Nordea **Press release**

Copenhagen, Helsinki, Oslo, Stockholm, 17 July 2013

Second Quarter Results 2013

Strengthened customer relations, flat costs and higher capital

CEO Christian Clausen's comments on the results:
"In the uncertain macroeconomic environment, we continue to deliver on our plan on income initiatives, cost efficiency and improved capital position. In the second quarter, 23,000 new relationship customers were welcomed to Nordea and we have reinforced our position as the leading corporate bank in the Nordics and Baltics.

The recently published Prospera survey shows that large companies in the Nordics rank us the best bank in the Nordics, which was confirmed by the Euromoney awards "Best Bank" and "Best Investment Bank" in the Nordics and Baltics.

Total expenses have been unchanged for 11 consecutive quarters. Core tier one capital ratio improved to 14.0% and the pro forma Basel III core tier 1 capital ratio is at least 14.0%.

We see a continued stabilisation of our credit quality. Loan losses declined to 22 basis points in the second quarter 2013. Loan losses in Denmark and shipping declined."

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

Half year 2013 vs. Half year 2012 (Second quarter 2013 vs. First quarter 2013)[1]:

- Total operating income unchanged (down 1%)
- Operating profit unchanged (up 1%)
- Core tier 1 capital ratio up to 14.0% from 11.8% (up from 13.2%)
- Cost/income ratio up to 51% (down to 50%)
- Loan loss ratio of 23 basis points, down from 24 basis points (down to 22 basis points)
- Return on equity 11.3%, down from 12.1% (up to 11.5% from 11.1%)

Summary key figures, continued operations[1], EURm	Q2 2013	Q1 2013	Ch. %	Q2 2012	Ch. %	H1 2013	H1 2012	Ch. %
Net interest income	1,391	1,358	2	1,415	-2	2,749	2,788	-1
Total operating income	2,490	2,506	-1	2,546	-2	4,996	5,016	0
Profit before loan losses	1,234	1,239	0	1,287	-4	2,473	2,513	-2
Net loan losses	-186	-198	-6	-203	-8	-384	-418	-8
Loan loss ratio (ann.), bps	22	23		24		23	24	
Operating profit	1,048	1,041	1	1,084	-3	2,089	2,095	0
Risk-adjusted profit	853	854	0	867	-2	1,707	1,678	2
Diluted EPS (cont. oper.), EUR	0.20	0.19		0.20		0.39	0.39	
Diluted EPS (total oper.), EUR	0.19	0.20		0.21		0.39	0.40	
Return on equity, %	11.5	11.1		12.5		11.3	12.1	

Currency rates used for DKK, NOK and SEK for the second quarter 2013 are for income statement items 7.46, 7.48 and 8.50 respectively.
[1]) Key figures for continued operations, following the agreement to divest the Polish banking, financing and life insurance operations.

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CEO comment

The volatility in the financial markets has increased and uncertainty has grown related to Bank of Japan's liquidity injection and the US Federal Reserve's asset purchase program. General activity levels in the economies are still low, and interest rates continue to be under pressure. However, Nordea stands strong in this environment, with stronger customer relations, a continued high profitability and strengthened capital position.

Second quarter report

Despite the economic environment, we generate a high and stable result. Net interest income increased by 2% and net commission income by 7%. This is an effect from three groups of initiatives from Nordea: 1) Nordea has been able to welcome over 23,000 externally recruited Gold, Premium and Private Banking customers. 2) We have continued to successfully develop our position and income from the savings and investment products, not least the shift to market return products, as well as from our risk management products. 3) Our total lending margins are up by 4 basis points in household lending and 4 basis points in corporate lending.

For 2012 we were ranked by the large corporate clients as the best Nordic corporate bank in the Prospera survey, and Euromoney has named us "Best Bank", "Best Investment Bank", "Best Debt House" and "Best M&A House" in the Nordic and Baltics.

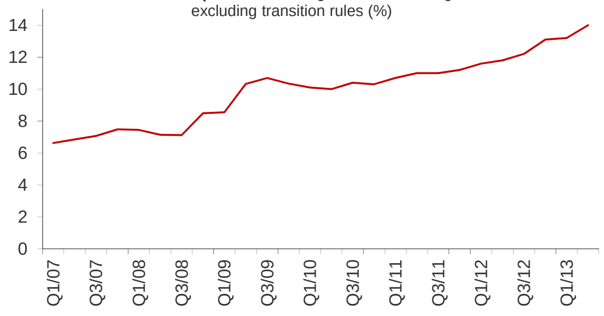
Costs have been unchanged for 11 quarters, which is a result from an optimisation of the physical distribution, reengineered processes, enhanced digitalisation, streamlined IT and optimised external spending. In all, annualised gross savings of EUR 85m is realised in the first half year of 2013. The cost to income ratio improved to 50%.

The credit quality continues to be robust and loan losses decreased by 6% to 22 basis points, and we are steadily approaching our 10-year average of 16 basis points. The situation improved in Denmark and Shipping. A few individual provisions were made in CIB.

The return on equity improved by 40 basis points to 11.5% and the core tier 1 ratio improved to 14.0%.

On June 12, we signed an agreement to divest our Polish banking, financing and life insurance operations to PKO Bank Polski for EUR 694m. Besides strong strategic rationale this transaction will increase our core tier one ratio by approx. 50 basis points and our RaRoCaR will improve by approx. 40 basis points.

Core tier 1 capital ratio Q1 2007 to Q2 2013



Capital position

Nordea has increased the core tier one ratio by 2.7% since 2010. At the same time our lending has grown by approx. 20%, and we have paid full dividend during this period. This is an excellent illustration that our profitability is high enough to support growth, dividends and increase our capital ratios.

We continue to refine our calculations of the effect from Basel III, from our efficiency initiatives and regulatory impact from higher risk-weights in Norway. Our best estimate is that our pro forma core tier one ratio is at least 14.0% with a fully-loaded Basel III balance sheet included expected efficiency initiatives in 2013, but excluding any effects from volumes and retained earnings in the second half of 2013.

Our efficiency initiatives consist of roll-outs, model reviews and sourcing and processes. The most important roll-out is the advanced IRB, where we earlier expected an approval in the second quarter 2013. The time horizon has been changed to a few months later, however we still expect to get a positive outcome.

Achievements in the Business areas

Retail Banking

In the quarter we passed one million active mobile phone customers. There is a continued focus on cost efficiency, especially in distribution and cash handling. We have seen improving margins in both household and corporate business, and the cross- selling activities are on track.

Wholesale Banking

We focus on increasing the return by disciplined pricing, increased activity in capital-light products and organisational improvements. We saw an increased event-driven business and higher demand for capital markets products. Business selection and effective resource management supported increased RaRoCaR.

Wealth Management

In the quarter we had a net inflow of EUR 2.9bn to our wealth management operations. Total income is up by 6% from the previous quarter, while costs are unchanged. In Life & Pensions, total gross-written premiums reached EUR 1.6bn and we now direct 86% to capital-light products, which is all-time-high.

Christian Clausen
President and Group CEO

Income statement[1,2]

EURm	Q2 2013	Q1 2013	Change %	Q2 2012	Change %	Jan-Jun 2013	Jan-Jun 2012	Change %
Net interest income	**1,391**	1,358	2	1,415	-2	**2,749**	2,788	-1
Net fee and commission income	**664**	623	7	603	10	**1,287**	1,191	8
Net result from items at fair value	**416**	444	-6	492	-15	**860**	955	-10
Equity method	**9**	35	-74	14	-36	**44**	37	19
Other operating income	**10**	46	-78	22	-55	**56**	45	24
Total operating income	**2,490**	**2,506**	**-1**	**2,546**	**-2**	**4,996**	**5,016**	**0**
Staff costs	**-753**	-754	0	-746	1	**-1,507**	-1,502	0
Other expenses	**-453**	-461	-2	-452	0	**-914**	-893	2
Depreciation of tangible and intangible assets	**-50**	-52	-4	-61	-18	**-102**	-108	-6
Total operating expenses	**-1,256**	**-1,267**	**-1**	**-1,259**	**0**	**-2,523**	**-2,503**	**1**
Profit before loan losses	**1,234**	**1,239**	**0**	**1,287**	**-4**	**2,473**	**2,513**	-2
Net loan losses	**-186**	-198	-6	-203	-8	**-384**	-418	-8
Operating profit	**1,048**	**1,041**	**1**	**1,084**	**-3**	**2,089**	**2,095**	**0**
Income tax expense	**-248**	-258	-4	-276	-10	**-506**	-529	-4
Net profit for period from continuing operations	**800**	**783**	**2**	**808**	**-1**	**1,583**	**1,566**	**1**
Net profit for the period from discontinued operations, after tax	**-29**	13		13		**-16**	30	
Net profit for the period	**771**	**796**	**-3**	**821**	**-6**	**1,567**	**1,596**	**-2**

Business volumes, key items[1,2]

EURbn	30 Jun 2013	31 Mar 2013	Change %	30 Jun 2012	Change %
Loans to the public	**340.4**	355.2	-4	350.3	-3
Deposits and borrowings from the public	**196.3**	204.3	-4	200.8	-2
Assets under management	**219.2**	223.8	-2	199.8	10
Equity[5]	**27.9**	27.4	2	26.3	6
Total assets[5]	**621.9**	662.6	-6	708.8	-12

Ratios and key figures

	Q2 2013	Q1 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012
Diluted earnings per share, EUR - Total operations	**0.19**	0.20	0.21	**0.39**	0.40
EPS, rolling 12 months up to period end, EUR	**0.77**	0.79	0.69	**0.77**	0.69
Share price[3], EUR	**8.54**	8.83	6.77	**8.54**	6.77
Total shareholders' return, %	**5.3**	23.2	-1.2	**25.2**	15.6
Equity per share[3,5], EUR	**6.94**	6.82	6.51	**6.94**	6.51
Potential shares outstanding[3], million	**4,050**	4,050	4,050	**4,050**	4,050
Weighted average number of diluted shares, million	**4,019**	4,023	4,028	**4,019**	4,028
Return on equity, % - Continuing operations	**11.5**	11.1	12.5	**11.3**	12.1
Cost/income ratio, % - Continuing operations	**50**	51	49	**51**	50
Loan loss ratio, basis points	**22**	23	24	**23**	24
Core Tier 1 capital ratio, excl transition rules[3,4], %	**14.0**	13.2	11.8	**14.0**	11.8
Tier 1 capital ratio, excl transition rules[3,4], %	**14.8**	14.0	12.8	**14.8**	12.8
Total capital ratio, excl transition rules[3,4], %	**17.4**	16.5	14.3	**17.4**	14.3
Core Tier 1 capital ratio[3,4], %	**10.7**	10.2	9.6	**10.7**	9.6
Tier 1 capital ratio[3,4], %	**11.3**	10.9	10.5	**11.3**	10.5
Total capital ratio[3,4], %	**13.3**	12.8	11.7	**13.3**	11.7
Tier 1 capital[3,4], EURm	**23,912**	23,619	23,288	**23,912**	23,288
Risk-weighted assets incl transition rules[3], EURbn	**212**	218	223	**212**	223
Number of employees (full-time equivalents) - Continuing operations[3]	**29,255**	29,403	29,904	**29,255**	29,904
Risk-adjusted profit, EURm - Continuing oper.	**853**	854	867	**1,707**	1,678
Economic profit, EURm - Continuing operations	**282**	275	258	**557**	458
Economic capital[3], EURbn - Total operations	**23.6**	23.9	18.7	**23.6**	18.7
Economic capital[3], EURbn - Continuing oper.	**22.7**	22.9	23.8	**22.7**	23.8
EPS, risk-adjusted, EUR - Continuing operations	**0.20**	0.19	0.20	**0.39**	0.39
RAROCAR, % - Continuing operations	**15.0**	15.0	14.4	**15.0**	14.0

[1] Income statement line items represent continued operations and have been restated for historical periods, following the agreement to divest the Polish banking, financing and life insurance operations. Discontinued operations separated into one profit line.
Business volumes items have not been restated for historical periods and represent continued operations only for the second quarter 2013.
[2] For exchange rates used in the consolidation of Nordea Group see Note 1.
[3] End of period.
[4] The capital ratios for 2012 have not been restated due to the implementation of the amended IAS 19 Employee benefits.
[5] Restated due to the implementation of the amended IAS 19 Employees benefits, see Note 1.

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Macroeconomic and financial market trend

The second quarter has been characterised by an increase in financial market volatility and a general increase in core yields. The main drivers have been uncertainty related to the effect of the massive liquidity injections provided by Bank of Japan together with speculations as to whether the US Federal Reserve will begin to reduce its asset purchase program. Despite ECB's cut of its main refinancing rate to 0.5% in May, 2-year yields in core countries have still risen as European banks have continued to repay liquidity related to the long-term refinancing operation (LTRO).

Macroeconomic trend

The general economic outlook underpinned the improvement trend. Economic data in the US showed improvements particularly in the service sector and while the unemployment rate rose marginally towards the end of the quarter, this was driven by increases in labour participation which are fundamentally positive. In the Euro area, real GDP contracted by 0.2% in the first quarter of 2013. Output has declined for six consecutive quarters and the labour market remains very weak with Eurozone unemployment at an all-time high of 12.2%. However, recent sentiment surveys have shown some improvement from low levels.

The Nordic economies showed continued robustness although with persisting internal divergences between countries. The Swedish and Norwegian economies extended the recent developments with positive growth. However, manufacturing sentiment and retail sales over the quarter were more mixed. The Danish economy remains more affected by the European recession, but grew marginally in the first quarter. Also, the Danish housing market showed stabilisation with housing prices rising. Finland experienced economic contraction and rising unemployment in line with the Eurozone and the relative underperformance to Sweden and Norway continued.

Financial market development

The development in financial markets was characterised by increased volatility. The positive sentiment from the first quarter extended into the second quarter with equities rising both in the US, Europe and particularly in Japan in April and May. Also, credit-spread tightening continued and core yields fell initially in the quarter. Towards the end of May, risk aversion in financial markets became more pronounced. This was driven by uncertainty related to the Bank of Japan's new liquidity stimulus and expectations that the US Federal Reserve will begin to reduce its asset purchase program causing core yields to rise and resulted in significant setbacks in risky assets, including equities. Peripheral interest rates initially continued lower and demonstrated robustness through the political turmoil. Peripheral markets were however hit by increased market uncertainty and rising core yields which reversed some of the recent performance towards the end of the quarter.

Group results and development

Second quarter 2013

The comments on income, expenses and other items as well as operating profit relate to the continued operations, excluding the Polish operations, which in the reporting are separated as discontinued operations and included only as one line in net profit, following the agreement to divest the Polish operations.

Income

Total income decreased 1% from the previous quarter to EUR 2,490m.

Net interest income

Net interest income increased 2% compared to the previous quarter to EUR 1,391m, mainly due to one more day in the quarter and higher net interest income in Group Corporate Centre. The net interest margin* was up 2 basis points to 1.07% in the second quarter. Deposit margins were largely unchanged, while lending margins increased.

Corporate lending

Corporate lending volumes, excluding reverse repurchase agreements, were down 2% in local currencies at the end of the second quarter compared to the previous quarter. The average corporate lending volume in the second quarter was approx. 0.5% lower than in the previous quarter.

Household lending

Household lending volumes were up 0.5% in local currencies compared to the previous quarter.

Corporate and household deposits

Total deposits from the public were EUR 196bn, largely unchanged in local currency. In the business areas, deposits were down 1% in local currencies excluding repurchase agreements. The average deposit volume in the second quarter was also down 1% from the previous quarter.

Group Corporate Centre

Net interest income increased to EUR 94m compared to EUR 74m in the previous quarter, related to buy-backs of issued debt.

Net fee and commission income

Net fee and commission income grew 7% compared to the previous quarter to EUR 664m. Commissions on savings and investments as well as on payments and cards increased. Stability fund and deposit fund fees were EUR 32m, largely unchanged from the previous quarter.

Savings and investments commissions

Fees and commissions from savings and investments increased 10% in the second quarter to EUR 458m, mainly

*) The net interest margin for the Group is the total net interest income on lending and deposits in relation to total lending and deposit volumes.

due to higher commissions from asset management, brokerage, securities issues and corporate finance and custody. Assets under Management (AuM) decreased 1.8% to EUR 219.2bn following negative market value development in the portfolios, although the net inflow has been strong.

Payments and cards and lending-related commissions
Payments and cards commissions increased 8% to EUR 234m. Lending-related commissions were largely unchanged at EUR 178m.

Net result from items at fair value
The net result from items at fair value decreased 6% from the previous quarter to EUR 416m. Results increased in Capital Markets unallocated income compared to the previous quarter.

Capital Markets income in customer business
The customer-driven capital markets activities remained stable, with a largely unchanged net fair value result in the business units at EUR 240m, compared to EUR 238m in the previous quarter.

Capital Markets unallocated income
The net fair value result in Capital Markets unallocated income, ie income from managing the risks inherent in customer transactions, increased to EUR 132m compared to EUR 117m in the previous quarter.

Group Functions and eliminations
The net fair value result of Group Corporate Centre increased to EUR 25m compared to EUR 19m in the previous quarter mainly related to equity and credit funds. In other Group functions and eliminations, the net result from items at fair value was EUR -30m in the second quarter (EUR +21m in the first quarter).

Life & Pensions
Net result from items at fair value for Life & Pensions was unchanged at EUR 49m in the second quarter.

Equity method
Income from companies accounted for under the equity method was EUR 9m, compared to EUR 35m in the previous quarter. Income related to the holding in the Norwegian export agency Eksportfinans was EUR 2m (EUR 22m).

Other operating income
Other operating income was EUR 10m compared to EUR 46m in the previous quarter.

Expenses
Total expenses amounted to EUR 1,256m, largely unchanged compared to the previous quarter in local currencies. Staff costs were EUR 753m, largely unchanged in local currencies. Other expenses were EUR 453m, down 1% in local currencies. Compared to the second quarter last year, total expenses were down 2% in local currencies when excluding performance-related salaries and profit-sharing, ie with the cost definition for the cost target in the financial plan.

The number of employees (FTEs) at the end of the second quarter decreased 0.5% compared to the end of the previous quarter. Since the end of the second quarter 2012, the number of employees (FTEs) has decreased by more than 2%.

The cost/income ratio was 50%, down somewhat from the previous quarter.

Provisions for performance-related salaries in the second quarter were EUR 86m, compared to EUR 78m in the previous quarter.

Cost efficiency
Cost-efficiency measures have proceeded according to plan in the second quarter. Annualised gross reduction in total expenses of EUR 45m has been conducted in the second quarter, out of the planned gross cost reductions of EUR 350m during the two years 2013 and 2014.

The number of employees (FTEs) has been reduced by around 2,500 from the end of the second quarter 2011 and by around 150 compared to the end of the first quarter 2013.

Net loan losses
Net loan loss provisions were EUR 186m in the continued operations and the loan loss ratio was 22 basis points (23 basis points in the previous quarter). As expected, provisions for future loan losses in Denmark and shipping remained elevated, but were down in both areas compared to the previous quarter. In other areas, the losses were low.

Collective provisions were reversed by EUR 20m in the second quarter (new collective provisions of EUR 36m in the previous quarter).

Overall credit quality is solid with strongly rated customers and a largely stable effect from migration for both corporate and retail portfolios.

In Banking Denmark, loan loss provisions were EUR 77m slightly down from the previous quarter (EUR 86m). The loan loss ratio was 46 basis points (47 basis points in the previous quarter) excluding provisions related to the Danish deposit guarantee fund of EUR 1m (EUR 8m).
In shipping, loan loss provisions were EUR 34m, a loan loss ratio of 111 basis points, down from the previous quarter (EUR 40m or 122 basis points).

Shipping
The tanker and dry cargo markets remained weak in the second quarter, primarily due to oversupply of vessels. However, 2013 is the last year of large deliveries of new tonnage, which should have a stabilising effect on these market segments in the future. Freight rates were low and caused further deterioration of collateral values, resulting in additional loan loss provisions, but for the second consecutive quarter at lower levels.

Some improvements have been seen in the product tanker segment, where higher freight rates have supported a stabilisation in asset prices. During the quarter, we have seen higher investment appetite for shipping assets and increased willingness among banks to lend to the stronger shipping companies once again.

Denmark
The Danish economy is still characterised by low growth and uncertainty. However, the housing market has shown positive signs recently – although with geographical differences – and consumers have become more optimistic. The level of loan losses has slightly decreased, but remains at an elevated level. Core fundamentals in the Danish economy are still relatively strong with expected moderate GDP growth 2013, strong public financials, low interest rate, stable unemployment level and the number of household mortgage customers in difficulty is limited.

Most corporates are financially strong with a relatively good outlook.

Operating profit
Operating profit was up 1% in the continued operations to EUR 1,048m.

Taxes
Income tax expense was EUR 248m in the continued operations, including the bank tax in Finland of EUR 13m. The effective tax rate was 23.7%, compared to 24.8% in the previous quarter and 25.5% in the second quarter last year, when there was no bank tax in Finland.

