

# Nordea



**First Quarter 2019**

# First Quarter Results 2019

## CEO Casper von Koskull's comments on the results:

"Through the actions we have taken in recent quarters there are now some encouraging signs of improved business momentum, although lending margins are under continued pressure and market making activities remain challenging.

Compared to the previous quarter, reported revenues were largely unchanged while revenues excluding items affecting comparability increased by 4%. Reported costs increased by 5%, while costs adjusted for resolution fees in this quarter and excluding items affecting comparability were down 7%.

Our priorities are very clear – to increase business momentum and at the same time reduce the structural cost base; we are executing on both.

This quarter, there has been an intense debate about various anti-money laundering ("AML") issues. It is a very complex and broad issue in society and we take our responsibility very seriously. We have previously stated that we expect to be fined in Denmark for our past weak AML processes and procedures, and we are consequently making a provision of EUR 95m for AML-related matters. Having invested more than EUR 700m in strengthening our risk and compliance activities in 2016–2018, we are confident that our compliance platform is of sounder quality, making us a safe and trusted partner".

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

## Summary key figures

	Q1 2019	Q4 2018	Chg %	Local curr.	Q1 2018	Chg %	Local curr. %
<b>EURm</b>							
Net interest income	1,056	1,142	-8	-7	1,116	-5	-4
Total operating income	2,115	2,119	0	0	2,378	-11	-10
Total operating income, excl. items affecting comparability <sup>1</sup>	2,115	2,033	4	4	2,243	-6	-4
Total operating expenses	-1,452	-1,384	5	5	-1,372	6	7
Total operating expense, excl. items affecting comparability <sup>2</sup>	-1,357	-1,243	9	10	-1,372	-1	0
Profit before loan losses	663	735	-10	-9	1,006	-34	-33
Net loan losses	-42	-30	40	40	-40	5	5
Operating profit	621	705	-12	-11	966	-36	-35
Operating profit, excl. items affecting comp. and adj. resolution fees <sup>1,2,3</sup>	871	718	21		956	-9	
Diluted earnings per share, EUR	0.10	0.13			0.18		
Common Equity Tier 1 capital ratio, %	14.6	15.5			19.8		
Cost/income ratio, %	69	65			58		
Cost/income ratio excl. items affecting comparability <sup>2</sup> , %	64	61			61		
Loan loss ratio, basis points	7	5			7		
ROE, %	5.5	6.3			9.0		
ROE with amortised resolution fees excl items affecting comp. %	8.1	6.7			8.9		

Exchange rates used for Q1 2019 for income statement items are for DKK 7.4636, NOK 9.7459 and SEK 10.4181.

<sup>1</sup> Excl. Items affecting comparability in Q4 2018: EUR 50m gain from revaluation of Euroclear, EUR 38m after tax, and EUR 36m gain related to sale of Ejendomme. Q1 2018: EUR 135m gain from valuation model update in Denmark, EUR 105m after tax.

<sup>2</sup> Excl. Items affecting comparability in Q1 2019: EUR 95m non-deductible expense related to provision for ongoing AML-related matters.

In Q4 2018: EUR 141m loss from impairment of goodwill in Russia.

<sup>3</sup> Adjusted for resolution fees: In Q1 2019 EUR 207m and in Q4 2018 EUR 167m.

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## CEO comment

2019 started with a rebound in market sentiment, with the MSCI world index recovering 12% from a 11% drop in Q4 2018. However, the macro economic outlook remains mixed and we continue to be mindful of the economic, geopolitical and market uncertainties that persist. Given the active de-risking, we have carried out in previous years, and with a strong balance sheet, we are in a good position to manage the bank through the cycle.

Nordea's priorities are very clear – to increase business momentum and at the same time reduce structural costs: we are executing on both.

Through the actions we have taken in recent quarters there are now some encouraging signs of improved business momentum, although lending margins are under continued pressure and market making activities remain challenging. Compared to the previous quarter, reported revenues were largely unchanged while revenues excluding items affecting comparability increased by 4%, due to improved fees and commission and net fair value.

Net interest income decreased by 7% compared to the previous quarter, mainly driven by higher regulatory costs, fewer interest days and continuing pressure on household lending margins.

However, volume growth improved in the household sector. Our market share for new net lending in Swedish mortgages steadily increased from October 2018 and is now approximately 10% albeit we are still not where we want to be. In Norway, we continue to grow at approximately 6% and we consolidated Gjensidige Bank in to our business in March, increasing our market share in Norway to approximately 12%. In the corporate segment, volumes continued to improve with end of period volumes increasing 2% this quarter.

Fees and commission improved by 3% from the previous quarter. Our investments in Private Banking Norway and Sweden are bearing fruit and we had a positive net inflow of EUR 0.7bn in the quarter with total new net inflow in Asset and Wealth Management of over EUR 1bn. We have established new partnerships with Affiliated Managers Group and extended distribution channels as well as launched eleven new ESG funds. In Personal Banking, our customer activity is improving and the number of savings advisory sessions with customers increased by 36% compared to same period in 2018, while meetings with Nora, our robot advisor, increased 8 times.

Our capital markets and trading businesses improved significantly from a weak fourth quarter, but trading conditions remain challenging. Net fair value is still somewhat below what we estimate to be the long-term trend.

Underlying costs, excluding resolution fees and items affecting comparability<sup>1</sup> decreased by 7% to EUR 1.16bn and 4% from the first quarter of 2018. We are on track to meet the target to reduce costs<sup>2</sup> in constant currencies in 2019 compared to 2018.

Credit quality remained robust and loan losses were 7 bps in the quarter. We continue to expect largely unchanged credit quality in the coming quarters.

Adjusted operating profit<sup>3</sup> increased by 21% from the previous quarter whilst statutory operating profit decreased by 11%.

<sup>1</sup> Provision of EUR 95m in Q1 2019 and goodwill write-down of EUR 141m in Q4 2018

<sup>2</sup> Adjusted for the goodwill write-down of EUR 141m in 2018, transaction costs of EUR 90m in 2019, higher resolution fee in 2019 and provision of EUR 95m in Q1 2019

<sup>3</sup> Adjusted for resolution fees (Q418: 167m and Q119: 207m) and items affecting comparability

<sup>4</sup> Adjusted for resolution fees

Net profit decreased by 11% from the previous quarter. Return on equity excluding items affecting comparability and with periodised resolution fees improved 200 bps to 8.1% in the quarter.

The CET1 ratio decreased to 14.6% mainly due to the acquisition of Gjensidige, increased lending volumes and IFRS16. The management buffer is 130bps over the nominal capital commitment made as part of our transition to the banking union.

In Personal Banking, lending volumes increased and market share for new net lending has improved in Sweden. However, income was affected negatively by sustained pressure on lending margins. Adjusted for Intragroup accounting effects, income was down by 2%, and costs<sup>4</sup> decreased by 1%.

Commercial and Business banking income was affected positively by higher lending volumes, higher deposit margins, and good activity in cash management. Adjusted for Intragroup accounting effects, income was down by 2% and costs<sup>4</sup> decreased by 5%.

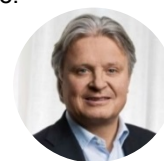
Wholesale banking income improved driven by stronger customer activity and recovery in market making activities from the low levels seen in Q4. Lending volumes increased across all markets. Revenues increased 9%, while costs<sup>4</sup> decreased by 3%.

Asset and Wealth Management saw positive net new inflow of EUR 1bn in the quarter, and the strong market environment lifted the AuM above EUR 300bn again, an increase over 7%. Revenues were largely unchanged while costs<sup>4</sup> decreased by 4%.

This quarter, there has been an intense debate about various anti-money laundering (“AML”) issues. We have previously stated that we expect to be fined in Denmark for our past weak AML processes and procedures, and we are consequently making a provision of EUR 95m for AML-related matters.

We take our responsibility very seriously and have invested more than EUR 700m in risk, compliance and resilience in recent years. However, this is a broader societal issue and we encourage strengthened co-operation between banks and authorities, to prevent financial crime. Harmonisation of anti-money-laundering rules and supervisory practices are necessary, and we would support the creation of an EU-level agency, with the purpose of combating money laundering and financial crime. Our efforts however, will continue unabated and our significant investments underline that Nordea has taken a clear stance on not accepting being used as a platform for financial crime.

In summary, we are confident that our compliance platform is of sounder quality, making us a safe and trusted partner. We are committed to continue to execute on our plans to improve our business momentum and market shares while reducing our structural cost base.



**Casper von Koskull**  
President and Group CEO

# Outlook

Throughout Nordea, we are intensifying our efforts to increase business momentum and each business area has identified a number of initiatives to drive client value and revenue growth. Examples include investments in Private Banking in Norway and Sweden, the acquisition of Gjensidige Bank, new distribution channels within Asset Management and Wholesale Banking and actions to regain momentum on mortgages, where we are already starting to see results.

The key drivers behind the structural cost efficiency are increased usage of automation and robotics, the ongoing ramp-up in Poland and Estonia and outsourcing of Group Technology mainframe to IBM. We are also simplifying by harmonising products and services and leveraging scale by further consolidating common units, for instance global operations and services.

## Costs

For 2021, we expect the cost base in constant currencies to be approximately 3% below the 2018 cost base excluding items affecting comparability in 2018<sup>1</sup> and cash costs are expected to be down by up to 10% in constant currencies over the same period.

Costs for 2019 are expected to be lower in constant currencies compared to 2018 excluding items affecting comparability in 2018 and 2019<sup>2</sup> and the total cash cost is expected to be lower in constant currencies over the same period.

## Credit quality

Our expectation for the coming quarters is that net losses will remain low and around the average level for 2018.

## Capital policy

Given the implementation of transitional arrangements agreed with the ECB following Nordea's transfer to the Banking Union and with the aim to maintain the same nominal management buffer, the management buffer has been adjusted from a range of 50–150 bps to 40–120 bps. This is mainly a technical adjustment and hence the management buffer remains largely unchanged in nominal EUR amounts. The current level of the management buffer is approximately EUR 2.2bn (130 bps). Nordea aims to achieve a yearly increase in the dividend per share, while maintaining a strong capital position in line with the capital policy.

<sup>1</sup> Goodwill write-down of EUR 141m in Q4 2018

<sup>2</sup> Adjusted for the goodwill write-down of EUR 141m in 2018, transaction costs of EUR 90m in 2019, higher resolution fee in 2019 and provision of EUR 95m in Q1 2019

# Income statement

	Q1 2019	Q4 2018	Chg %	Local curr. %	Q1 2018	Chg %	Local curr. %
<b>EURm</b>							
Net interest income	1,056	1,142	-8	-7	1,116	-5	-4
Net fee and commission income	737	720	2	3	770	-4	-3
Net result from items at fair value	264	182	45	41	441	-40	-40
Profit from associated undertakings and joint ventures accounted for under the equity method	14	15			28		
Other operating income	44	60	-27	-25	23	91	96
<b>Total operating income</b>	<b>2,115</b>	<b>2,119</b>	<b>0</b>	<b>0</b>	<b>2,378</b>	<b>-11</b>	<b>-10</b>
Staff costs	-718	-744	-3	-3	-798	-10	-9
Other expenses	-594	-390	52	53	-503	18	20
Depreciation, amortisation and impairment charges of tangible and intangible assets	-140	-250	-44	-44	-71	97	99
<b>Total operating expenses</b>	<b>-1,452</b>	<b>-1,384</b>	<b>5</b>	<b>5</b>	<b>-1,372</b>	<b>6</b>	<b>7</b>
<b>Profit before loan losses</b>	<b>663</b>	<b>735</b>	<b>-10</b>	<b>-9</b>	<b>1,006</b>	<b>-34</b>	<b>-33</b>
Net loan losses	-42	-30	40	40	-40	5	5
<b>Operating profit</b>	<b>621</b>	<b>705</b>	<b>-12</b>	<b>-11</b>	<b>966</b>	<b>-36</b>	<b>-35</b>
Income tax expense	-178	-200	-11	-11	-229	-22	-21
<b>Net profit for the period</b>	<b>443</b>	<b>505</b>	<b>-12</b>	<b>-11</b>	<b>737</b>	<b>-40</b>	<b>-39</b>

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

	31 Mar 2019	31 Dec 2018	Chg %	Local curr. %	31 Mar 2018	Chg %	Local curr. %
<b>EURbn</b>							
Loans to the public	325.6	308.3	6	6	310.9	5	5
Loans to the public, excl. repos	300.6	291.6	3	3	287.5	5	5
Deposits and borrowings from the public	176.3	165.0	7	7	174.0	1	1
Deposits from the public, excl. repos	166.6	160.2	4	4	161.0	3	3
Total assets	590.2	551.4	7		580.2	2	
Assets under management	300.2	282.6	6		320.1	-6	
Equity	30.5	32.9	-7		31.0	-2	

# Ratios and key figures<sup>2</sup>

	Q1 2019	Q4 2018	Chg %	Q1 2018	Chg %
Diluted earnings per share, EUR	0.10	0.13	-23	0.18	-44
EPS, rolling 12 months up to period end, EUR	0.68	0.76	-11	0.72	-6
Share price <sup>1</sup> , EUR	6.80	7.30	-7	8.66	-21
Total shareholders' return, %	3.3	-17.5		-3.9	
Equity per share <sup>1</sup> , EUR	7.55	8.15	-7	7.63	-1
Potential shares outstanding <sup>1</sup> , million	4,050	4,050	0	4,050	0
Weighted average number of diluted shares, mn	4,033	4,037	0	4,038	0
Return on equity, %	5.5	6.3		9.0	
Return on tangible equity, %	6.4	7.2		10.2	
Return on Risk Exposure Amount, %	1.1	1.3		2.4	
Return on Equity with amortised resolution fees, %	7.0	5.9		10.2	
Cost/income ratio, %	69	65		58	
Cost/income ratio with amortised resolution fees, %	61	67		52	
Loan loss ratio, basis points <sup>3</sup>	7	5	40	7	0
Common Equity Tier 1 capital ratio <sup>1,4,5</sup> , %	14.6	15.5		19.8	
Tier 1 capital ratio <sup>1,4,5</sup> , %	17.1	17.3		22.2	
Total capital ratio <sup>1,4,5</sup> , %	19.5	19.9		25.2	
Tier 1 capital <sup>1,4</sup> , EURbn	27.8	27.0	3	27.3	2
Risk exposure amount <sup>4</sup> , EURbn	163	156	5	123	33
Number of employees (FTEs) <sup>1</sup>	29,284	28,990	1	30,082	-3
Economic capital <sup>1</sup> , EURbn	28.2	26.6	6	26.2	8

<sup>1</sup> End of period.

<sup>2</sup> For more detailed information regarding ratios and key figures defined as Alternative performance measures, see [www.nordea.com/en/investor-relations/](http://www.nordea.com/en/investor-relations/).

<sup>3</sup> Including Loans to the public reported in Assets held for sale in Q1 2018.

<sup>4</sup> Including the result for the period.

<sup>5</sup> Changes to the applicable capital requirements regime (for more details, please see chapter Other information).

# Income statement

## Excluding items affecting comparability<sup>1</sup>

	Q1 2019	Q4 2018	Chg %	Local curr. %	Q1 2018	Chg %	Local curr. %
<b>EURm</b>							
Net interest income	1,056	1,142	-8	-7	1,116	-5	-4
Net fee and commission income	737	720	2	3	770	-4	-3
Net result from items at fair value	264	132	100	93	306	-14	-13
Profit from associated undertakings and joint ventures accounted for under the equity method	14	15			28		
Other operating income	44	24	83	88	23	91	96
<b>Total operating income</b>	<b>2,115</b>	<b>2,033</b>	<b>4</b>	<b>4</b>	<b>2,243</b>	<b>-6</b>	<b>-4</b>
Staff costs	-718	-744	-3	-3	-798	-10	-9
Other expenses	-499	-390	28	28	-503	-1	1
Depreciation, amortisation and impairment charges of tangible and intangible assets	-140	-109	28	29	-71	97	99
<b>Total operating expenses</b>	<b>-1,357</b>	<b>-1,243</b>	<b>9</b>	<b>10</b>	<b>-1,372</b>	<b>-1</b>	<b>0</b>
<b>Profit before loan losses</b>	<b>758</b>	<b>790</b>	<b>-4</b>	<b>-4</b>	<b>871</b>	<b>-13</b>	<b>-12</b>
Net loan losses	-42	-30	40	35	-40	5	5
<b>Operating profit</b>	<b>716</b>	<b>760</b>	<b>-6</b>	<b>-5</b>	<b>831</b>	<b>-14</b>	<b>-13</b>
Income tax expense	-178	-188	-5	-5	-199	-11	-9
<b>Net profit for the period</b>	<b>538</b>	<b>572</b>	<b>-6</b>	<b>-5</b>	<b>632</b>	<b>-15</b>	<b>-14</b>

## Ratios and key figures<sup>1,2</sup>

	Q1 2019	Q4 2018	Chg %	Q1 2018	Chg %
Diluted earnings per share, EUR	0.13	0.14	-7	0.16	-19
EPS, rolling 12 months up to period end, EUR	0.64	0.67	-4	0.70	-9
Return on equity, %	6.7	7.1		7.7	
Return on tangible equity, %	7.7	8.2		8.8	
Return on Risk Exposure Amount, %	1.3	1.5		2.0	
Return on Equity with amortised resolution fees, %	8.1	6.7		8.9	
Cost/income ratio, %	64	61		61	
Cost/income ratio with amortised resolution fees, %	57	63		56	
ROCAR, %	8.0	8.5		9.5	

<sup>1</sup> Excl. items affecting comparability in Q1 2019: EUR 95m non-deductible expense related to provision for ongoing AML-related matters. Q4 2018: EUR 50m gain from revaluation of Euroclear, EUR 38m after tax, EUR 36m gain related to sale of Ejendomme and EUR 141m loss from impairment of goodwill in Q2 2018: tax free gain related to divestment of shares in UC EUR 87m and tax free gain related to the sale of Nordea Liv & Pension Denmark EUR 262m. In Q1 2018: EUR 135m gain from valuation model update in Denmark, EUR 105m after tax.

<sup>2</sup> For more detailed information regarding ratios and key figures defined as Alternative performance measures, see [www.nordea.com/en/investor-relations/](http://www.nordea.com/en/investor-relations/).

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# Macroeconomy and financial markets

The world economy weakened during the first quarter of 2019 as uncertainty about Brexit and the trade dispute between the US and China – hit not least production and order intake in the manufacturing sector hard. The service sector has, however, to a greater extent been able to keep up production. Amid good progress in the trade negotiations between the US and China and dovish statements from the major central banks, the negative trend in global stock markets, which characterised a large part of 2018, reversed during the first quarter. Amid weak economic indicators and disappointing inflation prints, the Fed has taken a wait-and-see approach in its tightening of monetary policy, and ECB has announced that the interest rate will be kept at the current level at least until the end of 2019. The signals that monetary policy will remain lenient for a long time yet led to a fall in bond yields. The relatively better US economic performance over the euro area led to a fall in EUR/USD. Oil prices rose significantly over the quarter, among other things due to production restrictions among OPEC and non-OPEC partners and the generally increasing risk appetite among investors.

## Denmark

The Danish economy ended 2018 on a strong note and leading indicators points to a solid growth outlook for 2019. Employment continues to increase and there is a large saving surplus in both households and non-financial companies. Within the manufacturing sector confidence has been trending downwards since mid-2018 in line with lower activity in the euro area. Nationalbanken maintained its -0.65% deposit rate in Q1 2019.

## Finland

The Finnish economy continued to grow at a strong pace in the end of 2018 boosted by positive development in private consumption and investments. However, net exports performed poorly and had a significant negative effect on growth. The start of 2019 has been solid for Finnish economy, but growth outlook seems more downbeat since the global slowdown will affect Finland more than it already has.

## Norway

The Norwegian economy grew nicely in Q4 2018 partly driven by a strong turnaround in oil related industries. But domestic demand is also growing at healthy pace. Forward-looking indicators point towards a continued relatively strong growth over the coming quarters. Norges Bank raised its key policy rate to 1.00% in March and will probably hike two more times this year. Amid higher oil prices NOK edged stronger in trade-weighted terms in Q1 2019.

## Sweden

The Swedish economy grew at a solid pace in Q4 2018 mainly driven by a surge in exports. Domestic demand was subdued due to a poor performance in fixed investments. Falling housing investments will weigh on investment growth during the coming quarters. The Riksbank hiked its rate for the first time in eight years in December to -0.25% Inflation has been low in the beginning of 2019 and the Riksbank left the repo rate unchanged at the April meeting. The trade-weighted SEK weakened during the first quarter.



# Group results and performance

## First quarter 2019

### Net interest income

Net interest income in local currencies was down 7% from the previous quarter. Deposit margins were up, and lending volumes continue to improve especially in the corporate segment and contributed positively while lending margins remain under pressure mainly in the household segment. Deposit guarantee fees, fewer interest days as well as FX impacted the quarter negatively.

### Personal banking

Net interest income was down 3% in local currencies from the previous quarter, mainly due to sustained pressure in lending margins in all countries. Fewer interest days also impacted negatively. Lending volumes were up in Norway, Denmark and Sweden. Deposit volumes also increased, and funding costs were lower from the previous quarter.

### Commercial and Business Banking

Net interest income was down 3% in local currencies from the previous quarter, driven by fewer day-count. Deposit margins improved while lending margins decreased. The positive volume trend continued while funding costs were lower than the previous quarter.

### Wholesale Banking

Net interest income was down 7% in local currencies from the previous quarter driven by lower margins and yield fees as well as fewer interest days.

### Asset and Wealth Management

Net interest income in Asset & Wealth Management was down EUR 2m from the previous quarter.

### Group Functions and Other

Net interest income in Treasury was EUR 24m lower from Q4 2018 mainly driven by lower overall accrual due to continued tight spreads in liquidity buffer as well as changed currency composition within the banking book related to structural FX exposures. Effects are partly temporary and the underlying accrual of both the core banking book and the liquidity buffer remains broadly in line with expectations and 2018.

### Lending volumes

Loans to the public in local currencies, excluding repos, were 3% up from the previous quarter. Average lending volumes in local currencies increased in Personal Banking mainly driven by higher volumes in Norway. In Commercial & Business Banking, volumes increased mainly driven by Business Banking Sweden. In Wholesale Banking, average lending volumes increased driven by Corporate & Investment Banking.

### Deposit volumes

Total deposits from the public in local currencies, excluding repos were 4% up from the previous quarter. Average deposit volumes increased in all business areas with the highest increase in Commercial & Business Banking.

