

On 19 October 2011 the Nordea Group announced its decision to replace the Nordea Group's previous financial targets with a single financial target. Due to this change:

- (1) the text in the section entitled "*The Nordea Group—Strategy*" on page 96 of the Base Prospectus is amended as follows:
- The third, fourth, fifth and sixth sentences of the first paragraph in the section of the Base Prospectus entitled "*The Nordea Group—Strategy*" are deleted.
- (2) the text in the sub-sections entitled "*The Nordea Group – Strategy - Growth Initiatives*" and "*The Nordea Group – Strategy - Efficiency Initiatives*" are deleted in their entirety.
- (3) the following paragraphs are inserted after the section entitled "*Recent Developments – Nordea Reorganisation*" (as included in this Base Prospectus Supplement on pages 3 to 8):

"Strategy

As part of the reorganisation, the Nordea Group's strategy is today based on relationship banking carefully balancing risks and opportunities and aims at:

- bringing the best expertise and making the best products available to customers;
- attracting and retaining customers in what the Nordea Group believes are the most attractive segments; and
- establishing partnerships with customers to the benefit of both the customer and the Nordea Group.

The Nordea Group believes that profitability will be key to maintaining a high credit rating, low funding costs and flexibility within the Nordea Group's capital position, and further believes that sound profitability is a prerequisite for providing customers with excellent customer experiences in a sustainable manner. For the Nordea Group to stay in what it sees as the top league in performance for its peer group of European banks, the Nordea Group believes it needs to increase the Group's return on equity by taking actions on both cost and capital efficiency, and at the same time continue to grow the Group's income. In line with this strategy, the Nordea Group has decided to replace the Group's previous financial targets with a single financial target, which is to reach a return on equity of 15 per cent. in a normalised macroeconomic environment.

Efficiency Initiatives

The Nordea Group has introduced efficiency initiatives aimed at both cost efficiency and asset and capital efficiency in order to mitigate the anticipated higher costs for banking in the changed business environment that is often referred to as the "New Normal." In June 2011, the Nordea Group implemented a new organisational structure, which Nordea believes will enable a continued focus on efficiency across value chains and on assisting customers in finding efficient solutions in the "New Normal." The new organisational structure aims to ensure improved accountability and a focused implementation of identified cost efficiency measures. The Nordea Group plans to contain cost growth in 2011 and, thereafter, maintain costs at an approximately unchanged level for a prolonged period of time. The Nordea Group's asset and capital efficiency initiatives aim at taking actions to achieve only moderate growth in RWA despite income growth. These initiatives include reviews of credit risk processes for further improving RWA efficiency as well as further roll-out of IRB models.

Household and Corporate Relationships

The Nordea Group's relationship strategies are divided into a household relationship strategy and a corporate relationship strategy.

Household Relationship Strategy

The household relationship strategy aims at moving existing customers to higher relationship segments, attracting new customers to enter relationship segments and freeing up more advisor time and reducing costs by multichannel distribution.

The Nordea Group believes that the successful implementation of the household relationship strategy will provide better income and growth potential, higher customer loyalty, more efficient services and lower risk, while also creating the customer benefits of a relationship-based and prioritised access to a named advisor, a long-term view on the customer relationship and attractive prices.

Corporate Relationship Strategy

The corporate relationship strategy aims to increase the Nordea Group's market share with its largest customers and give proactive advice on risk management products to medium-sized customers.

The Nordea Group believes that the successful implementation of the corporate relationship strategy will provide better income and growth potential, a balanced and diversified product mix and close partnership-based relationships and allow prudent risk taking, while also creating the customer benefits of relationship-based advice, access to the Nordea Group's products and balance sheet capacity, competitive prices and a partnership relation."

ANNEX

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Nordea Bank AB (publ)