Net profit
Net profit from the continued operations increased 2% compared to the previous quarter to EUR 800m, corresponding to a return on equity of 11.5%. Net profit from the total operations decreased 3% to EUR 771m. Profit from discontinued operations was EUR -29m, including restructuring expenses in connection with the divestment of the Polish operations of EUR 34m. Diluted earnings per share were EUR 0.20 in the continued operations (EUR 0.19 in the previous quarter).

Risk-adjusted profit
Risk-adjusted profit increased to EUR 853m, largely unchanged from the previous quarter and down 2% compared to the second quarter last year.

Currency fluctuation impact
Currency fluctuations had a reducing effect of less than 1 %-point on income and expenses for the second quarter compared to the first quarter. On expenses, currency fluctuations had an increasing effect of more than 1 %-point compared to the second quarter last year, while there was only a minor effect income. The effect on loan and deposit volumes was approx. -2 %-points compared to previous quarter and -1 %-point compared to one year ago.

January – June 2013
Total income was largely unchanged compared to the first half year of 2012. Operating profit was also unchanged compared to the same period last year. Risk-adjusted profit increased by 2% compared to the preceding year.

Currency fluctuation impact
The effect from currency fluctuations was approx. 1 %-point on income and on expenses and approx. -1 %-point on loan and deposit volumes compared to one year ago.

Income
Net interest income decreased 1% compared to the same period last year. Lending volumes were down 2% excluding reversed repurchase agreements in local currencies and corporate lending margins were higher, while deposit margins have decreased from 2012.

Net fee and commission income increased 8% and the net result from items at fair value decreased by 10% compared to the same period last year.

Expenses
Total expenses were down 1% compared to the first half year of 2012 in local currencies when excluding performance-related salaries and profit-sharing, ie with the cost definition for the cost target in the financial plan. Staff costs were down 2% in local currencies when excluding performance-related salaries and profit-sharing.

Net loan losses
Net loan loss provisions decreased to EUR 384m for the continued operations, corresponding to a loan loss ratio of 23 basis points (24 basis points last year).

Net profit
Net profit increased in the continued operations 1% to EUR 1,583m. Net profit in the total operations was down 2% to EUR 1,567m.

Risk-adjusted profit
Risk-adjusted profit increased 2% from last year.

Other information

Nordea divests its Polish banking, life and financing businesses to PKO Bank Polski

In order to meet its financial targets and according to its strategy to concentrate on markets where it can deliver a superior customer experience and significant scale benefits based on a leading market position, Nordea has on June 12 2013 signed an agreement to divest its Polish banking, financing and life insurance operations, including Nordea Bank Polska S.A., Nordea Finance Polska S.A. and Nordea Polska Towarzystwo Ubezpieczen na Zycie S.A., to PKO Bank Polski for EUR 694m.

The transaction is expected to lead to a minor capital gain and profit and loss effect. In addition, due to the release of risk-weighted assets, it has a positive impact on the Nordea Group's core tier 1 ratio of approx. 50 basis points, of which approximately half is expected to be realised during 2013 on closing of the transaction. The remaining part of the benefit to core tier 1 capital will be realised as a transitional risk-sharing and funding support that Nordea will provide ends. This transitional risk-sharing and funding will impact the Group's profit and loss statement insignificantly.

The transaction is a part of the execution of Nordea's strategy. We remain committed to shaping the future relationship bank, built on the stability that can only be created by top league return on equity, a solid capital base and low volatility. The divestment is well aligned with the implementation of the plan to deliver strong profitability in all areas, units and segments of the bank.

The transaction is expected to be completed during 2013 and is subject to regulatory approvals. PKO Bank Polski has launched a public tender offer for the shares in Nordea Bank Polska S.A. in compliance with local stock exchange regulations.

As a result of the transaction, the Polish operations are reported as discontinued operations from the second quarter report and until the closing of the transaction.

The Nordea Operations Centre in Lodz and the Polish pension fund company will not be affected by the transaction.

Nordea's credit portfolio

Total lending, excluding reversed repurchase agreements, amounted to EUR 305bn, down 1% compared to the previous quarter in local currencies and adjusted for the divestment of the Polish operations. Overall, the credit quality in the loan portfolio remained solid in the second quarter, with a largely stable effect from migration in both the corporate and retail portfolios.

The impaired loans ratio was largely unchanged at 185 basis points of total loans (181 basis points). Total impaired loans gross were unchanged compared to the previous quarter, when adjusting for the exclusion of the discontinued operations in Poland, which contributed with a decrease in impaired loans of EUR 128m. The provisioning ratio was unchanged compared to the end of the first quarter at 43% (43%).

Loan loss ratios and impaired loans

Basis points of loans	Q2 2013	Q1 2013	Q4 2012	Q3 12	Q2 12
Loan loss ratios annualised, Group	22[1]	22[1]	27[1]	27[1]	24[1]
of which individual	24	18	29	26	36
of which collective	-2	4	-2	1	-12
Banking Denmark	46[1]	47[1]	55[1]	87[1]	62[1]
Banking Finland	7	12	13	19	1
Banking Norway	-11	9	11	7	6
Banking Sweden	11	7	7	3	4
Banking Baltic countries	33	19	47	5	-43
Corporate & Institutional Banking	50	34	33	-2	25
Shipping, Offshore & Oil Services	111	122	185	159	185
Impaired loans ratio gross, Group (bps)	185	181	188	181	164
- performing	57%	57%	58%	58%	59%
- non-performing	43%	43%	42%	42%	41%
Total allowance ratio, Group (bps)	79	78	77	74	69
Provisioning ratio, Group[2]	43%	43%	41%	41%	42%

[1] Loan loss ratios in the table are excluding the provisions related to the Danish deposit guarantee fund. Including these provisions, loan loss ratios are for each quarter 22, 23, 27, 27 and 24 bps respectively in the Group, and 46, 52, 55, 89 and 59 bps respectively in Banking Denmark.
[2] Total allowances in relation to gross impaired loans.

Market risk

Interest-bearing securities were EUR 90bn at the end of the second quarter, of which EUR 25bn in the life insurance operations and the remaining part in the liquidity buffer and trading portfolios. 26% of the portfolio comprises government or municipality bonds and 38% mortgage bonds, when excluding EUR 7bn of pledged securities.

Total market risk measured as Value at Risk increased by EUR 42m to EUR 84m in the second quarter 2013 compared to the first quarter, due to increased interest rate risk and reduced diversification between risk categories.

Market risk

EURm	Q2 2013	Q1 13	Q4 2012	Q2 12
Total risk, VaR	84	42	31	43
Interest rate risk, VaR	93	50	36	48
Equity risk, VaR	4	11	11	3
Foreign exchange risk, VaR	6	7	13	5
Credit spread risk, VaR	17	20	16	11
Diversification effect	31%	53%	60%	36%

Balance sheet

Total assets in the balance sheet decreased 6% compared to the end of the previous quarter to EUR 622bn. This was mainly driven by a decline in the fair value of the derivatives portfolio as a consequence of active portfolio compression and by currency fluctuations which affected downwards by 2%.

Capital position and risk-weighted assets

The Group's core tier 1 capital ratio, excluding transition rules, was 14.0% at the end of the second quarter, a strengthening of 0.8 %-points from the end of the previous quarter. The tier 1 capital ratio excluding transition rules increased 0.8 %-point to 14.8%. The total capital ratio excluding transition rules increased 0.9 %-point to 17.4%. Improved core tier 1 capital ratio has been achieved by RWA efficiency initiatives and strong profit generation.

RWA were EUR 161.6bn excluding transition rules, a decrease of EUR 6.7bn, or 4.0%, compared to the previous quarter. RWA reduction of EUR 1.8bn has been realised in the quarter via RWA initiatives. Additionally, currency fluctuation effects and reduced exposures contributed to a lower RWA.

The core tier 1 ratio including transition rules under Basel II was 10.7%. The capital base was EUR 28.1bn, the tier 1 capital was EUR 23.9bn and the core tier 1 capital was EUR 22.6bn.

Capital ratios

%	Q2 2013	Q1 13	Q4 12*	Q2 12*
Excluding transition rules:				
Core tier 1 capital ratio	14.0	13.2	13.1	11.8
Tier 1 capital ratio	14.8	14.0	14.3	12.8
Total capital ratio	17.4	16.5	16.2	14.3
Including transition rules:				
Core tier 1 capital ratio	10.7	10.2	10.2	9.6
Tier 1 capital ratio	11.3	10.9	11.2	10.5
Total capital ratio	13.3	12.8	12.7	11.7
Core tier 1 capital ratio, Basel III	13.1	12.1	11.7	

* Capital ratios are not restated for IAS19, but the proforma effect would have been approx. 0.15 %-point lower core tier 1 capital ratios and tier 1 capital ratios excluding transition rules and approx. 0.12 %-point lower ratios including transition rules.

On May 21 2013, the Swedish Financial Supervisory Authority (FI) announced its decision to introduce a risk weight floor of 15% for Swedish mortgage portfolios, according to the proposal presented in November 2012. The floor is introduced as a supervisory measure within pillar 2. The reported capital ratios will thereby be unaffected, since these ratios are calculated according to the regulations in pillar 1. Nordea has for some considerable time held extra pillar 2 capital to mortgage transactions corresponding to the risk weight floor now determined. From the second quarter 2013, this capital has started to be allocated to the business areas. Based on an average 5.5% risk weight pursuant to pillar 1 in Nordea's Swedish mortgage portfolio as per 30 June, the bank needs to retain extra core tier 1 capital within the framework of pillar 2 amounting to approx. EUR 0.5bn for its Swedish mortgages, which corresponds to a core tier 1 capital ratio of approx. 29 basis points according to pillar 1.

Economic Capital (EC) was at the end of the second quarter EUR 23.6bn, a decrease of EUR 0.3bn from the end of the previous quarter.

Nordea's funding and liquidity operations

Nordea issued approx. EUR 7.8bn in long-term funding in the second quarter excluding Danish covered bonds, of which approx. EUR 2.2bn represented issuance of Swedish, Norwegian and Finnish covered bonds in the domestic and international markets.

In the second quarter, Nordea issued securities included a EUR 1.5bn 5-year fixed-rate senior note, a USD 2.5bn 144a triple-tranche senior note and a JPY 91.2bn Samurai transaction in the Japanese domestic market in four tranches.

The long-term funding portion of total funding was at the end of the second quarter approx. 75% (72% at the end of the previous quarter).

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

The Liquidity Coverage Ratio (LCR) for the Nordea Group was according to the Swedish FSA's LCR definition 134% at the end of the second quarter. The LCR in EUR was 121% and in USD 133% at the end of the second quarter. With the new suggested Basel definition, the total LCR and the LCRs per currency for the Group would be even higher. The liquidity buffer is composed of highly liquid central bank eligible securities with characteristics similar to Basel III/CRD IV liquid assets and amounted to EUR 66bn at the end of the second quarter (EUR 67bn at the end of the first quarter).

Nordea share

During the second quarter, Nordea's share price on the NASDAQ OMX Nordic Exchange appreciated from SEK 73.80 to SEK 75.00. On June 19, the Swedish government divested 6.4% of the outstanding shares in Nordea to approx. 350 investors, and approx. 70% of the shares were sold to non-Nordic investors.

Quarterly development, Group

EURm	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Jan-Jun 2013	Jan-Jun 2012
Net interest income	1,391	1,358	1,382	1,393	1,415	2,749	2,788
Net fee and commission income	664	623	682	595	603	1,287	1,191
Net result from items at fair value	416	444	442	377	492	860	955
Equity method	9	35	33	23	14	44	37
Other operating income	10	46	31	24	22	56	45
Total operating income	**2,490**	**2,506**	**2,570**	**2,412**	**2,546**	**4,996**	**5,016**
General administrative expenses:							
Staff costs	-753	-754	-749	-738	-746	-1,507	-1,502
Other expenses	-453	-461	-458	-457	-452	-914	-893
Depreciation of tangible and intangible assets	-50	-52	-88	-71	-61	-102	-108
Total operating expenses	**-1,256**	**-1,267**	**-1,295**	**-1,266**	**-1,259**	**-2,523**	**-2,503**
Profit before loan losses	**1,234**	**1,239**	**1,275**	**1,146**	**1,287**	**2,473**	**2,513**
Net loan losses	-186	-198	-241	-236	-203	-384	-418
Operating profit	**1,048**	**1,041**	**1,034**	**910**	**1,084**	**2,089**	**2,095**
Income tax expense	-248	-258	-215	-226	-276	-506	-529
Net profit for the period from continuing operations	**800**	**783**	**819**	**684**	**808**	**1,583**	**1,566**
Net profit for the period from discontinued operations, after tax	-29	13	23	4	13	-16	30
Net profit for the period	**771**	**796**	**842**	**688**	**821**	**1,567**	**1,596**
Diluted earnings per share (DEPS), EUR - Total operations	0.19	0.20	0.21	0.17	0.21	0.39	0.40
DEPS, rolling 12 months up to period end, EUR - Total operations	0.77	0.79	0.78	0.76	0.69	0.77	0.69

Business areas

	Nordea Group - continuing operations																	
	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other and Eliminations			Nordea Group		
EURm	Q2 2013	Q1 2013	Chg	Q2 2013	Q1 2013	Chg	Q2 2013	Q1 2013	Chg	Q2 2013	Q1 2013	Chg	Q2 2013	Q1 2013	Chg	Q2 2013	Q1 2013	Chg
Net interest income	951	953	*0%*	282	278	*1%*	37	33	*12%*	94	74	*27%*	27	20	*35%*	1,391	1,358	*2%*
Net fee and commission income	265	273	*-3%*	147	124	*19%*	253	236	*7%*	-1	0		0	-10	*-100%*	664	623	*7%*
Net result from items at fair value	88	91	*-3%*	249	225	*11%*	84	88	*-5%*	25	19	*32%*	-30	21		416	444	*-6%*
Equity method	7	9	*-22%*	0	0		0	0		0	0		2	26	*-92%*	9	35	*-74%*
Other income	14	27	*-48%*	-3	3		11	7	*57%*	0	0		-12	9		10	46	*-78%*
Total operating income	**1,325**	**1,353**	***-2%***	**675**	**630**	***7%***	**385**	**364**	***6%***	**118**	**93**	***27%***	**-13**	**66**		**2,490**	**2,506**	***-1%***
Staff costs	-345	-345	*0%*	-204	-197	*4%*	-118	-119	*-1%*	-19	-18	*6%*	-67	-75	*-11%*	-753	-754	*0%*
Other expenses	-377	-379	*-1%*	-13	-19	*-32%*	-74	-72	*3%*	-25	-27	*-7%*	36	36	*0%*	-453	-461	*-2%*
Depreciations	-25	-25	*0%*	-9	-9	*0%*	-1	-2	*-50%*	0	0		-15	-16	*-6%*	-50	-52	*-4%*
Total operating expenses	**-747**	**-749**	***0%***	**-226**	**-226**	***0%***	**-193**	**-193**	***0%***	**-44**	**-45**	***-2%***	**-46**	**-54**	***-15%***	**-1,256**	**-1,267**	***-1%***
Net loan losses	-97	-128	*-24%*	-86	-68	*26%*	-4	1		0	0		1	-3		-186	-198	*-6%*
Operating profit	**481**	**476**	***1%***	**363**	**336**	***8%***	**188**	**172**	***9%***	**74**	**48**	***54%***	**-58**	**9**		**1,048**	**1,041**	***1%***
Cost/income ratio, %	56	55		33	36		50	53		37	48					50	51	
RAROCAR, %	14	14		16	14		26	23								15	15	
Economic capital (EC)	11,169	11,073	*1%*	8,200	8,455	*-3%*	2,223	2,208	*1%*	583	596	*-2%*	586	611		22,761	22,943	*-1%*
Risk-weighted assets (RWA)*	78,468	81,284	*-3%*	62,633	64,882	*-3%*	2,812	3,161	*-11%*	4,409	4,623	*-5%*	13,309	14,377		161,631	168,327	*-4%*
Number of employees (FTEs)	17,331	17,390	*0%*	5,933	6,028	*-2%*	3,439	3,447	*0%*	423	430	*-2%*	2,129	2,108		29,255	29,404	*-1%*
Volumes, EURbn:																		
Lending to corporates	85.1	87.6	*-3%*	95.1	97.7	*-3%*							5.4	6.4		185.6	191.7	*-3%*
Household mortgage lending	121.6	123.4	*-1%*	0.4	0.4	*0%*	5.7	5.7	*0%*							127.7	129.5	*-1%*
Consumer lending	23.8	24.2	*-2%*				3.2	3.2	*0%*							27.0	27.4	*-1%*
Total lending	**230.5**	**235.2**	***-2%***	**95.5**	**98.1**	***-3%***	**8.9**	**8.9**	***0%***				**5.4**	**6.4**		**340.3**	**348.6**	***-2%***
Corporate deposits	43.3	44.1	*-2%*	60.9	64.8	*-6%*							5.1	4.6		109.3	113.5	*-4%*
Household deposits	75.7	76.1	*-1%*	0.2	0.2	*0%*	11.1	11.2	*-1%*							87.0	87.5	*-1%*
Total deposits	**119.0**	**120.2**	***-1%***	**61.1**	**65.0**	***-6%***	**11.1**	**11.2**	***-1%***				**5.1**	**4.6**		**196.3**	**201.0**	***-2%***

	Nordea Group - continuing operations																	
	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other			Nordea Group		
	Jan-Jun			Jan-Jun			Jan-Jun			Jan-Jun			Jan-Jun			Jan-Jun		
EURm	2013	2012	Chg	2013	2012	Chg	2013	2012	Chg	2013	2012	Chg	2013	2012	Chg	2013	2012	Chg
Net interest income	1,904	1,883	*1%*	560	586	*-4%*	70	81	*-14%*	168	213	*-21%*	47	25	*88%*	2,749	2,788	*-1%*
Net fee and commission income	538	558	*-4%*	271	267	*1%*	489	383	*28%*	-1	-2		-10	-15		1,287	1,191	*8%*
Net result from items at fair value	179	167	*7%*	474	582	*-19%*	172	182	*-5%*	44	38	*16%*	-9	-14		860	955	*-10%*
Equity method	16	10	*60%*	0	0		0	0		0	0		28	27	*4%*	44	37	*19%*
Other income	41	25	*64%*	0	1	*-100%*	18	13	*38%*	0	2	*-100%*	-3	4		56	45	*24%*
Total operating income	**2,678**	**2,643**	***1%***	**1,305**	**1,436**	***-9%***	**749**	**659**	***14%***	**211**	**251**	***-16%***	**53**	**27**	***96%***	**4,996**	**5,016**	***0%***
Staff costs	-690	-681	*1%*	-401	-406	*-1%*	-237	-235	*1%*	-37	-37	*0%*	-142	-143	*-1%*	-1,507	-1,502	*0%*
Other expenses	-756	-754	*0%*	-32	-40	*-20%*	-146	-148	*-1%*	-52	-39	*33%*	72	88	*-18%*	-914	-893	*2%*
Depreciations	-50	-44	*14%*	-19	-18	*6%*	-3	-4	*-25%*	0	0		-30	-42	*-29%*	-102	-108	*-6%*
Total operating expenses	**-1,496**	**-1,479**	***1%***	**-452**	**-464**	***-3%***	**-386**	**-387**	***0%***	**-89**	**-76**	***17%***	**-100**	**-97**	***3%***	**-2,523**	**-2,503**	***1%***
Net loan losses	-225	-270	*-17%*	-154	-167	*-8%*	-3	0		0	0		-2	19		-384	-418	*-8%*
Operating profit	**957**	**894**	***7%***	**699**	**805**	***-13%***	**360**	**272**	***32%***	**122**	**175**	***-30%***	**-49**	**-51**		**2,089**	**2,095**	***0%***
Cost/income ratio, %	56	56		35	32		52	59		42	30					51	51	
RAROCAR, %	14	13		15	15		25	20								15	15	
Economic capital (EC)	11,169	11,597	*-4%*	8,200	8,897	*-8%*	2,223	2,011	*11%*	583	718	*-19%*	586	534		22,761	23,757	*-4%*
Risk-weighted assets (RWA)*	78,468	88,027	*-11%*	62,633	71,572	*-12%*	2,812	3,486	*-19%*	4,409	4,509	*-2%*	13,309	13,664		161,631	181,258	*-11%*
Number of employees (FTEs)	17,331	17,803	*-3%*	5,933	6,173	*-4%*	3,439	3,464	*-1%*	423	442	*-4%*	2,129	2,022		29,255	29,904	*-2%*
Volumes, EURbn:																		
Lending to corporates	85.1	90.0	*-5%*	95.1	97.6	*-3%*							5.4	3.1		185.6	190.7	*-3%*
Household mortgage lending	121.6	119.2	*2%*	0.4	0.4	*0%*	5.7	5.3	*8%*							127.7	124.9	*2%*
Consumer lending	23.8	24.8	*-4%*				3.2	3.1	*3%*							27.0	27.9	*-3%*
Total lending	**230.5**	**234.0**	***-1%***	**95.5**	**98.0**	***-3%***	**8.9**	**8.4**	***6%***				**5.4**	**3.1**		**340.3**	**343.5**	***-1%***
Corporate deposits	43.3	42.9	*1%*	60.9	60.8	*0%*							5.1	8.6		109.3	112.3	*-3%*
Household deposits	75.7	74.8	*1%*	0.2	0.2	*0%*	11.1	10.9	*2%*							87.0	85.9	*1%*
Total deposits	**119.0**	**117.7**	***1%***	**61.1**	**61.0**	***0%***	**11.1**	**10.9**	***2%***				**5.1**	**8.6**		**196.3**	**198.2**	***-1%***

The table shows operating profit, income items, ratios and volumes for continuing operations. Net profit and volumes for discontinued operations are presented in the Group income statement and balance sheet. RWA from discontinued operation included in Group Functions, Other and Eliminations.