### Net interest income per business area

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local currency Q1/Q4	Local currency Q1/Q1
<b>EURm</b>									
Personal Banking	517	535	507	520	539	-3%	-4%	-3%	-2%
Commercial & Business Banking	334	347	329	333	326	-4%	2%	-3%	4%
Wholesale Banking	213	230	234	234	228	-7%	-7%	-7%	-5%
Asset & Wealth Management	13	15	18	18	18	-13%	-28%	-13%	-27%
Group Functions and other	-21	15	35	5	5	-	-	-	-
<b>Total Group</b>	<b>1,056</b>	<b>1,142</b>	<b>1,123</b>	<b>1,110</b>	<b>1,116</b>	<b>-8%</b>	<b>-5%</b>	<b>-7%</b>	<b>-4%</b>

### Change in Net interest income

	Q1/Q4	Jan-Mar 19/18
<b>EURm</b>		
<b>NII beginning of period</b>	<b>1,142</b>	<b>1,116</b>
<b>Margin driven NII</b>	<b>-10</b>	<b>-74</b>
Lending margin	-30	-102
Deposit margin	20	28
<b>Volume driven NII</b>	<b>4</b>	<b>25</b>
Lending volume	5	29
Deposit volume	-1	-4
Day count	-28	0
Other <sup>1,2,3</sup>	-52	-11
<b>NII end of period</b>	<b>1,056</b>	<b>1,056</b>
<sup>1</sup> of which FX	-10	-19
<sup>2</sup> of which Baltics	-	-5
<sup>2</sup> of which DGS	-15	9

### Net fee and commission income

Net fee and commission income increased by 3% in local currencies from the previous quarter driven by significantly improved AuM levels, higher Payments & Cards fees and lending related fees. Brokerage & Corporate finance came down from the strong Q4 due to higher commission expenses in Wholesale Banking. Custody fees were down due to seasonality.

### Savings and investment commissions

Net fee and commission income from savings and investments decreased from the previous quarter to EUR 446m due to lower brokerage and corporate finance fees. Assets under Management (AuM) increased by EUR 17.6bn to EUR 300.2bn at the end of the quarter mainly due to the strong stock markets and positive net flow.

### Payments and cards and lending-related commissions

Lending-related net fee and commission income increased from the previous quarter to EUR 126m. Payments and cards net fee and commission income increased to EUR 143m from the previous quarter.

### Personal Banking

Fees and commission decreased by 1% from the previous quarter driven mainly by reduced payment commissions and lower refinancing commissions.

### Commercial and Business Banking

Fees and commission increased by 8% from the previous quarter driven mainly by a pick-up in corporate finance related activities and improved cash management results.

### Wholesale Banking

Fees and commission decreased by 1% from the previous quarter driven by lower income from securities services which is not mitigated by improved income from trading products.

### Asset and Wealth Management

Fees and commission decreased by 1% from the previous quarter. Day count impact negatively, while higher AuM contribute positively.

### Group Functions and Other

Fees and commission increased by EUR 19m from the previous quarter due partly to a temporarily increase in card fees.

### Net fee and commission income per business area

EURm	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
Personal Banking	163	167	172	183	180	-2%	-9%	-1%	-9%
Commercial & Business Banking	121	112	105	110	114	8%	6%	8%	9%
Wholesale Banking	105	107	93	151	118	-2%	-11%	-1%	-9%
Asset & Wealth Management	337	342	342	362	361	-1%	-7%	-1%	-7%
Group Functions and other	11	-8	-9	-6	-3	-	-	-	-
<b>Total Group</b>	<b>737</b>	<b>720</b>	<b>703</b>	<b>800</b>	<b>770</b>	<b>2%</b>	<b>-4%</b>	<b>3%</b>	<b>-3%</b>

### Net fee and commission income per category

EURm	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
Savings and investments, net	446	500	447	510	485	-11%	-8%	-11%	-7%
Payments and cards, net	143	121	130	139	130	18%	10%	18%	11%
Lending-related, net	126	114	129	142	129	11%	-2%	11%	-1%
Other commissions, net	22	-15	-3	9	26	-	-	-	-
<b>Total Group</b>	<b>737</b>	<b>720</b>	<b>703</b>	<b>800</b>	<b>770</b>	<b>2%</b>	<b>-4%</b>	<b>3%</b>	<b>-3%</b>

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

EURbn	Q119	Q418	Q318	Q218	Q118	Net
						inflow
						Q119
Nordic Retail funds	61.2	56.3	61.1	60.0	58.6	-0.2
Private Banking	84.1	80.7	98.0	96.3	96.1	0.7
Institutional sales	103.8	98.3	101.6	100.9	92.5	0.1
Life & Pensions	51.1	47.3	50.8	49.8	72.9	0.4
<b>Total</b>	<b>300.2</b>	<b>282.6</b>	<b>311.5</b>	<b>307.0</b>	<b>320.1</b>	<b>1.0</b>

### Net result from items at fair value

The net result from items at fair value increased by 45% from the previous quarter to EUR 264m. The customer business was stable in the quarter (see table below) with rebound in market making activities from the negative levels in Q4. The rebound was primarily driven by fixed income products. However, trading conditions remain challenging.

During the quarter, sales of collection portfolios generated a gain of EUR 31m in Personal Banking and revaluations of Nordea's holding in Visa C shares generated a gain of EUR 18m in Group Functions and Other.

### Capital Markets income for customers in Wholesale Banking, Personal Banking, Commercial & Business Banking and Private Banking

The net fair value result for the business units was flat and amounted to EUR 225m, as compared to EUR 227m in the previous quarter. Customer-driven capital markets activities were stable from the previous quarter. Fair value model change related to Danish mortgage valuation impacted positively both Personal Banking and Private Banking with EUR 27m and EUR 9m respectively while it impacted negatively Commercial & Business Banking with EUR 44m.

### Life & Pensions

The net result from items at fair value for Life & Pensions increased EUR 5m from the previous quarter to EUR 31m.

### Market making activities

The net fair value result for Market making activities, i.e. income from managing the risks inherent in customer transactions amounted to EUR 0m from EUR -53m in the previous quarter. Valuation adjustments had a negative impact of EUR 42m driven by lower Euro rates, compared to a negative impact of EUR 23m in the previous quarter.

### Group Functions and Other

The net fair value result in Group Functions and Other increased to EUR 47m (from EUR 13m in the previous quarter) mainly due to positive movements in asset swap spread and higher bond gains.

### Net result from items at fair value per area

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1
<b>EURm</b>							
Personal Banking	72	38	28	14	88	89%	-18%
Commercial & Business Banking	23	72	48	57	120	-68%	-81%
Wholesale Banking customer units	77	79	56	91	70	-3%	10%
Wealth Mgmt. excl. Life	14	7	7	12	15	100%	-7%
Wholesale Banking excl. Customer units	0	-53	55	18	92	-	-
Life & Pensions	31	26	23	26	49	19%	-37%
Group Functions and other	47	13	-12	42	7	-	-
<b>Total Group</b>	<b>264</b>	<b>182</b>	<b>205</b>	<b>260</b>	<b>441</b>	<b>45%</b>	<b>-40%</b>
<b>Total, excl. items affecting comparability<sup>1</sup></b>	<b>264</b>	<b>132</b>	<b>205</b>	<b>260</b>	<b>306</b>	<b>100%</b>	<b>-14%</b>

<sup>1</sup> In Q4 2018: EUR 50m gain from revaluation of Euroclear. In Q1 2018: EUR 135m gain from valuation model update in Denmark.

### Equity method

Income from companies accounted for under the equity method was EUR 14m, down from EUR 15m in the previous quarter, with Luminor contributing EUR 10m (EUR 8m in Q4 2018) while Nordea Life & Pension Denmark (NLP DK) had a positive impact of EUR 4m in the quarter (unchanged from Q4 2018).

### Other operating income

Other operating income was EUR 44m, down from EUR 60m in the previous quarter which included gain from the sale of Nordea Ejendomme (EUR 36m).

### Total operating income

Total income unchanged in local currencies from the previous quarter to EUR 2,115m.

### Total operating income per business area

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
<b>EURm</b>									
Personal Banking	753	738	706	718	814	2%	-7%	3%	-6%
Commercial & Business Banking	483	537	487	510	569	-10%	-15%	-10%	-14%
Wholesale Banking	395	364	438	494	508	9%	-22%	9%	-21%
Asset & Wealth Management	404	405	400	426	447	0%	-10%	0%	-9%
Group Functions and other	80	75	66	430	40	-	-	-	-
<b>Total Group</b>	<b>2,115</b>	<b>2,119</b>	<b>2,097</b>	<b>2,578</b>	<b>2,378</b>	<b>0%</b>	<b>-11%</b>	<b>0%</b>	<b>-10%</b>
<b>Total, excl items affecting comparability<sup>1</sup></b>	<b>2,115</b>	<b>2,033</b>	<b>2,097</b>	<b>2,229</b>	<b>2,243</b>	<b>4%</b>	<b>-6%</b>	<b>4%</b>	<b>-4%</b>

<sup>1</sup> Excl. items affecting comparability in Q4 2018: EUR 50m gain from revaluation of Euroclear, EUR 38m after tax, and EUR 36m gain related to sale of Ejendomme. Q2 2018: tax free gain related to divestment of shares in UC EUR 87m and tax free gain related to the sale of Nordea Liv & Pension Denmark EUR 262m. In Q1 2018: EUR 135m gain from valuation model update in Denmark, EUR 105m after tax.

## Total expenses

Total expenses in the first quarter amounted to EUR 1,452m, up 5% in local currencies from the previous quarter and up 7% in local currencies from the first quarter of 2018.

Excluding items affecting comparability, total expenses increased by 10% in local currencies from the previous quarter while they were stable in relation to the first quarter of 2018. First quarter was negatively impacted by both the change in the booking of resolution fees (full year resolution fee, EUR 207m, has been recognised this quarter) and provision for ongoing AML-related matters (EUR 95m).

Staff costs were down 3% in local currencies from the previous quarter and down 9% in local currencies from the same period in 2018.

Other expenses were up 53% in local currencies from the previous quarter driven by the above-mentioned change in resolution fees as well as provision for AML-related matters.

Depreciation was down 44% in local currencies from the previous quarter and up 99% from the same quarter of 2018. The decrease from previous quarter was driven mainly by the goodwill impairment related to Russia (EUR 141m in Q4 2018) partly offset by change related to IFRS 16 (EUR 43m in Q1 2019).

The number of employees (FTEs) at the end of the first quarter was 29,284, up 1% from the previous quarter mainly due to the consolidation of Gjensidige and down 3% from the same quarter of 2018 adjusted for the deconsolidation of the Baltics operations and sale of Nordea Life & Pension Denmark (NLP DK).

Expenses related to Group-related projects, Compliance and Risk that affected the P&L were EUR 111m, compared to EUR 124m in the previous quarter. In addition, EUR 40m was capitalised from Group projects down from EUR 67m in the previous quarter.

The cost/income ratio was up to 69% in the first quarter (up to 64% excluding items affecting comparability), compared to 65% in the previous quarter and 58% in the first quarter of 2018.

## Total operating expenses

EURm	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
Staff costs	-718	-744	-726	-730	-798	-3%	-10%	-3%	-9%
Other expenses	-594	-390	-323	-350	-503	52%	18%	53%	20%
Depreciations	-140	-250	-87	-74	-71	-44%	97%	-44%	99%
<b>Total Group</b>	<b>-1,452</b>	<b>-1,384</b>	<b>-1,136</b>	<b>-1,154</b>	<b>-1,372</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>	<b>7%</b>
<b>Total, excl. items affecting comparability<sup>1</sup></b>	<b>-1,357</b>	<b>-1,243</b>	<b>-1,136</b>	<b>-1,154</b>	<b>-1,372</b>	<b>9%</b>	<b>-1%</b>	<b>10%</b>	<b>0%</b>

<sup>1</sup> Excl. items affecting comparability in Q1 2019: EUR 95m non-deductible expense related to provision for ongoing AML-related matters.

In Q4 2018: EUR 141m loss from impairment of goodwill in Russia.

## Total operating expenses per business area

EURm	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
Personal Banking	-500	-459	-450	-447	-503	9%	-1%	10%	1%
Commercial & Business Banking	-311	-281	-269	-281	-338	11%	-8%	11%	-7%
Wholesale Banking	-300	-235	-217	-213	-299	28%	0%	28%	1%
Asset & Wealth Management	-189	-194	-182	-180	-204	-3%	-7%	-2%	-7%
Group Functions and other	-152	-215	-18	-33	-28	-	-	-	-
<b>Total Group</b>	<b>-1,452</b>	<b>-1,384</b>	<b>-1,136</b>	<b>-1,154</b>	<b>-1,372</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>	<b>7%</b>
<b>Total, excl. items affecting comparability<sup>1</sup></b>	<b>-1,357</b>	<b>-1,243</b>	<b>-1,136</b>	<b>-1,154</b>	<b>-1,372</b>	<b>9%</b>	<b>-1%</b>	<b>10%</b>	<b>0%</b>

<sup>1</sup> Excl. items affecting comparability in Q1 2019: EUR 95m non-deductible expense related to provision for ongoing AML-related matters.

In Q4 2018: EUR 141m loss from impairment of goodwill in Russia.

## Currency fluctuation effects

%points	Q1/Q4	Q1/Q1	Jan-Mar
			19/18
Income	0	-1	-1
Expenses	0	-2	-2
Operating profit	-1	-1	-1
Loan and deposit volumes	0	0	0

## Net loan losses

Credit quality remained solid. Net rating migration in Q1 in the retail portfolio was positive, while migration for the corporate portfolio was slightly negative.

Net loan provisions increased in Q1 to EUR 42m and the loan loss ratio increased to 7 bps (EUR 30m and 5 bps in the previous quarter). Loan losses in Q1 were partly due to unsecured consumer lending in Nordea Finance and the acquisition of Gjensidige Bank, offset by lowered management judgement related to the better outlook on US sanction risk towards Russia based on available information at the end of Q1.

Under IFRS 9 all performing exposures are classified as either Stage 1 or 2. Stage 1 if credit quality is unchanged for the exposure and Stage 2 if it has deteriorated into higher risk but is still performing. All exposures in Stages 1 and 2 are subject to statistically calculated provisions. Impaired loans are classified as Stage 3. Provisions for larger Stage 3 exposures are measured on an individual basis, while provisions for smaller exposures in Stage 3 are calculated using a statistical model similar to that used for Stages 1 and 2.

Net loan losses for Stage 3 were EUR 33m and the net loan loss ratio was 5 bps (Q4: 12 bps). Exposures in Stages 1 and 2 had net loan losses of EUR 10m and the net loan loss ratio ended at 2 bps for Stages 1&2 (Q4: -7 bps).

Overall loan portfolio quality and outlook remain stable.

Our expectation for the coming quarters is that net losses will remain low and around the average level for 2018. The Asset Quality Review from European Central Bank may however affect loan losses in the coming quarters.

Mortgage lending in Denmark is measured at fair value and hence, according to IFRS9, not included in net loan losses but adjusted under fair value items.

## Credit portfolio

Total lending to the public, excluding reverse repurchase agreements, increased to EUR 300.6bn from EUR 291.6bn in Q4. EUR 5.2bn of the increase is related to the acquisition of Gjensidige. In local currencies, total lending was unchanged from Q4.

Loans measured at fair value to the public excluding repos were EUR 58bn (Q4: EUR 57bn). This includes Danish mortgage lending at EUR 54bn, which is measured at fair value.

Lending to the public measured at amortised cost increased to EUR 242bn (Q4: EUR 234bn). Of this portfolio, EUR 4.6bn is impaired loans in Stage 3 (Q4: EUR 4.6bn).

The gross impairment rate (Stage 3) was 179 bps for loans at amortised cost (Q4 182 bps) and 112 bps for fair value lending (Q4 126 bps). Allowances in relation to impaired loans (Stage 3) for loans measured at amortised cost were 35% (Q4 35%).

## Loan loss ratios and impaired loans

	Q119	Q418	Q318	Q218	Q118
<b>Basis points of loans<sup>1</sup></b>					
<b>Loan loss ratios</b>					
annualised, Group	7	5	8	10	7
of which Stage 1 and 2	2	-7	8	7	-14
of which Stage 3	5	12	0	3	21
<b>Personal Banking total</b>	<b>18</b>	<b>7</b>	<b>3</b>	<b>11</b>	<b>8</b>
Banking Denmark	-35	51	40	65	73
Banking Finland	38	9	-2	22	13
Banking Norway	11	-1	1	3	0
Banking Sweden	11	5	5	2	4
<b>Commercial &amp; Business</b>					
<b>Banking</b>	<b>21</b>	<b>20</b>	<b>25</b>	<b>-17</b>	<b>-13</b>
BB Denmark	9	147	258	10	124
BB Finland	42	27	15	-12	-65
BB Norway	10	-15	-5	-56	-26
BB Sweden	12	8	8	-9	-2
BBD Nordic	30	24	13	7	-7
<b>Wholesale Banking</b>	<b>-35</b>	<b>-11</b>	<b>4</b>	<b>53</b>	<b>30</b>
<b>Corporate &amp; Investment</b>					
Banking (CIB)	-14	2	10	-8	36
Banking Russia	-240	-305	-118	1236	-70

<sup>1</sup> Negative amount are net reversals.

## Profit

### Operating profit

Operating profit decreased to EUR 621m, down 11% in local currencies from the previous quarter, and down 35% in local currencies from the same quarter of 2018. Excluding items affecting comparability, operating profit decreased in local currencies by 5% from the previous quarter and by 13% from the same quarter in 2018.

### Taxes

Income tax expense was EUR 178m compared to EUR 200m in the previous quarter. The effective tax rate was 28.6%, compared to 28.9% in the previous quarter and 23.3% in the first quarter last year.

### Net profit

Net profit decreased 11% in local currencies from the previous quarter to EUR 443m. Return on equity was 5.5%, down from 6.3% in the previous quarter.

Excluding items affecting comparability, net profit decreased by 5% in local currency from the previous quarter to EUR 538m and return on equity was 6.7% down from 7.1% in the previous quarter.

Diluted earnings per share were EUR 0.10 (EUR 0.13 in the previous quarter).

## Operating profit per business area

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
<b>EURm</b>									
Personal Banking	202	259	249	241	289	-22%	-30%	-22%	-28%
Commercial & Business Banking	138	224	178	256	252	-38%	-45%	-38%	-44%
Wholesale Banking	139	142	216	216	174	-2%	-20%	-1%	-19%
Asset & Wealth Management	215	207	218	246	243	4%	-12%	3%	-10%
Group Functions and other	-73	-127	56	406	8	-	-	-	-
<b>Total Group</b>	<b>621</b>	<b>705</b>	<b>917</b>	<b>1,365</b>	<b>966</b>	<b>-12%</b>	<b>-36%</b>	<b>-11%</b>	<b>-35%</b>
<b>Total, excl. items affecting comparability<sup>1</sup></b>	<b>716</b>	<b>760</b>	<b>917</b>	<b>1,016</b>	<b>831</b>	<b>-6%</b>	<b>-14%</b>	<b>-5%</b>	<b>-13%</b>

<sup>1</sup> Excl. items affecting comparability in Q1 2019: EUR 95m non-deductible expense related to provision for ongoing AML-related matters.

Q4 2018: EUR 50m gain from revaluation of Euroclear, EUR 38m after tax, EUR 36m gain related to sale of Ejendomme and EUR 141m loss from impairment of goodwill in Russia. Q2 2018: tax free gain related to divestment of shares in UC EUR 87m and tax free gain related to the sale of Nordea Liv & Pension Denmark EUR 262m. In Q1 2018: EUR 135m gain from valuation model update in Denmark, EUR 105m after tax.

## First quarter 2019 compared to first quarter 2018

Total income was down 10% in local currencies and down 11% in EUR from the prior year and operating profit was down 35% in local currencies and down 36% in EUR from the previous year.

### Income

Net interest income was down 4% in local currencies and 5% in EUR from 2018. Average lending volumes in business areas in local currencies were up by 1% compared to 2018 driven mainly by Wholesale Banking. Average deposit volumes were up by 1% driven by both Personal Banking and Commercial & Business Banking.

Net fee and commission income decreased 3% in local currencies and 4% in EUR from the previous year.

Net result from items at fair value decreased by 40% in both local currencies and EUR from the previous year.

### Expenses

Total expenses were up 7% in local currencies and 6% in EUR from the previous year and amounted to EUR 1,452m. Staff costs were down 9% in local currencies and down 10% in EUR.

### Net loan losses

Net loan loss provisions increased slightly to EUR 42m (up from EUR 40m in Q1 2018), corresponding to a loan loss ratio of 7bps (unchanged from Q1 2018). Increased provisions compared to Q1 2018 are related to the retail portfolio, as well as the small and medium sized corporate portfolio.

### Net profit

Net profit decreased 39% in local currencies and 40% in EUR and amounted to EUR 443m.

### Currency fluctuation impact

Currency fluctuations had a negative effect of 1%-point on both income and operating profits, and a negative effect of 2%-points on expenses compared to a year ago. For the loan and deposit volumes, the currency fluctuations had no effect compared to a year ago.

## Other information

### Capital position and risk exposure amount (REA)

Nordea Group's Basel III Common equity tier 1 (CET1) capital ratio decreased to 14.6% at the end of the first quarter 2019 compared to 15.5% at the end of the fourth quarter 2018. REA increased by EUR 7.1bn. The increase was mainly driven by the consolidation of Gjensidige Bank assets, increased market risk, increased business momentum as well as the implementation of IFRS16. CET1 capital decreased by EUR 0.3bn, mainly due to increased intangible assets due to the acquisition of Gjensidige Bank.

The tier 1 capital ratio decreased to 17.1% from 17.3% compared to the previous quarter and the total capital ratio decreased to 19.5% from 19.9% compared to the previous quarter.

At the end of the first quarter 2019, the CET1 capital was EUR 23.8bn, the Tier 1 capital was EUR 27.8bn and the Own Funds were EUR 31.8bn.

The CRR leverage ratio decreased to 4.9%, compared to 5.1% in the previous quarter.

Economic Capital (EC) was EUR 28.2bn at the end of the first quarter, an increase by EUR 1.6bn compared to the fourth quarter of 2018. Increased Pillar I credit risk was somewhat offset by the annually updated Pillar I scaling factor and decreased Pillar II credit risk.