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Income statement

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

Statement of comprehensive income

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

Balance sheet

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

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

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

Statement of changes in equity

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

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

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

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

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

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

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

Cash flow statement

EURm	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
<i>Operating activities</i>			
Operating profit	2,518	2,568	3,639
Adjustments for items not included in cash flow	425	1,779	1,619
Income taxes paid	-864	-877	-1,045
Cash flow from operating activities before changes in operating assets and liabilities	2,079	3,470	4,213
Changes in operating assets and liabilities	-9,299	-13,489	-6,411
Cash flow from operating activities	-7,220	-10,019	-2,198
<i>Investing activities</i>			
Sale/acquisition of business operations	-	-39	-46
Property and equipment	-74	-55	-98
Intangible assets	-153	-103	-181
Net investments in debt securities, held to maturity	7,792	2,062	1,991
Other financial fixed assets	-31	-8	1
Cash flow from investing activities	7,534	1,857	1,667
<i>Financing activities</i>			
New share issue	4	6	6
Issued/amortised subordinated liabilities	-1,120	194	194
Divestment/repurchase of own shares incl change in trading portfolio	-2	68	74
Dividend paid	-1,168	-1,006	-1,006
Cash flow from financing activities	-2,286	-738	-732
Cash flow for the period	-1,972	-8,900	-1,263
Cash and cash equivalents at beginning of the period	13,706	13,962	13,962
Translation difference	319	787	1,007
Cash and cash equivalents at end of the period	12,053	5,849	13,706
Change	-1,972	-8,900	-1,263
 Cash and cash equivalents	 30 Sep	 30 Sep	 31 Dec
The following items are included in cash and cash equivalents (EURm):	<u>2011</u>	<u>2010</u>	<u>2010</u>
Cash and balances with central banks	2,312	3,082	10,023
Loans to credit institutions, payable on demand	9,741	2,767	3,683

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

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

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

Notes to the financial statements

Note 1 Accounting policies

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

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

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2010 Annual Report, except for the categorisation of lending related commissions within "Net fee and commission income" and the recognition of repurchase agreements. These changes are further described below.

Categorisation of lending related commissions

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

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

Recognition of repurchase agreements and reverse repurchase agreements

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

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

Exchange rates

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

Note 2 Segment reporting

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

¹ Including the main business area Wealth Management.

² Included if provided to the Chief Operating Decision Maker.

Break-down of Retail Banking and Wholesale Banking

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

¹ Retail Banking Nordic includes banking operations in Denmark, Finland, Norway and Sweden, while Retail Banking Poland & Baltic countries includes banking operations in Estonia, Latvia, Lithuania, and Poland.

² Retail Banking Other includes the support areas Development & Projects, Distribution, Segments, Products and IT within the main business area Retail Banking.

³ Wholesale Banking Other includes the area International Units and the support areas Transaction Products and IT within the main business area Wholesale Banking.

Reconciliation between total operating segments and financial statements

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

¹ Consists of Group Risk Management, Group Internal Audit, Group Identity & Communications, Group Human Resources, Board of Directors and Executive Management.

² Impact on operating profit from internally developed and bought software expensed as incurred in the operating segments, but capitalised as required by IAS 38 in the group's balance sheet, EUR 137m (EUR 83m). Impact on operating profit from plan rates used in the segment reporting EUR 9m (EUR -2m).

Measurement of operating segments' performance

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

Changes in basis of segmentation

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

Note 3 Net fee and commission income

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

Note 4 Net result from items at fair value

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

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

Note 5 Other expenses

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

Note 6 Net loan losses

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

Key ratios

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

Note 7 Loans and impairment

	Total							
	30 Sep	30 Jun	31 Dec	30 Sep	30 Sep	30 Jun	31 Dec	30 Sep
EURm	2011	2011	2010	2010	2011	2011	2010	2010
Loans, not impaired	362,614	343,295	327,684	331,086				
Impaired loans	4,957	4,877	4,849	4,651				
- Performing	2,866	2,897	2,838	2,570				
- Non-performing	2,091	1,980	2,011	2,081				
Loans before allowances	367,571	348,172	332,533	335,737				
Allowances for individually assessed impaired loans	-1,780	-1,782	-1,752	-1,637				
- Performing	-1,004	-973	-969	-881				
- Non-performing	-776	-809	-783	-756				
Allowances for collectively assessed impaired loans	-605	-674	-782	-887				
Allowances	-2,385	-2,456	-2,534	-2,524				
Loans, carrying amount	365,186	345,716	329,999	333,213				
	Credit institutions				The public			
	30 Sep	30 Jun	31 Dec	30 Sep	30 Sep	30 Jun	31 Dec	30 Sep
EURm	2011	2011	2010	2010	2011	2011	2010	2010
Loans, not impaired	32,651	20,721	15,791	19,235	329,963	322,574	311,893	311,851
Impaired loans	26	26	33	36	4,931	4,851	4,816	4,615
- Performing	-	-	4	4	2,866	2,897	2,834	2,566
- Non-performing	26	26	29	32	2,065	1,954	1,982	2,049
Loans before allowances	32,677	20,747	15,824	19,271	334,894	327,425	316,709	316,466
Allowances for individually assessed impaired loans	-26	-26	-33	-35	-1,754	-1,756	-1,719	-1,602
- Performing	-	-	-4	-4	-1,004	-973	-965	-877
- Non-performing	-26	-26	-29	-31	-750	-783	-754	-725
Allowances for collectively assessed impaired loans	-2	-2	-3	-3	-603	-672	-779	-884
Allowances	-28	-28	-36	-38	-2,357	-2,428	-2,498	-2,486
Loans, carrying amount	32,649	20,719	15,788	19,233	332,537	324,997	314,211	313,980