Retail Banking

The business area consists of the retail banking business in the Nordic region and the Baltic countries and includes all parts of the value chain. Approx. 10 million customers are offered a wide range of products. The customers are served from a total of 787 branch locations and contact centres and through the online banking channels.

Following the agreement to divest the Polish operations, Banking Poland has been excluded from the Retail Banking business area, in the second quarter and in the comparison numbers, which have been restated accordingly.

Business development

The number of Gold and Premium customers amounted to 3.06 million, of whom 22,200 were new Nordea customers in the second quarter. During the period, 0.5 million household and corporate advisory meetings were held.

Compared to one year ago, the number of customers per employee (full time equivalent) increased by 4%, from 355 to 369 this year.

Nordea offers a wide-ranged multichannel relationship set-up with easy access to self-service and competent advice. It is the customer who chooses where, how and when to interact with Nordea. In order to ensure customers' awareness of the opportunities available to them, Nordea in the second quarter ran a campaign for the multichannel offerings in the four Nordic countries.

The 360-degree advisory meeting with a holistic approach to each customer's financial situation and needs is a cornerstone in Nordea's aim to create lifelong customer relationships.

The transformation of customer behaviour towards a more mobile direction is continuously progressing. More than 1 million customers are now actively taking advantages of the convenient options for everyday banking business in Nordea's mobile offerings. The mobile users are also more frequently using the services – the average number of monthly logons has increased from 13.7 to 15.8 in 6 months.

Customer demand for cash service is declining. Nordea accommodates this development by reducing the number of manual cash outlets and by the end of second quarter 53% of the Nordic branch office locations offer manual cash services beyond ATMs. At the same time, Nordea increases customers' access to more basic services eg foreign exchange in approx. 170 of the Danish ATMs. This has been very positively received by customers and the number of FX transactions in ATMs increased 300% from the end of the first quarter to the end of the second quarter in Denmark.

Customers' preferences evolve over time and Nordea continuously develops and adapts the multichannel relationship offerings in order to deliver on customer expectations and provide great customer experiences in all contacts.

Result

The second quarter continued to be influenced by the subdued macroeconomic conditions with low investments and moderate consumer spending. Despite these challenging conditions Retail Banking managed to deliver income growth from the previous quarter when excluding exchange rate effects and one-offs in the first quarter.

Net interest income was unchanged despite the gain of EUR 23m from the sale of a debt collection portfolio in the first quarter. Lending margins improved slightly. Short term market interest rates have been fairly stable during the quarter and thus small changes to the deposit earnings.

Excluding the depreciation of the SEK and NOK lending and deposit volumes were unchanged compared to previous quarter.

The low credit demand had a negative effect on commission income, while the high demand for investment products and the positive development in assets under management continued.

Expenses were unchanged compared to the first quarter. In local currencies total expenses were unchanged also from last year. The number of employees (FTEs) was down 3% from the same quarter last year following the continuing efficiency initiatives executed throughout the whole value chain.

Risk-weighted assets (RWA) were reduced by 3.5% in the second quarter, as a consequence of lower exposures and a number of efficiency initiatives.

Net loan losses decreased for the third consecutive quarter. The loan loss ratio was 17 basis points (20 basis points in the first quarter) excluding the Danish deposit guarantee fund provisions.

Retail Banking total

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	951	953	974	955	949	0%	0%
Net fee and commission income	265	273	291	288	272	-3%	-3%
Net result from items at fair value	88	91	58	66	70	-3%	26%
Equity method & other income	21	36	48	20	17	-42%	24%
Total income incl. allocations	**1,325**	**1,353**	**1,371**	**1,329**	**1,308**	**-2%**	**1%**
Staff costs	-345	-345	-351	-347	-339	0%	2%
Other exp, excl. depreciations	-377	-379	-404	-376	-377	-1%	0%
Total expenses incl. allocations	**-747**	**-749**	**-786**	**-755**	**-739**	**0%**	**1%**
Profit before loan losses	**578**	**604**	**585**	**574**	**569**	**-4%**	**2%**
Net loan losses	-97	-128	-138	-183	-117	-24%	-17%
Operating profit	**481**	**476**	**447**	**391**	**452**	**1%**	**6%**
Cost/income ratio, %	56	55	57	57	57		
RAROCAR, %	14	14	13	13	12		
Economic capital (EC)	11,169	11,073	11,248	11,894	11,597	1%	-4%
Risk-weighted assets (RWA)	78,468	81,284	82,332	88,292	88,027	-3%	-11%
Number of employees (FTEs)	17,331	17,390	17,471	17,660	17,803	0%	-3%
Volumes, EURbn:							
Lending to corporates	85.1	87.6	88.2	91.1	90.0	-3%	-5%
Household mortgage lending	121.6	123.4	122.6	122.2	119.2	-1%	2%
Consumer lending	23.8	24.2	24.2	24.8	24.8	-2%	-4%
Total lending	**230.5**	**235.2**	**235.0**	**238.1**	**234.0**	**-2%**	**-1%**
Corporate deposits	43.3	44.1	45.5	43.6	42.9	-2%	1%
Household deposits	75.7	76.1	75.4	75.2	74.8	-1%	1%
Total deposits	**119.0**	**120.2**	**120.9**	**118.8**	**117.7**	**-1%**	**1%**

FX fluctuation impacted income and expenses by -1 % Q2/Q1 (1% Q2/Q2). FX fluctuations impacted balance sheet by -2% Q2/Q1 (-1% Q2/Q2).

Profit and other items restated following the agreement to divest the Polish operations.

Income restated within and between business areas following changed internal allocations.

EC restated between business units.

Banking Denmark

Business development

The general economic uncertainty continues to influence both household and corporate decision-making resulting in moderate consumer spending, low levels of investment and focus on reducing debt.

Despite the somewhat subdued macroeconomic environment and uncertainty, the activity level and customer interaction remain at a very high level.

The inflow of externally acquired Gold and Premium customers continued at a high level and amounted to 7,800 in the second quarter. During the first half year the inflow was 9% higher than the same period last year.

Also an increasing number of new corporate customers are being welcomed and introduced to Nordea’s relationship banking model.

A stabilisation of the housing market not least around the larger cities is becoming visible. Housing loan volumes increased, as did the market share. A new mobile banking app was launched in April and approx. 200,000 downloads were made in the first three months.

Result

Net commission income increased in the second quarter due to higher income from savings and payment commissions. Total income increased compared to the same period last year, but decreased compared to previous quarter due to extraordinarily high brokerage fees from mortgage refinancing in January.

Total expenses were unchanged compared to the first quarter. Staff costs in the first half year decreased compared to last year. The number of employees continued down.

Risk-weighted assets (RWA) were down 3.5% compared to previous quarter following improved capital efficiency.

The underlying positive development in individual provisions continued in the second quarter thus leading to a drop in net loan losses. The loan loss ratio was 46 basis points in the second quarter (47 basis points in the first quarter 2013) excluding provisions to the Danish Deposit Guarantee Fund.

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	309	317	323	309	319	-3%	-3%
Net fee and commission income	46	41	41	58	45	12%	2%
Net result from items at fair value	11	33	8	7	1	-67%	
Equity method & other income	9	11	9	5	6	-18%	50%
Total income incl. allocations	**375**	**402**	**381**	**379**	**371**	**-7%**	**1%**
Staff costs	-82	-81	-85	-84	-82	1%	0%
Other exp, excl. depreciations	-120	-120	-124	-120	-120	0%	0%
Total expenses incl. allocations	**-205**	**-205**	**-212**	**-208**	**-206**	**0%**	**0%**
Profit before loan losses	**170**	**197**	**169**	**171**	**165**	**-14%**	**3%**
Net loan losses	-77	-86	-90	-145	-96	-10%	-20%
Operating profit	**93**	**111**	**79**	**26**	**69**	**-16%**	**35%**
Cost/income ratio, %	55	51	56	55	56		
RAROCAR, %	14	16	13	13	13		
Economic capital (EC)	3,040	3,151	3,147	3,326	3,193	-4%	-5%
Risk-weighted assets (RWA)	23,244	24,081	23,641	24,927	24,639	-3%	-6%
Number of employees (FTEs)	3,890	3,891	3,934	4,027	4,087	0%	-5%
Volumes, EURbn:							
Lending to corporates	23.8	23.7	23.7	23.6	23.9	0%	0%
Household mortgage lending	30.4	30.3	30.1	29.7	29.4	0%	3%
Consumer lending	12.1	12.2	12.4	12.5	12.7	-1%	-5%
Total lending	**66.3**	**66.2**	**66.2**	**65.8**	**66.0**	**0%**	**0%**
Corporate deposits	8.6	8.5	7.8	7.6	7.3	1%	18%
Household deposits	23.5	23.3	23.0	22.4	22.6	1%	4%
Total deposits	**32.1**	**31.8**	**30.8**	**30.0**	**29.9**	**1%**	**7%**

Income restated within and between business areas following changed internal allocations.

Banking Finland

Business development

The business momentum in Banking Finland continued at a high level in the second quarter with increased sales activity. The number of externally acquired Gold and Premium customers was 4,600, following high activity in the branch network.

High level of sales activities together with an improvement in the housing market resulted in increased sales of mortgage lending. Mortgages with interest rate cap still accounted for a relatively large share of new sales. Training of advisers continued during the quarter to secure the high standard of investment advice.

Nordea strengthened its role as a corporate relationship bank being available to customers as lending provider. New lending volumes increased from previous quarter, and amounted to EUR 1.1bn. Increased focus on corporate advisory services continued with the introduction of corporate savings specialists. A good development in the sales of capital markets products was seen, not least of derivatives.

Nordea's partnership agreement with the insurance company If has shown a promising start since the introduction of general insurance products in the beginning of May. Furthermore, a partnership regarding debit card cash-back services with one of the largest Finnish retailers, Kesko, has been expanded successfully to over 600 K-stores throughout Finland.

Nordea was ranked the most attractive employer for business students in Finland by Universum image survey.

Result

Total income showed an increase of 7% from previous quarter supported by the development in net interest income as well as a positive trend in net result from items at fair value. The growth in net interest income was driven by both corporate and household lending and supported by one-offs amounting to approx. EUR 5m, while short-term interest rates remained almost unchanged from previous quarter.

The modest development in expenses continued as the number of employees (FTEs) remained largely unchanged.

Net loan losses were EUR 8m, mainly from the corporate portfolio. The loan loss ratio was 7 basis points (12 basis points in the first quarter).

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	163	144	144	147	153	13%	7%
Net fee and commission income	87	88	81	83	83	-1%	5%
Net result from items at fair value	26	20	19	17	19	30%	37%
Equity method & other income	1	8	17	2	1	-88%	0%
Total income incl. allocations	**277**	**260**	**261**	**249**	**256**	**7%**	**8%**
Staff costs	-55	-57	-57	-55	-56	-4%	-2%
Other exp, excl. depreciations	-103	-104	-105	-102	-106	-1%	-3%
Total expenses incl. allocations	**-159**	**-162**	**-164**	**-158**	**-163**	**-2%**	**-2%**
Profit before loan losses	**118**	**98**	**97**	**91**	**93**	**20%**	**27%**
Net loan losses	-8	-13	-14	-21	-1	-38%	
Operating profit	**110**	**85**	**83**	**70**	**92**	**29%**	**20%**
Cost/income ratio, %	57	62	63	64	64		
RAROCAR, %	16	13	13	12	12		
Economic capital (EC)	2,000	1,954	1,941	1,985	1,993	2%	0%
Risk-weighted assets (RWA)	14,223	13,962	14,554	15,007	15,258	2%	-7%
Number of employees (FTEs)	3,985	3,981	3,996	4,020	4,098	0%	-3%
Volumes, EURbn:							
Lending to corporates	14.8	14.7	14.7	15.0	15.2	1%	-3%
Household mortgage lending	25.4	25.2	25.2	25.2	25.0	1%	2%
Consumer lending	5.1	5.1	5.2	5.2	5.2	0%	-2%
Total lending	**45.3**	**45.0**	**45.1**	**45.4**	**45.4**	**1%**	**0%**
Corporate deposits	9.4	9.1	10.6	10.3	9.9	3%	-5%
Household deposits	22.0	22.1	22.2	22.4	22.6	0%	-3%
Total deposits	**31.4**	**31.2**	**32.8**	**32.7**	**32.5**	**1%**	**-3%**

Banking Norway

Business development

The number of externally acquired Gold and Premium customers increased by 46% compared to the first quarter and amounted to 2,600 in the quarter. The increase was supported by an increased number of meetings. A mortgage lending campaign was initiated early in the quarter and contributed to increased growth. During the quarter, the effect from the earlier communicated increase in household mortgage interest rates was fully included.

Corporate lending volumes were close to unchanged in local currency as competition increased especially in the large corporate segment. Capital markets initiatives supported the significant increase in demand for derivatives in the second quarter. The strategy for corporate deposits was unchanged from first quarter and Nordea remained cautious when competing for large deposits.

Household lending increased with 1% from first quarter excluding exchange rate effects and deposit volumes were seasonally up. Competition within household deposits and household lending increased, mainly due to the customer interest rate increases in connection with proposals for new risk weights on mortgage lending.

Risk-weighted assets were significantly down compared to the first quarter, following the depreciation of the NOK and effects from different efficiency initiatives within the corporate segment.

Result

Excluding exchange rate effect, total income increased by 9% from previous quarter and 13% from the second quarter last year, despite the reintroduction of the fee to the Norwegian deposit guarantee scheme. Lending margins increased further during the quarter reflecting improved risk pricing. Sale of derivatives showed a strong development contributing to the significant growth in net result from items at fair value compared to the previous quarter.

Total expenses in local currency were up 1% from the previous quarter and unchanged compared to the same quarter last year.

RaRoCaR increased significantly mainly due to increased income and reduced Economic Capital.

Net reversals of collective and individual provisions were recorded in the second quarter, offsetting corporate loan loss provisions (the loan loss ratio in the first quarter was 9 basis points).

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	209	199	201	188	179	5%	17%
Net fee and commission income	40	43	53	48	46	-7%	-13%
Net result from items at fair value	25	15	18	16	21	67%	19%
Equity method & other income	2	2	2	0	0	0%	
Total income incl. allocations	**276**	**259**	**274**	**252**	**246**	**7%**	**12%**
Staff costs	-40	-41	-41	-40	-39	-2%	3%
Other exp, excl. depreciations	-80	-81	-86	-81	-83	-1%	-4%
Total expenses incl. allocations	**-122**	**-124**	**-129**	**-122**	**-123**	**-2%**	**-1%**
Profit before loan losses	**154**	**135**	**145**	**130**	**123**	**14%**	**25%**
Net loan losses	13	-11	-13	-8	-7		
Operating profit	**167**	**124**	**132**	**122**	**116**	**35%**	**44%**
Cost/income ratio, %	44	48	47	48	50		
RAROCAR, %	16	13	13	11	10		
Economic capital (EC)	2,554	2,670	2,869	3,019	3,004	-4%	-15%
Risk-weighted assets (RWA)	18,896	19,877	21,371	22,772	22,627	-5%	-16%
Number of employees (FTEs)	1,407	1,405	1,402	1,388	1,391	0%	1%
Volumes, EURbn:							
Lending to corporates	19.9	20.9	21.3	22.1	21.6	-5%	-8%
Household mortgage lending	25.6	26.7	27.3	27.3	26.5	-4%	-3%
Consumer lending	0.8	0.7	0.7	0.8	0.9	14%	-11%
Total lending	**46.3**	**48.3**	**49.3**	**50.2**	**49.0**	**-4%**	**-6%**
Corporate deposits	11.1	11.4	11.9	11.5	11.5	-3%	-3%
Household deposits	8.6	8.5	8.5	8.5	8.7	1%	-1%
Total deposits	**19.7**	**19.9**	**20.4**	**20.0**	**20.2**	**-1%**	**-2%**

FX fluctuation impacted income and expenses by -3 % Q2/Q1 (-1% Q2/Q2). FX fluctuations impacted balance sheet by -5% Q2/Q1 (-5% Q2/Q2).

Income restated within and between business areas following changed internal allocations.

EC restated between business units.

Banking Sweden

Business development

The business development in Banking Sweden was solid in the second quarter, despite the generally low activity level in the Swedish economy. The relationship banking model continues to attract customers and the new externally acquired Gold and Premium customers amounted to 7,100, which is 10% more than in the first quarter.

The growth in household mortgage lending, excluding the exchange rate effect, increased compared to the previous quarter as well as compared to the same period last year. Customer demand for investment products remained high and sales were 39% higher than in the same quarter of last year. This has had some impact on deposit volumes.

Corporate customers' demand for financing was low also during the second quarter. However, the activity with relationship customers remained at a high level. The capital markets business improved slightly during the second quarter.

Total lending was unchanged from last quarter while total deposits increased by 1% excluding the depreciation of the SEK against EUR.

The total number of advisory meetings continues to grow

Result

Net interest income was stable during the second quarter, when adjusting for the one-off income of EUR 23m in the first quarter related to the sale of a debt collection portfolio. Net fee and commission income was at the same time down 5% compared to the first quarter.

Excluding exchange rate effects total expenses increased by 2% compared to same quarter last year. Number of employees (FTEs) decreased by 2% during the same period while staff costs were unchanged.

The depreciation of the SEK in combination with efforts to improve capital efficiency resulted in a reduction of risk-weighted assets of 7%. The increased economic capital reflects the introduction of the 15% risk weight floor for the mortgage portfolio, as described in the Capital position and risk-weighted assets section on page 9.

Net loan losses remained at a low level. The loan loss ratio was 11 basis points in the second quarter (7 basis points in the first quarter).

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	263	286	280	282	265	-8%	-1%
Net fee and commission income	88	93	105	92	92	-5%	-4%
Net result from items at fair value	26	26	27	27	29	0%	-10%
Equity method & other income	1	5	6	0	0	-80%	
Total income incl. allocations	**378**	**410**	**418**	**401**	**386**	**-8%**	**-2%**
Staff costs	-73	-76	-74	-72	-71	-4%	3%
Other exp, excl. depreciations	-152	-146	-147	-148	-141	4%	8%
Total expenses incl. allocations	**-229**	**-226**	**-227**	**-225**	**-216**	**1%**	**6%**
Profit before loan losses	**149**	**184**	**191**	**176**	**170**	**-19%**	**-12%**
Net loan losses	-18	-11	-11	-6	-9	64%	100%
Operating profit	**131**	**173**	**180**	**170**	**161**	**-24%**	**-19%**
Cost/income ratio, %	61	55	54	56	56		
RAROCAR, %	15	20	20	18	19		
Economic capital (EC)	2,843	2,555	2,512	2,734	2,543	11%	12%
Risk-weighted assets (RWA)	16,700	17,866	16,954	17,872	17,437	-7%	-4%
Number of employees (FTEs)	3,263	3,315	3,306	3,352	3,341	-2%	-2%
Volumes, EURbn:							
Lending to corporates	21.1	22.7	22.7	24.5	23.6	-7%	-11%
Household mortgage lending	37.6	38.7	37.2	37.3	35.5	-3%	6%
Consumer lending	5.5	5.8	5.9	6.1	5.9	-5%	-7%
Total lending	**64.2**	**67.2**	**65.8**	**67.9**	**65.0**	**-4%**	**-1%**
Corporate deposits	12.1	13.0	13.1	12.4	12.4	-7%	-2%
Household deposits	20.8	21.4	20.9	21.1	20.1	-3%	3%
Total deposits	**32.9**	**34.4**	**34.0**	**33.5**	**32.5**	**-4%**	**1%**

FX fluctuation impacted income and expenses by -1 % Q2/Q1 (3 % Q2/Q2). FX fluctuations impacted balance sheet by -5 % Q2/Q1 (0 % Q2/Q2).

Income restated within and between business areas following changed internal allocations.

Banking Baltic countries

Business development

Despite some slowdown, the Baltic economies remain the fastest growing European economies. In Estonia growth moderates temporarily, but remains underpinned by strong domestic demand (consumption and investment). The growth is expected to re-accelerate thanks to export recovery. The positive effects from the Latvian euro accession should result in growth gains in 2014. The stable growth of Lithuanian economy will be relying on both private consumption as well as exports.