### Capital ratios

	Q119	Q418	Q318	Q218	Q118
%					
<b>CRR/CRDIV</b>					
CET 1 cap. ratio	14.6	15.5	20.3	19.9	19.8
Tier 1 capital ratio	17.1	17.3	22.6	22.2	22.3
Total capital ratio	19.5	19.9	26.3	25.4	25.2

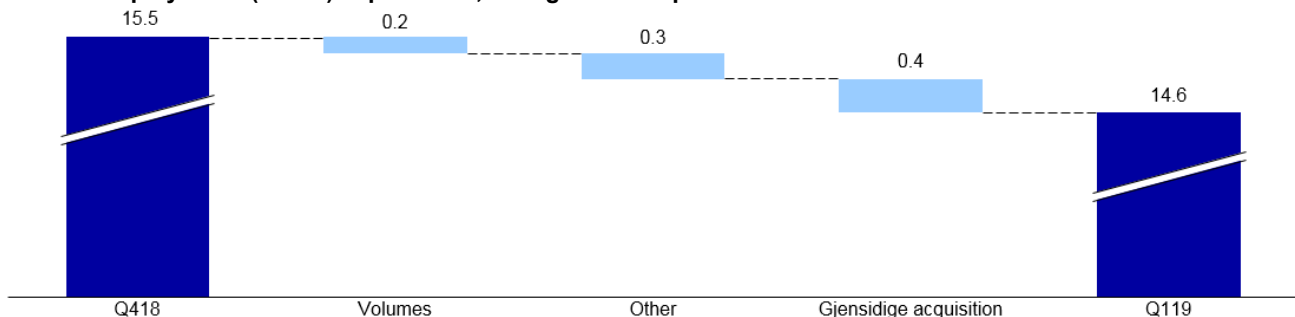
### Capital commitment

Due to the uncertainty on the future capital requirements for Nordea, also considering that Finland has not yet fully introduced the systemic risk buffer, Nordea has voluntarily committed to comply with nominal capital requirements from the 2018 Supervisory Review and Evaluation Process (SREP) until the ECB has issued its SREP decision in 2019. This commitment amounts to EUR 27.8bn in total capital and 21.7bn in CET1 capital, or 13.3% of REA. Nordea expect to receive ECB's decision establishing prudential requirements in late 2019, effective from Q1 2020.

### Risk exposure amount, REA (EURbn), quarterly



### Common equity tier 1 (CET 1) capital ratio, changes in the quarter



## Risk Exposure Amount

	31 Mar 2019	31 Dec 2018	31 Mar 2018
<b>EURm</b>			
<b>Credit risk</b>	<b>128,172</b>	<b>120,969</b>	<b>100,943</b>
IRB	111,858	107,635	87,450
- sovereign			1,808
- corporate	73,978	71,868	54,703
- advanced	62,063	60,626	45,264
- foundation	11,915	11,242	9,439
- institutions	6,129	5,953	6,263
- retail	26,004	25,979	21,436
- items representing securitisation positions	1,239	1,648	801
- other	4,508	2,187	2,438
Standardised	16,314	13,334	13,494
- sovereign	536	689	174
- retail	7,014	4,227	5,645
- other	8,764	8,418	7,675
<b>Credit Value Adjustment Risk</b>	<b>1,099</b>	<b>931</b>	<b>776</b>
<b>Market risk</b>	<b>7,253</b>	<b>6,064</b>	<b>3,690</b>
- trading book, Internal Approach	4,790	4,388	2,282
- trading book, Standardised Approach	1,044	1,070	1,074
- banking book, Standardised Approach	1,419	606	334
<b>Settlement Risk</b>	<b>1</b>		
<b>Operational risk</b>	<b>15,698</b>	<b>16,487</b>	<b>16,487</b>
<b>Additional risk exposure amount related to Finnish RW floor due to Article 458 CRR</b>	<b>673</b>	<b>657</b>	<b>631</b>
<b>Additional risk exposure amount related to Swedish RW floor due to Article 458 CRR</b>	<b>10,112</b>	<b>10,626</b>	
<b>Additional risk exposure amount due to Article 3 CRR</b>		<b>152</b>	<b>152</b>
<b>Total</b>	<b>163,007</b>	<b>155,886</b>	<b>122,679</b>

## Summary of items included in own funds

	31 Mar <sup>2</sup> 2019	31 Dec <sup>2</sup> 2018	31 Mar <sup>2</sup> 2018
<b>EURm</b>			
<b>Calculation of own funds</b>			
Equity in the consolidated situation	29,219	31,305	29,462
Proposed/actual dividend	-707	-2,788	-697
Common Equity Tier 1 capital before regulatory adjustments	28,512	28,517	28,765
Deferred tax assets			-61
Intangible assets	-4,167	-3,885	-3,823
IRB provisions shortfall (-)	-96	-76	-85
Deduction for investments in credit institutions (50%)			
Pension assets in excess of related liabilities <sup>1</sup>	-148	-117	-176
Other items, net	-275	-305	-275
<b>Total regulatory adjustments to Common Equity Tier 1 capital</b>	<b>-4,686</b>	<b>-4,383</b>	<b>-4,420</b>
<b>Common Equity Tier 1 capital (net after deduction)</b>	<b>23,826</b>	<b>24,134</b>	<b>24,345</b>
Additional Tier 1 capital before regulatory adjustments	4,002	2,860	2,974
Total regulatory adjustments to Additional Tier 1 capital	-11	-10	-21
<b>Additional Tier 1 capital</b>	<b>3,991</b>	<b>2,850</b>	<b>2,953</b>
<b>Tier 1 capital (net after deduction)</b>	<b>27,817</b>	<b>26,984</b>	<b>27,298</b>
Tier 2 capital before regulatory adjustments	4,801	4,960	4,656
IRB provisions excess (+)	184	135	211
Deduction for investments in credit institutions (50%)			
Deductions for investments in insurance companies	-1,000	-1,000	-1,205
Pension assets in excess of related liabilities			
Other items, net	-49	-51	-54
<b>Total regulatory adjustments to Tier 2 capital</b>	<b>-865</b>	<b>-916</b>	<b>-1,049</b>
<b>Tier 2 capital</b>	<b>3,936</b>	<b>4,044</b>	<b>3,608</b>
<b>Own funds (net after deduction)</b>	<b>31,753</b>	<b>31,028</b>	<b>30,906</b>

<sup>1</sup> Based on conditional FSA approval.

<sup>2</sup> Including profit for the period.



## Balance sheet

Total assets in the balance sheet in the quarter were EUR 39bn higher than in the previous quarter and amounted to EUR 590bn. Loans to credit institutions and to the public as well as other assets and derivatives values were higher from the previous period, while interest-bearing securities value was lower.

Loans to the public were EUR 18bn higher in the quarter and amounted to EUR 326bn compared to EUR 308bn in the previous quarter.

Other assets increased by EUR 21bn to EUR 140bn from the previous quarter.

### Balance sheet data

	Q119	Q418	Q318	Q218	Q118
<b>EURbn</b>					
Loans to credit institutions	14	11	16	13	17
Loans to the public	326	308	316	315	311
Derivatives	39	37	37	44	42
Interest-bearing securities	71	76	75	75	73
Other assets	140	119	129	123	137
<b>Total assets</b>	<b>590</b>	<b>551</b>	<b>573</b>	<b>570</b>	<b>580</b>
Deposits from credit inst.	52	42	52	50	50
Deposits from the public	176	165	174	176	174
Debt securities in issue	193	190	187	178	175
Derivatives	41	40	39	45	38
Other liabilities	98	81	88	89	112
Total equity	30	33	33	32	31
<b>Total liabilities and equity</b>	<b>590</b>	<b>551</b>	<b>573</b>	<b>570</b>	<b>580</b>

## Nordea's funding and liquidity operations

Nordea issued approximately EUR 9.9bn in long-term funding in the first quarter (excluding Danish covered bonds), of which approximately EUR 7.4bn was issued in covered bonds, EUR 1.4bn was issued in senior unsecured bonds and EUR 1.1bn in subordinated debt.

Public benchmark transactions during the quarter included a 5-year SEK 5bn fixed rate covered bond issued by Nordea Hypotek, a 5.25-year NOK 10bn floating rate covered bond issued by Nordea Eiendoms kreditt, a 7-year EUR 1.5bn fixed rate covered bond issued by Nordea Mortgage Bank and a perpetual non-call seven year USD 1.25bn fixed rate AT1 issued by Nordea Bank Abp.

Nordea's long-term funding portion of total funding was approximately 79% at the end of the first quarter.

Short-term liquidity risk is measured using several metrics and the Liquidity Coverage Ratio (LCR) is one such metric. The LCR for the Nordea Group was, according to the CRR LCR definition, 199% at the end of the first quarter. The LCR in EUR was 274% and in USD 230% at the end of the first quarter. The liquidity buffer is composed of highly liquid central bank eligible securities and cash with characteristics like CRD IV high-quality liquid assets and amounted to EUR 103bn at the end of the first quarter (EUR 104bn at the end of the fourth quarter). The long-term liquidity risk is measured as Net Stable Funding Ratio (NSFR). At the end of the first quarter 2019, Nordea's NSFR was 103.2% (Q4 104,1%).

## Funding and liquidity data\*

	Q119	Q418	Q318	Q218	Q118
Long-term funding portion	79%	77%	79%	84%	83%
LCR total	199%	185%	209%	147%	174%
LCR EUR	274%	257%	253%	154%	192%
LCR USD	230%	214%	240%	160%	180%

\*LCR figures calculated based on EU DA LCR starting from Q118; previous figures based on Swe LCR

## Market risk

Market risk in the trading book measured by Value at Risk was EUR 19m. Compared to the previous quarter the overall level of VaR is almost unchanged but the composition has shifted to a higher contribution from interest rate VaR and lower contributions from credit spread and FX VaR. Total VaR is primarily driven by market risk in European and Nordic countries.

## Trading book

	Q119	Q418	Q318	Q218	Q118
<b>EURm</b>					
Total risk, VaR	19	18	15	12	13
Interest rate risk, VaR	19	16	15	11	13
Equity risk, VaR	3	2	4	2	1
Foreign exchange risk, VaR	1	2	2	2	2
Credit spread risk, VaR	5	6	3	4	4
Inflation risk	2	2	1	-	-
Diversification effect	40%	38%	43%	40%	39%

Total market risk, measured as Value at Risk, in the banking book increased to EUR 47m (EUR 38m in the previous quarter) driven by higher interest rate exposure over the quarter.

## Banking book

	Q119	Q418	Q318	Q218	Q118
<b>EURm</b>					
Total risk, VaR	47	38	49	38	37
Interest rate risk, VaR	48	39	49	38	38
Equity risk, VaR	4	5	5	3	5
Foreign exchange risk, VaR	1	1	2	1	3
Credit spread risk, VaR	0	1	1	1	1
Diversification effect	11%	20%	13%	11%	20%

## Nordea share and ratings

Nordea's share price and ratings as at the end of Q1 2019.

	Nasdaq STO (SEK)	Nasdaq COP (DKK)	Nasdaq HEL (EUR)
6/30/2017	107.20	83.15	11.14
9/30/2017	110.40	85.15	11.44
12/31/2017	99.30	75.20	10.10
3/31/2018	89.10	63.12	8.61
6/30/2018	86.28	61.38	8.25
9/30/2018	96.86	70.02	9.46
12/31/2018	74.58	54.23	7.27
3/31/2019	79.46	56.80	7.63

Moody's		Standard&Poor's		Fitch	
Short	Long	Short	Long	Short	Long
P-1	Aa3	A-1+	AA-	F1+	AA-

### Update on the sale of Luminor

In 2018, Nordea and DNB have entered into an agreement to jointly sell 60 per cent of Luminor to a consortium led by private equity funds managed by Blackstone ("Blackstone").

The transaction is subject to customary regulatory approvals inter alia ECB's ownership assessment of the consortium. This approval process involves regulatory authorities in several jurisdictions (local Baltic and ECB) including a comprehensive pre-filing process. Blackstone is in the final stages of the pre-filing process and therefore timing of transaction completion will most likely be during the second half of 2019.

### Acquisition of Gjensidige closed

On 1 March 2019, Nordea successfully closed the acquisition of Gjensidige Bank ASA, the transaction includes the acquisition of all shares in Gjensidige Bank as well as a strategic partnership agreement with Gjensidige Forsikring with respect to mutual distribution of non-life insurance and financial products in Norway. The acquisition has been approved by the Norwegian Competition Authority and the Financial Supervisory Authority of Norway ("FSA"). Gjensidige Bank will until further notice continue to operate as an independent bank under its current brand name.

From a legal perspective and subject to both FSA and Nordea Bank Abp Board approvals, the car finance business is aimed to be demerged and merged into Nordea Finance in H2 2019 with the remaining Gjensidige Bank business aimed to be merged into Nordea Bank Abp in H1 2020. The mortgage company, Gjensidige Bank Boligkreditt, is aimed to be merged into Nordea Eiendomkreditt after the Gjensidige Bank merger into Nordea Bank Abp.

More information regarding the accounting effect of the transaction can be found in Note 1 further in the report on page 37.

### Change in recognition and presentation of resolution fees

The Nordea Group's policy has been to amortise resolution fees and deposit guarantee (DGS) fees linearly over the year. IFRS requires bank levies to be expensed when the legal obligation to pay arises. As resolution fee is different in Finland versus Sweden, the full resolution fee has been recognised this quarter. DGS fees will continue to be amortised over the year.

More information regarding the accounting effect of the change can be found in Note 1 further in the report on page 36.

### Update on the Asset Quality review (AQR)

Nordea is continuing the ECB Asset Quality Review (AQR) which is standard practice for any banks entering the SSM direct supervision. The purpose of the AQR is transparency, build confidence and identify any corrective actions needed, as well as building the new relationship with Nordea's new regulator.

The focus of the asset review is on complex and high-risk instruments as well as provisioning levels for credit exposures. It also evaluates processes and models. Furthermore, a stress test is performed where focus is on analysis of the adequacy of the bank's solvency ratio to withstand macro-economic scenarios. The AQR is still ongoing and is expected to be finalized during Q2 2019.

### Additional sale of Nordea's holding in Velliv

Nordea currently holds 30% of the shares in Velliv, former Liv & Pension Denmark, and has earlier agreed to sell these shares to Velliv Foreningen. Velliv Foreningen has in April 2019 announced the intention to acquire 11% of the shares during the second quarter of 2019. The expected sale will take Nordea's remaining investment down to 19% and trigger a reclassification from a holding in an associated company to a normal equity investment. The sale of 11% will not have any impact on the income statement.

### Sale of Nordea's shares in LR Realkredit

On 11 April, Nordea has together with the other owners, entered into an agreement to sell to Nykredit all shares of LR Realkredit, a Danish mortgage institution where Nordea holds 39 per cent of the shares.

The agreed purchase price for Nordea's 39 per cent amounts to approximately DKK 1 billion. The transaction will generate an estimated capital gain of EUR 129 million for Nordea, net of tax, at closing of the transaction which will have a marginally positive impact on the CET1 ratio.

While the transaction agreement has been signed, the completion remains subject to applicable regulatory approvals.

# Quarterly development, Group

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
<b>EURm</b>					
Net interest income	1,056	1,142	1,123	1,110	1,116
Net fee and commission income	737	720	703	800	770
Net result from items at fair value	264	182	205	260	441
Profit from associated undertakings and joint ventures accounted for under the equity method	14	15	48	33	28
Other operating income	44	60	18	375	23
<b>Total operating income</b>	<b>2,115</b>	<b>2,119</b>	<b>2,097</b>	<b>2,578</b>	<b>2,378</b>
General administrative expenses:					
Staff costs	-718	-744	-726	-730	-798
Other expenses	-594	-390	-323	-350	-503
Depreciation, amortisation and impairment charges of tangible and intangible assets	-140	-250	-87	-74	-71
<b>Total operating expenses</b>	<b>-1,452</b>	<b>-1,384</b>	<b>-1,136</b>	<b>-1,154</b>	<b>-1,372</b>
<b>Profit before loan losses</b>	<b>663</b>	<b>735</b>	<b>961</b>	<b>1,424</b>	<b>1,006</b>
Net loan losses	-42	-30	-44	-59	-40
<b>Operating profit</b>	<b>621</b>	<b>705</b>	<b>917</b>	<b>1,365</b>	<b>966</b>
Income tax expense	-178	-200	-193	-250	-229
<b>Net profit for the period</b>	<b>443</b>	<b>505</b>	<b>724</b>	<b>1,115</b>	<b>737</b>
Diluted earnings per share (DEPS), EUR	0.10	0.13	0.18	0.28	0.18
DEPS, rolling 12 months up to period end, EUR	0.68	0.76	0.79	0.82	0.72

# Business areas

	Personal Banking		Commercial & Business Banking		Wholesale Banking		Asset & Wealth Management		Group Functions, Other and Eliminations		Nordea Group		Chg
	Q1	Q4	Q1	Q4	Q1	Q4	Q1	Q4	Q1	Q4	Q1	Q4	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
<b>EURm</b>													
Net interest income	517	535	334	347	213	230	13	15	-21	15	1,056	1,142	-8%
Net fee and commission income	163	167	121	112	105	107	337	342	11	-8	737	720	2%
Net result from items at fair value	72	38	23	72	77	26	45	33	47	13	264	182	45%
Equity method & other income	1	-2	5	6	0	1	9	15	43	55	58	75	-23%
<b>Total operating income</b>	<b>753</b>	<b>738</b>	<b>483</b>	<b>537</b>	<b>395</b>	<b>364</b>	<b>404</b>	<b>405</b>	<b>80</b>	<b>75</b>	<b>2,115</b>	<b>2,119</b>	<b>0%</b>
<b>Total operating expenses</b>	<b>-500</b>	<b>-459</b>	<b>-311</b>	<b>-281</b>	<b>-300</b>	<b>-235</b>	<b>-189</b>	<b>-194</b>	<b>-152</b>	<b>-215</b>	<b>-1,452</b>	<b>-1,384</b>	<b>5%</b>
Net loan losses	-51	-20	-34	-32	44	13	0	-4	-1	13	-42	-30	40%
<b>Operating profit</b>	<b>202</b>	<b>259</b>	<b>138</b>	<b>224</b>	<b>139</b>	<b>142</b>	<b>215</b>	<b>207</b>	<b>-73</b>	<b>-127</b>	<b>621</b>	<b>705</b>	<b>-12%</b>
Cost/income ratio, %	66	62	64	52	76	65	47	48	-	-	69	65	
ROCAR, %	7	10	7	11	5	6	31	28	-	-	8 <sup>1</sup>	9 <sup>1</sup>	
Economic capital (EC)	8,740	7,873	6,483	6,261	8,309	7,938	1,968	2,276	2,716	2,237	28,216	26,585	6%
Risk exposure amount (REA)	44,940	41,489	44,872	44,310	49,803	48,246	5,481	5,577	17,911	16,264	163,007	155,886	5%
Number of employees (FTEs)	9,390	9,114	4,830	4,820	3,007	2,981	2,699	2,712	9,358	9,363	29,284	28,990	1%
<b>Volumes, EURbn:</b>													
Lending to corporates <sup>2</sup>	1.1	1.0	73.5	72.7	79.0	69.2	-	-	4.1	3.1	157.7	146.0	8%
Household mortgage lending <sup>3</sup>	129.5	125.0	6.7	6.7	0	0	6.4	6.3	-	-	142.6	138.0	3%
Consumer lending <sup>3</sup>	21.6	20.5	1.9	2.0	-	-	1.8	1.8	-	-	25.3	24.3	4%
<b>Total lending</b>	<b>152.2</b>	<b>146.5</b>	<b>82.1</b>	<b>81.4</b>	<b>79.0</b>	<b>69.2</b>	<b>8.2</b>	<b>8.1</b>	<b>4.1</b>	<b>3.1</b>	<b>325.6</b>	<b>308.3</b>	<b>6%</b>
Corporate deposits <sup>2</sup>	1.8	1.8	38.5	38.0	50.6	42.2	-	-	-5.5	-5.3	85.4	76.7	11%
Household deposits <sup>3</sup>	76.7	74.3	2.8	2.8	0	0	11.4	11.2	-	-	90.9	88.3	3%
<b>Total deposits</b>	<b>78.5</b>	<b>76.1</b>	<b>41.3</b>	<b>40.8</b>	<b>50.6</b>	<b>42.2</b>	<b>11.4</b>	<b>11.2</b>	<b>-5.5</b>	<b>-5.3</b>	<b>176.3</b>	<b>165.0</b>	<b>7%</b>

<sup>1</sup> Excluding items affecting comparability

<sup>2</sup> For PeB: Corporate lending and deposits of some household customers is supplied by and reported in Personal Banking.

<sup>3</sup> For CBB: Household lending and deposits of some corporate customers is supplied by and reported in Commercial & Business Banking.

	Personal Banking		Commercial & Business Banking		Wholesale Banking		Asset & Wealth Management		Group Functions, Other and Eliminations		Nordea Group		Chg
	Jan-Mar	2018	Jan-Mar	2018	Jan-Mar	2018	Jan-Mar	2018	Jan-Mar	2018	Jan-Mar	2018	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
<b>EURm</b>													
Net interest income	517	539	334	326	213	228	13	18	-21	5	1,056	1,116	-5%
Net fee and commission income	163	180	121	114	105	118	337	361	11	-3	737	770	-4%
Net result from items at fair value	72	88	23	120	77	162	45	64	47	7	264	441	-40%
Equity method & other income	1	7	5	9	0	0	9	4	43	31	58	51	14%
<b>Total operating income</b>	<b>753</b>	<b>814</b>	<b>483</b>	<b>569</b>	<b>395</b>	<b>508</b>	<b>404</b>	<b>447</b>	<b>80</b>	<b>40</b>	<b>2,115</b>	<b>2,378</b>	<b>-11%</b>
<b>Total operating expenses</b>	<b>-500</b>	<b>-503</b>	<b>-311</b>	<b>-338</b>	<b>-300</b>	<b>-299</b>	<b>-189</b>	<b>-204</b>	<b>-152</b>	<b>-28</b>	<b>-1,452</b>	<b>-1,372</b>	<b>6%</b>
Net loan losses	-51	-22	-34	21	44	-35	0	0	-1	-4	-42	-40	5%
<b>Operating profit</b>	<b>202</b>	<b>289</b>	<b>138</b>	<b>252</b>	<b>139</b>	<b>174</b>	<b>215</b>	<b>243</b>	<b>-73</b>	<b>8</b>	<b>621</b>	<b>966</b>	<b>-36%</b>
Cost/income ratio, %	66	62	64	59	76	59	47	46	-	-	69	58	
ROCAR, %	7	12	7	13	5	7	31	29	-	-	8 <sup>1</sup>	10 <sup>1</sup>	
Economic capital (EC)	8,740	7,681	6,483	6,121	8,309	7,669	1,968	2,358	2,716	2,395	28,216	26,224	8%
Risk exposure amount (REA)	44,940	26,888	44,872	33,069	49,803	38,529	5,481	5,525	17,911	18,668	163,007	122,679	33%
Number of employees (FTEs)	9,390	9,344	4,830	5,109	3,007	2,964	2,699	3,463	9,358	9,202	29,284	30,082	-3%
<b>Volumes, EURbn:</b>													
Lending to corporates <sup>2</sup>	1.1	1.0	73.5	71.1	79.0	74.6	-	-	4.1	1.0	157.7	147.7	7%
Household mortgage lending <sup>3</sup>	129.5	123.4	6.7	7.0	0	0	6.4	6.7	-	-	142.6	137.1	4%
Consumer lending <sup>3</sup>	21.6	21.2	1.9	2.1	-	-	1.8	2.8	-	-	25.3	26.1	-3%
<b>Total lending</b>	<b>152.2</b>	<b>145.6</b>	<b>82.1</b>	<b>80.2</b>	<b>79.0</b>	<b>74.6</b>	<b>8.2</b>	<b>9.5</b>	<b>4.1</b>	<b>1.0</b>	<b>325.6</b>	<b>310.9</b>	<b>5%</b>
Corporate deposits <sup>3</sup>	1.8	2.4	38.5	36.4	50.6	52.5	-	-	-5.5	-6.2	85.4	85.1	0%
Household deposits <sup>3</sup>	76.7	73.3	2.8	2.9	0	0.1	11.4	12.6	-	-	90.9	88.9	2%
<b>Total deposits</b>	<b>78.5</b>	<b>75.7</b>	<b>41.3</b>	<b>39.3</b>	<b>50.6</b>	<b>52.6</b>	<b>11.4</b>	<b>12.6</b>	<b>-5.5</b>	<b>-6.2</b>	<b>176.3</b>	<b>174.0</b>	<b>1%</b>

<sup>1</sup> Excluding items affecting comparability

<sup>2</sup> For PeB: Corporate lending and deposits of some household customers is supplied by and reported in Personal Banking.