Note 7, continued

Allowances and provisions

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

Key ratios

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

Note 8 Classification of financial instruments

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

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

Note 9 Financial instruments

Determination of fair value from quoted market prices or valuation techniques

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

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

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

Note 10 Derivatives

Fair value EURm	30 Sep 2011		31 Dec 2010		30 Sep 2010	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives	131,131	129,102	79,683	77,810	115,540	113,002
Equity derivatives	701	734	779	804	1,023	1,172
Foreign exchange derivatives	20,821	18,267	13,170	13,855	18,909	21,798
Credit derivatives	1,652	1,621	908	929	978	989
Commodity derivatives	784	724	1,534	1,525	841	777
Other derivatives	44	202	25	303	27	284
Total	155,133	150,650	96,099	95,226	137,318	138,022
Derivatives used for hedging						
Interest rate derivatives	1,541	392	461	422	856	289
Equity derivatives	-	-	0	1	0	1
Foreign exchange derivatives	743	317	265	238	270	244
Total	2,284	709	726	661	1,126	534
Total fair value						
Interest rate derivatives	132,672	129,494	80,144	78,232	116,396	113,291
Equity derivatives	701	734	779	805	1,023	1,173
Foreign exchange derivatives	21,564	18,584	13,435	14,093	19,179	22,042
Credit derivatives	1,652	1,621	908	929	978	989
Commodity derivatives	784	724	1,534	1,525	841	777
Other derivatives	44	202	25	303	27	284
Total	157,417	151,359	96,825	95,887	138,444	138,556
Nominal amount						
EURm					30 Sep 2011	31 Dec 2010 30 Sep 2010
Derivatives held for trading						
Interest rate derivatives					5,681,046	4,761,179 4,576,784
Equity derivatives					15,788	22,003 18,919
Foreign exchange derivatives					969,767	860,298 837,343
Credit derivatives					61,467	51,224 59,572
Commodity derivatives					17,372	15,823 16,216
Other derivatives					1,852	2,904 99
Total					6,747,292	5,713,431 5,508,933
Derivatives used for hedging						
Interest rate derivatives					50,087	29,643 30,917
Equity derivatives					-	9 20
Foreign exchange derivatives					7,512	4,526 4,426
Total					57,599	34,178 35,363
Total nominal amount						
Interest rate derivatives					5,731,133	4,790,822 4,607,701
Equity derivatives					15,788	22,012 18,939
Foreign exchange derivatives					977,279	864,824 841,769
Credit derivatives					61,467	51,224 59,572
Commodity derivatives					17,372	15,823 16,216
Other derivatives					1,852	2,904 99
Total					6,804,891	5,747,609 5,544,296

Note 11 Capital adequacy

Capital Base

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

Capital requirement

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

Capital ratio

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

Analysis of capital requirements

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

Note 12 Risks and uncertainties

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

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

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

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

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

Business definitions

Return on equity

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

Total shareholders return (TSR)

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

Risk-adjusted profit

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

Tier 1 capital

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

Tier 1 capital ratio

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

Loan loss ratio

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

Impairment rate, gross

Individually assessed impaired loans before allowances divided by total loans before allowances.

Impairment rate, net

Individually assessed impaired loans after allowances divided by total loans before allowances.

Total allowance rate

Total allowances divided by total loans before allowances.

Allowances in relation to impaired loans

Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

Total allowances in relation to impaired loans (provisioning ratio)

Total allowances divided by total impaired loans before allowances.

Non-performing, not impaired

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

Expected losses

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

Economic capital

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

RAROCAR

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

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

Nordea Bank AB (publ)

Accounting policies

The financial statements for the parent company, Nordea Bank AB (publ) are prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and IFRS with the amendments and exceptions following the recommendation RFR 2 "Accounting for Legal Entities" issued by the Swedish Financial Reporting Board and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11). Under RFR 2, the parent company shall apply all standards and interpretations issued by the IASB and IFRS IC to the extent possible within the framework of Swedish accounting legislation and considering the close tie

between financial reporting and taxation. The recommendation sets out the exceptions and amendments to IFRS that shall be made.

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2010 Annual Report, except for the categorisation of lending related commissions within "Net fee and commission income", which was changed in the first quarter 2011. More information on the categorisation of lending related commissions can be found in Note 1 for the Group.

Income statement

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

Nordea Bank AB (publ)

Balance sheet

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

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