Nordea’s focus on relationship banking has strengthened customer loyalty in targeted segments and diversified our income sources. As a consequence, net commission income increased by 10% compared to the prior quarter.

Lending volumes for corporates remained unchanged while volumes of household lending went down 3% in line with the developments of the Baltic banking market. Prices for new lending continued to grow reflecting the true cost of funding. Deposit volumes in corporate segment were unchanged compared to the previous quarter. As the base rates are record low, customer are looking for alternative investment opportunities offering higher returns.

The 13% increase in deposit volumes from household customers reflects the efforts made on strengthening the house banking relationship in the target segments.

Loan loss provisions increased compared to the previous quarter. This was mainly related to a revaluation of one real estate collateral in Latvia. In general, the economic trends and prospects of the Baltic real estate market are positive.

Both RWA and EC went down in relation to improvements of the risk levels in the Baltic portfolios.

Result

Total income was 5% higher compared to both the first quarter of this year and the second quarter of 2012. Staff costs decreased in line with the reduction of the number of employees.

Total expenses increased 10% compared to the previous quarter while remaining almost unchanged compared to the same period last year. The increase of administrative expenses was related to some fluctuations between quarters as well as preparations made for Latvia joining the Eurozone.

RaRoCaR was maintained at the same level as the last quarter.

The annualised loan loss ratio was 33 basis points compared to 19 basis points in the previous quarter.

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	33	32	32	31	29	3%	14%
Net fee and commission income	11	10	10	11	11	10%	0%
Net result from items at fair value	-1	-1	-4	1	1		
Equity method & other income	0	0	0	1	0		
Total income incl. allocations	**43**	**41**	**38**	**44**	**41**	**5%**	**5%**
Staff costs	-6	-7	-7	-6	-6	-14%	0%
Other exp, excl. depreciations	-16	-13	-13	-16	-12	23%	33%
Total expenses incl. allocations	**-22**	**-20**	**-21**	**-23**	**-22**	**10%**	**0%**
Profit before loan losses	**21**	**21**	**17**	**21**	**19**	**0%**	**11%**
Net loan losses	-7	-4	-10	-1	9	75%	
Operating profit	**14**	**17**	**7**	**20**	**28**	**-18%**	**-50%**
Cost/income ratio, %	51	49	55	52	54		
RAROCAR, %	6	6	4	5	4		
Economic capital (EC)	718	729	761	808	841	-2%	-15%
Risk-weighted assets (RWA)	5,404	5,498	5,811	7,715	8,065	-2%	-33%
Number of employees (FTEs)	771	799	805	839	852	-4%	-10%
Volumes, EURbn:							
Lending to corporates	5.7	5.7	5.7	5.7	5.6	0%	2%
Household lending	2.8	2.9	2.9	3.0	3.0	-3%	-7%
Total lending	**8.5**	**8.6**	**8.6**	**8.7**	**8.6**	**-1%**	**-1%**
Corporate deposits	2.1	2.1	2.2	1.8	1.8	0%	17%
Household deposits	0.9	0.8	0.8	0.8	0.8	13%	13%
Total deposits	**3.0**	**2.9**	**3.0**	**2.6**	**2.6**	**3%**	**15%**

Retail Banking other

The area consists of the result from the Retail Banking service operations not allocated to any of the banking operations. It also includes additional liquidity premium for the funding cost of long-term lending and deposits within Retail Banking.

Result

Net interest income was affected by higher costs related to liquidity premium allocations than in the first quarter.

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	-26	-25	-6	-2	4		
Net fee and commission income	-7	-2	1	-4	-5		
Net result from items at fair value	1	-2	-10	-2	-1		
Equity method & other income	8	10	14	12	10	-20%	-20%
Total income incl. allocations	**-24**	**-19**	**-1**	**4**	**8**		
Staff costs	-89	-83	-87	-90	-85	7%	5%
Other exp, excl. depreciations	94	85	71	91	85	11%	11%
Total expenses incl. allocations	**-10**	**-12**	**-33**	**-19**	**-9**	**-17%**	**11%**
Profit before loan losses	**-34**	**-31**	**-34**	**-15**	**-1**		
Net loan losses	0	-3	0	-2	-13	-100%	-100%
Operating profit	**-34**	**-34**	**-34**	**-17**	**-14**		
Economic capital (EC)	14	14	18	22	23	0%	-39%
Number of employees (FTEs)	4,015	3,999	4,028	4,034	4,034	0%	0%

Income restated within and between business areas following changed internal allocations.

Wholesale Banking

Wholesale Banking provides services and financial solutions to the largest corporate and institutional customers in Nordea. The business area incorporates the whole value chain including customer and product units as well as the supporting IT and infrastructure.

Wholesale Banking has a substantial lead-bank footprint in all Nordic markets, supported by a competitive product offering and a well-diversified business mix. The leading position is leveraged to further strengthen customer relationships and drive cross-selling and income growth as well as to provide customers with access to attractive financing in the capital markets.

Wholesale Banking is delivering on its incremental strategy, with a focus on increasing return by disciplined pricing, increased activity in capital-light products and improving the organisational platform.

Business development

Customer activity in Wholesale Banking increased from the subdued first quarter, driven by higher demand for event-driven business and capital markets products. However, the large Nordic corporate and institutional customers remained affected by the continued challenging economic environment.

The strength of Wholesale Banking's relationship strategy was further evidenced by the 2013 Euromoney awards for Best Bank, Best Investment Bank, Best M&A House and Best Debt House in the Nordics and Baltics. Nordea was also number 1 on Prospera's Summary Top Lists Nordics for large corporates and institutions.

Banking

Corporate customer activity increased, driven by a solid demand for bond issuance and leveraged finance. The daily business remained stable.

Institutional customer activity was stable.

Customer activity within shipping remained restrained, while the offshore and oil services activity was solid.

In Russia, the customer activity remained at the same level as in the first quarter.

Capital markets

The result from capital markets increased from the first quarter and was in line with the second quarter of last year.

Customer activity in the currency and fixed income areas increased with the largest customers as the main driver. The customer demand shifted towards credit products as a result of an intensified search for yield while the demand for risk management products declined.

Primary bond activity increased as customers took advantage of the attractive interest rates and high demand from investors. Loan syndication activity remained subdued while the LBO activity was strong with high market liquidity.

The M&A advisory business increased as a result of Nordea's strengthened market position. The secondary equity customer activity was strong, supported by both an increased market activity and the continued positive development of Nordea's market share.

For the second consecutive year, Nordea Equity Research was awarded the Thomson Reuters Nordic Starmine Award for best stock picking and earnings estimating.

Credit quality

Net loan losses increased to EUR 86m, primarily related to a few individual exposures in CIB Norway and Finland. The loan loss ratio was 36 basis points (28 basis points in the previous quarter).

Result

Total income was EUR 675m, up 7% from the previous quarter. Total expenses were unchanged compared to the previous quarter and declined by 3% compared to the second quarter last year.

Wholesale Banking remained focused on strict resource management which resulted in decreased RWA, a lower number of employees (FTEs) and a continued low cost/income ratio.

Operating profit increased to EUR 363m, up 8% from the first quarter and the business area RaRoCaR increased to 16%.

Wholesale Banking

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	282	278	285	295	299	1%	-6%
Net fee and commission income	147	124	142	131	146	19%	1%
Net result from items at fair value	249	225	226	257	255	11%	-2%
Equity method & other income	-3	3	8	2	1		
Total income incl. allocations	**675**	**630**	**661**	**685**	**701**	**7%**	**-4%**
Staff costs	-204	-197	-194	-189	-203	4%	0%
Other exp, excl. depreciations	-13	-19	-41	-23	-19	-32%	-32%
Total expenses incl. allocations	**-226**	**-226**	**-245**	**-223**	**-232**	**0%**	**-3%**
Profit before loan losses	**449**	**404**	**416**	**462**	**469**	**11%**	**-4%**
Net loan losses	-86	-68	-99	-48	-102	26%	-16%
Operating profit	**363**	**336**	**317**	**414**	**367**	**8%**	**-1%**
Cost/income ratio, %	33	36	37	33	33		
RAROCAR, %	16	14	14	15	15		
Economic capital (EC)	8,200	8,455	8,408	8,715	8,897	-3%	-8%
Risk-weighted assets (RWA)	62,633	64,882	65,405	69,385	71,572	-3%	-12%
Number of employees (FTEs)	5,933	6,028	6,066	6,121	6,173	-2%	-4%
Volumes, EURbn:							
Lending to corporates	95.1	97.7	88.8	97.6	97.6	-3%	-3%
Lending to households	0.4	0.4	0.4	0.4	0.4	0%	0%
Total lending	**95.5**	**98.1**	**89.2**	**98.0**	**98.0**	**-3%**	**-3%**
Corporate deposits	60.9	64.8	62.6	70.3	60.8	-6%	0%
Household deposits	0.2	0.2	0.2	0.2	0.2	0%	0%
Total deposits	**61.1**	**65.0**	**62.8**	**70.5**	**61.0**	**-6%**	**0%**

EC restated between business units.

Deposits restated due to reclassification within the balance sheet.

Corporate & Institutional Banking

Corporate & Institutional Banking (CIB) comprises the customer units servicing the largest Nordic corporate and institutional customers. CIB is the leading Nordic financial service provider to large corporate customers, both in terms of market share and strength of the relationship. The business strategy is based on relationship banking with close, ongoing dialogues with customers as well as thorough knowledge of markets and industries.

Business development

CIB's customer activity remained affected by the uncertain economic outlook and the strict business selection. However, the event-driven business and the demand for customer refinancing increased from the low level in the first quarter.

Corporate customer demand for refinancing increased while the demand for new bilateral loans remained moderate. The corporate bond issuance was strong and a number of customers without external ratings benefitted from the improved access to bond financing via high investor demand. Coupled with strong activity within leveraged financing, this led to an increase in the income from event-driven business. The demand for hedging of currency and interest rates was subdued, leading to a decline in the income from risk management products.

Daily business activity with institutional customers was stable.

Lending volumes decreased by 6% compared to the previous quarter and were 13% lower than one year ago. Average lending spreads increased slightly due to business selection.

Deposit volumes decreased by 5% from the previous quarter and were 5% lower than one year ago. Nordea remained an attractive deposit bank for corporate and institutional customers.

Competition from Nordic competitors intensified, particularly for lending transactions and event-driven business, which led to increased pressure on lending margins.

Credit quality

Loan loss provisions for corporate customers remained moderate and CIB continued the close customer dialogue to manage risks. Net loan losses increased related to a few individual exposures in Norway and Finland. Net loan losses amounted to EUR 52m. The loan loss ratio was 50 basis points in the second quarter, compared to 34 basis points in the first quarter.

Result

Total income was EUR 435m in the second quarter, up 12% from the previous quarter. The net fee and commission income increased as a result of the stronger event-driven business. Operating profit was EUR 260m, up 14% from the previous quarter.

The CIB divisions continued the tight management of resources and optimisation of individual customer portfolios.

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	176	168	176	174	173	5%	2%
Net fee and commission income	153	128	142	133	154	20%	-1%
Net result from items at fair value	106	93	91	91	108	14%	-2%
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**435**	**389**	**409**	**398**	**435**	**12%**	**0%**
Staff costs	-11	-11	-10	-10	-10	0%	10%
Other exp, excl. depreciations	-112	-112	-115	-110	-111	0%	1%
Total expenses incl. allocations	**-123**	**-123**	**-125**	**-120**	**-121**	**0%**	**2%**
Profit before loan losses	**312**	**266**	**284**	**278**	**314**	**17%**	**-1%**
Net loan losses	-52	-37	-37	2	-29	41%	79%
Operating profit	**260**	**229**	**247**	**280**	**285**	**14%**	**-9%**
Cost/income ratio, %	28	32	31	30	28		
RAROCAR, %	17	14	15	14	16		
Economic capital (EC)	5,371	5,581	5,399	5,663	5,621	-4%	-4%
Risk-weighted assets (RWA)	39,946	41,742	42,620	45,748	46,918	-4%	-15%
Number of employees (FTEs)	190	192	213	215	216	-1%	-12%
Volumes, EURbn:							
Total lending	41.2	43.6	42.9	45.3	47.3	-6%	-13%
Total deposits	35.2	37.1	38.7	41.5	36.9	-5%	-5%

EC restated between business units.

Deposits restated due to reclassification within the balance sheet.

Shipping, Offshore & Oil Services

Shipping, Offshore & Oil Services (SOO) is the division in Wholesale Banking responsible for customers in the shipping, offshore, oil services, cruise and ferries industries worldwide. Customers are served from the Nordic offices as well as the international branches in New York, London and Singapore. Nordea is a leading bank to the global shipping and offshore sector with strong brand recognition and a world-leading loan syndication franchise. The business strategy is founded on long-term customer relationships and strong industry expertise.

Business development
Overall customer activity was moderate in the quarter, but the demand for bond issuance in the Norwegian market remained solid. Lending volumes declined, partly due to currency effects.

Activity in the offshore and oil services sector remained stable, driven by continued high exploration and production spending. Activity in the tanker and dry cargo segments reflected the weak market conditions in these segments.

Credit quality
Market conditions in the tanker and dry cargo markets remained weak and the near-term outlook is unchanged. Freight rates and collateral values were low, resulting in additional loan loss provisions.

The loan loss level remained elevated due to the weak conditions in certain shipping segments. Net loan losses decreased to EUR 34m and the loan loss ratio was 111 basis points (122 basis points in the first quarter).

The credit quality in the offshore and oil services sectors remained strong.

Result
Total income was EUR 89m, down 2% compared to the previous quarter. Operating profit was EUR 41m, up from EUR 33m in the first quarter.

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	67	66	69	75	76	2%	-12%
Net fee and commission income	14	14	16	19	14	0%	0%
Net result from items at fair value	8	11	13	16	-4	-27%	
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**89**	**91**	**98**	**110**	**86**	**-2%**	**3%**
Staff costs	-5	-7	-6	-7	-6	-29%	-17%
Other exp, excl. depreciations	-9	-11	-11	-11	-11	-18%	-18%
Total expenses incl. allocations	**-14**	**-18**	**-17**	**-18**	**-16**	**-22%**	**-13%**
Profit before loan losses	**75**	**73**	**81**	**92**	**70**	**3%**	**7%**
Net loan losses	-34	-40	-63	-54	-63	-15%	-46%
Operating profit	**41**	**33**	**18**	**38**	**7**	**24%**	
Cost/income ratio, %	16	20	17	16	19		
RAROCAR, %	16	15	16	19	14		
Economic capital (EC)	1,236	1,325	1,320	1,325	1,350	-7%	-8%
Risk-weighted assets (RWA)	9,444	10,173	10,234	10,222	10,612	-7%	-11%
Number of employees (FTEs)	84	88	87	87	90	-5%	-7%
Volumes, EURbn:							
Total lending	12.2	13.1	13.0	13.4	14.1	-7%	-13%
Total deposits	3.5	3.7	4.8	4.8	4.6	-5%	-24%

Banking Russia

Nordea Bank Russia is a wholly owned, full-service bank. Its primary business focus is on large global companies and core Nordic customers.

Business development

The Russian economy slowed down with unemployment still at relatively low levels. Economic development is highly dependent on commodity prices in world markets.

Customer activity continued somewhat subdued in the quarter. Demand for new bilateral lending remains moderate, partially driven by migration towards bond and syndicated loan financing.

The lending volumes were stable whereas deposit volumes increased in the second quarter, still with a slight increase in spreads.

The focus on efficiency continued, and the expenses were reduced in the quarter. The number of employees continued to decline.

Credit quality

Net loan losses were minimal in the second quarter. Gross impaired loans amounted to EUR 31m or 45 basis points of total loans, compared to 46 basis points in the first quarter.

Result

Total income was down 10% compared to the previous quarter and down 3% compared to the second quarter of 2012. Operating profit decreased by 22% from the previous quarter and increased by 27% compared to the second quarter of 2012.

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	55	61	56	51	54	-10%	2%
Net fee and commission income	3	3	5	4	3	0%	0%
Net result from items at fair value	3	4	-3	3	6	-25%	-50%
Equity method & other income	0	0	1	1	0		
Total income incl. allocations	**61**	**68**	**59**	**59**	**63**	**-10%**	**-3%**
Staff costs	-14	-19	-20	-17	-15	-26%	-7%
Other exp, excl. depreciations	-7	-7	-10	-7	-9	0%	-22%
Total expenses incl. allocations	**-22**	**-28**	**-32**	**-25**	**-25**	**-21%**	**-12%**
Profit before loan losses	**39**	**40**	**27**	**34**	**38**	**-3%**	**3%**
Net loan losses	-1	9	1	1	-8		-88%
Operating profit	**38**	**49**	**28**	**35**	**30**	**-22%**	**27%**
Cost/income ratio, %	36	41	54	42	40		
RAROCAR, %	25	26	15	19	22		
Economic capital (EC)	462	450	500	517	501	3%	-8%
Risk-weighted assets (RWA)	5,877	5,962	6,159	6,511	6,457	-1%	-9%
Number of employees (FTEs)	1,385	1,439	1,486	1,464	1,466	-4%	-6%
Volumes, EURbn:							
Lending to corporates	6.1	6.0	6.2	6.7	6.7	2%	-9%
Lending to households	0.4	0.4	0.4	0.4	0.4	0%	0%
Total lending	**6.5**	**6.4**	**6.6**	**7.1**	**7.1**	**2%**	**-8%**
Corporate deposits	1.8	1.3	2.2	2.1	2.4	38%	-25%
Household deposits	0.2	0.2	0.2	0.2	0.2	0%	0%
Total deposits	**2.0**	**1.5**	**2.4**	**2.3**	**2.6**	**33%**	**-23%**

Wholesale Banking other (including Capital Markets unallocated)

Wholesale Banking other is the residual result not allocated to customer units. This includes the unallocated income from Capital Markets, Transaction Products, International Units and the IT divisions. It also includes additional liquidity premium for the funding cost of long-term lending and deposits within Wholesale Banking. Wholesale Banking other is not actively managed as the optimisation of the business takes place in the relevant customer and product units.

Result

The Wholesale Banking other total income was EUR 90m, up 10% from the previous quarter, mainly due to the higher result in Capital Markets. Operating profit decreased by EUR 1m.

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	-16	-17	-16	-5	-4		
Net fee and commission income	-23	-21	-21	-25	-25		
Net result from items at fair value	132	117	125	147	145	13%	-9%
Equity method & other income	-3	3	7	1	1		
Total income incl. allocations	**90**	**82**	**95**	**118**	**117**	**10%**	**-23%**
Staff costs	-174	-160	-158	-155	-172	9%	1%
Other exp, excl. depreciations	115	111	95	105	112	4%	3%
Total expenses incl. allocations	**-67**	**-57**	**-71**	**-60**	**-70**	**18%**	**-4%**
Profit before loan losses	**23**	**25**	**24**	**58**	**47**	**-8%**	**-51%**
Net loan losses	1	0	0	3	-2		
Operating profit	**24**	**25**	**24**	**61**	**45**	**-4%**	**-47%**
Economic capital (EC)	1,131	1,099	1,189	1,210	1,425	3%	-21%
Risk-weighted assets (RWA)	7,366	7,005	6,392	6,904	7,585	5%	-3%
Number of employees (FTEs)	4,274	4,309	4,280	4,355	4,401	-1%	-3%
Volumes, EURbn:							
Total lending	35.6	35.0	26.7	32.2	29.5		
Total deposits	20.4	22.7	16.9	21.9	16.9		

Volumes refers to Repo transactions within Capital Markets.

Income restated within and between business areas following changed internal allocations.

Wealth Management

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

Business development

The second quarter was driven by a strong business momentum in combination with positive net flow of EUR 2.9bn. All business contributed positively to the quarter's inflow. The main contributors were Nordic Retail funds with a net inflow of EUR 0.9bn and Private Banking with a net inflow of EUR 1.1bn. The Institutional Sales segment non-performance related net outflow reflecting changes in the business strategy of a few key clients from previous quarter was now reversed to a positive territory with inflow of EUR 0.8bn in the second quarter.

Despite the increased volatility in the financial markets, household customers continued to show a strong interest in savings, as net flow was positive in the Nordic Retail funds for the sixth consecutive quarter. Furthermore, the Nordic Retail funds flows continued to show an asset mix shift with outflows from fixed income products and inflows into balanced products.

During the second quarter financial markets encountered high volatility related to FED's communication on tapering the quantitative easing program. Hence, the risk assets were affected negatively by the turmoil in the financial markets.

As a consequence, Nordea's Assets under Management (AuM) fell by EUR 4.1bn during the second quarter, down 1% from the previous quarter; but up 12% compared to the same quarter last year. The decrease in the AuM was due to a negative investment performance of EUR 7bn offset by a strong net flow of EUR 2.9bn.