<sup>3</sup> For CBB: Household lending and deposits of some corporate customers is supplied by and reported in Commercial & Business Banking.

## Personal Banking total

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local curr.	
								Q1/Q4	Q1/Q1
<b>EURm</b>									
Net interest income	517	535	507	520	539	-3%	-4%	-3%	-2%
Net fee and commission income	163	167	172	183	180	-2%	-9%	-1%	-9%
Net result from items at fair value	72	38	28	14	88	89%	-18%	92%	-16%
Equity method & other income	1	-2	-1	1	7				
<b>Total income incl. allocations</b>	<b>753</b>	<b>738</b>	<b>706</b>	<b>718</b>	<b>814</b>	<b>2%</b>	<b>-7%</b>	<b>3%</b>	<b>-6%</b>
<b>Total expenses incl. allocations</b>	<b>-500</b>	<b>-459</b>	<b>-450</b>	<b>-447</b>	<b>-503</b>	<b>9%</b>	<b>-1%</b>	<b>10%</b>	<b>1%</b>
<b>Profit before loan losses</b>	<b>253</b>	<b>279</b>	<b>256</b>	<b>271</b>	<b>311</b>	<b>-9%</b>	<b>-19%</b>	<b>-9%</b>	<b>-17%</b>
Net loan losses	-51	-20	-7	-30	-22				
<b>Operating profit</b>	<b>202</b>	<b>259</b>	<b>249</b>	<b>241</b>	<b>289</b>	<b>-22%</b>	<b>-30%</b>	<b>-22%</b>	<b>-28%</b>
Cost/income ratio, %	66	62	64	62	62				
ROCAR, %	7	10	10	10	12				
Economic capital (EC)	8,740	7,873	7,860	7,732	7,681	11%	14%	10%	13%
Risk exposure amount (REA)	44,940	41,489	27,511	27,245	26,888	8%	67%	8%	68%
Number of employees (FTEs)	9,390	9,114	9,085	9,224	9,344	3%	0%	3%	0%
<b>Volumes, EURbn:</b>									
Lending to corporates <sup>1</sup>	1.1	1.0	1.0	0.9	1.0	10%	10%	10%	10%
Household mortgage lending	129.5	125.0	125.3	124.2	123.4	4%	5%	3%	5%
Consumer lending	21.6	20.5	20.9	21.1	21.2	5%	2%	5%	2%
<b>Total lending</b>	<b>152.2</b>	<b>146.5</b>	<b>147.2</b>	<b>146.2</b>	<b>145.6</b>	<b>4%</b>	<b>5%</b>	<b>4%</b>	<b>5%</b>
Corporate deposits <sup>1</sup>	1.8	1.8	1.8	2.4	2.4	0%	-25%	0%	-25%
Household deposits	76.7	74.3	74.9	74.9	73.3	3%	5%	3%	5%
<b>Total deposits</b>	<b>78.5</b>	<b>76.1</b>	<b>76.7</b>	<b>77.3</b>	<b>75.7</b>	<b>3%</b>	<b>4%</b>	<b>3%</b>	<b>4%</b>

<sup>1</sup> Corporate lending and deposits of some household customers in Personal Banking (PeB) is served and reported in PeB.

## Personal Banking total excl. Distribution agreement with Wealth Management

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local curr.	
								Q1/Q4	Q1/Q1
<b>EURm</b>									
Net interest income	517	535	507	520	539	-3%	-4%	-3%	-2%
Net fee and commission income	282	281	297	305	308	0%	-8%	0%	-8%
Net result from items at fair value	72	38	28	14	88	89%	-18%	92%	-16%
Equity method & other income	1	-2	-1	1	7				
<b>Total income incl. allocations</b>	<b>872</b>	<b>852</b>	<b>831</b>	<b>840</b>	<b>942</b>	<b>2%</b>	<b>-7%</b>	<b>3%</b>	<b>-6%</b>
<b>Total expenses incl. allocations</b>	<b>-534</b>	<b>-484</b>	<b>-477</b>	<b>-475</b>	<b>-532</b>	<b>10%</b>	<b>0%</b>	<b>10%</b>	<b>2%</b>
<b>Profit before loan losses</b>	<b>338</b>	<b>368</b>	<b>354</b>	<b>365</b>	<b>410</b>	<b>-8%</b>	<b>-18%</b>	<b>-8%</b>	<b>-16%</b>
Net loan losses	-51	-18	-8	-30	-22				
<b>Operating profit</b>	<b>287</b>	<b>350</b>	<b>346</b>	<b>335</b>	<b>388</b>	<b>-18%</b>	<b>-26%</b>	<b>-18%</b>	<b>-25%</b>
Cost/income ratio, %	61	57	57	57	57				
ROCAR, %	10	13	13	13	15				
Economic capital (EC)	9,051	8,233	8,234	8,110	8,111	10%	12%	9%	11%
Risk exposure amount (REA)	44,940	41,489	27,511	27,245	26,888	8%	67%	8%	68%
Number of employees (FTEs)	9,390	9,114	9,085	9,224	9,344	3%	0%	3%	0%
<b>Volumes, EURbn:</b>									
Lending to corporates <sup>1</sup>	1.1	1.0	1.0	0.9	1.0	10%	10%	10%	10%
Household mortgage lending	129.5	125.0	125.3	124.2	123.4	4%	5%	3%	5%
Consumer lending	21.6	20.5	20.9	21.1	21.2	5%	2%	5%	2%
<b>Total lending</b>	<b>152.2</b>	<b>146.5</b>	<b>147.2</b>	<b>146.2</b>	<b>145.6</b>	<b>4%</b>	<b>5%</b>	<b>4%</b>	<b>5%</b>
Corporate deposits <sup>1</sup>	1.8	1.8	1.8	2.4	2.4	0%	-25%	0%	-25%
Household deposits	76.7	74.3	74.9	74.9	73.3	3%	5%	3%	5%
<b>Total deposits</b>	<b>78.5</b>	<b>76.1</b>	<b>76.7</b>	<b>77.3</b>	<b>75.7</b>	<b>3%</b>	<b>4%</b>	<b>3%</b>	<b>4%</b>

<sup>1</sup> Corporate lending and deposits of some household customers in Personal Banking (PeB) is served and reported in PeB.

## Personal Banking Denmark

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1
<b>EURm</b>							
Net interest income	140	148	143	143	140	-5%	0%
Net fee and commission income	51	48	51	50	57	6%	-11%
Net result from items at fair value	54	15	15	0	80		-33%
Equity method & other income	0	-2	0	0	-1		
<b>Total income incl. allocations</b>	<b>245</b>	<b>209</b>	<b>209</b>	<b>193</b>	<b>276</b>	<b>17%</b>	<b>-11%</b>
<b>Total expenses incl. allocations</b>	<b>-135</b>	<b>-145</b>	<b>-146</b>	<b>-147</b>	<b>-144</b>	<b>-7%</b>	<b>-6%</b>
<b>Profit before loan losses</b>	<b>110</b>	<b>64</b>	<b>63</b>	<b>46</b>	<b>132</b>	<b>72%</b>	<b>-17%</b>
Net loan losses	3	-5	-4	-7	-8		
<b>Operating profit</b>	<b>113</b>	<b>59</b>	<b>59</b>	<b>39</b>	<b>124</b>	<b>92%</b>	<b>-9%</b>
Cost/income ratio, %	55	69	70	76	52		
ROCAR, %	21	12	12	8	25		
Economic capital (EC)	1,651	1,479	1,497	1,503	1,502	12%	10%
Risk exposure amount (REA)	9,045	8,766	7,658	7,617	7,589	3%	19%
Number of employees (FTEs)	1,977	2,001	2,051	2,110	2,173	-1%	-9%
<b>Volumes, EURbn:</b>							
Lending to corporates	0.2	0.2	0.2	0.2	0.2	0%	0%
Household mortgage lending	30.6	30.5	30.3	30.2	29.9	0%	2%
Consumer lending	9.1	9.2	9.5	9.8	9.9	-1%	-8%
<b>Total lending</b>	<b>39.9</b>	<b>39.9</b>	<b>40.0</b>	<b>40.2</b>	<b>40.0</b>	<b>0%</b>	<b>0%</b>
Corporate deposits	1.5	1.6	1.6	2.1	2.1	-6%	-29%
Household deposits	22.9	22.9	23.3	23.5	23.2	0%	-1%
<b>Total deposits</b>	<b>24.4</b>	<b>24.5</b>	<b>24.9</b>	<b>25.6</b>	<b>25.3</b>	<b>0%</b>	<b>-4%</b>

## Personal Banking Finland

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1
<b>EURm</b>							
Net interest income	102	106	103	108	102	-4%	0%
Net fee and commission income	40	41	45	47	45	-2%	-11%
Net result from items at fair value	4	8	4	3	3	-50%	33%
Equity method & other income	0	0	0	0	1		
<b>Total income incl. allocations</b>	<b>146</b>	<b>155</b>	<b>152</b>	<b>158</b>	<b>151</b>	<b>-6%</b>	<b>-3%</b>
<b>Total expenses incl. allocations</b>	<b>-123</b>	<b>-108</b>	<b>-107</b>	<b>-114</b>	<b>-118</b>	<b>14%</b>	<b>4%</b>
<b>Profit before loan losses</b>	<b>23</b>	<b>47</b>	<b>45</b>	<b>44</b>	<b>33</b>	<b>-51%</b>	<b>-30%</b>
Net loan losses	-31	-7	2	-18	-11		
<b>Operating profit</b>	<b>-8</b>	<b>40</b>	<b>47</b>	<b>26</b>	<b>22</b>		
Cost/income ratio, %	84	70	70	72	78		
ROCAR, %	-2	8	9	5	4		
Economic capital (EC)	1,457	1,579	1,627	1,613	1,612	-8%	-10%
Risk exposure amount (REA)	7,948	7,762	8,085	8,084	8,006	2%	-1%
Number of employees (FTEs)	2,178	2,103	2,036	2,154	2,229	4%	-2%
<b>Volumes, EURbn:</b>							
Lending to corporates							
Household mortgage lending	26.4	26.3	26.4	26.6	26.6	0%	-1%
Consumer lending	6.2	6.3	6.3	6.3	6.3	-2%	-2%
<b>Total lending</b>	<b>32.6</b>	<b>32.6</b>	<b>32.7</b>	<b>32.9</b>	<b>32.9</b>	<b>0%</b>	<b>-1%</b>
Corporate deposits	0	0.1	0.1	0.1	0.1		
Household deposits	21.6	21.1	21.0	21.1	20.8	2%	4%
<b>Total deposits</b>	<b>21.6</b>	<b>21.2</b>	<b>21.1</b>	<b>21.2</b>	<b>20.9</b>	<b>2%</b>	<b>3%</b>

## Personal Banking Norway

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local curr.	
								Q1/Q4	Q1/Q1
<b>EURm</b>									
Net interest income	104	104	97	97	95	0%	9%	2%	11%
Net fee and commission income	16	22	23	22	18	-27%	-11%	-30%	-11%
Net result from items at fair value	7	2	5	6	2				
Equity method & other income	0	0	0	1	2				
<b>Total income incl. allocations</b>	<b>127</b>	<b>128</b>	<b>125</b>	<b>126</b>	<b>117</b>	<b>-1%</b>	<b>9%</b>	<b>0%</b>	<b>9%</b>
<b>Total expenses incl. allocations</b>	<b>-85</b>	<b>-56</b>	<b>-64</b>	<b>-61</b>	<b>-75</b>	<b>52%</b>	<b>13%</b>	<b>54%</b>	<b>15%</b>
<b>Profit before loan losses</b>	<b>42</b>	<b>72</b>	<b>61</b>	<b>65</b>	<b>42</b>	<b>-42%</b>	<b>0%</b>	<b>-42%</b>	<b>0%</b>
Net loan losses	-10	1	-1	-2	0				
<b>Operating profit</b>	<b>32</b>	<b>73</b>	<b>60</b>	<b>63</b>	<b>42</b>	<b>-56%</b>	<b>-24%</b>	<b>-56%</b>	<b>-24%</b>
Cost/income ratio, %	67	44	51	48	64				
ROCAR, %	6	14	12	13	9				
Economic capital (EC)	2,050	1,610	1,590	1,552	1,491	27%	37%	25%	39%
Risk exposure amount (REA)	11,438	8,378	5,144	4,993	4,801	37%		35%	
Number of employees (FTEs)	965	805	824	813	816	20%	18%	20%	18%
<b>Volumes, EURbn:</b>									
Lending to corporates	0	0	0	0	0				
Household mortgage lending	31.9	26.9	27.9	27.3	26.4	19%	21%	15%	21%
Consumer lending	2.9	1.5	1.5	1.5	1.4	93%		93%	
<b>Total lending</b>	<b>34.8</b>	<b>28.4</b>	<b>29.4</b>	<b>28.8</b>	<b>27.8</b>	<b>23%</b>	<b>25%</b>	<b>19%</b>	<b>25%</b>
Corporate deposits	0.1	0.1	0.1	0.2	0.1	0%	0%	0%	0%
Household deposits	10.5	8.0	8.6	8.8	8.1	31%	30%	27%	30%
<b>Total deposits</b>	<b>10.6</b>	<b>8.1</b>	<b>8.7</b>	<b>9.0</b>	<b>8.2</b>	<b>31%</b>	<b>29%</b>	<b>26%</b>	<b>29%</b>

## Personal Banking Sweden

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local curr.	
								Q1/Q4	Q1/Q1
<b>EURm</b>									
Net interest income	172	180	168	176	200	-4%	-14%	-3%	-10%
Net fee and commission income	58	59	64	61	63	-2%	-8%	-2%	-5%
Net result from items at fair value	4	13	4	4	3				
Equity method & other income	0	0	0	0	5				
<b>Total income incl. allocations</b>	<b>234</b>	<b>252</b>	<b>236</b>	<b>241</b>	<b>271</b>	<b>-7%</b>	<b>-14%</b>	<b>-6%</b>	<b>-10%</b>
<b>Total expenses incl. allocations</b>	<b>-156</b>	<b>-119</b>	<b>-115</b>	<b>-117</b>	<b>-158</b>	<b>31%</b>	<b>-1%</b>	<b>31%</b>	<b>2%</b>
<b>Profit before loan losses</b>	<b>78</b>	<b>133</b>	<b>121</b>	<b>124</b>	<b>113</b>	<b>-41%</b>	<b>-31%</b>	<b>-40%</b>	<b>-27%</b>
Net loan losses	-12	-6	-6	-2	-4				
<b>Operating profit</b>	<b>66</b>	<b>127</b>	<b>115</b>	<b>122</b>	<b>109</b>	<b>-48%</b>	<b>-39%</b>	<b>-47%</b>	<b>-37%</b>
Cost/income ratio, %	67	47	49	49	58				
ROCAR, %	7	13	12	14	12				
Economic capital (EC)	2,761	2,971	2,897	2,726	2,749	-7%	0%	-8%	-1%
Risk exposure amount (REA)	15,356	15,428	5,393	4,767	4,781	0%		-1%	
Number of employees (FTEs)	1,923	1,891	1,893	1,933	1,945	2%	-1%	2%	-1%
<b>Volumes, EURbn:</b>									
Lending to corporates	0.8	0.8	0.7	0.7	0.7	0%	14%	0%	14%
Household mortgage lending	40.7	41.1	40.8	40.0	40.6	-1%	0%	1%	1%
Consumer lending	3.4	3.6	3.6	3.6	3.6	-6%	-6%	-6%	-6%
<b>Total lending</b>	<b>44.9</b>	<b>45.5</b>	<b>45.1</b>	<b>44.3</b>	<b>44.9</b>	<b>-1%</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>
Corporate deposits	0.1	0.1	0.1	0.1	0.1	0%	0%	0%	0%
Household deposits	21.9	22.2	22.0	21.4	21.3	-1%	3%	0%	4%
<b>Total deposits</b>	<b>22.0</b>	<b>22.3</b>	<b>22.1</b>	<b>21.5</b>	<b>21.4</b>	<b>-1%</b>	<b>3%</b>	<b>0%</b>	<b>4%</b>

**Personal Banking Other**

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1
<b>EURm</b>							
Net interest income	-1	-3	-4	-4	2		
Net fee and commission income	-2	-3	-11	3	-3		
Net result from items at fair value	3	0	0	1	0		
Equity method & other income	1	0	-1	0	0		
<b>Total income incl. allocations</b>	<b>1</b>	<b>-6</b>	<b>-16</b>	<b>0</b>	<b>-1</b>		
<b>Total expenses incl. allocations</b>	<b>-1</b>	<b>-31</b>	<b>-18</b>	<b>-8</b>	<b>-8</b>		
<b>Profit before loan losses</b>	<b>0</b>	<b>-37</b>	<b>-34</b>	<b>-8</b>	<b>-9</b>		
Net loan losses	-1	-3	2	-1	1		
<b>Operating profit</b>	<b>-1</b>	<b>-40</b>	<b>-32</b>	<b>-9</b>	<b>-8</b>		
Economic capital (EC)	821	234	249	338	327		
Number of employees (FTEs)	2,347	2,314	2,281	2,214	2,181	1%	8%



**Commercial & Business Banking total**

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local curr.		
								Q1/Q4	Q1/Q1	
<b>EURm</b>										
Net interest income	334	347	329	333	326	-4%	2%	-3%	4%	
Net fee and commission income	121	112	105	110	114	8%	6%	8%	9%	
Net result from items at fair value	23	72	48	57	120	-68%	-81%	-68%	-81%	
Equity method & other income	5	6	5	10	9					
<b>Total income incl. allocations</b>	<b>483</b>	<b>537</b>	<b>487</b>	<b>510</b>	<b>569</b>	<b>-10%</b>	<b>-15%</b>	<b>-10%</b>	<b>-14%</b>	
<b>Total expenses incl. allocations</b>	<b>-311</b>	<b>-281</b>	<b>-269</b>	<b>-281</b>	<b>-338</b>	<b>11%</b>	<b>-8%</b>	<b>11%</b>	<b>-7%</b>	
<b>Profit before loan losses</b>	<b>172</b>	<b>256</b>	<b>218</b>	<b>229</b>	<b>231</b>	<b>-33%</b>	<b>-26%</b>	<b>-32%</b>	<b>-25%</b>	
Net loan losses	-34	-32	-40	27	21					
<b>Operating profit</b>	<b>138</b>	<b>224</b>	<b>178</b>	<b>256</b>	<b>252</b>	<b>-38%</b>	<b>-45%</b>	<b>-38%</b>	<b>-44%</b>	
Cost/income ratio, %	64	52	55	55	59					
ROCAR, %	7	11	9	13	13					
Economic capital (EC)	6,483	6,261	6,230	6,236	6,121	4%	6%	3%	6%	
Risk exposure amount (REA)	44,872	44,310	33,143	33,097	33,069	1%	36%	1%	35%	
Number of employees (FTEs)	4,830	4,820	4,825	4,869	5,109	0%	-5%	0%	-5%	
<b>Volumes, EURbn:</b>										
Lending to corporates	73.5	72.7	73.0	71.8	71.1	1%	3%	1%	4%	
Household mortgage lending <sup>1</sup>	6.7	6.7	6.8	6.9	7.0	0%	-4%	0%	-4%	
Consumer lending <sup>1</sup>	1.9	2.0	2.1	2.1	2.1	-5%	-10%	-5%	-10%	
<b>Total lending</b>	<b>82.1</b>	<b>81.4</b>	<b>81.9</b>	<b>80.8</b>	<b>80.2</b>	<b>1%</b>	<b>2%</b>	<b>1%</b>	<b>3%</b>	
Corporate deposits	38.5	38.0	36.9	37.4	36.4	1%	6%	1%	6%	
Household deposits <sup>1</sup>	2.8	2.8	2.8	3.0	2.9	0%	-3%	0%	-3%	
<b>Total deposits</b>	<b>41.3</b>	<b>40.8</b>	<b>39.7</b>	<b>40.4</b>	<b>39.3</b>	<b>1%</b>	<b>5%</b>	<b>1%</b>	<b>6%</b>	

<sup>1</sup> Household lending and deposits of some corporate customers is supplied by and reported in Commercial & Business Banking.

**Commercial & Business Banking excl. Distribution agreement with Wealth Management**

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local curr.		
								Q1/Q4	Q1/Q1	
<b>EURm</b>										
Net interest income	334	347	329	333	326	-4%	2%	-3%	4%	
Net fee and commission income	148	137	131	135	159	8%	-7%	9%	-6%	
Net result from items at fair value	23	72	48	57	120	-68%	-81%	-68%	-81%	
Equity method & other income	5	6	5	10	9					
<b>Total income incl. allocations</b>	<b>510</b>	<b>562</b>	<b>513</b>	<b>535</b>	<b>614</b>	<b>-9%</b>	<b>-17%</b>	<b>-9%</b>	<b>-16%</b>	
<b>Total expenses incl. allocations</b>	<b>-320</b>	<b>-287</b>	<b>-275</b>	<b>-287</b>	<b>-350</b>	<b>11%</b>	<b>-9%</b>	<b>12%</b>	<b>-7%</b>	
<b>Profit before loan losses</b>	<b>190</b>	<b>275</b>	<b>238</b>	<b>248</b>	<b>264</b>	<b>-31%</b>	<b>-28%</b>	<b>-30%</b>	<b>-27%</b>	
Net loan losses	-34	-31	-41	27	21					
<b>Operating profit</b>	<b>156</b>	<b>244</b>	<b>197</b>	<b>275</b>	<b>285</b>	<b>-36%</b>	<b>-45%</b>	<b>-36%</b>	<b>-44%</b>	
Cost/income ratio, %	63	51	54	54	57					
ROCAR, %	7	12	9	13	14					
Economic capital (EC)	6,606	6,393	6,364	6,363	6,404	3%	3%	3%	3%	
Risk exposure amount (REA)	44,872	44,310	33,143	33,097	33,069	1%	36%	1%	35%	
Number of employees (FTEs)	4,830	4,820	4,825	4,869	5,109	0%	-5%	0%	-5%	
<b>Volumes, EURbn:</b>										
Lending to corporates	73.5	72.7	73.0	71.8	71.1	1%	3%	1%	4%	
Household mortgage lending <sup>1</sup>	6.7	6.7	6.8	6.9	7.0	0%	-4%	0%	-4%	
Consumer lending <sup>1</sup>	1.9	2.0	2.1	2.1	2.1	-5%	-10%	-5%	-10%	
<b>Total lending</b>	<b>82.1</b>	<b>81.4</b>	<b>81.9</b>	<b>80.8</b>	<b>80.2</b>	<b>1%</b>	<b>2%</b>	<b>1%</b>	<b>3%</b>	
Corporate deposits	38.5	38.0	36.9	37.4	36.4	1%	6%	1%	6%	
Household deposits <sup>1</sup>	2.8	2.8	2.8	3.0	2.9	0%	-3%	0%	-3%	
<b>Total deposits</b>	<b>41.3</b>	<b>40.8</b>	<b>39.7</b>	<b>40.4</b>	<b>39.3</b>	<b>1%</b>	<b>5%</b>	<b>1%</b>	<b>6%</b>	

<sup>1</sup> Household lending and deposits of some corporate customers is supplied by and reported in Commercial & Business Banking.