Private Banking's customer base increased to around 109,000 customers, a strong growth trend compared to the same quarter last year. The increase in the customer base was mainly driven by Retail Banking referral process in combination with successful external customer acquisition.

Life & Pensions' gross written premiums continued the strong momentum from the record-high previous quarter and amounted to EUR 1,579m. The shift towards market return and risk products continued as 86% of total premiums was directed to capital-light products, which is a record level.

Result

Wealth Management income was EUR 385m in the second quarter, up 17% from the same quarter last year and up 6% from the previous quarter. The increase from the same quarter last year was mainly due to increase in AuM with a combination of asset mix shift to higher-margin products and strong inflow in Private Banking and Retail funds.

As a consequence of successful management of expenses and continued increased customer activity, operating profit was EUR 188m, up 44% from the same quarter last year and 9% from the previous quarter.

Total expenses decreased 3% from the same quarter last year and unchanged from the previous quarter due to strict focus on costs throughout business units. Life & Pensions' closure of a branch in Lithuania will result in full year cost savings of EUR 1.5m in 2013.

Wealth Management

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	37	33	29	29	36	12%	3%
Net fee and commission income	253	236	273	188	196	7%	29%
Net result from items at fair value	84	88	141	91	91	-5%	-8%
Equity method & other income	11	7	8	8	7	57%	57%
Total income incl. allocations	**385**	**364**	**451**	**316**	**330**	**6%**	**17%**
Staff costs	-118	-119	-116	-114	-121	-1%	-2%
Other exp, excl. depreciations	-74	-72	-88	-72	-76	3%	-3%
Total expenses incl. allocations	**-193**	**-193**	**-206**	**-187**	**-199**	**0%**	**-3%**
Profit before loan losses	**192**	**171**	**245**	**129**	**131**	**12%**	**47%**
Net loan losses	-4	1	-1	0	0		
Operating profit	**188**	**172**	**244**	**129**	**131**	**9%**	**44%**
Cost/income ratio, %	50	53	46	59	60		
RAROCAR, %	26	23	36	19	19		
Economic capital (EC)	2,223	2,208	2,053	2,031	2,011	1%	11%
Risk-weighted assets (RWA)	2,812	3,161	2,902	3,512	3,486	-11%	-19%
Number of employees (FTEs)	3,439	3,447	3,465	3,466	3,464	0%	-1%
Volumes, EURbn:							
AuM	219.7	223.8	218.3	210.9	199.8	-2%	10%
Total lending	8.9	8.9	9.0	8.5	8.4	0%	6%
Total deposits	11.1	11.2	10.5	11.1	10.9	-1%	2%

Income restated within and between business areas following changed internal allocations.

Assets under Management (AuM), volumes and net inflow

EURbn	Q2 2013	Q2 Net inflow	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Nordic Retail funds	40.4	0.9	41.4	38.6	37.1	34.3
Private Banking	71.9	1.1	72.9	69.4	67.9	64.3
Institutional sales	50.8	0.8	51.3	53.1	50.7	47.3
Life & Pensions	56.1	0.1	57.7	56.7	54.7	53.4
Total	**219.2**	**2.9**	**223.3**	**217.8**	**210.4**	**199.3**

AuM restated following the agreement to divest the Polish operations.

Private Banking

Nordea Private Banking provides full-scale investment advice, wealth planning, credit, tax and estate planning services to wealthy individuals, business owners and trusts and foundations. Customers are served from 81 branches in the Nordic countries as well as from offices in Luxembourg, Zürich and Singapore.

Business development

Assets under Management (AuM) in Private Banking decreased with EUR 1.0bn to EUR 71.9bn during the second quarter, up 12% from the same quarter last year. The development in AuM was a result of a strong net inflow of assets of EUR 1.1bn countered by a negative asset appreciation of EUR 2.1bn. Private Banking Sweden had a record high net inflow which had a strong contribution to the overall net flow.

The number of Private Banking customers continues to increase, and during the spring an important milestone was reached as the number of Nordic Private Banking customers passed 100,000. Over the past ten years, the number of Nordea Private Banking customers has doubled and the growth has been accompanied by a positive trend in customer satisfaction.

In the second quarter, the customer base increased by almost 1,400 customers, a stronger growth trend compared to the same quarter last year. The increase in the customer base was mainly driven by elevation of customers from Retail Banking but also by a stronger external customer acquisition.

During the second quarter, International Private Banking has opened a branch in Singapore to serve the community of wealthy Nordic individuals and families in Asia. The number of Nordic expatriates is growing and they are staying longer, and they can now draw benefit from Nordea Private Banking's wealth planning services and expertise.

Result

Total income in the second quarter was EUR 146m which is an increase of 4% from previous strong quarter and by 11% from last year. The increase was mainly driven by the strong net inflow of assets and the customer acquisition. Combined with a continuous strict cost focus, the operating profit ended at EUR 55m, an increase of 2% compared to previous strong quarter and a solid growth compared to the same quarter last year.

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	37	33	28	27	35	12%	6%
Net fee and commission income	73	65	60	51	61	12%	20%
Net result from items at fair value	35	41	34	34	33	-15%	6%
Equity method & other income	1	1	3	4	2	0%	-50%
Total income incl. allocations	**146**	**140**	**125**	**116**	**131**	**4%**	**11%**
Staff costs	-42	-42	-46	-38	-40	0%	5%
Other exp, excl. depreciations	-44	-43	-44	-46	-41	2%	7%
Total expenses incl. allocations	**-87**	**-87**	**-92**	**-85**	**-83**	**0%**	**5%**
Profit before loan losses	**59**	**53**	**33**	**31**	**48**	**11%**	**23%**
Net loan losses	-4	1	-1	0	0		
Operating profit	**55**	**54**	**32**	**31**	**48**	**2%**	**15%**
Cost/income ratio, %	60	62	71	70	62		
RAROCAR, %	47	40	28	21	31		
Economic capital (EC)	367	387	336	422	443	-5%	-17%
Risk-weighted assets (RWA)	2,812	3,161	2,902	3,512	3,486	-11%	-19%
Number of employees (FTEs)	1,207	1,220	1,208	1,195	1,207	-1%	0%
Volumes, EURbn:							
AuM	71.9	72.9	69.4	67.9	64.3	-1%	12%
Household mortgage lending	5.7	5.7	5.6	5.4	5.3	0%	8%
Consumer lending	3.2	3.2	3.4	3.1	3.1	0%	3%
Total lending	**8.9**	**8.9**	**9.0**	**8.5**	**8.4**	**0%**	**6%**
Household deposits	11.1	11.2	10.5	11.1	10.9	-1%	2%
Total deposits	**11.1**	**11.2**	**10.5**	**11.1**	**10.9**	**-1%**	**2%**

Income restated within and between business areas following changed internal allocations.

Asset Management

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

Business development

Investment performance was satisfactory in the second quarter with 62% of composites outperforming benchmarks. All fixed income composites continued outperform, however, within Equities only 54% of composites delivered value added. Swedish, International Focus and Stable Equities were among the performers in the second quarter. The balanced offering was mixed in terms of performance with positive value added from asset allocation calls but negative performance attribution within the equity allocation. The long term performance (3 years) remains strong, with 77% of composites outperforming benchmarks.

During the second quarter, several key products were launched including the internally managed Nordic Idea’s Equity Fund and Global Fixed Income Alpha fund. Further product consolidation was carried out with several fund mergers both on national level as well as across borders. Also, preparation for the upcoming Alternative Investment Fund Managers Directive has been in focus.

Inflow in retail funds continued to be strong with a net inflow of EUR 0.9bn. It is in particular high net flows within balanced funds products that contributed to the strong in flow; while there as in last quarter was an outflow in fixed income funds. From a geographical perspective, all markets reported net inflows.

Institutional sales, comprising Institutional Asset Management and Global Fund Distribution reported a positive net flow of EUR 0.8bn. Institutional Asset Management experienced a positive quarter with an inflow of EUR 0.4bn. The inflow was wide spread with most markets in positive territory. Markets outside the Nordics experienced the biggest inflow primarily related to fixed income products. The value of the flow in the second quarter was also in positive territory, as the margins have remained unchanged.

Global Fund Distribution realised net inflows of EUR 0.4bn in the second quarter, maintaining the positive momentum of the first quarter 2013. In fixed income, especially lower duration product, maintained positive net flows, but the last weeks of the quarter showed clients generally reducing their fixed income exposure following the FED's communication on tapering the quantitative easing. All European markets of distribution contributed to our net flows but the strong trend in our multi-asset solution experienced in Southern Europe during the first quarter is further gaining pace with additional distribution networks promoting our solution. The appetite for equities remains moderate prior to the second quarter earnings season even though we have experienced some momentum for our US equity solution.

Result

Despite the volatile second quarter in the financial markets, Asset Management income increased to EUR 124m, up 39% from the same quarter last year and 13% from the previous quarter.

The increase from same quarter last year was mainly an effect of significant increase in AuM due to positive investment performance and strong net inflow. Asset mix shift towards high margin products remained stable leading to unchanged product margins. Measures of increasing cost efficiency paid of; operating profit was EUR 70m, up 27% compared to the previous quarter.

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	0	0	0	0	0		
Net fee and commission income	119	110	140	95	90	8%	32%
Net result from items at fair value	0	-2	1	1	-2	-100%	-100%
Equity method & other income	5	2	2	2	1	150%	
Total income incl. allocations	**124**	**110**	**143**	**98**	**89**	**13%**	**39%**
Staff costs	-27	-30	-29	-29	-33	-10%	-18%
Other exp, excl. depreciations	-27	-25	-26	-24	-24	8%	13%
Total expenses incl. allocations	**-54**	**-55**	**-55**	**-53**	**-57**	**-2%**	**-5%**
Profit before loan losses	**70**	**55**	**88**	**45**	**32**	**27%**	**119%**
Net loan losses	0	0	0	0	0		
Operating profit	**70**	**55**	**88**	**45**	**32**	**27%**	**119%**
Cost/income ratio, %	44	50	38	54	64		
Income, spread (basis points)	36	32	42	31	29		
Economic capital (EC)	163	168	91	90	101	-3%	61%
AuM, EURbn	138.2	140.0	137.8	132.0	123.6	-1%	12%
Number of employees (FTEs)	560	559	559	565	577	0%	-3%

Income restated within and between business areas following changed internal allocations.

Life & Pensions

Life & Pensions serves Nordea's Retail, Private Banking and corporate customers with a full range of pension, endowment and risk products as well as tailor-made advice for bank distribution. Life & Pensions operates in the Nordic countries, Poland, the Baltic countries, the Isle of Man and Luxembourg. In the Danish, Norwegian and Polish markets, sales are conducted through Life & Pensions' own sales force as well as through tied agents and insurance brokers.

Part of the life insurance business in Poland is included in the agreement to divest the Polish operations, however, the Polish pension fund company will not be affected by the transaction.

Business development

In the second quarter, gross written premiums remained at high level and reached EUR 1,579m, although 11% lower than the seasonal strong first quarter. Gross written premiums were 27% higher than the same quarter last year driven by strong bancassurance sales of market return products. The Nordea bank channel accounted for 61% of total premium sales in the second quarter.

Market return and risk products accounted for 86% of total gross written premiums, which is an increase by 11 %-points from the second quarter of last year. Accordingly, the strong net flow into market return products continued in the second quarter, contributing with EUR 0,9bn. Net outflow from traditional products was EUR 1.2bn in the second quarter, reflecting the ongoing shift in the product portfolio. Assets in market return products accounted for 45% of total AuM at the end of the second quarter.

Financial buffers in the traditional portfolios increased EUR 0.2bn during the second quarter to EUR 2.5bn, corresponding to 10.5% of technical provisions. This corresponds to an increase of 1.5 %-points from the end of the first quarter, driven by continued strong portfolio asset/liability management.

Result

Operating profit in the second quarter amounted to EUR 65m, EUR 3m higher than in the first quarter, driven by strong momentum in the sales of market return products. By utilising the Nordea Bank channel, Life & Pensions has been able to continuously build up assets under management without expanding the cost base. The profit contribution from market return products increased by EUR 8m or 29% from the second quarter last year.

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	0	0	0	0	0		
Net fee and commission income	62	61	68	45	48	2%	29%
Net result from items at fair value	49	49	106	56	60	0%	-18%
Equity method & other income	4	4	3	3	4	0%	0%
Total income incl. allocations	**115**	**114**	**177**	**104**	**112**	**1%**	**3%**
Staff costs	-29	-30	-24	-32	-29	-3%	0%
Other exp, excl. depreciations	-21	-22	-28	-22	-24	-5%	-13%
Total expenses incl. allocations	**-50**	**-52**	**-52**	**-54**	**-53**	**-4%**	**-6%**
Profit before loan losses	**65**	**62**	**125**	**50**	**59**	**5%**	**10%**
Net loan losses	0	0	0	0	0		
Operating profit	**65**	**62**	**125**	**50**	**59**	**5%**	**10%**
Cost/income ratio, %	43	46	29	52	47		
Return on Equity YtD, %	12	11	14	11	11		
Equity	1,693	1,652	1,624	1,518	1,466	2%	15%
AuM, EURbn	51.0	52.0	50.8	49.3	48.2	-2%	6%
Premiums	1,579	1,779	1,543	1,156	1,243	-11%	27%
Number of employees (FTEs)	1,147	1,149	1,181	1,192	1,187	0%	-3%
Profit drivers							
Profit Traditional products	16	18	80	9	17	-11%	-6%
Profit Market Return products	36	33	34	30	28	9%	29%
Profit Risk products	13	12	14	14	15	8%	-13%
Total product result	**65**	**63**	**128**	**53**	**60**	**3%**	**8%**
Return on Shareholder equity, other profits and group adj.	0	-1	-3	-3	-1	-100%	-100%
Operating profit	**65**	**62**	**125**	**50**	**59**	**5%**	**10%**

Profit and other items restated following the agreement to divest the Polish operations.

Income restated within and between business areas following changed internal allocations.

Wealth Management other

The area consists of the Wealth Management service operations which are not related directly to any of the business units. It also includes additional liquidity premium for long-term lending and deposits in Wealth Management and net interest income related thereto.

EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	0	0	1	2	1		
Net fee and commission income	-1	0	5	-3	-3		
Net result from items at fair value	0	0	0	0	0		
Equity method & other income	1	0	0	-1	0		
Total income incl. allocations	**0**	**0**	**6**	**-2**	**-2**		
Staff costs	-20	-17	-17	-15	-19	18%	5%
Other exp, excl. depreciations	18	18	10	20	13	0%	38%
Total expenses incl. allocations	**-2**	**1**	**-7**	**5**	**-6**		**-67%**
Profit before loan losses	**-2**	**1**	**-1**	**3**	**-8**		
Net loan losses	0	0	0	0	0		
Operating profit	**-2**	**1**	**-1**	**3**	**-8**		
Economic capital (EC)	0	1	2	1	1	-100%	-100%
Number of employees (FTEs)	525	519	517	514	493	1%	6%

Group Functions and other

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

Group Corporate Centre

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

At the end of the second quarter, the proportion of long-term funding of total funding was approx. 75%, up somewhat from 72% at the end of the first quarter.

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

For short-term liquidity risks, Nordea uses a measure close to the liquidity coverage ratio (LCR). The liquidity buffer is composed of highly liquid primarily Nordic government and covered bonds which all are central bank eligible securities with characteristics similar to Basel III/CRD IV. The liquidity buffer amounted to EUR 66bn at the end of the second quarter (EUR 67bn at the end of the first quarter). The LCR was 134% at the end of the second quarter and the LCR in EUR was 121% and in USD 133% at the end of the second quarter, with the definition in accordance with the Swedish FSA's LCR requirement. With the new suggested Basel definition, the total LCR and the LCRs per currency for the Group would be even higher.

The outstanding volume of short-term debt decreased from EUR 54bn at the end of the first quarter to EUR 45bn at the end of the second quarter 2013.

Nordea issued approx. EUR 7.8bn of long-term funding in the second quarter excluding Danish covered bonds, of which approx. EUR 2.2bn represented issuance of Swedish, Norwegian and Finnish covered bonds in the domestic and international markets.

In the second quarter, Nordea's issues included a EUR 1.5bn 5-year fixed-rate senior note, a USD 2.5bn 144a triple-tranche senior note and a JPY 91.2bn Samurai transaction in the Japanese market in four tranches.

The average price risk on Group Treasury's interest-rate positions, calculated as VaR, was EUR 59m in the second quarter. The risk related to equities, calculated as VaR, was EUR 4m and the risk related to credit spreads (VaR) was EUR 6m. Interest rate risk increased slightly based on increased volatility in interest rate markets and because of an increase in the duration of holdings within the liquidity buffer. Equity risk decreased while credit spread risk was largely unchanged compared to the first quarter.

Result

Total operating income was EUR 118m in the second quarter. Net interest income increased to EUR 94m in the second quarter compared to EUR 74m in the previous quarter, related to buy-backs of issued debt. Net result from items at fair value increased to EUR 25m compared to EUR 19m in the first quarter, mainly related to equity and credit funds. Operating profit was EUR 74m.

	Group Corporate Centre							Group functions, Other & Eliminations						
EURm	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212	Q213	Q113	Q412	Q312	Q212	Q213 vs Q113	vs Q212
Net interest income	94	74	90	101	106	27%	-11%	27	20	4	13	25	35%	8%
Net fee and commission income	-1	0	-2	-2	-2			0	-10	-22	-10	-9		
Net result from items at fair value	25	19	8	39	24	32%	4%	-30	21	9	-76	52		
Equity method & other income	0	0	0	1	1			-10	35	0	16	10		
Total operating income	**118**	**93**	**96**	**139**	**129**	**27%**	**-9%**	**-13**	**66**	**-9**	**-57**	**78**		
Staff costs	-19	-18	-16	-18	-19	6%	0%	-67	-75	-72	-70	-64	-11%	5%
Other exp, excl. depreciations	-25	-27	-24	-29	-22	-7%	14%	36	36	99	43	42	0%	-14%
Total operating expenses	**-44**	**-45**	**-41**	**-47**	**-41**			**-46**	**-54**	**-17**	**-54**	**-48**		
Net loan losses	0	0	0	0	0			1	-3	-3	-5	16		-94%
Operating profit	**74**	**48**	**55**	**92**	**88**	**54%**	**-16%**	**-58**	**9**	**-29**	**-116**	**46**		
Economic capital (EC)	583	596	691	609	718			586	611	412	595	534		
Risk-weighted assets (RWA)	4,409	4,623	4,631	4,883	4,509			13,309	14,377	12,622	12,938	13,664		
Number of employees (FTEs)	423	430	430	438	442			2,129	2,108	2,059	2,019	2,022		

Profit and other items restated following the agreement to divest the Polish operations.
Income restated within and between business areas following changed internal allocations.
RWA from discontinued operation included in Group Functions, Other and Eliminations

Customer segments

Corporate customer segments and financial institutions, key figures

	Corporate & Institutional Banking			Large corporate customers (Nordic)			Other corporate customers (Nordic)			Baltic corporate customers		
	Q213	Q113	Q212	Q213	Q113	Q212	Q213	Q113	Q212	Q213	Q113	Q212
Number of customer '000 (EOP)	12	12	12	29	29	29				35	34	33
Income, EURm	**435**	**389**	**435**	**366**	**356**	**329**	**234**	**229**	**231**	**28**	**27**	**27**
Volumes, EURbn												
Lending	41.2	43.6	47.3	54.2	56.1	57.9	25.2	25.8	26.5	5.6	5.7	5.6
Deposit	35.2	37.1	36.9	20.0	20.9	19.7	21.2	21.1	21.4	2.2	2.1	1.8

	Russian corporate customers			Shipping customers			Corporate and financial institutions Total		
	Q213	Q113	Q212	Q213	Q113	Q212	Q213	Q113	Q212
Number of customer '000 (EOP)	5	5	6	2	2	2			
Income, EURm	**56**	**63**	**59**	**89**	**91**	**86**	**1,208**	**1,155**	**1,167**
Volumes, EURbn									
Lending	6.1	6.0	6.7	12.2	13.1	14.1	144.5	150.3	158.1
Deposit	1.8	1.3	2.4	3.5	3.7	4.6	83.9	86.2	86.8

Household customer segments, key figures

	Private Banking			Gold customers (Nordic)			Other household customers (Nordic)			Baltic household customers		
	Q213	Q113	Q212	Q213	Q113	Q212	Q213	Q113	Q212	Q213	Q113	Q212
Number of customer '000 (EOP)	109	107	105	3,002	2,990	2,949				375	374	369
Of which Gold+Private Banking										60	60	66
Income, EURm	**146**	**140**	**131**	**663**	**640**	**615**	**188**	**191**	**194**	**11**	**11**	**10**
Volumes, EURbn												
Lending	8.9	8.9	8.4	133.7	135.8	132.1	8.9	8.9	8.9	2.9	2.9	3.0
Deposit	11.1	11.2	10.9	58.3	58.5	57.3	16.5	16.8	16.7	0.9	0.8	0.8
Assets under Management	71.9	72.9	64.3									

	Russian household customers			Household customers Total		
	Q213	Q113	Q212	Q213	Q113	Q212
Number of customer '000 (EOP)	63	65	62			
Of which Gold+Private Banking				3,171	3,157	3,120
Income, EURm	**5**	**5**	**4**	**1,013**	**987**	**954**
Volumes, EURbn						
Lending	0.4	0.4	0.4	154.8	156.9	152.8
Deposit	0.2	0.2	0.2	87.0	87.5	85.9

Russian corporate customers income has been restated.

Income statement

EURm	Note	Q2 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Operating income						
Interest income		*2,686*	*3,010*	*5,379*	*6,089*	*11,939*
Interest expense		*-1,295*	*-1,595*	*-2,630*	*-3,301*	*-6,376*
Net interest income		1,391	1,415	2,749	2,788	5,563
Fee and commission income		*904*	*806*	*1,749*	*1,583*	*3,258*
Fee and commission expense		*-240*	*-203*	*-462*	*-392*	*-790*
Net fee and commission income	3	664	603	1,287	1,191	2,468
Net result from items at fair value	4	416	492	860	955	1,774
Profit from companies accounted for under the equity method		9	14	44	37	93
Other operating income		10	22	56	45	100
Total operating income		**2,490**	**2,546**	**4,996**	**5,016**	**9,998**
Operating expenses						
General administrative expenses:						
Staff costs		-753	-746	-1,507	-1,502	-2,989
Other expenses	5	-453	-452	-914	-893	-1,808
Depreciation, amortisation and impairment charges of tangible and intangible assets		-50	-61	-102	-108	-267
Total operating expenses		**-1,256**	**-1,259**	**-2,523**	**-2,503**	**-5,064**
Profit before loan losses		**1,234**	**1,287**	**2,473**	**2,513**	**4,934**
Net loan losses	6	-186	-203	-384	-418	-895
Operating profit		**1,048**	**1,084**	**2,089**	**2,095**	**4,039**
Income tax expense		-248	-276	-506	-529	-970
Net profit for the period from continuing operations		**800**	**808**	**1,583**	**1,566**	**3,069**
Net profit for the period from discontinued operations, after tax	14	-29	13	-16	30	57
Net profit for the period		**771**	**821**	**1,567**	**1,596**	**3,126**
Attributable to:						
Shareholders of Nordea Bank AB (publ)		772	820	1,566	1,593	3,119
Non-controlling interests		-1	1	1	3	7
Total		**771**	**821**	**1,567**	**1,596**	**3,126**
Basic earnings per share, EUR - Total operations		0.19	0.21	0.39	0.40	0.78
Diluted earnings per share, EUR - Total operations		0.19	0.21	0.39	0.40	0.78

Statement of comprehensive income

EURm	Q2 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Net profit for the period	**771**	**821**	**1,567**	**1,596**	**3,126**
Items that may be reclassified subsequently to income statement					
Currency translation differences during the period	-568	4	-574	193	409
Hedging of net investments in foreign operations:					
Valuation gains/losses during the period	272	-36	304	-134	-254
Tax on valuation gains/losses during the period	-60	9	-67	35	45
Available-for-sale investments:[1]					
Valuation gains/losses during the period	-24	-4	10	55	67
Tax on valuation gains/losses during the period	8	1	-1	-14	-17
Cash flow hedges:					
Valuation gains/losses during the period	29	5	27	-42	-188
Tax on valuation gains/losses during the period	-7	0	-7	12	50
Items that may not be reclassified subsequently to the income statement					
Defined benefit plans:					
Remeasurement of defined benefit plans	-	-	-	-	362
Tax on remeasurement of defined benefit plans	-	-	-	-	-87
Other comprehensive income, net of tax	**-350**	**-21**	**-308**	**105**	**387**
Total comprehensive income	**421**	**800**	**1,259**	**1,701**	**3,513**
Attributable to:					
Shareholders of Nordea Bank AB (publ)	422	799	1,258	1,698	3,506
Non-controlling interests	-1	1	1	3	7
Total	**421**	**800**	**1,259**	**1,701**	**3,513**

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

Balance sheet

EURm	Note	30 Jun 2013	31 Dec 2012	30 Jun 2012
Assets				
Cash and balances with central banks		29,682	36,060	16,688
Loans to central banks	7	6,840	8,005	22,582
Loans to credit institutions	7	11,632	10,569	14,223
Loans to the public	7	340,354	346,251	350,306
Interest-bearing securities		83,137	94,939	88,190
Financial instruments pledged as collateral		7,289	7,970	5,582
Shares		30,064	28,128	22,399
Derivatives	12	78,875	118,789	158,497
Fair value changes of the hedged items in portfolio hedge of interest rate risk		265	-711	-456
Investments in associated undertakings		614	585	582
Intangible assets		3,336	3,425	3,400
Property and equipment		424	474	448
Investment property		3,293	3,408	3,640
Deferred tax assets		131	266	278
Current tax assets		162	78	392
Retirement benefit assets		128	142	107
Other assets		14,487	16,372	19,439
Prepaid expenses and accrued income		2,376	2,559	2,489
Assets held for sale	14	8,807	-	-
Total assets		**621,896**	**677,309**	**708,786**
Of which assets customer bearing the risk		*22,318*	*20,361*	*18,036*
Liabilities				
Deposits by credit institutions		62,887	55,426	55,139
Deposits and borrowings from the public		196,268	200,678	200,838
Liabilities to policyholders		45,380	45,320	42,743
Debt securities in issue		173,183	184,340	188,362
Derivatives	12	72,972	114,203	153,358
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,970	1,940	1,523
Current tax liabilities		396	391	293
Other liabilities		24,732	33,472	26,773
Accrued expenses and prepaid income		3,568	3,903	3,531
Deferred tax liabilities		1,042	976	918
Provisions		341	389	390
Retirement benefit obligations		338	469	845
Subordinated liabilities		7,223	7,797	7,779
Liabilities held for sale	14	3,725	-	-
Total liabilities		**594,025**	**649,304**	**682,492**
Equity				
Non-controlling interests		4	5	87
Share capital		4,050	4,050	4,050
Share premium reserve		1,080	1,080	1,080
Other reserves		32	340	58
Retained earnings		22,705	22,530	21,019
Total equity		**27,871**	**28,005**	**26,294**
Total liabilities and equity		**621,896**	**677,309**	**708,786**
Assets pledged as security for own liabilities		173,676	164,902	164,333
Other assets pledged		4,087	4,367	4,355
Contingent liabilities		22,544	21,157	22,511
Credit commitments[1]		82,069	84,914	81,499
Other commitments		1,306	1,294	1,486

[1] Including unutilised portion of approved overdraft facilities of EUR 44,228m (31 Dec 2012: EUR 45,796m, 30 Jun 2012: EUR 43,925m).

Statement of changes in equity

EURm	Share capital[1]	Share premium reserve	Transla-tion of foreign operations	Cash flow hedges	Available-for-sale investments	Defined benefit plans	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to shareholders of Nordea Bank AB (publ)									
			Other reserves:							
Opening balance at 1 Jan 2013	**4,050**	**1,080**	**24**	**-15**	**56**	**275**	**22,530**	**28,000**	**5**	**28,005**
Total comprehensive income	-	-	-337	20	9	-	1,566	1,258	1	1,259
Share-based payments	-	-	-	-	-	-	9	9	-	9
Dividend for 2012	-	-	-	-	-	-	-1,370	-1,370	-	-1,370
Purchases of own shares[2]	-	-	-	-	-	-	-30	-30	-	-30
Other changes	-	-	-	-	-	-	-	-	-2	-2
Closing balance at 30 Jun 2013	**4,050**	**1,080**	**-313**	**5**	**65**	**275**	**22,705**	**27,867**	**4**	**27,871**

EURm	Share capital[1]	Share premium reserve	Transla-tion of foreign operations	Cash flow hedges	Available-for-sale investments	Defined benefit plans	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to shareholders of Nordea Bank AB (publ)									
			Other reserves:							
Reported opening balance at 1 Jan 2012	**4,047**	**1,080**	**-176**	**123**	**6**	**-**	**20,954**	**26,034**	**86**	**26,120**
Restatement due to changed accounting policy[4]	-	-	-	-	-	-	-475	-475	-	-475
Restated opening balance at 1 Jan 2012	**4,047**	**1,080**	**-176**	**123**	**6**	**-**	**20,479**	**25,559**	**86**	**25,645**
Total comprehensive income	-	-	200	-138	50	275	3,119	3,506	7	3,513
Issued C-shares[3]	3	-	-	-	-	-	-	3	-	3
Repurchase of C-shares[3]	-	-	-	-	-	-	-3	-3	-	-3
Share-based payments	-	-	-	-	-	-	14	14	-	14
Dividend for 2011	-	-	-	-	-	-	-1,048	-1,048	-	-1,048
Purchases of own shares[2]	-	-	-	-	-	-	-31	-31	-	-31
Change in non-controlling interests	-	-	-	-	-	-	-	-	-84	-84
Other changes	-	-	-	-	-	-	-	-	-4	-4
Closing balance at 31 Dec 2012	**4,050**	**1,080**	**24**	**-15**	**56**	**275**	**22,530**	**28,000**	**5**	**28,005**

EURm	Share capital[1]	Share premium reserve	Transla-tion of foreign operations	Cash flow hedges	Available-for-sale investments	Defined benefit plans	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to shareholders of Nordea Bank AB (publ)									
			Other reserves:							
Reported opening balance at 1 Jan 2012	**4,047**	**1,080**	**-176**	**123**	**6**	**-**	**20,954**	**26,034**	**86**	**26,120**
Restatement due to changed accounting policy[4]	-	-	-	-	-	-	-475	-475	-	-475
Restated opening balance at 1 Jan 2012	**4,047**	**1,080**	**-176**	**123**	**6**	**-**	**20,479**	**25,559**	**86**	**25,645**
Total comprehensive income	-	-	94	-30	41	-	1,593	1,698	3	1,701
Issued C-shares[3]	3	-	-	-	-	-	-	3	-	3
Repurchase of C-shares[3]	-	-	-	-	-	-	-3	-3	-	-3
Share-based payments	-	-	-	-	-	-	3	3	-	3
Dividend for 2011	-	-	-	-	-	-	-1,048	-1,048	-	-1,048
Purchases of own shares[2]	-	-	-	-	-	-	-5	-5	-	-5
Other changes	-	-	-	-	-	-	-	-	-2	-2
Closing balance at 30 Jun 2012	**4,050**	**1,080**	**-82**	**93**	**47**	**-**	**21,019**	**26,207**	**87**	**26,294**

[1] Total shares registered were 4,050 million (31 Dec 2012: 4,050 million, 30 Jun 2012: 4,050 million).

[2] Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares at 30 Jun 2013 were 32.8 million (31 Dec 2012: 26.9 million, 30 Jun 2012: 23.4 million).

[3] Refers to the Long Term Incentive Programme (LTIP). LTIP 2012 was hedged by issuing 2,679,168 C-shares, the shares have been bought back and converted to ordinary shares. The total holding of own shares related to LTIP is 18.3 million (31 Dec 2012: 20.3 million, 30 Jun 2012: 20.4 million).

[4] Related to the amended IAS 19. See Note 1 for more information.

Cash flow statement, condensed - Total operations

EURm	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Operating activities			
Operating profit	2,089	2,095	4,039
Profit for the period from discontinued operations, after tax	-16	30	57
Adjustments for items not included in cash flow	1,829	841	3,199
Income taxes paid	-614	-659	-662
Cash flow from operating activities before changes in operating assets and liabilities	3,288	2,307	6,633
Changes in operating assets and liabilities	-6,479	2,886	13,121
Cash flow from operating activities	-3,191	5,193	19,754
Investing activities			
Property and equipment	-47	-7	-114
Intangible assets	-91	-79	-175
Net investments in debt securities, held to maturity	429	670	1,047
Other financial fixed assets	-10	-6	16
Cash flow from investing activities	281	578	774
Financing activities			
New share issue	-	3	3
Issued/amortised subordinated liabilities	-	750	906
Divestment/repurchase of own shares incl change in trading portfolio	-30	-5	-31
Dividend paid	-1,370	-1,048	-1,048
Cash flow from financing activities	-1,400	-300	-170
Cash flow for the period	**-4,310**	**5,471**	**20,358**
Cash and cash equivalents at beginning of the period	**42,808**	**22,606**	**22,606**
Translation difference	-351	1,200	-156
Cash and cash equivalents at end of the period	**38,147**	**29,277**	**42,808**
Change	**-4,310**	**5,471**	**20,358**

Cash and cash equivalents	30 Jun	30 Jun	31 Dec
The following items are included in cash and cash equivalents (EURm):	2013	2012	2012
Cash and balances with central banks	29,682	16,688	36,060
Loans to central banks	6,102	11,295	5,938
Loans to credit institutions, payable on demand	2,255	1,294	810

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal giro systems under government authority, where the following conditions are fulfilled:
- the central bank or the postal giro system is domiciled in the country where the institution is established
- the balance on the account is readily available at any time.

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

Notes to the financial statements

Note 1 Accounting policies

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of such standards by the International Financial Reporting Standards Interpretations Committee (IFRS IC), as endorsed by the EU Commission. In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the recommendation RFR 1 "Supplementary Accounting Rules for Groups" and UFR statements issued by the Swedish Financial Reporting Board as well as the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54 and 2013:2) have also been applied.

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

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2012 Annual Report, except for the changed presentation of defined benefit plans, implemented in the first quarter, and discontinued operations as described below.

The new standard IFRS 13 "Fair Value Measurement" was implemented in the first quarter 2013 but has not had any significant impact on the measurement of assets or liabilities. The additional disclosures required by IFRS 13 on a quarterly basis are presented in Note 9 and Note 10.

IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures" have been amended as regards offsetting of financial assets and financial liabilities. Nordea implemented these changes in the first quarter 2013 (IAS 32 early adopted). There was no impact from the amendment to IAS 32, while the additional disclosures required by IFRS 7 are presented in Note 11.

IAS 19 "Employee Benefits"

The amended IAS 19 "Employee Benefits" was implemented 1 January 2013. A detailed description of these changes is included in the Annual Report 2012, note G1 "Accounting policies" section 3 "Changes in IFRSs not yet applied by Nordea". The comparative figures on the balance sheet have been restated accordingly and are disclosed in the below table. The impact on the comparative figures in the income statement was not significant and the income statement has therefore not been restated. The impact on the second quarter 2013 was not significant.

	31 Dec 2012		30 Jun 2012		1 Jan 2012	
EURm	New policy	Old policy	New policy	Old policy	New policy	Old policy
Net retirement benefit obligations	327	47	738	102	732	102
Net deferred tax liabilities	710	779	640	796	694	849
Other reserves[1]	340	76	58	63	-47	-47
Retained earnings	22,530	23,005	21,019	21,494	20,479	20,954

[1]Impact through "Other comprehensive income". The direct impact from defined benefit plans was EUR 275m at 31 December 2012, which is slightly offset by FX translation differences of EUR 11m arising during the year.

At transition 1 January 2013 the negative impact on equity was EUR 211m, after special wage tax and income tax (EUR 280m before income tax), and the core tier 1 capital was reduced by EUR 258m, including the impact from changes in deferred tax assets.

Discontinued operations

Discontinued operations consist of Nordea's Polish operations as further described in Note 14. These operations have been classified as discontinued operations as they represent a major line of business and geographical area and as the carrying amount will be recovered through a sale transaction. The net result from discontinued operations, including the net result for the period recognised on the measurement at fair value less costs to sell, is presented as a single amount after net profit for the period from continuing operations. Comparative figures are restated accordingly.

Assets and liabilities related to the disposal group are presented on the separate balance sheet lines "Assets held for sale" and "Liabilities held for sale" respectively as from the classification date. Comparative figures are not restated.

Impact on capital adequacy from new or amended IFRS standards

Two new IFRS standards potentially affecting capital adequacy have been adopted by the IASB but have not yet been implemented by Nordea.

IFRS 9 "Financial Instruments" (Phase I) is not expected to have a significant impact on Nordea's income statement and balance sheet as the mixed measurement model will be maintained. No significant reclassifications between fair value and amortised cost or impact on the capital adequacy are expected, but this is naturally dependent on the financial instruments on Nordea's balance sheet at transition. It is furthermore expected that changes will be made to the standard before the standard becomes effective.

Nordea's current assessment is that IFRS 10 "Consolidated Financial Statements" will not have any significant impact on Nordea's income statement, but the fact that Nordea may have to start consolidating some mutual funds can have an impact on the balance sheet and equity if those entities hold Nordea shares that will have to be eliminated in the Nordea Group. It is not expected that mutual funds will be consolidated for capital adequacy purposes and there would consequently not be any impact on the capital adequacy.

Exchange rates

EUR 1 = SEK	Jan-Jun 2013	Jan-Dec 2012	Jan-Jun 2012
Income statement (average)	8.5302	8.7052	8.8819
Balance sheet (at end of period)	8.7773	8.5820	8.7728
EUR 1 = DKK			
Income statement (average)	7.4572	7.4438	7.4350
Balance sheet (at end of period)	7.4588	7.4610	7.4334
EUR 1 = NOK			
Income statement (average)	7.5226	7.4758	7.5740
Balance sheet (at end of period)	7.8845	7.3483	7.5330
EUR 1 = PLN			
Income statement (average)	4.1777	4.1836	4.2437
Balance sheet (at end of period)	4.3376	4.0740	4.2488
EUR 1 = RUB			
Income statement (average)	40.7514	39.9253	39.7047
Balance sheet (at end of period)	42.8450	40.3295	41.3700

Note 2 Segment reporting

	Operating segments													
	Retail Banking Jan-Jun		Wholesale Banking Jan-Jun		Group Corporate Centre Jan-Jun		Other Operating segments[1] Jan-Jun		Total operating segments Jan-Jun		Recon-ciliation Jan-Jun		**Total Group Jan-Jun**	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	**2013**	**2012**
Total operating income, EURm	2,892	2,855	1,311	1,448	212	255	514	501	4,929	5,059	67	-43	**4,996**	**5,016**
- of which internal transactions[2], EURm	-867	-1,106	-154	-212	1,016	1,357	5	-39	0	0	-	-	-	-
Operating profit, EURm	1,083	990	701	812	125	179	181	129	2,090	2,110	-1	-15	**2,089**	**2,095**
Loans to the public[3], EURbn	222	222	61	67	-	-	9	8	292	297	48	53	**340**	**350**
Deposits and borrowings from the public[3], EURbn	109	108	44	46	-	-	11	11	164	165	32	36	**196**	**201**

[1] Including the main business area Wealth Management.

[2] 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 Corporate Centre.

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

Break-down of Retail Banking and Wholesale Banking

	Retail Banking Nordic[1] Jan-Jun		Retail Banking Baltic countries[2] Jan-Jun		Retail Banking Other[3] Jan-Jun		**Retail Banking Jan-Jun**	
	2013	2012	2013	2012	2013	2012	**2013**	**2012**
Total operating income, EURm	2,849	2,755	84	83	-41	17	**2,892**	**2,855**
- of which internal transactions, EURm	-781	-1,027	-22	-25	-64	-54	**-867**	**-1,106**
Operating profit, EURm	1,126	983	22	31	-65	-24	**1,083**	**990**
Loans to the public, EURbn	215	215	7	7	0	0	**222**	**222**
Deposits and borrowings from the public, EURbn	106	105	3	3	0	0	**109**	**108**

	Corporate & Institutional Banking Jan-Jun		Shipping, Offshore & Oil Services Jan-Jun		Nordea Bank Russia Jan-Jun		Capital Markets unallocated Jan-Jun		Wholesale Banking Other[4] Jan-Jun		**Wholesale Banking Jan-Jun**	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	**2013**	**2012**
Total operating income, EURm	823	853	184	178	129	114	210	306	-35	-3	**1,311**	**1,448**
- of which internal transactions, EURm	-110	-173	-44	-52	-22	-26	64	53	-42	-14	**-154**	**-212**
Operating profit, EURm	487	574	77	22	87	57	98	179	-48	-20	**701**	**812**
Loans to the public, EURbn	42	46	13	14	6	7	-	-	-	-	**61**	**67**
Deposits and borrowings from the public, EURbn	38	39	4	5	2	2	-	-	-	-	**44**	**46**

[1] Retail Banking Nordic includes banking operations in Denmark, Finland, Norway and Sweden.

[2] Retail Banking Baltic countries includes banking operations in Estonia, Latvia and Lithuania.

[3] Retail Banking Other includes the support areas Development & Projects, Distribution, Segments, Products and IT.

[4] Wholesale Banking Other includes the area International Units and the support areas Transaction Products, Segment CIB and IT.