**Business Banking**

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local curr.	
								Q1/Q4	Q1/Q1
<b>EURm</b>									
<b>Net interest income, EURm</b>									
Business Banking Denmark	74	77	77	76	78	-4%	-5%	-4%	-5%
Business Banking Finland	65	66	64	64	61	-2%	7%	-2%	7%
Business Banking Norway	72	74	69	70	70	-3%	3%	-1%	4%
Business Banking Sweden	66	65	63	63	59	2%	12%	2%	16%
Business Banking Direct	54	55	50	53	51	-2%	6%	-2%	6%
Other	3	10	6	7	7				
<b>Net loan losses, EURm</b>									
Business Banking Denmark	-1	-18	-29	-1	-13	-94%		-94%	
Business Banking Finland	-14	-9	-5	4	21	56%		56%	
Business Banking Norway	-4	6	2	22	10				
Business Banking Sweden	-6	-4	-4	4	1	50%		50%	
Business Banking Direct	-3	-1	-1	-1	0				
Other	-6	-6	-3	-1	2				
<b>Lending, EURbn</b>									
Business Banking Denmark	21.5	21.7	21.4	21.2	21.2	-1%	1%	-1%	2%
Business Banking Finland	13.2	13.2	13.4	13.2	13.0	0%	2%	0%	2%
Business Banking Norway	16.1	15.8	16.2	15.8	15.3	2%	5%	-1%	5%
Business Banking Sweden	19.4	19.0	19.0	18.4	18.6	2%	4%	4%	5%
Business Banking Direct	11.9	11.7	11.9	12.0	12.1	2%	-2%	2%	-2%
Other	0	0	0	0.2	0				
<b>Deposits, EURbn</b>									
Business Banking Denmark	6.1	6.1	6.2	6.1	6.1	0%	0%	-2%	0%
Business Banking Finland	7.7	7.8	7.2	7.6	7.1	-1%	8%	-1%	8%
Business Banking Norway	7.0	6.6	6.7	6.6	6.6	6%	6%	3%	6%
Business Banking Sweden	9.3	9.1	8.6	9.0	8.8	2%	6%	3%	6%
Business Banking Direct	11.2	11.2	11.0	11.1	10.7	0%	5%	1%	6%
Other	0	0	0	0	0				

**Wholesale Banking total**

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local curr.	
								Q1/Q4	Q1/Q1
<b>EURm</b>									
Net interest income	213	230	234	234	228	-7%	-7%	-7%	-5%
Net fee and commission income	105	107	93	151	118	-2%	-11%	-1%	-9%
Net result from items at fair value	77	26	111	109	162		-52%		-53%
Equity method & other income	0	1	0	0	0				
<b>Total income incl. allocations</b>	<b>395</b>	<b>364</b>	<b>438</b>	<b>494</b>	<b>508</b>	<b>9%</b>	<b>-22%</b>	<b>9%</b>	<b>-21%</b>
<b>Total expenses incl. allocations</b>	<b>-300</b>	<b>-235</b>	<b>-217</b>	<b>-213</b>	<b>-299</b>	<b>28%</b>	<b>0%</b>	<b>28%</b>	<b>1%</b>
<b>Profit before loan losses</b>	<b>95</b>	<b>129</b>	<b>221</b>	<b>281</b>	<b>209</b>	<b>-26%</b>	<b>-55%</b>	<b>-26%</b>	<b>-54%</b>
Net loan losses	44	13	-5	-65	-35				
<b>Operating profit</b>	<b>139</b>	<b>142</b>	<b>216</b>	<b>216</b>	<b>174</b>	<b>-2%</b>	<b>-20%</b>	<b>-1%</b>	<b>-19%</b>
Cost/income ratio, %	76	65	50	43	59				
ROCAR, %	5	6	9	8	7				
Economic capital (EC)	8,309	7,938	7,462	7,741	7,669	5%	8%		
Risk exposure amount (REA)	49,803	48,246	37,284	39,196	38,529	3%	29%		
Number of employees (FTEs)	3,007	2,981	3,006	2,958	2,964	1%	1%		
<b>Volumes, EURbn:</b>									
Lending to corporates	79.0	69.2	77.0	76.1	74.6	14%	6%		
Lending to households	0	0	0	0	0				
<b>Total lending</b>	<b>79.0</b>	<b>69.2</b>	<b>77.0</b>	<b>76.1</b>	<b>74.6</b>	<b>14%</b>	<b>6%</b>	<b>14%</b>	<b>4%</b>
Corporate deposits	50.6	42.2	51.7	48.6	52.5	20%	-4%		
Household deposits	0	0	0.1	0.1	0.1				
<b>Total deposits</b>	<b>50.6</b>	<b>42.2</b>	<b>51.8</b>	<b>48.7</b>	<b>52.6</b>	<b>20%</b>	<b>-4%</b>	<b>18%</b>	<b>-5%</b>

## Wholesale Banking

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1
<b>EURm</b>							
<b>Net interest income, EURm</b>							
C&IB Denmark	34	36	35	39	37	-6%	-8%
C&IB Finland	30	30	30	28	29	0%	3%
C&IB Norway	82	93	93	91	88	-12%	-7%
C&IB Sweden	55	56	55	53	52	-2%	6%
<b>Corporate &amp; Investment Banking</b>	<b>201</b>	<b>215</b>	<b>213</b>	<b>211</b>	<b>206</b>	<b>-7%</b>	<b>-2%</b>
<b>Banking Russia</b>	<b>10</b>	<b>12</b>	<b>13</b>	<b>16</b>	<b>17</b>	<b>-17%</b>	<b>-41%</b>
<b>Other</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>7</b>	<b>5</b>	<b>-33%</b>	<b>-60%</b>
<b>Net loan losses, EURm</b>							
C&IB Denmark	10	-46	-17	-3	-28		
C&IB Finland	0	10	5	2	1		
C&IB Norway	8	35	1	10	-12		
C&IB Sweden	-2	-1	1	0	1		
<b>Corporate &amp; Investment Banking</b>	<b>16</b>	<b>-2</b>	<b>-11</b>	<b>9</b>	<b>-38</b>		
<b>Banking Russia</b>	<b>12</b>	<b>16</b>	<b>7</b>	<b>-74</b>	<b>4</b>		
<b>Other</b>	<b>16</b>	<b>-1</b>	<b>-1</b>	<b>0</b>	<b>-1</b>		
<b>Lending, EURbn</b>							
C&IB Denmark	10.1	9.9	9.3	9.8	9.6	2%	5%
C&IB Finland	7.7	7.3	7.1	7.1	6.7	5%	15%
C&IB Norway	14.8	14.4	14.7	15.0	14.7	3%	1%
C&IB Sweden	13.3	12.9	12.6	12.7	11.5	3%	16%
<b>Corporate &amp; Investment Banking</b>	<b>45.9</b>	<b>44.5</b>	<b>43.7</b>	<b>44.6</b>	<b>42.5</b>	<b>3%</b>	<b>8%</b>
<b>Banking Russia</b>	<b>2.0</b>	<b>2.1</b>	<b>2.3</b>	<b>2.4</b>	<b>2.4</b>	<b>-5%</b>	<b>-17%</b>
<b>Other</b>	<b>31.1</b>	<b>22.6</b>	<b>31.0</b>	<b>29.1</b>	<b>29.7</b>	<b>38%</b>	<b>5%</b>
<b>Deposits, EURbn</b>							
C&IB Denmark	5.5	5.9	5.8	5.0	5.0	-7%	10%
C&IB Finland	6.3	5.0	4.0	5.2	4.8	26%	31%
C&IB Norway	7.6	7.4	7.6	7.0	7.8	3%	-3%
C&IB Sweden	6.4	6.5	7.2	6.1	6.2	-2%	3%
<b>Corporate &amp; Investment Banking</b>	<b>25.8</b>	<b>24.8</b>	<b>24.6</b>	<b>23.3</b>	<b>23.8</b>	<b>4%</b>	<b>8%</b>
<b>Banking Russia</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.7</b>	<b>0.8</b>	<b>20%</b>	<b>-25%</b>
<b>Other</b>	<b>24.2</b>	<b>16.9</b>	<b>26.7</b>	<b>24.7</b>	<b>28.0</b>	<b>43%</b>	<b>-14%</b>

**Asset & Wealth Management total**

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1	Local curr.	Q1/Q4	Q1/Q1
<b>EURm</b>										
Net interest income	13	15	18	18	18	-13%	-28%	-13%	-27%	
Net fee and commission income	337	342	342	362	361	-1%	-7%	-1%	-7%	
Net result from items at fair value	45	33	30	38	64	36%	-30%	36%	-29%	
Equity method & other income	9	15	10	8	4					
<b>Total income incl. allocations</b>	<b>404</b>	<b>405</b>	<b>400</b>	<b>426</b>	<b>447</b>	<b>0%</b>	<b>-10%</b>	<b>0%</b>	<b>-9%</b>	
<b>Total expenses incl. allocations</b>	<b>-189</b>	<b>-194</b>	<b>-182</b>	<b>-180</b>	<b>-204</b>	<b>-3%</b>	<b>-7%</b>	<b>-2%</b>	<b>-7%</b>	
<b>Profit before loan losses</b>	<b>215</b>	<b>211</b>	<b>218</b>	<b>246</b>	<b>243</b>	<b>2%</b>	<b>-12%</b>	<b>1%</b>	<b>-10%</b>	
Net loan losses	0	-4	0	0	0					
<b>Operating profit</b>	<b>215</b>	<b>207</b>	<b>218</b>	<b>246</b>	<b>243</b>	<b>4%</b>	<b>-12%</b>	<b>3%</b>	<b>-10%</b>	
Cost/income ratio, %	47	48	46	42	46					
ROCAR, %	31	28	28	31	29					
Economic capital (EC)	1,968	2,276	2,207	2,440	2,358	-14%	-17%	-14%	-17%	
Risk exposure amount (REA)	5,481	5,577	5,330	5,518	5,525	-2%	-1%	-2%	-1%	
Number of employees (FTEs)	2,699	2,712	2,925	2,948	3,463	0%	-22%	0%	-22%	
<b>Volumes, EURbn:</b>										
AuM	300.2	282.6	311.5	307.0	320.1	6%	-6%	6%	-6%	
Total lending	8.2	8.1	9.2	9.1	9.5	1%	-14%	1%	-14%	
Total deposits	11.4	11.2	12.7	12.1	12.6	2%	-10%	2%	-10%	

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

	Q119	Q418	Q318	Q218	Q118	Q119 Net inflow
<b>EURbn</b>						
Nordic Retail funds	61.2	56.3	61.1	60.0	58.6	-0.2
Private Banking	84.1	80.7	98.0	96.3	96.1	0.7
Institutional sales	103.8	98.3	101.6	100.9	92.5	0.1
Life & Pensions	51.1	47.3	50.8	49.8	72.9	0.4
<b>Total*</b>	<b>300.2</b>	<b>282.6</b>	<b>311.5</b>	<b>307.0</b>	<b>320.1</b>	<b>1.0</b>

\* The divestment of 45 % stake in Nordea Life & Pensions Denmark has reduced Assets under Management by EUR 11bn in Q2 2018.

## Nordic Private Banking

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1
<b>EURm</b>							
Net interest income	14	14	15	16	16	0%	-13%
Net fee and commission income	42	46	40	45	31	-9%	35%
Net result from items at fair value	15	7	6	9	8		88%
Equity method & other income	0	0	0	0	0		
<b>Total income incl. allocations</b>	<b>71</b>	<b>67</b>	<b>61</b>	<b>70</b>	<b>55</b>	<b>6%</b>	<b>29%</b>
<b>Total expenses incl. allocations</b>	<b>-67</b>	<b>-52</b>	<b>-53</b>	<b>-56</b>	<b>-57</b>	<b>29%</b>	<b>18%</b>
<b>Profit before loan losses</b>	<b>4</b>	<b>15</b>	<b>8</b>	<b>14</b>	<b>-2</b>		
Net loan losses	0	0	0	0	0		
<b>Operating profit</b>	<b>4</b>	<b>15</b>	<b>8</b>	<b>14</b>	<b>-2</b>		
Cost/income ratio, %	94	78	87	80	104		
ROCAR, %	3	12	6	10	-2		
Economic capital (EC)	432	446	388	419	406	-3%	6%
Risk exposure amount (REA)	2,421	2,506	1,912	2,051	2,052	-3%	18%
Number of employees (FTEs)	850	848	850	885	893	0%	-5%
<b>Volumes, EURbn:</b>							
AuM	83.9	80.1	86.6	85.0	84.2	5%	0%
Household mortgage lending	6.4	6.3	6.1	5.9	6.2	2%	3%
Consumer lending	1.8	1.7	1.7	1.7	1.8	6%	0%
<b>Total lending</b>	<b>8.2</b>	<b>8.0</b>	<b>7.8</b>	<b>7.6</b>	<b>8.0</b>	<b>2%</b>	<b>2%</b>
Household deposits	11.4	11.0	9.8	9.5	9.9	4%	15%
<b>Total deposits</b>	<b>11.4</b>	<b>11.0</b>	<b>9.8</b>	<b>9.5</b>	<b>9.9</b>	<b>4%</b>	<b>15%</b>

## Asset Management

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1
<b>EURm</b>							
Net interest income	-1	0	-1	-1	-1		
Net fee and commission income	220	222	219	229	229	-1%	-4%
Net result from items at fair value	0	2	-1	3	5		
Equity method & other income	1	5	1	2	1		
<b>Total income incl. allocations</b>	<b>220</b>	<b>229</b>	<b>218</b>	<b>233</b>	<b>234</b>	<b>-4%</b>	<b>-6%</b>
<b>Total expenses incl. allocations</b>	<b>-73</b>	<b>-79</b>	<b>-72</b>	<b>-71</b>	<b>-74</b>	<b>-8%</b>	<b>-1%</b>
<b>Profit before loan losses</b>	<b>147</b>	<b>150</b>	<b>146</b>	<b>162</b>	<b>160</b>	<b>-2%</b>	<b>-8%</b>
Net loan losses	0	0	0	0	0		
<b>Operating profit</b>	<b>147</b>	<b>150</b>	<b>146</b>	<b>162</b>	<b>160</b>	<b>-2%</b>	<b>-8%</b>
Cost/income ratio, %	33	34	33	30	32		
Income/AuM in bp p.a.	42	43	41	44	43		
Economic capital (EC)	262	261	266	266	256	0%	2%
Risk exposure amount (REA)	942	1,001	951	956	996	-6%	-5%
AuM, Nordic sales channels incl. Life, EURbn	113.4	106.5	115.2	112.5	110.5	6%	3%
AuM, Ext. Inst. & 3rd part. dist., EURbn	103.8	98.3	101.6	100.9	105.3	6%	-1%
Net inf., Nordic sales channels incl. Life, EURbn	-0.4	-0.2	0.3	-0.2	-0.8		
Net inf., Ext. Ins. & 3rd part. dis., EURbn	0.1	-1.2	-0.4	-4.3	-1.6		
Number of employees (FTEs)	820	800	796	752	753	3%	9%

**Life & Pensions**

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1
<b>EURm</b>							
Net interest income	0	0	0	0	0		
Net fee and commission income	74	75	75	76	92	-1%	-20%
Net result from items at fair value	31	26	23	26	49	19%	-37%
Equity method & other income	4	10	8	5	3		
<b>Total income incl. allocations</b>	<b>109</b>	<b>111</b>	<b>106</b>	<b>107</b>	<b>144</b>	<b>-2%</b>	<b>-24%</b>
<b>Total expenses incl. allocations</b>	<b>-29</b>	<b>-33</b>	<b>-32</b>	<b>-34</b>	<b>-52</b>	<b>-12%</b>	<b>-44%</b>
<b>Profit before loan losses</b>	<b>80</b>	<b>78</b>	<b>74</b>	<b>73</b>	<b>92</b>	<b>3%</b>	<b>-13%</b>
Net loan losses	0	0	0	0	0		
<b>Operating profit</b>	<b>80</b>	<b>78</b>	<b>74</b>	<b>73</b>	<b>92</b>	<b>3%</b>	<b>-13%</b>
Cost/income ratio, %	26	30	30	32	36		
Return on Equity, %	21	19	18	16	17		
Equity	1,234	1,524	1,448	1,576	1,526		
AuM, EURbn	45.1	41.9	45.0	44.0	67.3	8%	-33%
Premiums	1,298	961	932	987	1,867	35%	-30%
Risk exposure amount (REA)	1,910	1,815	1,823	1,802	1,802	5%	6%
Number of employees (FTEs)	618	616	689	700	1,184	0%	-48%
<b>Profit drivers</b>							
Profit Traditional products	4	5	0	-1	18		
Profit Market Return products	53	52	56	53	63	2%	-16%
Profit Risk products	18	18	18	18	23	0%	-22%
<b>Total product result</b>	<b>75</b>	<b>75</b>	<b>74</b>	<b>70</b>	<b>104</b>	<b>0%</b>	<b>-28%</b>
Return on Shareholder equity, other profits and group adj.	5	3	0	3	-12		
<b>Operating profit</b>	<b>80</b>	<b>78</b>	<b>74</b>	<b>73</b>	<b>92</b>	<b>3%</b>	<b>-13%</b>

**Asset & Wealth Management Other**

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1
<b>EURm</b>							
Net interest income	0	1	4	3	3		
Net fee and commission income	1	-1	8	12	9		
Net result from items at fair value	-1	-2	2	0	2		
Equity method & other income	4	0	1	1	0		
<b>Total income incl. allocations</b>	<b>4</b>	<b>-2</b>	<b>15</b>	<b>16</b>	<b>14</b>		
<b>Total expenses incl. allocations</b>	<b>-20</b>	<b>-30</b>	<b>-25</b>	<b>-19</b>	<b>-21</b>		
<b>Profit before loan losses</b>	<b>-16</b>	<b>-32</b>	<b>-10</b>	<b>-3</b>	<b>-7</b>		
Net loan losses	0	-4	0	0	0		
<b>Operating profit</b>	<b>-16</b>	<b>-36</b>	<b>-10</b>	<b>-3</b>	<b>-7</b>		
Economic capital (EC)	40	45	105	179	170		
Number of employees (FTEs)	411	448	590	611	633	-8%	-35%
<b>Volumes, EURbn:</b>							
Total lending	0	0.1	1.4	1.5	1.5		
Total deposits	0	0.2	2.9	2.6	2.7		

**Group functions, Other & Eliminations**

	Q119	Q418	Q318	Q218	Q118	Q1/Q4	Q1/Q1
<b>EURm</b>							
Net interest income	-21	15	35	5	5		
Net fee and commission income	11	-8	-9	-6	-3		
Net result from items at fair value	47	13	-12	42	7		
Equity method & other income	43	55	52	389	31		
<b>Total operating income</b>	<b>80</b>	<b>75</b>	<b>66</b>	<b>430</b>	<b>40</b>		
<b>Total operating expenses</b>	<b>-152</b>	<b>-215</b>	<b>-18</b>	<b>-33</b>	<b>-28</b>		
<b>Profit before loan losses</b>	<b>-72</b>	<b>-140</b>	<b>48</b>	<b>397</b>	<b>12</b>		
Net loan losses	-1	13	8	9	-4		
<b>Operating profit</b>	<b>-73</b>	<b>-127</b>	<b>56</b>	<b>406</b>	<b>8</b>		
Economic capital (EC)	2,716	2,237	2,560	2,385	2,395		
Risk exposure amount (REA)	17,911	16,264	17,559	17,512	18,668		
Number of employees (FTEs)	9,358	9,363	9,215	9,272	9,202	0%	2%



# Income statement

	Note	Q1 2019	Q1 2018	Full year 2018
<b>EURm</b>				
<b>Operating income</b>				
Interest income calculated using the effective interest rate method		1,497	1,378	5,843
Other interest income		343	348	1,410
Interest expense		-784	-610	-2,762
<b>Net interest income</b>		<b>1,056</b>	<b>1,116</b>	<b>4,491</b>
Fee and commission income		955	980	3,846
Fee and commission expense		-218	-210	-853
<b>Net fee and commission income</b>	<b>3</b>	<b>737</b>	<b>770</b>	<b>2,993</b>
Net result from items at fair value	4	264	441	1,088
Profit from associated undertakings and joint ventures accounted for under the equity method		14	28	124
Other operating income		44	23	476
<b>Total operating income</b>		<b>2,115</b>	<b>2,378</b>	<b>9,172</b>
<b>Operating expenses</b>				
General administrative expenses:				
Staff costs		-718	-798	-2,998
Other expenses	5	-594	-503	-1,566
Depreciation, amortisation and impairment charges of tangible and intangible assets		-140	-71	-482
<b>Total operating expenses</b>		<b>-1,452</b>	<b>-1,372</b>	<b>-5,046</b>
<b>Profit before loan losses</b>		<b>663</b>	<b>1,006</b>	<b>4,126</b>
Net loan losses	6	-42	-40	-173
<b>Operating profit</b>		<b>621</b>	<b>966</b>	<b>3,953</b>
Income tax expense		-178	-229	-872
<b>Net profit for the period</b>		<b>443</b>	<b>737</b>	<b>3,081</b>
<b>Attributable to:</b>				
Shareholders of Nordea Bank Abp (Nordea Bank AB (publ))		417	726	3,070
Additional Tier 1 capital holders		26	7	7
Non-controlling interests		-	4	4
<b>Total</b>		<b>443</b>	<b>737</b>	<b>3,081</b>
Basic earnings per share, EUR		0.10	0.18	0.76
Diluted earnings per share, EUR		0.10	0.18	0.76

# Statement of comprehensive income

	Q1 2019	Q1 2018	Full year 2018
<b>EURm</b>			
<b>Net profit for the period</b>	<b>443</b>	<b>737</b>	<b>3,081</b>
<b>Items that may be reclassified subsequently to the income statement</b>			
Currency translation differences during the period	102	-101	-240
Tax on currency translation differences during the period	-2	16	-2
<i>Hedging of net investments in foreign operations:</i>			
Valuation gains/losses during the period	-70	4	67
Tax on valuation gains/losses during the period	18	0	-19
<i>Fair value through other comprehensive income<sup>1</sup>:</i>			
Valuation gains/losses during the period, net of recycling	41	7	-58
Tax on valuation gains/losses during the period	-9	-2	13
<i>Cash flow hedges:</i>			
Valuation gains/losses during the period, net of recycling	-2	11	44
Tax on valuation gains/losses during the period	1	-2	-10
<b>Items that may not be reclassified subsequently to the income statement</b>			
<i>Changes in own credit risk related to liabilities classified as fair value option:</i>			
Valuation gains/losses during the period	-14	5	20
Tax on valuation gains/losses during the period	2	-1	-4
<i>Defined benefit plans:</i>			
Remeasurement of defined benefit plans	-159	-35	-173
Tax on remeasurement of defined benefit plans	34	7	36
<b>Other comprehensive income, net of tax</b>	<b>-58</b>	<b>-91</b>	<b>-326</b>
<b>Total comprehensive income</b>	<b>385</b>	<b>646</b>	<b>2,755</b>
<b>Attributable to:</b>			
Shareholders of Nordea Bank Abp (Nordea Bank AB (publ))	359	635	2,744
Additional Tier 1 capital holders	26	7	7
Non-controlling interests	-	4	4
<b>Total</b>	<b>385</b>	<b>646</b>	<b>2,755</b>

<sup>1</sup> Valuation gains/losses related to hedged risks under fair value hedge accounting are accounted for directly in the income statement.

# Balance sheet

		31 Mar 2019	31 Dec 2018	31 Mar 2018
<b>EURm</b>				
<b>Assets</b>				
Cash and balances with central banks		45,764	41,578	35,587
Loans to central banks	7	8,473	7,642	2,977
Loans to credit institutions	7	14,389	11,320	17,243
Loans to the public	7	325,577	308,304	310,926
Interest-bearing securities		70,559	76,222	73,198
Financial instruments pledged as collateral		11,582	7,568	9,618
Shares		16,137	12,452	17,176
Assets in pooled schemes and unit-linked investment contracts		27,003	24,583	25,750
Derivatives		39,491	37,025	42,306
Fair value changes of the hedged items in portfolio hedge of interest rate risk		212	169	150
Investments in associated undertakings and joint ventures		1,620	1,601	1,237
Intangible assets		4,319	4,035	3,971
Property and equipment		2,067	546	612
Investment properties		1,698	1,607	1,516
Deferred tax assets		110	164	138
Current tax assets		335	284	333
Retirement benefit assets		195	246	225
Other assets		19,335	14,749	14,253
Prepaid expenses and accrued income		1,307	1,313	1,495
Assets held for sale	11	-	-	21,478
<b>Total assets</b>		<b>590,173</b>	<b>551,408</b>	<b>580,189</b>
<b>Liabilities</b>				
Deposits by credit institutions		51,634	42,419	50,437
Deposits and borrowings from the public		176,285	164,958	173,985
Deposits in pooled schemes and unit-linked investment contracts		28,120	25,653	26,185
Liabilities to policyholders		19,067	18,230	19,165
Debt securities in issue		193,263	190,422	174,750
Derivatives		41,448	39,547	38,307
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,828	1,273	1,180
Current tax liabilities		386	414	574
Other liabilities		33,933	23,315	26,432
Accrued expenses and prepaid income		1,933	1,696	1,892
Deferred tax liabilities		562	706	614
Provisions		398	321	332
Retirement benefit obligations		489	398	283
Subordinated liabilities		10,332	9,155	8,320
Liabilities held for sale	11	-	-	26,761
<b>Total liabilities</b>		<b>559,678</b>	<b>518,507</b>	<b>549,217</b>
<b>Equity</b>				
Additional Tier 1 capital holders		750	750	750
Non-controlling interests		52	6	172
Share capital		4,050	4,050	4,050
Share premium reserve		-	-	1,080
Invested unrestricted equity		1,080	1,080	-
Other reserves		-1,934	-1,876	-1,641
Retained earnings		26,497	28,891	26,561
<b>Total equity</b>		<b>30,495</b>	<b>32,901</b>	<b>30,972</b>
<b>Total liabilities and equity</b>		<b>590,173</b>	<b>551,408</b>	<b>580,189</b>
Assets pledged as security for own liabilities		177,910	171,899	195,207
Other assets pledged		4,169	4,788	5,038
Contingent liabilities		18,902	17,819	18,809
Credit commitments <sup>1</sup>		71,436	73,287	73,525
Other commitments		1,302	1,192	2,473

<sup>1</sup> Including unutilised portion of approved overdraft facilities of EUR 28,865m (31 Dec 2018: EUR 29,626m, 31 Mar 2018: EUR 29,440m).

# Statement of changes in equity

## Attributable to shareholders of Nordea Bank Abp

EURm	Other reserves:											
	Share capital <sup>1</sup>	Invested un-restricted equity	Translation of foreign operations	Cash flow hedges	Fair value through other comprehensive income	Defined benefit plans	Changes in own credit risk related to liabilities classified as fair value option	Retained earnings	Total	Additional Tier 1 capital holders	Non-controlling interests	Total equity
<b>Balance at 1 Jan 2019</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,914</b>	<b>-12</b>	<b>59</b>	<b>-17</b>	<b>8</b>	<b>28,891</b>	<b>32,145</b>	<b>750</b>	<b>6</b>	<b>32,901</b>
Net profit for the period	-	-	-	-	-	-	-	417	417	26	-	443
Other comprehensive income, net of tax	-	-	48	-1	32	-125	-12	-	-58	-	-	-58
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>-1</b>	<b>32</b>	<b>-125</b>	<b>-12</b>	<b>417</b>	<b>359</b>	<b>26</b>	<b>-</b>	<b>385</b>
Paid interest on AT1 capital	-	-	-	-	-	-	-	-	-	-26	-	-26
Share-based payments	-	-	-	-	-	-	-	5	5	-	-	5
Dividend 2018	-	-	-	-	-	-	-	-2,788	-2,788	-	-	-2,788
Purchase of own shares <sup>2</sup>	-	-	-	-	-	-	-	-28	-28	-	-	-28
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	46	46
<b>Balance at 31 Mar 2019</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,866</b>	<b>-13</b>	<b>91</b>	<b>-142</b>	<b>-4</b>	<b>26,497</b>	<b>29,693</b>	<b>750</b>	<b>52</b>	<b>30,495</b>
<b>Balance at 1 Jan 2018</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,720</b>	<b>-46</b>	<b>103</b>	<b>120</b>	<b>-</b>	<b>28,811</b>	<b>32,398</b>	<b>750</b>	<b>168</b>	<b>33,316</b>
Restatement due to changed accounting policy, net of tax <sup>3</sup>	-	-	-	-	1	-	-8	-237	-244	-	-	-244
<b>Restated opening balance at 1 Jan 2018</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,720</b>	<b>-46</b>	<b>104</b>	<b>120</b>	<b>-8</b>	<b>28,574</b>	<b>32,154</b>	<b>750</b>	<b>168</b>	<b>33,072</b>
Net profit for the period	-	-	-	-	-	-	-	3,070	3,070	7	4	3,081
Other comprehensive income, net of tax	-	-	-194	34	-45	-137	16	-	-326	-	-	-326
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-194</b>	<b>34</b>	<b>-45</b>	<b>-137</b>	<b>16</b>	<b>3,070</b>	<b>2,744</b>	<b>7</b>	<b>4</b>	<b>2,755</b>
Paid interest on AT1 capital	-	-	-	-	-	-	-	-	-	-7	-	-7
Dividend 2017	-	-	-	-	-	-	-	-2,747	-2,747	-	-	-2,747
Purchase of own shares <sup>2</sup>	-	-	-	-	-	-	-	-6	-6	-	-	-6
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-166	-166
<b>Balance at 31 Dec 2018</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,914</b>	<b>-12</b>	<b>59</b>	<b>-17</b>	<b>8</b>	<b>28,891</b>	<b>32,145</b>	<b>750</b>	<b>6</b>	<b>32,901</b>
<b>Balance at 1 Jan 2018</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,720</b>	<b>-46</b>	<b>103</b>	<b>120</b>	<b>-</b>	<b>28,811</b>	<b>32,398</b>	<b>750</b>	<b>168</b>	<b>33,316</b>
Restatement due to changed accounting policy, net of tax <sup>3</sup>	-	-	-	-	1	-	-8	-237	-244	-	-	-244
<b>Restated opening balance at 1 Jan 2018</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,720</b>	<b>-46</b>	<b>104</b>	<b>120</b>	<b>-8</b>	<b>28,574</b>	<b>32,154</b>	<b>750</b>	<b>168</b>	<b>33,072</b>
Net profit for the period	-	-	-	-	-	-	-	726	726	7	4	737
Other comprehensive income, net of tax	-	-	-81	9	5	-28	4	-	-91	-	-	-91
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-81</b>	<b>9</b>	<b>5</b>	<b>-28</b>	<b>4</b>	<b>726</b>	<b>635</b>	<b>7</b>	<b>4</b>	<b>646</b>
Paid interest on AT1 capital	-	-	-	-	-	-	-	-	-	-7	-	-7
Dividend 2017	-	-	-	-	-	-	-	-2,747	-2,747	-	-	-2,747
Divestment of own shares <sup>2</sup>	-	-	-	-	-	-	-	8	8	-	-	8
<b>Balance at 31 Mar 2018</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,801</b>	<b>-37</b>	<b>109</b>	<b>92</b>	<b>-4</b>	<b>26,561</b>	<b>30,050</b>	<b>750</b>	<b>172</b>	<b>30,972</b>

<sup>1</sup> Total shares registered were 4,050 million (31 Dec 2018: 4,050 million, 31 Mar 2018: 4,050 million).

<sup>2</sup> Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares were 19.7 million (31 Dec 2018: 15.9 million, 31 Mar 2018: 12.9 million). The total holdings of own shares related to LTIP were 9.6 million (31 Dec 2018: 9.6 million, 31 Mar 2018: 10.2 million).

<sup>3</sup> Related to the implementation of IFRS 9 and IFRS 15, see Annual report 2018.

# Cash flow statement, condensed

	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
<b>EURm</b>			
<b>Operating activities</b>			
Operating profit	621	966	3,953
Adjustments for items not included in cash flow	1,749	524	1,238
Income taxes paid	-297	-378	-1,024
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>2,073</b>	<b>1,112</b>	<b>4,167</b>
Changes in operating assets and liabilities	5,258	-3,751	-1,536
<b>Cash flow from operating activities</b>	<b>7,331</b>	<b>-2,639</b>	<b>2,631</b>
<b>Investing activities</b>			
Sale of business operations	-569	-	646
Acquisition/sale of associated undertakings and joint ventures	-	-	9
Acquisition/sale of property and equipment	-33	-13	-18
Acquisition/sale of intangible assets	-135	-119	-608
Sale/acquisition of other financial fixed assets	-	-2	-
<b>Cash flow from investing activities</b>	<b>-737</b>	<b>-134</b>	<b>29</b>
<b>Financing activities</b>			
Issued/Amortised subordinated liabilities	1,101	-500	-28
Divestment of own shares including change in trading portfolio	-28	8	-6
Dividend paid	-2,788	-2,747	-2,747
Paid interest on Additional Tier 1 capital	-26	-7	-7
<b>Cash flow from financing activities</b>	<b>-1,741</b>	<b>-3,246</b>	<b>-2,788</b>
<b>Cash flow for the period</b>	<b>4,853</b>	<b>-6,019</b>	<b>-128</b>
<b>Cash and cash equivalents</b>			
	<b>31 Mar 2019</b>	<b>31 Mar 2018</b>	<b>31 Dec 2018</b>
<b>EURm</b>			
Cash and cash equivalents at beginning of the period	46,009	46,213	46,213
Translation difference	294	-1,298	-76
Cash and cash equivalents at end of the period	51,156	38,896	46,009
<b>Change</b>	<b>4,853</b>	<b>-6,019</b>	<b>-128</b>
The following items are included in cash and cash equivalents:			
Cash and balances with central banks	45,764	35,587	41,578
Loans to central banks	4,002	1,827	2,759
Loans to credit institutions	1,390	942	1,672
Assets held for sale	-	540	-
<b>Total cash and cash equivalents</b>	<b>51,156</b>	<b>38,896</b>	<b>46,009</b>

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal 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

The consolidated interim financial statements are presented in accordance with IAS 34 "Interim Financial Reporting", as endorsed by the EU commission.

The accounting policies and methods of computation are unchanged in comparison with Note G1 in the Annual Report 2018, except for related to the items presented in the section "Changed accounting policies and presentation" below. For more information see Note G1 in the Annual Report 2018.

### Changed accounting policies and presentation

The following changes in accounting policies and presentation were implemented by Nordea 1 January 2019.

#### IFRS 16 "Leases"

The IASB has published the new standard IFRS 16 "Leases". The new standard changes the accounting requirements for lessees. All leases (except for short term and small ticket leases) are accounted for on the balance sheet of the lessee as a right to use the asset and a corresponding liability, and the lease payments are recognised as amortisation and interest expense. The accounting requirements for lessors are unchanged. Additional disclosures are also required. The new standard is effective for annual periods beginning on or after 1 January 2019. The standard was endorsed by the EU-commission in 2017.

The main impact on Nordea's financial statements comes from the accounting of property leases. Such leasing contracts are under IFRS 16 accounted for on the balance sheet to a larger extent than under the earlier requirements. The right of use asset, presented as "Properties and equipment" on the balance sheet, amounted to EUR 1,521m at transition on 1 January 2019. The increase of total assets was EUR 1,163m considering also a reclassification of already existing prepaid lease expenses. There was no impact on equity at transition. The impact on the CET1 ratio was negative by 12 basis points following an increase in REA.

The impact in Q1 2019 can be found in the below table. At transition to IFRS 16 Nordea has applied the modified retrospective approach, which means that IFRS 16 has been applied from 1 January 2019 with no restatement of comparative figures.

More information about the transition to IFRS 16 can be found in Note G49 in the Annual Report 2018.

EURm	Q1 2019		
	Old policy	Change	New policy
Interest expense	-781	-3	-784
Other expenses	-637	43	-594
Depreciation, amortisation and impairment charges of tangible and intangible assets	-96	-44	-140
Income tax expense	-179	1	-178
Impact on net profit for the period		-3	

EURm	31 Mar 2019		
	Old policy	Change	New policy
Properties and equipment	543	1,524	2,067
Prepaid expenses and accrued income	1,629	-322	1,307
Other liabilities	32,727	1,206	33,933
Current tax liabilities	387	-1	386
Retained earnings	26,500	-3	26,497

### Changed recognition and presentation of resolution fees

As from the first quarter 2019 Nordea recognises resolution fees at the beginning of the year, when the legal obligation to pay arises, and presents the expense as "Other expenses". The earlier policy was to amortise these fees over the year and present the expense as "Interest expense". The change mainly reflects the change in the structure of the resolution fees following the re-domiciliation to Finland.

Comparative figures have been restated accordingly and the impact, together with the impact on Q1 2019, can be found in the below table.

EURm	Q1 2019			Q1 2018			Full year 2018		
	Old policy	Change	New policy	Old policy	Change	New policy	Old policy	Change	New policy
Interest expense	-836	52	-784	-673	63	-610	-2,929	167	-2,762
Other expenses	-387	-207	-594	-336	-167	-503	-1,399	-167	-1,566
Income tax expense	-215	37	-178	-250	21	-229	-872	-	-872
Impact on net profit for the period		-118			-83			-	
Impact on EPS/DEPS, EUR		-0.03			-0.02			-	

EURm	31 Mar 2019			31 Dec 2018			31 Mar 2018		
	Old policy	Change	New policy	Old policy	Change	New policy	Old policy	Change	New policy
Current tax liabilities	423	-37	386	414	-	414	595	-21	574
Accrued expenses and deferred income	1,778	155	1,933	1,696	-	1,696	1,788	104	1,892
Retained earnings	26,615	-118	26,497	28,891	-	28,891	26,644	-83	26,561

### Presentation of fair value adjustments

As from Q1 2019 Nordea presents all other valuation adjustments than DVA as an adjustment to derivatives with positive fair value and DVA as an adjustment to derivatives with negative fair value on the balance sheet. The impact in Q1 2019 was a decrease of derivatives with positive fair value and derivatives with negative fair value by EUR 292m. Comparative figures have not been restated.

### Other amendments

The following new and amended standards issued by IASB were implemented by Nordea 1 January 2019 but have not had any significant impact on the financial statements of Nordea:

- Amendment to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 19: Plan Amendments, Curtailment or Settlement
- Amendments to IAS 28: Long-term Interest in Associates and Joint Ventures
- Annual Improvements to IFRS Standards 2015-2017 Cycle

### Changes in IFRSs not yet applied

#### IFRS 17 “Insurance contracts”

The IASB has published the new standard IFRS 17 “Insurance contracts”. The new standard will change the accounting requirements for recognition, measurement, presentation and disclosure of insurance contracts.

The measurement principles will change from a non-uniform accounting policy based on the local accounting policies in the life insurance subsidiaries to a uniform accounting policy based on the three measurement models Building Block Approach (BBA), Variable Fee Approach (VFA) and Premium Allocation Approach (PAA). The model application depends on the terms of the contracts (long term, long term with variable fee or short term). The three measurement models include consistent definitions of the contractual cash-flows, risk adjustment margin and discounting. These definitions are based on the similar principles as the measurement principles for technical provisions in the Solvency II capital requirement directives. Unearned future premiums will be recognised as a provision on the balance sheet and released to revenue when the insurance service is provided. Any unprofitable contracts will be recognised in the income statement at the time when the contract is signed and approved.

IFRS 17 is effective for annual report period beginning on or after 1 January 2021 with earlier application permitted. However, due to comments from the global insurance industry, the IASB board has proposed to amend IFRS 17. The amendments include a one-year deferral of the effective date to 1 January 2022. The standard is not yet endorsed by the European Commission. Nordea does not currently intend to early adopt the standard. Nordea's current assessment is that the new standard will not have any significant impact on Nordea's capital adequacy or large exposures in the period of initial application. It is not yet possible to conclude on the impact on Nordea's financial statements.

### Other amendments to IFRS

Other amendments to IFRS are not assessed to have any significant impact on Nordea's financial statements, capital adequacy or large exposures in the period of initial application.

### Acquisition of Gjensidige Bank

On 2 July 2018, Nordea entered into an agreement with Gjensidige Forsikring to acquire all shares in Gjensidige Bank. The transaction was closed on 1 March 2019, when Nordea received final approval from the Norwegian regulators. 1 March is the acquisition date and the date from which the acquired assets and liabilities are recognised on Nordea's balance sheet. Assets and liabilities acquired are disclosed in the table below.

The following purchase price allocation (PPA) has been established as of 1 March 2019. The PPA is still preliminary and may be updated during 2019.

EURm	1 Mar 2019
Loans to the public <sup>1</sup>	5,185
Interest-bearing securities	608
Accruals and other assets	93
Deposits from the public	-2,315
Debt securities in issue <sup>1</sup>	-3,022
Accruals and other liabilities	-108
<b>Acquired net assets</b>	<b>441</b>

Purchase price, settled in cash	575
Estimated additional purchase price	1
<b>Cost of combination</b>	<b>576</b>

<b>Surplus value</b>	<b>135</b>
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#### Allocation of surplus value:

Non-controlling interest	-46
Customer intangible	29
Brands	8
Deferred tax liability	-6
Goodwill	150

1) Including adjustments to fair value for loans and debt securities in issue measured at amortised cost in Gjensidige

Nordea has identified a number of intangible assets in the acquisition. Two different customer related intangibles have been identified, one for deposit customers and one for lending customers. The value of the deposit customers is related to the funding they provide at interest rates lower than other funding. The customer intangible related to lending reflects the profit generated in specific portfolios. The amortisation of the deposit related intangible is made over eight years, while the intangible related to the loans is amortised over four years, reflecting the pace at which customers can be expected to leave. The consumer finance business in Gjensidige is distributed through the brand Oppfinans, which is included in the acquisition. The brand has been valued using a royalty rate of 3.5%. Goodwill arises mainly due to the synergies Nordea expects to achieve. Integrating the business in Gjensidige into Nordea will create cost synergies as well as some income synergies. The brand and the goodwill are expected to have indefinite lives and are consequently not amortised.

The Additional Tier 1 instrument accounted for as equity in Gjensidige will be reported as a non-controlling interest in the Nordea consolidated accounts.

The impact on Nordea's net profit for the year is insignificant.

## Exchange rates

	Jan-Mar 2019	Jan-Dec 2018	Jan-Mar 2018
<b>EUR 1 = SEK</b>			
Income statement (average)	10.4181	10.2608	9.9765
Balance sheet (at end of period)	10.4098	10.2330	10.2843
<b>EUR 1 = DKK</b>			
Income statement (average)	7.4636	7.4533	7.4468
Balance sheet (at end of period)	7.4649	7.4672	7.4530
<b>EUR 1 = NOK</b>			
Income statement (average)	9.7459	9.6033	9.6366
Balance sheet (at end of period)	9.6805	9.9470	9.6770
<b>EUR 1 = RUB</b>			
Income statement (average)	74.9659	74.0484	69.9590
Balance sheet (at end of period)	73.4988	79.3826	70.8897

## Note 2 Segment reporting

### Operating segments

	Personal Banking	Commercial & Business Banking	Wholesale Banking	Asset & Wealth Management	Group Finance & Treasury	Other operating segments	Total operating segments	Reconciliation	Total Group
<b>Jan-Mar 2019</b>									
Total operating income, EURm	878	513	396	406	25	23	2,241	-126	<b>2,115</b>
- of which internal transactions <sup>1</sup>	-151	-61	-120	-6	330	8	0	-	-
Operating profit, EURm	291	158	138	215	10	14	826	-205	<b>621</b>
Loans to the public <sup>2</sup> , EURbn	150	82	50	7	-	0	289	37	<b>326</b>
Deposits and borrowings from the public <sup>2</sup> , EURbn	71	42	36	9	-	0	158	18	<b>176</b>
<b>Jan-Mar 2018</b>									
Total operating income, EURm	932	611	505	447	21	23	2,539	-161	<b>2,378</b>
- of which internal transactions <sup>1</sup>	-128	-59	-98	-3	276	12	0	-	-
Operating profit, EURm	381	286	174	246	24	13	1,124	-158	<b>966</b>
Loans to the public <sup>2</sup> , EURbn	143	80	46	8	-	2	279	32	<b>311</b>
Deposits and borrowings from the public <sup>2</sup> , EURbn	67	39	37	10	-	2	155	19	<b>174</b>

<sup>1</sup> IFRS 8 requires information on revenues from transactions between operating segments. Nordea has defined intersegment revenues as internal interest income and expense related to the funding of the operating segments by the internal bank in Group Finance & Treasury.

<sup>2</sup> The volumes are only disclosed separately for operating segments if separately reported to the Chief Operating Decision Maker.