Reconciliation between total operating segments and financial statements

	Operating profit, EURm Jan-Jun		Loans to the public, EURbn 30 Jun		Deposits and borrowings from the public, EURbn 30 Jun	
	2013	2012	2013	2012	2013	2012
Total Operating segments	2,090	2,110	292	297	164	165
Group functions[1]	-70	-56	-	-	-	-
Unallocated items	80	56	54	49	35	30
Differences in accounting policies[2]	-11	-15	-6	4	-3	6
Total	**2,089**	**2,095**	**340**	**350**	**196**	**201**

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

[2] Impact from plan exchange rates used in the segment reporting and from that comparative figures for lending/deposits in Banking Poland restated in operating segments but not in financial statements.

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 area" in this report are that the information to 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 two main business areas Retail Banking and Wholesale Banking, with further breakdown on operating segments, and the operating segment Group Corporate Centre. 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.

Changes in the basis of segmentation has been made during the second quarter following the divestment of Nordea’s Polish operations. As from the second quarter the divested operations are excluded from the reporting to the Chief Operating Decision Maker (CODM) and are consequently not part of the segment reporting in Note 2. The impact from the divested operations can be found in Note 14. Comparative figures have been restated accordingly.

Note 3 Net fee and commission income

EURm	Q2 2013	Q1 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Asset management commissions	244	232	198	476	398	832
Life insurance	82	84	65	166	130	285
Brokerage, securities issues and corporate finance	85	65	64	150	141	289
Custody and issuer services	35	22	43	57	64	118
Deposits	12	12	12	24	24	51
Total savings and investments	458	415	382	873	757	1,575
Payments	101	100	103	201	204	409
Cards	133	117	125	250	234	482
Total payment and cards	234	217	228	451	438	891
Lending	133	123	116	256	222	457
Guarantees and documentary payments	45	54	54	99	109	219
Total lending related commissions	178	177	170	355	331	676
Other commission income	34	36	26	70	57	116
Fee and commission income	**904**	**845**	**806**	**1,749**	**1,583**	**3,258**
Savings and investments	-75	-75	-69	-150	-134	-269
Payments	-23	-22	-22	-45	-43	-90
Cards	-68	-57	-62	-125	-117	-236
State guarantee fees	-32	-33	-25	-65	-45	-89
Other commission expenses	-42	-35	-25	-77	-53	-106
Fee and commission expenses	**-240**	**-222**	**-203**	**-462**	**-392**	**-790**
Net fee and commission income	**664**	**623**	**603**	**1,287**	**1,191**	**2,468**

Note 4 Net result from items at fair value

EURm	Q2 2013	Q1 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Shares/participations and other share-related instruments	77	951	11	1,028	1,243	1,635
Interest-bearing securities and other interest-related instruments	-328	41	468	-287	546	2,637
Other financial instruments	-3	131	211	128	259	482
Foreign exchange gains/losses	223	290	-65	513	207	234
Investment properties	39	23	41	62	71	135
Change in technical provisions[1], Life insurance	681	-689	-70	-8	-1,041	-2,895
Change in collective bonus potential, Life insurance	-278	-321	-126	-599	-365	-546
Insurance risk income, Life insurance	51	51	44	102	88	181
Insurance risk expense, Life insurance	-46	-33	-22	-79	-53	-89
Total	**416**	**444**	**492**	**860**	**955**	**1,774**

Of which Life insurance

EURm	Q2 2013	Q1 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Shares/participations and other share-related instruments	-7	939	-269	932	951	1,222
Interest-bearing securities and other interest-related instruments	-406	121	575	-285	524	2,229
Other financial instruments	0	0	0	0	0	0
Foreign exchange gains/losses	19	-42	-113	-23	-57	41
Investment properties	37	24	41	61	71	136
Change in technical provisions[1], Life insurance	681	-689	-70	-8	-1,041	-2,895
Change in collective bonus potential, Life insurance	-278	-321	-126	-599	-365	-546
Insurance risk income, Life insurance	51	51	44	102	88	181
Insurance risk expense, Life insurance	-46	-33	-22	-79	-53	-89
Total	**51**	**50**	**60**	**101**	**118**	**279**

[1] Premium income amounts to EUR 513m for Q2 2013 and EUR 1,210 for Jan-Jun 2013 (Q1 2013: EUR 697m, Q2 2012: EUR 589m, Jan-Jun 2012: EUR 1,325m, Jan-Dec 2012: EUR 2,601m).

Note 5 Other expenses

EURm	Q2 2013	Q1 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Information technology	-161	-143	-149	-304	-305	-631
Marketing and representation	-31	-29	-37	-60	-59	-117
Postage, transportation, telephone and office expenses	-49	-55	-55	-104	-113	-220
Rents, premises and real estate expenses	-92	-95	-96	-187	-193	-399
Other	-120	-139	-115	-259	-223	-441
Total	**-453**	**-461**	**-452**	**-914**	**-893**	**-1,808**

Note 6 Net loan losses

EURm	Q2 2013	Q1 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Loan losses divided by class						
Loans to credit institutions	0	0	-1	0	-1	-1
Loans to the public	-189	-213	-202	-402	-403	-901
- of which provisions	-310	-310	-403	-620	-695	-1,392
- of which write-offs	-173	-142	-142	-315	-249	-642
- of which allowances used for covering write-offs	129	111	90	240	162	452
- of which reversals	149	108	236	257	345	603
- of which recoveries	16	20	17	36	34	78
Off-balance sheet items	3	15	0	18	-14	7
Total	**-186**	**-198**	**-203**	**-384**	**-418**	**-895**

Key ratios

	Q2 2013	Q1 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Loan loss ratio, basis points	22	23	24	23	24	26
- of which individual	24	19	36	22	30	29
- of which collective	-2	4	-12	1	-6	-3

Note 7 Loans and impairment

EURm	Total 30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Jun 2012
Loans, not impaired	355,004	370,714	360,768	383,429
Impaired loans	6,677	6,827	6,905	6,375
- Performing	3,808	3,906	4,023	3,743
- Non-performing	2,869	2,921	2,882	2,632
Loans before allowances	**361,681**	**377,541**	**367,673**	**389,804**
Allowances for individually assessed impaired loans	-2,454	-2,494	-2,400	-2,240
- Performing	-1,362	-1,375	-1,332	-1,287
- Non-performing	-1,092	-1,119	-1,068	-953
Allowances for collectively assessed impaired loans	-401	-448	-448	-453
Allowances	**-2,855**	**-2,942**	**-2,848**	**-2,693**
Loans, carrying amount	**358,826**	**374,599**	**364,825**	**387,111**

	Central banks and credit institutions				The public			
EURm	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Jun 2012	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Jun 2012
Loans, not impaired	18,476	19,413	18,578	36,802	336,528	351,301	342,190	346,627
Impaired loans	24	24	24	33	6,653	6,803	6,881	6,342
- Performing	-	-	-	8	3,808	3,906	4,023	3,735
- Non-performing	24	24	24	25	2,845	2,897	2,858	2,607
Loans before allowances	**18,500**	**19,437**	**18,602**	**36,835**	**343,181**	**358,104**	**349,071**	**352,969**
Allowances for individually assessed impaired loans	-24	-24	-24	-26	-2,430	-2,470	-2,376	-2,214
- Performing	-	-	-	-2	-1,362	-1,375	-1,332	-1,285
- Non-performing	-24	-24	-24	-24	-1,068	-1,095	-1,044	-929
Allowances for collectively assessed impaired loans	-4	-4	-4	-4	-397	-444	-444	-449
Allowances	**-28**	**-28**	**-28**	**-30**	**-2,827**	**-2,914**	**-2,820**	**-2,663**
Loans, carrying amount	**18,472**	**19,409**	**18,574**	**36,805**	**340,354**	**355,190**	**346,251**	**350,306**

Allowances and provisions

EURm	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Jun 2012
Allowances for items in the balance sheet	-2,855	-2,942	-2,848	-2,693
Provisions for off balance sheet items	-70	-72	-84	-107
Total allowances and provisions	**-2,925**	**-3,014**	**-2,932**	**-2,800**

Key ratios

	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Jun 2012
Impairment rate, gross, basis points	185	181	188	164
Impairment rate, net, basis points	117	115	123	106
Total allowance rate, basis points	79	78	77	69
Allowances in relation to impaired loans, %	37	37	35	35
Total allowances in relation to impaired loans, %	43	43	41	42
Non-performing, not impaired, EURm	346	471	614	845

Note 8 Classification of financial instruments

EURm	Loans and receivables	Held to maturity	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	29,682	-	-	-	-	-	29,682
Loans to central banks	6,206	-	634	-	-	-	6,840
Loans to credit institutions	4,075	-	6,983	574	-	-	11,632
Loans to the public	252,018	-	35,277	53,059	-	-	340,354
Interest-bearing securities	0	6,024	32,247	19,940	-	24,926	83,137
Financial instruments pledged as collateral	-	-	7,289	-	-	-	7,289
Shares	-	-	9,258	20,803	-	3	30,064
Derivatives	-	-	76,595	-	2,280	-	78,875
Fair value changes of the hedged items in portfolio hedge of interest rate risk	265	-	-	-	-	-	265
Other assets	8,093	-	-	5,371	-	-	13,464
Prepaid expenses and accrued income	1,884	-	22	-	-	-	1,906
Total 30 Jun 2013	**302,223**	**6,024**	**168,305**	**99,747**	**2,280**	**24,929**	**603,508**
Total 31 Dec 2012	322,861	6,497	205,788	101,875	3,083	27,374	667,478
Total 30 Jun 2012	328,522	7,102	243,123	99,613	2,945	18,252	699,557

EURm	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	25,880	3,112	-	33,895	62,887
Deposits and borrowings from the public	21,790	7,529	-	166,949	196,268
Liabilities to policyholders, investment contracts	-	12,352	-	-	12,352
Debt securities in issue	7,740	33,129	-	132,314	173,183
Derivatives	71,751	-	1,221	-	72,972
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	1,970	1,970
Other liabilities	7,448	5,815	-	9,131	22,394
Accrued expenses and prepaid income	31	331	-	1,871	2,233
Subordinated liabilities	-	-	-	7,223	7,223
Total 30 Jun 2013	**134,640**	**62,268**	**1,221**	**353,353**	**551,482**
Total 31 Dec 2012	161,149	59,578	1,001	388,365	610,093
Total 30 Jun 2012	202,236	59,549	673	384,674	647,132

Note 9 Fair value of financial assets and liabilities

	30 Jun 2013	
EURm	Carrying amount	Fair value
Financial assets		
Cash and balances with central banks	29,682	29,682
Loans to central banks	6,840	6,840
Loans to credit institutions	11,632	11,632
Loans to the public	340,354	340,474
Interest-bearing securities	83,137	83,155
Financial instruments pledged as collateral	7,289	7,289
Shares	30,064	30,064
Derivatives	78,875	78,875
Fair value changes of the hedged items in portfolio hedge of interest rate risk	265	265
Other assets	13,464	13,464
Prepaid expenses and accrued income	1,906	1,906
Total	**603,508**	**603,646**
Financial liabilities		
Deposits by credit institutions	62,887	62,883
Deposits and borrowings from the public	196,268	196,254
Liabilities to policyholders	12,352	12,352
Debt securities in issue	173,183	172,546
Derivatives	72,972	72,972
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,970	1,970
Other liabilities	22,394	22,394
Accrued expenses and prepaid income	2,233	2,233
Subordinated liabilities	7,223	7,250
Total	**551,482**	**550,854**

The determination of fair value is described in the Annual report 2012, Note G42 "Assets and liabilities at fair value".

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

Categorisation into the fair value hierarchy

30 Jun 2013, EURm	Quoted prices in active markets for the same instrument (Level 1)	*Of which Life*	Valuation technique using observable data (Level 2)	*Of which Life*	Valuation technique using non-observable data (Level 3)	*Of which Life*	Total
Financial assets[1]							
Loans to central banks	-	-	634	-	-	-	634
Loans to credit institutions	-	-	7,557	-	-	-	7,557
Loans to the public	-	-	88,336	-	-	-	88,336
Interest-bearing securities[2]	56,461	*12,474*	27,417	*7,348*	512	*119*	84,390
Shares[3]	25,736	*17,437*	383	*383*	3,957	*2,922*	30,076
Derivatives	126	*30*	77,104	*36*	1,645	-	78,875
Other assets	-	-	5,371	-	-	-	5,371
Prepaid expenses and accrued income	-	-	22	-	-	-	22
Financial liabilities[1]							
Deposits by credit institutions	-	-	28,992	-	-	-	28,992
Deposits and borrowings from the public	-	-	29,319	-	-	-	29,319
Liabilities to policyholders	-	-	12,352	*12,352*	-	-	12,352
Debt securities in issue	33,119	-	7,750	-	-	-	40,869
Derivatives	53	-	71,274	*7*	1,645	-	72,972
Other liabilities	4,721	-	8,520	-	22	-	13,263
Accrued expenses and prepaid income	-	-	362	-	-	-	362

[1] Are measured at fair value on a recurring basis at the end of each reporting period.

[2] Of which EUR 7,277m relates to the balance sheet item Financial instruments pledged as collateral.

[3] Of which EUR 12m relates to the balance sheet item Financial instruments pledged as collateral.

Measurement of offsetting positions

Financial assets and liabilites with offsetting positions in market risk or credit risk are measured on the basis of the price that would be received to sell the net asset exposed to that particular risk or paid to transfer the net liability exposed to that particular risk. For more information about valuation techniques and inputs used in the fair value measurement, see the Annual report 2012, Note G42 "Asset and liabilities at fair value".

Transfers between Level 1 and 2

During the period, Nordea transferred interest-bearing securities (including such financial instruments pledged as collateral) of EUR 4,686m from Level 1 to Level 2 and EUR 704m from Level 2 to Level 1 of the fair value hierarchy. The reason for the transfers from Level 1 to Level 2 was that the instruments ceased to be actively traded during the year 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 year and reliable qouted 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

30 Jun 2013, EURm	1 Jan 2013	Reclassifi-cation	Fair value gains/losses recognised in the income statement during the year: Realised	Fair value gains/losses recognised in the income statement during the year: Unrealised	Purchases/ Issues	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Translation differences	30 Jun 2013
Intererest-bearing securities	1,118	-519	13	3	95	-189	-9	-	-	-	512
- of which Life	*719*	*-519*	*8*	*-2*	*26*	*-113*	*0*	-	-	-	*119*
Shares	3,374	519	121	105	332	-460	-38	-	-6	10	3,957
- of which Life	*2,210*	*519*	*102*	*72*	*260*	*-210*	*-35*	-	*-6*	*10*	*2,922*
Derivatives (net)	332	-	186	-332	-	-	-186	-	-	0	0
Other liabilities	0	-	2	-2	295	-	-294	21	-	-	22

Unrealised gains and losses relates to those assets and liabilities held at the end of the reporting period. During the period Nordea transferred shares of EUR 6m from level 3 to Level 2. Nordea also transferred other liabilities of EUR 21m from Level 2 to Level 3. The reason for the transfer from Level 3 to Level 2 was that observable market data became available. The reason for the transfer from Level 2 to 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 year 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

Valuation principles in Nordea are determined in and approved by the Group Valuation Committee (GVC). GVC issues guiding policies to the business units on how to establish a robust valuation process and minimise the valuation uncertainty. The GVC also serves as escalation point.

The valuation process in Nordea consists of several steps. The first step is the initial end of day (EOD) marking of mid-prices. The mid-prices are either fixed by front office or received from external sources. The second step is the control part, which is performed by independent control units. The cornerstone in the control is the independent price verification (IPV). The IPV test comprises verification of the correctness of prices and other parameters used in the net present value (NPV) calculation, the adequacy of the valuation models, including an assessment of whether to use quoted prices or valuation models, and the reliability of the assumptions and parameters used in the fair value adjustments (FVA) covering mainly liquidity (bid/offer spread), model and credit risk adjustments.

The verification of the correctness of prices and other parameters is carried out daily. Third-party information, such as broker quotes and pricing services, is used as benchmark data in the verification. The quality of the benchmark data is assessed on a regular basis. This quality assessment is used in the measurement of the valuation uncertainty.

The FVAs and the deferrals of day 1 P/L on level 3 trades are calculated and reported on a monthly basis. The actual assessment of instruments in the fair value hierarchy is performed on a continuous basis.

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

30 Jun 2013, EURm	Fair value	Valuation techniques	Unobservable input	Range of fair value
Derivatives				
Interest rate derivatives	176	Option model	Correlations	-6/5
			Volatilities	
Equity derivatives	-191	Option model	Correlations	-16/9
			Volatilities	
			Dividend	
Foreign exchange derivatives	56	Option model	Correlations	+/-0
			Volatilities	
Credit derivatives	-44	Credit derivat model	Correlations	-7/8
			Recovery rates	
Other	3	Option model	Correlations	+/-0
			Volatilities	
Total	**0**			**-29/22**

The valuation of derivatives relies on a number of assumptions and modelling choices. For instruments categorised as level 3 these assumptions lead to uncertainty about the valuation. To account for this a range of different modelling approaches are applied to determine an uncertainty interval around the reported fair value. The different approaches applied target various aspects of derivatives pricing. Two common components of derivative valuation models are volatility of underlying risk factors and correlation between the relevant risk factors. Each of these is addressed by applying different assumptions to input and/or the choice of modelling approach. Besides these common factors a number of asset class specific factors are addressed. These include equity dividend expectations, recovery assumptions for credit derivatives and inflation expectations. The above table shows for each class of derivatives the reasonable ranges around fair value for level 3 products. The fair values are presented as the net of assets and liabilities.

Note 10, continued

30 Jun 2013, EURm	Fair value	*Of which Life*[2]	Valuation techniques
Shares			
Private equity funds	2,501	*1,912*	Net asset value[1]
Hedge funds	641	*328*	Net asset value[1]
Credit Funds	387	*306*	Net asset value/market consensus[1]
Other funds	239	*219*	Net asset value/Fund prices[1]
Other	189	*157*	-
Total	**3,957**	***2,922***	

30 Jun 2013, EURm	Fair value	*Of which Life*[2]	Valuation techniques	Unobservable input	Range of fair value
Interest-bearing securities					
Municipalities and other public bodies	31	*31*	Discounted cash flows	Credit spread	-1/1
Mortgage and other credit institutions[3]	340	*8*	Discounted cash flows	Credit spread	-17/17
Corporates	133	*80*	Discounted cash flows	Credit spread	-7/7
Other	8	-	-	-	-1/1
Total	**512**	***119***			**-26/26**
Other liabilities	22	-	Discounted cash flows	Credit spread	-2/2
Total	**22**	**-**			**-2/2**

[1] The fair values are based on prices and net assets 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 methology used by the suppliers/ custodians, is consistent with the International Private Equity and Venture Capital Valuation (IPEV) guidelines issued by the EVCA (European Venture Capital Association). Less than 15% of the private equity fund investment are internally adjusted/valued based the IPEV guidelines. These carrying amounts are in a range of -100% to +6% compared to the values received from suppliers/custodians.

[2] Investment in financial instruments is a major part of the life insurance business, aquired to fulfill the obligations behind the insurance- and investment contracts. The gains or losses on these instruments are almost exclusively allocated to policyholders and do consequently not affect Nordea's equity.

[3] Of which EUR 155m is priced at a credit spread (the difference between the discount rate and LIBOR) of 1.45% and a resonable change of this credit spread would not affect the fair value due to callability features.

Sensitivity analysis of Level 3 financial instruments

		Effect of reasonably possible alternative assumptions	
30 Jun 2013, EURm	Carrying amount	Favourable	Unfavourable
Assets			
Interest-bearing securities	512	26	-26
- of which Life	*119*	*3*	*-3*
Shares	3,957	434	-434
- of which Life	*2,922*	*351*	*-351*
Derivatives (net)	0	22	-29
Other liabilities	22	2	-2

The method used to calculate the sensitivities is described in the Annual report 2012, Note G42 "Assets and liabilities at fair value".

Deferred Day 1 profit

EURm	Derivatives (net)
Opening balance at 1 Jan 2013	24
Deferred profit on new transactions	22
Recognised in the income statement during the year	0
Closing balance at 30 Jun 2013	**46**

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. In such cases valuation models are applied to estimate the exit price and if significant unobservable parameters are used such instruments are categorised as level 3 instruments and any day-1 profit is deferred. If exit prices are available in active markets for the same instrument such prices are used. For more information see the annual report 2012, Note G1 "Accounting policies".

Note 11 Financial instruments set off on balance or subject to netting agreements

30 Jun 2013, EURm	Gross recognised financial assets[1]	Gross recognised financial liabilities set off on the balance sheet	Net carrying amount on the balance sheet[2]	Amounts not set off but subject to master netting agreements and similar agreements: Financial instruments	Financial collateral received	Cash collateral received	Net amount
Assets							
Derivatives	137,922	-59,990	77,932	-62,432	-	-6,142	9,358
Reverse repurchase agreements	42,863	-	42,863	-21,097	-21,198	-	568
Securities borrowing agreements	4,504	-	4,504	-	-4,504	-	0
Total	**185,289**	**-59,990**	**125,299**	**-83,529**	**-25,702**	**-6,142**	**9,926**

30 Jun 2013, EURm	Gross recognised financial liabilities[1]	Gross recognised financial assets set off on the balance sheet	Net carrying amount on the balance sheet[2]	Amounts not set off but subject to master netting agreements and similar agreements: Financial instruments	Financial collateral pledged	Cash collateral pledged	Net amount
Liabilities							
Derivatives	131,159	-59,990	71,169	-62,432	-	-4,915	3,822
Repurchase agreements	45,646	-	45,646	-21,097	-24,369	-	180
Securities lending agreements	4,067	-	4,067	-	-4,067	-	0
Total	**180,872**	**-59,990**	**120,882**	**-83,529**	**-28,436**	**-4,915**	**4,002**

[1] All amounts are measured at fair value.