### Breakdown of Personal Banking, Commercial & Business Banking, Wholesale Banking and Wealth Management

	Personal Banking Denmark		Personal Banking Finland		Personal Banking Norway		Personal Banking Sweden		Personal Banking Other		Personal Banking	
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total operating income, EURm	265	301	189	200	139	128	282	307	3	-4	<b>878</b>	<b>932</b>
- of which internal transactions	-51	-42	-26	-40	-45	-24	-31	-23	2	1	<b>-151</b>	<b>-128</b>
Operating profit, EURm	128	143	27	64	39	51	96	135	1	-12	<b>291</b>	<b>381</b>
Loans to the public, EURbn	37	37	32	33	35	28	45	45	1	0	<b>150</b>	<b>143</b>
Deposits and borrowings from the public, EURbn	17	17	21	21	11	8	22	21	0	0	<b>71</b>	<b>67</b>

	Business Banking		Business Banking Direct		Commercial & Business Banking Other		Commercial & Business Banking	
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar	
	2019	2018	2019	2018	2019	2018	2019	2018
Total operating income, EURm	404	518	110	98	-1	-5	<b>513</b>	<b>611</b>
- of which internal transactions	-62	-57	1	-2	0	0	<b>-61</b>	<b>-59</b>
Operating profit, EURm	149	286	33	24	-24	-24	<b>158</b>	<b>286</b>
Loans to the public, EURbn	70	68	12	12	0	0	<b>82</b>	<b>80</b>
Deposits and borrowings from the public, EURbn	31	29	11	10	0	0	<b>42</b>	<b>39</b>



## Note 2 Continued

	Corporate & Investment Banking		Financial Institutions & International Banks		Banking Russia		Capital Markets unallocated		Wholesale Banking Other		Wholesale Banking	
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total operating income, EURm	328	325	87	78	15	22	-31	83	-3	-3	396	505
- of which internal transactions	-84	-75	-9	-10	-14	-14	-11	3	-2	-2	-120	-98
Operating profit, EURm	210	135	5	15	19	14	-80	45	-16	-35	138	174
Loans to the public, EURbn	46	42	2	2	2	2	-	-	-	-	50	46
Deposits and borrowings from the public, EURbn	25	24	10	12	1	1	-	-	-	-	36	37

	Private Banking		Asset Management		Life & Pension unallocated		Asset & Wealth Management Other		Asset & Wealth Management	
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total operating income, EURm	134	139	221	234	112	143	-61	-69	406	447
- of which internal transactions	-5	-2	0	0	0	0	-1	-1	-6	-3
Operating profit, EURm	40	40	147	160	80	91	-52	-45	215	246
Loans to the public, EURbn	7	8	-	-	-	-	-	-	7	8
Deposits and borrowings from the public, EURbn	9	10	-	-	-	-	-	-	9	10

### Reconciliation between total operating segments and financial statements

	Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	Jan-Mar		Jan-Mar		Jan-Mar	
	2019	2018	2019	2018	2019	2018
Total operating segments	826	1,124	289	279	158	155
Group functions <sup>1</sup>	-31	-44	-	-	-	-
Unallocated items	-65	21	39	32	19	20
Differences in accounting policies <sup>2</sup>	-109	-135	-2	0	-1	-1
<b>Total</b>	<b>621</b>	<b>966</b>	<b>326</b>	<b>311</b>	<b>176</b>	<b>174</b>

<sup>1</sup> Consists of Group Business Risk Management, Group Internal Audit, Chief of staff office, Group Legal, Group Corporate Centre and Group Risk and Compliance.

<sup>2</sup> Impact from different classification of assets/liabilities held for sale, plan exchange rates and internal allocation principles used in the segment reporting.

### Measurement of operating segments' performance

The measurement principles and allocation between operating segments follow the information reported to the Chief Operating Decision Maker (CODM), as required by IFRS 8. In Nordea the CODM has been defined as Group Executive Management. The main differences compared to the section "Business areas" in this report are that the information for CODM is prepared using plan exchange rates and to that different allocation principles between operating segments have been applied.

Financial results are presented for the main business areas Personal Banking, Commercial & Business Banking, Wholesale Banking and Wealth Management, with a further breakdown on operating segments, and the operating segment Group Finance & Treasury. Other operating segments below the quantitative thresholds in IFRS 8 are included in Other operating segments. Group functions (and eliminations) as well as the result that is not fully allocated to any of the operating segments, are shown separately as reconciling items.

### Note 3 Net fee and commission income

	Q1 2019	Q4 2018	Q1 2018
<b>EURm</b>			
Asset management commissions	347	361	358
Life & Pensions	62	64	81
Deposit Products	5	7	5
Brokerage, securities issues and corporate finance	30	54	34
Custody and issuer services	3	15	7
Payments	86	72	76
Cards	57	49	54
Lending Products	102	92	97
Guarantees	24	22	33
Other	21	-16	25
<b>Total</b>	<b>737</b>	<b>720</b>	<b>770</b>

#### Break-down Jan-Mar 2019

	Personal Banking	Commercial & Business Banking	Wholesale Banking	Asset & Wealth Management	Group Finance and Treasury	Other and elimination	Nordea Group
<b>EURm</b>							
Asset management commissions	42	7	1	297	0	0	347
Life & Pensions	14	6	1	41	0	0	62
Deposit Products	2	3	0	0	0	0	5
Brokerage, securities issues and corporate finance	4	8	10	8	0	0	30
Custody and issuer services	2	0	6	-4	-1	0	3
Payments	21	47	18	0	0	0	86
Cards	36	10	3	0	0	8	57
Lending Products	31	27	43	1	0	0	102
Guarantees	2	7	14	0	1	0	24
Other	9	6	9	-6	1	2	21
<b>Total</b>	<b>163</b>	<b>121</b>	<b>105</b>	<b>337</b>	<b>1</b>	<b>10</b>	<b>737</b>

#### Break-down Jan-Mar 2018

	Personal Banking	Commercial & Business Banking	Wholesale Banking	Asset & Wealth Management	Group Finance and Treasury	Other and elimination	Nordea Group
<b>EURm</b>							
Asset management commissions	41	14	10	293	0	0	358
Life & Pensions	15	5	1	60	0	0	81
Deposit Products	2	3	0	0	0	0	5
Brokerage, securities issues and corporate finance	8	5	17	6	-2	0	34
Custody and issuer services	3	0	8	-2	-2	0	7
Payments	23	40	13	0	0	0	76
Cards	46	5	3	0	0	0	54
Lending Products	30	27	40	0	0	0	97
Guarantees	2	11	19	0	0	1	33
Other	10	4	7	4	-2	2	25
<b>Total</b>	<b>180</b>	<b>114</b>	<b>118</b>	<b>361</b>	<b>-6</b>	<b>3</b>	<b>770</b>

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

	Q1 2019	Q4 2018	Q1 2018
<b>EURm</b>			
Equity related instruments	235	52	-45
Interest related instruments and foreign exchange gains/losses	-14	119	404
Other financial instruments (including credit and commodities)	12	-16	34
Investment properties	0	0	-1
Life insurance <sup>1</sup>	31	27	49
<b>Total</b>	<b>264</b>	<b>182</b>	<b>441</b>

<sup>1</sup> Internal transactions not eliminated against other lines in the Note. The line Life insurance consequently provides the true impact from the Life insurance operations.

#### Break-down of life insurance

	Q1 2019	Q4 2018	Q1 2018
<b>EURm</b>			
Equity related instruments	668	-605	-306
Interest related instruments and foreign exchange gains/losses	150	-82	-84
Other financial instruments	0	0	0
Investment properties	20	36	39
Change in technical provisions <sup>1</sup>	-687	295	196
Change in collective bonus potential	-130	373	194
Insurance risk income	16	16	42
Insurance risk expense	-6	-6	-32
<b>Total</b>	<b>31</b>	<b>27</b>	<b>49</b>

<sup>1</sup> Premium income amounts to EUR 81m for Q1 2019 (Q1 2018: EUR 644m).

## Note 5 Other expenses

	Q1 2019	Q4 2018	Q1 2018
<b>EURm</b>			
Information technology	-128	-120	-123
Marketing and representation	-12	-26	-11
Postage, transportation, telephone and office expenses	-18	-20	-22
Rents, premises and real estate	-30	-83	-74
Resolution fees	-207	0	-167
Other	-199	-141	-106
<b>Total</b>	<b>-594</b>	<b>-390</b>	<b>-503</b>

## Note 6 Net loan losses

	Q1 2019	Q4 2018	Q1 2018
<b>EURm</b>			
Net loan losses, stage 1	-1	21	11
Net loan losses, stage 2	-9	18	70
<b>Net loan losses, non-defaulted</b>	<b>-10</b>	<b>39</b>	<b>81</b>
<b>Stage 3, defaulted</b>			
Net loan losses, individually assessed, collectively calculated	-7	2	-71
Realised loan losses	-85	-129	-108
Decrease of provisions to cover realised loan losses	66	81	82
Recoveries on previous realised loan losses	7	13	9
Reimbursement right	14	-	-
New/increase in provisions	-80	-150	-127
Reversals of provisions	53	114	94
<b>Net loan losses, defaulted</b>	<b>-32</b>	<b>-69</b>	<b>-121</b>
<b>Net loan losses</b>	<b>-42</b>	<b>-30</b>	<b>-40</b>

## Key ratios

	Q1 2019	Q4 2018	Q1 2018
Loan loss ratio, basis points	7	5	7
- of which stage 1	0	-4	-2
- of which stage 2	2	-3	-12
- of which stage 3	5	12	21

## Note 7 Loans and impairment

	Total		
	31 Mar 2019	31 Dec 2018	31 Mar 2018
<b>EURm</b>			
Loans measured at fair value	95,517	77,521	90,640
Loans measured at amortised cost, not impaired (stage 1 and 2)	250,422	247,204	237,574
Impaired loans (stage 3)	4,555	4,581	5,212
- of which servicing	2,080	2,097	2,539
- of which non-servicing	2,475	2,484	2,673
<b>Loans before allowances</b>	<b>350,494</b>	<b>329,306</b>	<b>333,426</b>
-of which central banks and credit institutions	22,862	18,977	20,243
Allowances for individually assessed impaired loans (stage 3)	-1,600	-1,599	-1,877
-of which servicing	-711	-720	-866
-of which non-servicing	-889	-879	-1,011
Allowances for collectively assessed impaired loans (stage 1 and 2)	-455	-441	-403
<b>Allowances</b>	<b>-2,055</b>	<b>-2,040</b>	<b>-2,280</b>
-of which central banks and credit institutions	-15	-15	-24
<b>Loans, carrying amount</b>	<b>348,439</b>	<b>327,266</b>	<b>331,146</b>

### Exposures measured at amortised cost and fair value through OCI, before allowances

	31 Mar 2019		
	Stage 1	Stage 2	Stage 3
<b>EURm</b>			
Loans to central banks, credit institutions and the public	236,500	13,922	4,555
Interest-bearing securities	34,022	-	-
<b>Total</b>	<b>270,522</b>	<b>13,922</b>	<b>4,555</b>

	31 Mar 2018		
	Stage 1	Stage 2	Stage 3
<b>EURm</b>			
Loans to central banks, credit institutions and the public	222,687	14,887	5,212
Interest-bearing securities	37,790	-	-
<b>Total</b>	<b>260,477</b>	<b>14,887</b>	<b>5,212</b>

### Allowances and provisions

	31 Mar 2019		
	Stage 1	Stage 2	Stage 3
<b>EURm</b>			
Loans to central banks, credit institutions and the public	-148	-307	-1,600
Interest-bearing securities	-2	-	-
Provisions for off balance sheet items	-22	-44	-64
<b>Total allowances and provisions</b>	<b>-172</b>	<b>-351</b>	<b>-1,664</b>

	31 Mar 2018		
	Stage 1	Stage 2	Stage 3
<b>EURm</b>			
Loans to central banks, credit institutions and the public	-123	-280	-1,877
Interest-bearing securities	-1	-	-
Provisions for off balance sheet items	-9	-34	-84
<b>Total allowances and provisions</b>	<b>-133</b>	<b>-314</b>	<b>-1,961</b>

### Movements of allowance accounts for loans measured at amortised cost

	Stage 1	Stage 2	Stage 3	Total
<b>EURm</b>				
<b>Balance as at 1 Jan 2019</b>	<b>-146</b>	<b>-295</b>	<b>-1,599</b>	<b>-2,040</b>
Changes due to origination and acquisition	-4	0	-1	-5
Transfer from stage 1 to stage 2	4	-43	-	-39
Transfer from stage 1 to stage 3	0	-	-12	-12
Transfer from stage 2 to stage 1	-8	29	-	21
Transfer from stage 2 to stage 3	-	6	-20	-14
Transfer from stage 3 to stage 1	0	-	18	18
Transfer from stage 3 to stage 2	-	-10	11	1
Changes due to change in credit risk (net)	-7	1	-49	-55
Changes due to repayments and disposals	18	11	22	51
Write-off through decrease in allowance account	-	-	62	62
Other changes	-5	-6	-27	-38
Translation differences	0	0	-5	-5
<b>Balance as at 31 Mar 2019</b>	<b>-148</b>	<b>-307</b>	<b>-1,600</b>	<b>-2,055</b>

	Stage 1	Stage 2	Stage 3	Total
<b>EURm</b>				
<b>Balance as at 1 Jan 2018</b>	<b>-133</b>	<b>-360</b>	<b>-1,816</b>	<b>-2,309</b>
Changes due to origination and acquisition	-2	-1	-2	-5
Changes due to change in credit risk (net)	4	68	-138	-66
Changes due to repayments and disposals	7	12	16	35
Write-off through decrease in allowance account	-	-	80	80
Other changes	1	0	-22	-21
Translation differences	0	1	5	6
<b>Balance as at 31 Mar 2018</b>	<b>-123</b>	<b>-280</b>	<b>-1,877</b>	<b>-2,280</b>

## Note 7 Continued

### Key ratios<sup>1</sup>

	31 Mar 2019	31 Dec 2018	31 Mar 2018
Impairment rate (stage 3), gross, basis points	179	182	215
Impairment rate (stage 3), net, basis points	116	118	137
Total allowance rate (stage 1, 2 and 3), basis points	81	81	94
Allowances in relation to impaired loans (stage 3), %	35	35	36
Allowances in relation to loans in stage 1 and 2, basis points	18	1	17

<sup>1</sup> For definitions, see Glossary.

## Note 8 Classification of financial instruments

	Fair value through profit or loss (FVPL)				Fair value through other comprehensive income (FVOCI)	Total
	Amortised cost (AC)	Mandatorily	Designated at fair value through profit or loss (Fair value option)	Derivatives used for hedging		
<b>EURm</b>						
<b>Financial assets</b>						
Cash and balances with central banks	45,764	-	-	-	-	45,764
Loans to central banks	4,001	4,472	-	-	-	8,473
Loans to credit institutions	6,593	7,796	-	-	-	14,389
Loans to the public	242,328	83,249	-	-	-	325,577
Interest-bearing securities	3,537	30,213	6,863	-	29,946	70,559
Financial instruments pledged as collateral	-	11,045	-	-	537	11,582
Shares	-	16,137	-	-	-	16,137
Assets in pooled schemes and unit-linked investment contracts	-	26,688	116	-	-	26,804
Derivatives	-	37,391	-	2,100	-	39,491
Fair value changes of the hedged items in portfolio hedge of interest rate risk	212	-	-	-	-	212
Other assets	3,612	14,574	-	-	-	18,186
Prepaid expenses and accrued income	795	-	-	-	-	795
<b>Total 31 Mar 2019</b>	<b>306,842</b>	<b>231,565</b>	<b>6,979</b>	<b>2,100</b>	<b>30,483</b>	<b>577,969</b>
Total 31 Dec 2018	296,819	200,342	7,287	3,110	33,564	541,122

	Fair value through profit or loss (FVPL)				Total
	Amortised cost (AC)	Mandatorily	Designated at fair value through profit or loss (Fair value option)	Derivatives used for hedging	
<b>EURm</b>					
<b>Financial liabilities</b>					
Deposits by credit institutions	28,290	23,344	-	-	51,634
Deposits and borrowings from the public	163,485	12,800	-	-	176,285
Deposits in pooled schemes and unit-linked investment contracts	-	-	28,120	-	28,120
Liabilities to policyholders	-	-	3,427	-	3,427
Debt securities in issue	137,144	-	56,119	-	193,263
Derivatives	-	39,673	-	1,775	41,448
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,828	-	-	-	1,828
Other liabilities	5,524	22,180	-	-	27,704
Accrued expenses and prepaid income	346	-	-	-	346
Subordinated liabilities	10,332	-	-	-	10,332
<b>Total 31 Mar 2019</b>	<b>346,949</b>	<b>97,997</b>	<b>87,666</b>	<b>1,775</b>	<b>534,387</b>
Total 31 Dec 2018	339,700	71,463	83,665	923	495,751

**Note 9 Fair value of financial assets and liabilities**

	31 Mar 2019		31 Dec 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>EURm</b>				
<b>Financial assets</b>				
Cash and balances with central banks	45,764	45,764	41,578	41,578
Loans	348,651	355,314	327,435	330,681
Interest-bearing securities	70,559	70,702	76,222	76,334
Financial instruments pledged as collateral	11,582	11,582	7,568	7,568
Shares	16,137	16,137	12,452	12,452
Assets in pooled schemes and unit-linked investment contracts	26,804	26,804	24,425	24,425
Derivatives	39,491	39,491	37,025	37,025
Other assets	18,186	18,186	13,428	13,428
Prepaid expenses and accrued income	795	795	989	989
<b>Total</b>	<b>577,969</b>	<b>584,775</b>	<b>541,122</b>	<b>544,480</b>
<b>Financial liabilities</b>				
Deposits and debt instruments	433,342	434,482	408,227	409,014
Deposits in pooled schemes and unit-linked investment contracts	28,120	28,120	25,653	25,653
Liabilities to policyholders	3,427	3,427	3,234	3,234
Derivatives	41,448	41,448	39,547	39,547
Other liabilities	27,704	27,704	18,817	18,817
Accrued expenses and prepaid income	346	346	273	273
<b>Total</b>	<b>534,387</b>	<b>535,527</b>	<b>495,751</b>	<b>496,538</b>

The determination of fair value is described in the Annual report 2018, Note G40 "Assets and liabilities at fair value".

## Note 10 Financial assets and liabilities held at fair value on the balance sheet

### Categorisation into the fair value hierarchy

	Quoted prices in active markets for the same instruments (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
<b>EURm</b>							
<b>Assets at fair value on the balance sheet<sup>1</sup></b>							
Loans to central banks	-	-	4,472	-	-	-	4,472
Loans to credit institutions	-	-	7,796	-	-	-	7,796
Loans to the public	-	-	83,249	-	-	-	83,249
Interest-bearing securities <sup>2</sup>	33,487	3,594	44,940	3,468	177	11	78,604
Shares	13,998	8,955	341	339	1,798	902	16,137
Assets in pooled schemes and unit-linked investment contracts	26,483	22,715	275	275	46	46	26,804
Derivatives	35	-	38,188	215	1,268	-	39,491
Other assets	-	-	14,491	-	83	40	14,574
<b>Total 31 Mar 2019</b>	<b>74,003</b>	<b>35,264</b>	<b>193,752</b>	<b>4,297</b>	<b>3,372</b>	<b>999</b>	<b>271,127</b>
Total 31 Dec 2018	65,343	32,969	175,791	4,304	3,169	991	244,303
<b>Liabilities at fair value on the balance sheet<sup>1</sup></b>							
Deposits by credit institutions	-	-	23,344	-	-	-	23,344
Deposits and borrowings from the public	-	-	12,800	-	-	-	12,800
Deposits in pooled schemes and unit-linked investment	-	-	28,120	23,924	-	-	28,120
Liabilities to policyholders	-	-	3,427	3,427	-	-	3,427
Debt securities in issue	13,002	-	40,488	-	2,629	-	56,119
Derivatives	31	-	40,278	13	1,139	-	41,448
Other liabilities	9,784	-	12,395	-	1	-	22,180
<b>Total 31 Mar 2019</b>	<b>22,817</b>	<b>-</b>	<b>160,852</b>	<b>27,364</b>	<b>3,769</b>	<b>-</b>	<b>187,438</b>
Total 31 Dec 2018	19,639	-	132,748	25,003	3,664	-	156,051

<sup>1</sup> All items are measured at fair value on a recurring basis at the end of each reporting period.

<sup>2</sup> Of which EUR 11,582m relates to the balance sheet item Financial instruments pledged as collateral.

### Transfers between Level 1 and 2

During the period, Nordea transferred interest-bearing securities (including such financial instruments pledged as collateral) of EUR 475m from Level 1 to Level 2 and EUR 1,682m from Level 2 to Level 1 of the fair value hierarchy. In addition, Nordea has transferred derivative assets of EUR 5m and derivative liabilities of EUR 0m from Level 2 to Level 1. Further Nordea transferred other liabilities from Level 1 to Level 2 of EUR 1m and EUR 213m from Level 2 to Level 1. The reason for the transfers from Level 1 to Level 2 was that the instruments ceased to be actively traded during the period and fair values have now been obtained using valuation techniques with observable market inputs. The reason for the transfer from Level 2 to Level 1 was that the instruments have again been actively traded during the period and reliable quoted prices are obtained in the market. Transfers between levels are considered to have occurred at the end of the reporting period.

## Note 10 Continued

### Movements in Level 3

	Fair value gains/losses recognised in the income statement during the year										
	1 Jan	Rea- lised	Un- realised	Recog- nised in OCI	Purchases/ Issues	Sales	Settle- ments	Transfers into Level 3	Transfers out of Level 3	Transla- tion diff- erences	31 Mar
<b>EURm</b>											
Interest-bearing securities	329	0	8	-	189	-357	1	7	-	0	177
- of which Life	4	-	-	-	-	-	1	6	-	0	11
Shares	1,697	-2	13	-	130	-60	-9	21	-	8	1,798
- of which Life	916	9	0	-	4	-20	-9	0	-	2	902
Assets in pooled schemes and unit-linked investment contracts	31	1	13	-	1	-1	1	-	-	0	46
- of which Life	31	1	13	-	1	-1	1	-	-	0	46
Derivatives (net)	15	-107	117	-	-	0	107	0	-2	-1	129
Other assets	74	-	9	-	0	-	-	0	-	-	83
- of which Life	40	-	-	-	-	-	-	0	-	-	40
Debt securities in issue	2,627	20	73	-3	91	-	-179	0	-	-	2,629
Other liabilities	14	-	0	-	-	-13	-	0	-	-	1
<b>Total 2019, net</b>	<b>-495</b>	<b>-128</b>	<b>87</b>	<b>3</b>	<b>229</b>	<b>-405</b>	<b>279</b>	<b>28</b>	<b>-2</b>	<b>7</b>	<b>-397</b>
<b>Total 2018, net</b>	<b>-1,613</b>	<b>25</b>	<b>168</b>	<b>-5</b>	<b>858</b>	<b>-78</b>	<b>285</b>	<b>-1</b>	<b>9</b>	<b>6</b>	<b>-346</b>

Unrealised gains and losses relate to those assets and liabilities held at the end of the reporting period. The reason for the transfer out of Level 3 was that observable market data became available. The reason for the transfer into Level 3 was that observable market data was no longer available. Transfers between levels are considered to have occurred at the end of the reporting period. Fair value gains and losses in the income statement during the period are included in "Net result from items at fair value". Assets and liabilities related to derivatives are presented net.