[2] Reverse repurchase agreements and Securities borrowing agreements are on the balance sheet classified as Loans to central banks, Loans to credit institutions or Loans to the public. Repurchase agreements and Securities lending agreements are on the balance sheet classified as Deposits by credit institution or as Deposits and borrowings from the public.

30 Jun 2012, EURm	Gross recognised financial assets[1]	Gross recognised financial liabilities set off on the balance sheet	Net carrying amount on the balance sheet[2]	Amounts not set off but subject to master netting agreements and similar agreements: Financial instruments	Financial collateral received	Cash collateral received	Net amount
Assets							
Derivatives	225,642	-70,541	155,101	-139,409	-	-6,786	8,906
Reverse repurchase agreements	36,166	-	36,166	-14,141	-21,252	-	773
Securities borrowing agreements	4,097	-	4,097	-	-4,097	-	0
Total	**265,905**	**-70,541**	**195,364**	**-153,550**	**-25,349**	**-6,786**	**9,679**

30 Jun 2012, EURm	Gross recognised financial liabilities[1]	Gross recognised financial assets set off on the balance sheet	Net carrying amount on the balance sheet[2]	Amounts not set off but subject to master netting agreements and similar agreements: Financial instruments	Financial collateral pledged	Cash collateral pledged	Net amount
Liabilities							
Derivatives	220,547	-70,541	150,006	-139,409	-	-6,573	4,024
Repurchase agreements	36,069	-	36,069	-14,141	-21,447	-	481
Securities lending agreements	3,064	-	3,064	-	-3,064	-	0
Total	**259,680**	**-70,541**	**189,139**	**-153,550**	**-24,511**	**-6,573**	**4,505**

[1] All amounts are measured at fair value.

[2] Reverse repurchase agreements and Securities borrowing agreements are on the balance sheet classified as Loans to central banks, Loans to credit institutions or Loans to the public. Repurchase agreements and Securities lending agreements are on the balance sheet classified as Deposits by credit institution or as Deposits and borrowings from the public.

Enforceable master netting arrangements and similar agreements
The fact that financial instruments are being accounted for on a gross basis on the balance sheet, would not imply that the financial instruments are not subject to master netting agreements or similar arrangements. Generally financial instruments (derivatives, repos and securities lending transactions), would be subject to master netting agreements, and as a consequence Nordea would be allowed to benefit from netting both in the ordinary course of business and in the case of default towards its counter parties, in any calculations involving counterparty credit risk. The reason why the netted exposures are not reflected under assets and liabilities on the balance sheet, would in most instances depend on the limited application of net settlement of financial transactions.

Note 12 Derivatives

Fair value	30 Jun 2013		31 Dec 2012		30 Jun 2012	
EURm	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives	64,698	59,415	102,558	97,014	139,883	135,285
Equity derivatives	708	500	623	568	669	496
Foreign exchange derivatives	10,147	10,790	11,300	14,450	12,338	14,353
Credit derivatives	619	673	637	655	1,454	1,435
Commodity derivatives	394	350	528	487	1,161	1,071
Other derivatives	29	23	60	28	47	45
Total	**76,595**	**71,751**	**115,706**	**113,202**	**155,552**	**152,685**
Derivatives used for hedging						
Interest rate derivatives	1,879	557	2,281	594	2,102	512
Foreign exchange derivatives	401	664	802	407	843	161
Total	**2,280**	**1,221**	**3,083**	**1,001**	**2,945**	**673**
Total fair value						
Interest rate derivatives	66,577	59,972	104,839	97,608	141,985	135,797
Equity derivatives	708	500	623	568	669	496
Foreign exchange derivatives	10,548	11,454	12,102	14,857	13,181	14,514
Credit derivatives	619	673	637	655	1,454	1,435
Commodity derivatives	394	350	528	487	1,161	1,071
Other derivatives	29	23	60	28	47	45
Total	**78,875**	**72,972**	**118,789**	**114,203**	**158,497**	**153,358**

Nominal amount	30 Jun	31 Dec	30 Jun
EURm	2013	2012	2012
Derivatives held for trading			
Interest rate derivatives	5,499,429	5,622,598	6,207,614
Equity derivatives	20,971	17,811	19,192
Foreign exchange derivatives	903,167	910,396	971,287
Credit derivatives	50,700	47,052	68,323
Commodity derivatives	6,037	7,817	12,175
Other derivatives	2,438	2,583	2,065
Total	**6,482,742**	**6,608,257**	**7,280,656**
Derivatives used for hedging			
Interest rate derivatives	116,574	59,858	57,533
Foreign exchange derivatives	10,903	8,871	6,342
Total	**127,477**	**68,729**	**63,875**
Total nominal amount			
Interest rate derivatives	5,616,003	5,682,456	6,265,147
Equity derivatives	20,971	17,811	19,192
Foreign exchange derivatives	914,070	919,267	977,629
Credit derivatives	50,700	47,052	68,323
Commodity derivatives	6,037	7,817	12,175
Other derivatives	2,438	2,583	2,065
Total	**6,610,219**	**6,676,986**	**7,344,531**

Note 13 Capital adequacy

The capital base figures for 2012 have not been restated due to the implementation of IAS 19 Employee Benefits.

Capital Base

EURm	30 Jun 2013	31 Dec 2012	30 Jun 2012
Core Tier 1 capital	22,550	21,961	21,298
Tier 1 capital	23,912	23,953	23,288
Total capital base	28,139	27,274	25,992

Capital requirement

EURm	30 Jun 2013 Capital requirement	30 Jun 2013 RWA	31 Dec 2012 Capital requirement	31 Dec 2012 RWA	30 Jun 2012 Capital requirement	30 Jun 2012 RWA
Credit risk	**11,006**	**137,582**	**11,627**	**145,340**	**12,586**	**157,322**
IRB	9,243	115,551	9,764	122,050	10,305	128,813
- of which corporate	6,972	87,154	7,244	90,561	7,415	92,693
- of which institutions	524	6,554	671	8,384	856	10,695
- of which retail	1,631	20,388	1,737	21,710	1,912	23,898
- of which other	116	1,455	112	1,395	122	1,527
Standardised	1,763	22,031	1,863	23,290	2,281	28,509
- of which sovereign	24	303	34	426	31	388
- of which retail	845	10,556	860	10,752	856	10,702
- of which other	894	11,172	969	12,112	1,394	17,419
Market risk	**580**	**7,253**	**506**	**6,323**	**616**	**7,707**
- of which trading book, Internal Approach	328	4,114	312	3,897	407	5,091
- of which trading book, Standardised Approach	157	1,957	138	1,727	133	1,663
- of which banking book, Standardised Approach	95	1,182	56	699	76	953
Operational risk	**1,344**	**16,796**	**1,298**	**16,229**	**1,298**	**16,229**
Standardised	1,344	16,796	1,298	16,229	1,298	16,229
Sub total	**12,930**	**161,631**	**13,431**	**167,892**	**14,500**	**181,258**
Adjustment for transition rules						
Additional capital requirement according to transition rules	4,008	50,095	3,731	46,631	3,309	41,365
Total	**16,938**	**211,726**	**17,162**	**214,523**	**17,809**	**222,623**

Capital ratio

	30 Jun 2013	31 Dec 2012	30 Jun 2012
Core Tier I ratio, %, incl profit	10.7	10.2	9.6
Tier I ratio, %, incl profit	11.3	11.2	10.5
Total capital ratio, %, incl profit	13.3	12.7	11.7

Analysis of capital requirements

Exposure class, 30 Jun 2013	Average risk weight (%)	Capital requirement (EURm)
Corporate	52	6,972
Institutions	15	524
Retail IRB	13	1,631
Sovereign	0	24
Other	72	1,855
Total credit risk		**11,006**

Note 14 Discontinued operations

EURm	Q2 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Net interest income	37	47	79	94	189
Net fee and commission income	9	8	18	16	36
Other operating income	-1	5	0	11	13
Total operating income	**45**	**60**	**97**	**121**	**238**
Total operating expenses	-31	-31	-63	-63	-122
Net loan losses	-10	-14	-11	-17	-38
Operating profit	**4**	**15**	**23**	**41**	**78**
Income tax expense	0	-2	-6	-11	-21
Net profit for the period from discontinued operations	**4**	**13**	**17**	**30**	**57**
Net result for the period recognised on the measurement at fair value	1	-	1	-	-
Transaction and transition cost (including cost to sell)[1]	-34	-	-34	-	-
Net profit for the period from discontinued operations after measurement at fair value less cost to sell	**-29**	**13**	**-16**	**30**	**57**

[1] Income tax of EUR 9m deducted.

Basic earnings per share from discontinued operations, EUR	-0.01	0.01	0.00	0.01	0.01
Diluted earnings per share from discontinued operations, EUR	-0.01	0.01	0.00	0.01	0.01

Balance sheet - Condensed[1]

EURm	30 Jun 2013
Assets	
Loans to the public	6,325
Interest-bearing securities	1,888
Shares	304
Total other assets	290
Total assets held for sale	**8,807**
Liabilities	
Deposits by credit institutions	42
Deposits and borrowings from the public	3,010
Liabilities to policyholders	556
Total other liabilities	117
Total liabilities held for sale	**3,725**

[1] Includes the external assets and liabilities held for sale. The external funding of the Polish operations that will remain subsequent to the transaction is not included.

Discontinued operations and assets/liabilities held for sale relate to Nordea's earlier announced decision to divest its Polish banking, financing and life insurance operations, including Nordea Bank Polska S.A., Nordea Finance Polska S.A. and Nordea Polska Towarzystwo Ubezpieczen na Zycie S.A., to PKO Bank Polski. The transaction is expected to be completed during 2013 and is subject to regulatory approvals. The disposal group is excluded from Note 2 "Segment reporting" as this is not part of the reporting to the Chief Operating Decision Maker (CODM).

Note 15 Risks and uncertainties

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

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

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

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

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

Business definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Nordea Bank AB (publ)

Accounting policies
The financial statements for the parent company, Nordea Bank AB (publ), are prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and IFRS with the amendments and exceptions following the recommendation RFR 2 “Accounting for Legal Entities” issued by the Swedish Financial Reporting Board and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54 and 2013:2). Under RFR 2, the parent company shall apply all standards and interpretations issued by the IASB and IFRS IC to the extent possible within the framework of Swedish accounting legislation and considering the close tie between financial reporting and taxation. The recommendation sets out the exceptions and amendments compared to IFRS.

The disclosures in this interim report follow the interim reporting requirements in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54 and 2013:2). More information can be found in the Group’s interim report.

Changed accounting policies and presentation
The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2012 Annual Report except for the presentation of assets held for sale as described below.

The new standard IFRS 13 “Fair Value Measurement” and the amendments to IAS 32 ”Financial Instruments: Presentation” and IFRS 7 “Financial Instruments: Disclosures” as regards offsetting of financial assets and liabilities was implemented in the first quarter 2013, but have not had any significant impact on the financial statements. More information on the new and amended standards can be found in Note 1 for the Group.

Assets and liabilities held for sale
As mentioned in Note 1 and Note 14 for the Group, Nordea has divested its Polish operations. Assets held for sale are presented on the separate balance sheet line “Assets held for sale” as from the classification date.

Income statement

EURm	Q2 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Operating income					
Interest income	*541*	*678*	*1,107*	*1,393*	*2,656*
Interest expense	*-369*	*-485*	*-760*	*-1,005*	*-1,932*
Net interest income	172	193	347	388	724
Fee and commission income	*304*	*203*	*659*	*397*	*853*
Fee and commission expense	*-75*	*-56*	*-128*	*-113*	*-230*
Net fee and commission income	229	147	531	284	623
Net result from items at fair value	12	58	41	115	189
Dividends	0	0	300	283	3,554
Other operating income	156	99	313	129	501
Total operating income	**569**	**497**	**1,532**	**1,199**	**5,591**
Operating expenses					
General administrative expenses:					
Staff costs	-248	-219	-498	-429	-938
Other expenses	-254	-177	-478	-313	-842
Depreciation, amortisation and impairment charges of tangible and intangible assets	-24	-24	-48	-45	-105
Total operating expenses	**-526**	**-420**	**-1,024**	**-787**	**-1,885**
Profit before loan losses	**43**	**77**	**508**	**412**	**3,706**
Net loan losses	-30	-20	-55	-29	-19
Impairment of securities held as financial non-current assets	-	-	0	0	-15
Operating profit	**13**	**57**	**453**	**383**	**3,672**
Appropriations	-	-	-	-	-103
Income tax expense	-8	-8	-42	-23	-95
Net profit for the period	**5**	**49**	**411**	**360**	**3,474**

Nordea Bank AB (publ)

Balance sheet

EURm	30 Jun 2013	31 Dec 2012	30 Jun 2012
Assets			
Cash and balances with central banks	52	180	178
Treasury bills	4,894	5,092	4,163
Loans to credit institutions	71,175	68,006	68,623
Loans to the public	33,977	36,214	37,037
Interest-bearing securities	11,229	11,594	11,151
Financial instruments pledged as collateral	410	104	330
Shares	4,857	4,742	1,479
Derivatives	4,408	5,852	4,743
Fair value changes of the hedged items in portfolio hedge of interest rate risk	6	-1,157	-843
Investments in group undertakings	17,302	17,659	16,725
Investments in associated undertakings	8	8	8
Intangible assets	701	670	663
Property and equipment	119	121	88
Deferred tax assets	17	19	18
Current tax assets	85	41	55
Other assets	1,548	1,713	2,218
Prepaid expenses and accrued income	1,136	1,272	1,111
Assets held for sale	957	-	-
Total assets	**152,881**	**152,130**	**147,747**
Liabilities			
Deposits by credit institutions	18,982	19,342	19,669
Deposits and borrowings from the public	48,180	50,263	47,240
Debt securities in issue	52,967	48,285	51,526
Derivatives	3,114	4,166	2,972
Fair value changes of the hedged items in portfolio hedge of interest rate risk	824	16	113
Current tax liabilities	2	3	0
Other liabilities	1,962	1,635	1,453
Accrued expenses and prepaid income	1,325	1,468	1,151
Deferred tax liabilities	9	8	17
Provisions	160	148	41
Retirement benefit obligations	176	182	162
Subordinated liabilities	6,643	7,131	7,105
Liabilities held for sale	14	-	-
Total liabilities	**134,358**	**132,647**	**131,449**
Untaxed reserves	**106**	**108**	**5**
Equity			
Share capital	4,050	4,050	4,050
Share premium reserve	1,080	1,080	1,080
Other reserves	23	12	48
Retained earnings	13,264	14,233	11,115
Total equity	**18,417**	**19,375**	**16,293**
Total liabilities and equity	**152,881**	**152,130**	**147,747**
Assets pledged as security for own liabilities	3,120	4,230	2,964
Other assets pledged	5,982	6,225	5,674
Contingent liabilities	86,126	86,292	26,327
Credit commitments[1]	25,408	26,270	24,919

[1] Including unutilised portion of approved overdraft facilities of EUR 12,340m (31 Dec 2012: EUR 12,952m, 30 Jun 2012: EUR 12,679m).

Note 1 Capital adequacy

Capital Base

EURm	30 Jun 2013	31 Dec 2012	30 Jun 2012
Core Tier 1 capital	17,011	17,252	14,901
Tier 1 capital	18,987	19,244	16,890
Total capital base	23,674	23,898	20,856

Capital requirement

EURm	30 Jun 2013 Capital requirement	30 Jun 2013 RWA	31 Dec 2012 Capital requirement	31 Dec 2012 RWA	30 Jun 2012 Capital requirement	30 Jun 2012 RWA
Credit risk[1]	**6,474**	**80,925**	**7,494**	**93,670**	**4,713**	**58,910**
IRB	3,735	46,682	4,752	59,394	2,197	27,461
- of which corporate	3,397	42,457	4,404	55,051	1,813	22,658
- of which institutions	121	1,509	140	1,751	166	2,079
- of which retail	188	2,348	188	2,345	194	2,421
- of which other	29	368	20	247	24	303
Standardised	2,739	34,243	2,742	34,276	2,516	31,449
- of which retail	104	1,299	106	1,327	-	-
- of which sovereign	2	27	2	21	1	8
- of which other	2,633	32,917	2,634	32,928	2,515	31,441
Market risk	**85**	**1,059**	**123**	**1,539**	**82**	**1,022**
- of which trading book, Internal Approach	25	308	39	484	22	276
- of which trading book, Standardised Approach	7	87	20	246	11	135
- of which banking book, Standardised Approach	53	664	64	809	49	611
Operational risk	**250**	**3,121**	**219**	**2,739**	**219**	**2,739**
Standardised	250	3,121	219	2,739	219	2,739
Sub total	**6,809**	**85,105**	**7,836**	**97,948**	**5,014**	**62,671**
Adjustment for transition rules						
Additional capital requirement according to transition rules	-	-	-	-	-	-
Total	**6,809**	**85,105**	**7,836**	**97,948**	**5,014**	**62,671**

Capital ratio

	30 Jun 2013	31 Dec 2012	30 Jun 2012
Core Tier I ratio, %	20.0	17.6	23.8
Tier I ratio, %	22.3	19.6	27.0
Total capital ratio, %	27.8	24.4	33.3

Analysis of capital requirements

Exposure class, 30 Jun 2013	Average risk weight (%)	Capital requirement (EURm)
Corporate	58	3,397
Institutions	12	121
Retail IRB	35	188
Sovereign	0	2
Other	34	2,766
Total credit risk		**6,474**

[1] The increase in credit risk seen at 31 Dec 2012 is related to the guarantee between Nordea Bank AB (publ) and Nordea Bank Finland Plc where Nordea Bank AB (publ) guarantees the majority of the exposures in the exposure class IRB corporate in Nordea Bank Finland Plc. The RWA effect of the guarantee in Nordea Bank AB (publ) by 31 Dec 2012 equals approx. EUR 34bn.

For further information:

- A press conference with management will be held on 17 July at 10.00 CET, at Regeringsgatan 59, Stockholm.
- An international telephone conference for analysts with management will be held on 17 July at 14.00 CET. (Please dial +44 20 3427 1917, confirmation code 1779938#, no later than ten minutes in advance.) The telephone conference can be viewed live on www.nordea.com. An indexed on-demand version will also be available on www.nordea.com. A replay will be available through 1 August, by dialling +44 20 3427 0598, access code 1779938#.
- An analyst and investor presentation will be held in London on 18 July at 12.30 local time at The May Fair Hotel, Stratton Street, London, W1J 8LT. To attend, please contact Lauren Richardson, Citi Bank, Lauren.richardson@citi.com
- This quarterly report, an investor presentation and a fact book are available on www.nordea.com.

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Financial calendar

7 October 2013 – Silent period third quarter starts
23 October 2013 – Third quarter report 2013

The Board of Directors and the President and Group CEO certify that the half-year interim report provides a fair overview of the Parent Company's and the Group's operations, their financial position and result, and describes material risks and uncertainties that the Parent Company and other companies in the Group are facing.

Stockholm 17 July 2013

Björn Wahlroos
Chairman

Marie Ehrling
Vice Chairman

Kari Ahola
Board member[1]

Peter F Braunwalder
Board member

Elisabeth Grieg
Board member

Svein Jacobsen
Board member

Tom Knutzen
Board member

Toni H. Madsen
Board member[1]

Lars G Nordström
Board member

Lars Oddestad
Board member[1]

Sarah Russell
Board member

Kari Stadigh
Board member

Christian Clausen
President and Group CEO

[1] Employee representative

This report is published in four additional language versions; Danish, Finnish, Norwegian and Swedish. In the event of any inconsistencies between those language versions and this English version, the English version shall prevail.

The information provided in this press release is such, which Nordea is required to disclose pursuant to the Swedish Financial Instruments Trading Act (1991:980) and/or the Swedish Securities Markets Act (2007:528).

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

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Report on Review of Interim Financial Information

Introduction
We have reviewed the half-year interim report of Nordea Bank AB (publ) as of June 30, 2013 and for the six-month period then ended. The Board of directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act of Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this half-year interim report based on our review.

Scope of Review
We conducted our review in accordance with the Standard on Review Engagements (SÖG) 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 generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the half-year interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act of Credit Institutions and Securities Companies for the group and in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies for the parent company.

Stockholm 17 July 2013
KPMG AB

Hans Åkervall
Authorised public accountant