#### The valuation processes for fair value measurements in Level 3

For information about valuation processes for fair value measurement in Level 3, see the Annual report 2018 Note G40 "Assets and liabilities at fair value".

#### Deferred day 1 profit

The transaction price for financial instruments in some cases differs from the fair value at initial recognition measured using a valuation model, mainly due to that the transaction price is not established in an active market. If there are significant unobservable inputs used in the valuation technique (Level 3), the financial instrument is recognised at the transaction price and any difference between the transaction price and fair value at initial recognition measured using a valuation model (Day 1 profit) is deferred. For more information see the Annual report 2018 Note G1 "Accounting policies". The table below shows the aggregated difference yet to be recognised in the income statement at the beginning and end of the period and a reconciliation of how this aggregated difference has changed during the period (movement of deferred Day 1 profit).

#### Deferred day 1 profit - Derivatives, net

	2019	2018
<b>EURm</b>		
Opening balance at 1 Jan	81	58
Deferred profit on new transactions	19	19
Recognised in the income statement during the period <sup>1</sup>	-10	-14
<b>Closing balance at 31 Mar</b>	<b>90</b>	<b>63</b>

<sup>1</sup> Of which EUR -m (EUR -m) due to transfers of derivatives from Level 3 to Level 2.



## Note 10 Continued

### Valuation techniques and inputs used in the fair value measurements in Level 3

	Fair value	Of which Life <sup>1</sup>	Valuation techniques	Unobservable input	Range of fair value <sup>4</sup>
<b>EURm</b>					
<b>Interest-bearing securities</b>					
Mortgage and other credit institutions <sup>2</sup>	172	7	Discounted cash flows	Credit spread	-17/17
Corporates	5	4	Discounted cash flows	Credit spread	0/0
<b>Total 31 Mar 2019</b>	<b>177</b>	<b>11</b>			<b>-17/17</b>
Total 31 Dec 2018	329	4			-32/32
<b>Shares</b>					
Private equity funds	752	449	Net asset value <sup>3</sup>		-84/84
Hedge funds	108	86	Net asset value <sup>3</sup>		-9/9
Credit funds	381	175	Net asset value/market consensus <sup>3</sup>		-31/31
Other funds	305	186	Net asset value/Fund prices <sup>3</sup>		-27/27
Other <sup>5</sup>	298	53	-		-25/25
<b>Total 31 Mar 2019</b>	<b>1,844</b>	<b>949</b>			<b>-176/176</b>
Total 31 Dec 2018	1,728	947			-165/165
<b>Derivatives, net</b>					
Interest rate derivatives	281	-	Option model	Correlations Volatilities	-20/11
Equity derivatives	3	-	Option model	Correlations Volatilities	-9/6
Foreign exchange derivatives	-7	-	Option model	Dividends Correlations	-0/0
Credit derivatives	-154	-	Credit derivative model	Volatilities Correlations	-25/26
Other	6	-	Option model	Recovery rates Correlations Volatilities	-0/0
<b>Total 31 Mar 2019</b>	<b>129</b>	<b>-</b>			<b>-54/43</b>
Total 31 Dec 2018	15	-			-59/55
<b>Debt securities in issue</b>					
Issued structured bonds	2,629	-	Credit derivative model	Correlations Recovery rates Volatilities	-13/13
<b>Total 31 Mar 2019</b>	<b>2,629</b>	<b>-</b>			<b>-13/13</b>
Total 31 Dec 2018	2,627	-			-13/13
<b>Other, net</b>					
Other assets and Other liabilities, net	82	40	-	-	-9/9
<b>Total 31 Mar 2019</b>	<b>82</b>	<b>40</b>			<b>-9/9</b>
Total 31 Dec 2018	60	40			-7/7

<sup>1</sup> Investments in financial instruments is a major part of the life insurance business, acquired to fulfill the obligations behind the insurance- and investments contracts. The gains or losses on these instruments are almost exclusively allocated to policyholders and do consequently not affect Nordea's equity.

<sup>2</sup> Of which EUR 155m is priced at a credit spread (the difference between the discount rate and LIBOR) of 1.45% and a reasonable change of this credit spread would not affect the fair value due to callability features.

<sup>3</sup> The fair values are based on prices and net asset values delivered by external suppliers/custodians. The prices are fixed by the suppliers/custodians on the basis of the development in assets behind the investments. For private equity funds the dominant measurement methodology used by the suppliers/custodians is consistent with the International Private Equity and Venture Capital Valuation (IPEV) guidelines issued by Invest Europe (formerly called EVCA). Approximately 40% of the private equity fund investments are internally adjusted/valued based on the IPEV guidelines. These carrying amounts are a range of 6% to 100% compared to the values received from suppliers/custodians.

<sup>4</sup> The column "Range of fair value" shows the sensitivity of Level 3 financial instruments to changes in key assumptions. For more information see the Annual Report 2018, Note G40 "Assets and liabilities at fair value".

<sup>5</sup> Of which EUR 46m related to assets in pooled schemes and unit-linked investment.

## Note 11 Disposal group held for sale

### Balance sheet - Condensed<sup>1</sup>

	31 Mar 2019	31 Dec 2018	31 Mar 2018
<b>EURm</b>			
<b>Assets</b>			
Loans to credit institutions	-	-	540
Loans to the public	-	-	1,234
Interest-bearing securities	-	-	6,140
Financial instruments pledged as collateral	-	-	146
Shares	-	-	10,070
Derivatives	-	-	370
Investments	-	-	268
Investment property	-	-	1,895
Other assets	-	-	815
<b>Total assets held for sale</b>	-	-	<b>21,478</b>
<b>Liabilities</b>			
Deposits by credit institutions	-	-	170
Deposits and borrowings from the public	-	-	2,008
Liabilities to policyholders	-	-	23,168
Derivatives	-	-	297
Current tax	-	-	87
Other liabilities	-	-	1,031
<b>Total liabilities held for sale</b>	-	-	<b>26,761</b>

<sup>1</sup> Includes the external assets and liabilities held for sale.

Assets and liabilities held for sale as of 31 March 2018 related to Nordea's earlier announced decisions to sell an additional 45 per cent of the shares in Danish Nordea Liv & Pension, livsforsikringselskab A/S and parts of its Luxembourg-based private banking business. The sale of the shares in Danish Nordea Liv & Pension, livsforsikringselskab A/S has been closed and the assets and liabilities held for sale were derecognised from Nordea's balance sheet during the second quarter 2018. The disposal group was included in "Life & Pension unallocated" in Note 2 "Segment reporting". Also the sale of parts of the Luxembourg-based private banking business has been closed and the assets and liabilities held for sale were derecognised from Nordea's balance during the fourth quarter 2018. The disposal group was included in "Private Banking" in Note 2 "Segment reporting".

## Note 12 Risks and uncertainties

Nordea is subject to various legal regimes and requirements, including those of the Nordic countries, the European Union and the United States. Governmental authorities that administer and enforce those regimes regularly conduct investigations with regards to Nordea's regulatory compliance, including the compliance with anti-money laundering (AML) and economic sanctions requirements.

The supervisory authorities have conducted ongoing investigations with regards to Nordea's compliance in several areas, e.g. investment advice, AML, external tax rules, competition law and governance and control. The Nordea Group is also responding to inquiries from US governmental authorities regarding historical compliance with certain US financial sanctions during 2008–2014. The outcome of some investigations is pending, and it cannot be excluded that these investigations could lead to criticism or sanctions.

In June 2015 the Danish Financial Supervisory Authority investigated how Nordea Bank Danmark A/S had followed the regulations regarding anti-money laundering (AML). The outcome has resulted in criticism and the matter was, in accordance with Danish administrative practice, handed over to the police for further handling and possible sanctions. As

previously stated, Nordea expects to be fined in Denmark for our weak AML processes and procedures in the past and is consequently making a provision for ongoing AML-related matters.

Nordea has made significant investments to address the deficiencies highlighted by the investigations. Amongst other Nordea established in 2015 the Financial Crime Change Programme and has strengthened the organisation significantly to enhance the AML and sanction management risk frameworks. Nordea has also established the Business Ethics and Values Committee and a culture transformation programme to embed stronger ethical standards into our corporate culture. In addition, the group is investing in enhanced compliance standards, processes and resources in both the first and second lines of defence.

The Danish tax authorities are in addition investigating whether there is a basis for raising a claim for damages against Nordea relating to Nordea's assistance to a foreign bank in connection with the said bank's reclaim of dividend tax on behalf of one of its customers. At this point in time, it is not possible to assess the potential risk related to the case.

# Glossary

## Return on equity

Net profit for the period as a percentage of average equity for the period. Additional Tier 1 capital, accounted for in equity, is in the calculation considered as being classified as a financial liability. Net profit for the period excludes non-controlling interests and interest expense on Additional Tier 1 capital (discretionary interest accrued). Average equity includes net profit for the period and dividend until paid, and excludes non-controlling interests and Additional Tier 1 capital.

## Return on tangible equity

Net profit for the period as a percentage of average equity for the period. Additional Tier 1 capital, accounted for in equity, is in the calculation considered as being classified as a financial liability. Net profit for the period excludes non-controlling interests and interest expense on Additional Tier 1 capital (discretionary interest accrued). Average equity includes net profit for the period and dividend until paid, and excludes non-controlling interests and Additional Tier 1 capital and is reduced with intangible assets.

## Return on Risk Exposure Amount

Net profit for the period as a percentage of average Risk Exposure Amount for the period. Net profit for the period excludes non-controlling interests and interest expense on Additional Tier 1 capital (discretionary interest accrued).

## Return on equity with amortised resolution fees

Net profit for the period as a percentage of average equity for the period. Additional Tier 1 capital, accounted for in equity, is in the calculation considered as being classified as a financial liability. Net profit for the period excludes non-controlling interests and interest expense on Additional Tier 1 capital (discretionary interest accrued) and is adjusted for the effect of resolution fees on an amortised basis after tax. Average equity includes net profit for the period and dividend until paid, and excludes non-controlling interests and Additional Tier 1 capital.

## 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.

## Tier 1 capital

The Tier 1 capital of an institution consists of the sum of the Common Equity Tier 1 capital and Additional Tier 1 capital of the institution. Common Equity Tier 1 capital includes consolidated shareholders' equity excluding investments in insurance companies, proposed dividend, deferred tax assets, intangible assets in the banking operations, the full expected shortfall deduction (the negative difference between expected losses and provisions) and finally other deductions such as cash flow hedges.

## Tier 1 capital ratio

Tier 1 capital as a percentage of Risk Exposure Amount. The Common Equity Tier 1 capital ratio is calculated as Common Equity Tier 1 capital as a percentage of Risk Exposure Amount.

## Loan loss ratio

Net loan losses (annualised) divided by quarterly closing balance of loans to the public (lending) measured at amortised cost.

## Impairment rate (Stage 3), gross

Impaired loans (Stage 3) before allowances divided by total loans measured at amortised cost before allowances.

## Impairment rate (Stage 3), net

Impaired loans (Stage 3) after allowances divided by total loans measured at amortised cost before allowances.

## Total allowance rate (Stage 1, 2 and 3)

Total allowances divided by total loans measured at amortised cost before allowances.

## Allowances in relation to credit impaired loans (stage 3)

Allowances for impaired loans (stage 3) divided by impaired loans measured at amortised cost (stage 3) before allowances.

## Allowance in relation to loans in stage 1 and 2

Allowances for not impaired loans (stage 1 and 2) divided by not impaired loans measured at amortised cost (stage 1 and 2) before allowances.

## 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.

## ROCAR

ROCAR, % (Return on Capital at Risk) is defined as Net profit excluding items affecting comparability, in percentage of Economic capital. For Business areas it is defined as Operating profit after standard tax in percentage of Economic Capital.

For a list of further Alternative Performance Measures and business definitions, <http://www.nordea.com/en/investor-relations/reports-and-presentations/select-reports-and-presentations/> and the Annual Report.

# Nordea Bank Abp

## Income statement

	Reported Q1 2019	Pre- decessor Q1 2018	Combined Full year 2018	Reported 15 month 2018 <sup>1</sup>
<b>EURm</b>				
<b>Operating income</b>				
Interest income	1,104	979	4,203	1,116
Interest expense	-507	-405	-1,730	-474
<b>Net interest income</b>	<b>597</b>	<b>574</b>	<b>2,473</b>	<b>642</b>
Fee and commission income	592	553	2,244	584
Fee and commission expense	-133	-101	-457	-157
<b>Net fee and commission income</b>	<b>459</b>	<b>452</b>	<b>1,787</b>	<b>427</b>
Net result from securities trading and foreign exchange dealing	228	271	868	199
Net result from securities classified at fair value through other comprehensive income	26	7	25	8
Net result from hedge accounting	-29	-15	-61	-55
Net result from investment properties	0	-1	-1	0
Dividends	665	-1	1,735	1,167
Other operating income	85	105	377	94
<b>Total operating income</b>	<b>2,031</b>	<b>1,392</b>	<b>7,203</b>	<b>2,482</b>
<b>Operating expenses</b>				
Staff costs	-601	-654	-2,478	-616
Other administrative expenses	-234	-238	-980	-274
Other operating expenses	-356	-222	-539	-100
Depreciation, amortisation and impairment charges of tangible and intangible assets	-102	-74	-355	-115
<b>Total operating expenses</b>	<b>-1,293</b>	<b>-1,188</b>	<b>-4,352</b>	<b>-1,105</b>
<b>Profit before loan losses</b>	<b>738</b>	<b>204</b>	<b>2,851</b>	<b>1,377</b>
Net loan losses	15	-16	-122	-12
Impairment on other financial assets	0	0	-239	-21
<b>Operating profit</b>	<b>753</b>	<b>188</b>	<b>2,490</b>	<b>1,344</b>
Income tax expense	-61	-64	-514	-211
<b>Net profit for period</b>	<b>692</b>	<b>124</b>	<b>1,976</b>	<b>1,133</b>

<sup>1</sup> Nordea Bank Abp's financial period started 21 September 2017, with no business activities until 1 October 2018.

Nordea Bank Abp reports under Finnish GAAP. The columns labelled "Predecessor" include restated income statements of the former parent company Nordea Bank AB (publ). The columns labelled "Combined" include combinations of Nordea Bank Abp's reported income statements and restated income statements for the former parent company Nordea Bank AB (publ). When the former parent company Nordea Bank AB (publ)'s income statements have been restated to comply with Finnish GAAP, adjustments have been made so that the pension plans in Sweden are accounted for under IFRS, that changes to own credit risk on financial liabilities designated at fair value is recognised in Equity, as well as to that the presentation of the income statement complies with Finnish requirements.

# Nordea Bank Abp

## Balance sheet

	Reported 31 Mar 2019	Reported 31 Dec 2018 <sup>1</sup>	Predecessor 31 Mar 2018
<b>EURm</b>			
<b>Assets</b>			
Cash and balances with central banks	43,728	39,562	35,194
Debt securities eligible for refinancing with central banks	63,297	72,677	69,982
Loans to credit institutions	68,986	64,772	64,958
Loans to the public	164,652	154,419	156,976
Interest-bearing securities	9,081	1,890	6,063
Shares and participations	8,424	4,813	8,143
Investments in associated undertakings and joint ventures	1,050	1,049	1,039
Investments in group undertakings	13,330	12,175	12,531
Derivatives	39,470	37,221	43,444
Fair value changes of the hedged items in portfolio hedge of interest rate risk	85	72	67
Intangible assets	2,385	2,331	2,140
Tangible assets			
Properties and equipment	333	338	378
Investment properties	4	4	2
Deferred tax assets	71	130	105
Current tax assets	268	234	274
Retirement benefit assets	194	243	231
Other assets	18,402	15,681	14,721
Prepaid expenses and accrued income	1,149	1,111	1,217
<b>Total assets</b>	<b>434,909</b>	<b>408,722</b>	<b>417,465</b>
<b>Liabilities</b>			
Deposits by credit institutions and central banks	62,815	51,427	63,894
Deposits and borrowings from the public	180,341	171,102	179,607
Debt securities in issue	78,153	82,667	67,616
Derivatives	42,700	40,591	41,019
Fair value changes of the hedged items in portfolio hedge of interest rate risk	933	536	374
Current tax liabilities	288	249	329
Other liabilities	29,711	21,257	26,317
Accrued expenses and prepaid income	1,514	1,330	1,465
Deferred tax liabilities	80	223	59
Provisions	428	352	402
Retirement benefit obligations	426	349	252
Subordinated liabilities	10,274	9,157	8,321
<b>Total liabilities</b>	<b>407,663</b>	<b>379,240</b>	<b>389,655</b>
<b>Equity</b>			
Share capital	4,050	4,050	4,050
Additional Tier 1 capital holders	750	750	750
Invested unrestricted equity	1,080	1,080	1,080
Other reserves	-282	-150	1,317
Retained earnings	20,956	22,619	20,489
Profit or loss for the period <sup>2</sup>	692	1,133	124
<b>Total equity</b>	<b>27,246</b>	<b>29,482</b>	<b>27,810</b>
<b>Total liabilities and equity</b>	<b>434,909</b>	<b>408,722</b>	<b>417,465</b>
<b>Off balance sheet commitments</b>			
Commitments given to a third party on behalf of customers			
Guarantees and pledges	48,802	50,026	51,974
Other	1,386	1,406	1,434
Irrevocable commitments in favour of customers			
Securities repurchase commitments	-	-	-
Other	76,542	80,102	74,309

<sup>1</sup> Nordea Bank Abp's financial period started 21 September 2017, with no business activities until 1 October 2018.

<sup>2</sup> In 2018 including anticipated dividends of EUR 436m from its subsidiaries.

Nordea Bank Abp reports under Finnish GAAP. The column labelled "Predecessor" includes a restated balance sheet of the former parent company Nordea Bank AB (publ). When the former parent company Nordea Bank AB (publ)'s balance sheet has been restated to comply with Finnish GAAP, adjustments have been made so that the pension plans in Sweden are accounted for under IFRS, that changes to own credit risk on financial liabilities designated at fair value is recognised in Equity, as well as to that the presentation of the balance sheet complies with Finnish requirements.

# Nordea Bank Abp

## Note 1 Accounting policies

The financial statements for the parent company, Nordea Bank Abp, are prepared in accordance with the Finnish Accounting Act, the Finnish Credit Institutions Act, the Decision of the Ministry of Finance on the financial statements and consolidated financial statements of credit institutions as well as Finnish Financial Supervision Authority's Regulations.

International Financial Reporting Standards (IFRS) as endorsed by the EU commission have been applied to the extent possible within the framework of Finnish accounting legislation and considering the close tie between financial reporting and taxation.

Nordea Group's consolidated interim financial statements are presented in accordance with IAS 34 "Interim Financial Reporting", as endorsed by the EU commission.

The accounting policies and methods of computation are unchanged in comparison with the Annual Report 2018, except from changed accounting policies and presentation described below in the section "Changed accounting policies and presentation". For more information see Note P1 in the Annual Report 2018.

### Changed accounting policies and presentation

Information on new and amended IFRS standards implemented by Nordea on 1 January 2019 can be found in the section "Changed accounting policies and presentation" in Note 1 for the Group. The conclusions within this section are also, where applicable, relevant for the parent company. However, IFRS 16 "Leases" is not applied in the parent company.

Nordea Bank Abp has recognised the resolution fees at the beginning of the year, when the legal obligation to pay arises, and presents them as Other expenses in the income statement. Hence, there is no change in the accounting policy of resolution fees and no restatements are needed in the parent company.

### Changes in IFRSs not yet applied

Information on forthcoming changes in IFRS not yet implemented can be found in the section "Changes in IFRSs not yet applied" in Note 1 for the Group. The conclusions within this section are also, where applicable, relevant for the parent company. However, IFRS 17 "Insurance contracts" will not be applied in the parent company.

### Other amendments

Other amendment to IFRS are not assessed to have any significant impact on the financial statements of Nordea Bank Abp.

## For further information

- A webcast for media, investors and equity analysts will be held on 30 April at 09.00 EET (08.00 CET), at which Casper von Koskull, President and Group CEO, will present the results.
- To participate in the webcast (starting at 09:00 EET) please use the webcast [link](#) or dial +44 333 300 0804 or +46 8 566 426 51 or +358 9 817 103 10 or +45 35 44 55 77 PIN code 68301225# no later than 08.50 EET.
- The webcast will be directly followed by a Q&A audio session (starting at approximately 09.30) with Christopher Rees, Group CFO and Rodney Alfvén, Head of Investor Relations.
- After the call an indexed on-demand replay will be available [here](#). A replay will also be available until 7th May 2019. Please dial one of the following numbers +44 333 300 0819, +46 8-519 993 85, +358 9 817 105 15, +45 82 33 31 90, confirmation code 301285308#.
- An analyst and investor presentation will be held in London on 2 May at 11.00 local time at Autonomous, 50 Berkeley Street, London, W1J 8HA in which Casper von Koskull, President and Group CEO, Christopher Rees, Group CFO, Rodney Alfvén, Head of Investor Relations and Pawel Wyszynski, Senior Investor Relations Officer will participate.
- The presentation, including Q&A, is expected to last approximately one hour.
- To attend please contact: Rachel Griffin at Autonomous Research via e-mail: [rgriffin@autonomous.com](mailto:rgriffin@autonomous.com)
- The Q1 2019 report, an investor presentation and a fact book are available on [www.nordea.com](http://www.nordea.com).

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## Financial calendar

**18 July** – Second Quarter Report 2019 (silent period starts 5 July 2019)

**24 October 2019** – Third Quarter Report 2019 (silent period starts 7 October 2019)

Helsinki 29 April 2019

Nordea Bank Abp

Board of Directors

This report is published in one additional language version, in Swedish. In the event of any inconsistencies between the Swedish language version and this English version, the English version shall prevail.

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

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## Report on review of interim financial information of Nordea Bank Abp for the three months period ended 31 March 2019

To the Board of Directors of Nordea Bank Abp

### Introduction

We have reviewed the condensed interim financial information of Nordea Bank Abp, which comprise the balance sheet as at 31 March 2019, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the three-month-period then ended and notes, all consolidated, and parent company's balance sheet as at 31 March 2019 and income statement for the three-month-period then ended. The Board of Directors and the Managing Director are responsible for the preparation of the condensed interim financial information in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union. We will express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope, than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information of Nordea Bank Abp for the three months period ended on 31 March 2019 is not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union.

Helsinki 29 April 2019

**PricewaterhouseCoopers Oy**  
Authorised Public Accountants

Juha Wahlroos  
Authorised Public Accountant (KHT)