Nordea

Press release

Copenhagen, Helsinki, Oslo, Stockholm, 27 April 2005

Interim Report First Quarter 2005

Strong results in the first quarter

- **Net profit up 8% to EUR 495m (EUR 459m in Q1 2004)**
- **Operating profit up 10% to EUR 688m (EUR 624m)**
- **Total income up 1% to EUR 1,582m (EUR 1,569m) despite lower investment result and including additional other income of EUR 40m**
- **Total expenses flat**
- **Earnings per share EUR 0.18 (EUR 0.16)**
- **Return on equity 15.7% (15.2%)**

Stable development compared to Q4

- **Net profit up 4% to EUR 495m (EUR 476m in Q4 2004)**
- **Operating profit up 2% to EUR 688m (EUR 677m)**
- **Total income down 4% from seasonally high Q4 to EUR 1,582m (EUR 1,646m)**
- **Total expenses down 8%**
- **Positive net loan losses**

Volume growth in focus areas

- **Mortgage lending to personal customers up 15% year-on-year**
- **Lending to small and medium-sized corporates up 14%**
- **Asset under management up 11% to EUR 136bn**
- **Written premiums in Life up 23%**

Active capital management

- **Successful issues of Tier 1 instruments**
- **Repurchase of 139 million shares completed**
- **New mandate to repurchase own shares**

"The results in the first quarter are in line with our increasing ambitions and new financial targets. We see improving performance and volume growth in an environment of intensifying competition with pressure on margins. For the fourth consecutive quarter we realise positive net loan losses. Going forward we will maintain strong focus on cost and risk management, while capturing revenue growth opportunities", says Lars G Nordström, President and Group CEO of Nordea.

Income statement

EURm	**Q1 2005**	Q1 2004	Change %	**Q1 2005**	Q4 2004	Change %	Full year 2004
Net interest income	**897**	854	5	**897**	920	-3	3,495
Net fee and commission income	**453**	434	4	**453**	467	-3	1,794
Net gains/losses on items at fair value	**115**	216	-47	**115**	179	-36	535
Equity method	**13**	9	44	**13**	15	-13	55
Other income	**104**	56	86	**104**	65	60	248
Total operating income	**1,582**	**1,569**	**1**	**1,582**	**1,646**	**-4**	**6,127**
General administrative expenses							
Staff costs	**-515**	-519	-1	**-515**	-523	-2	-2,021
Other expenses	**-353**	-339	4	**-353**	-413	-15	-1,466
Depreciation of tangible and intangible assets	**-34**	-45	-24	**-34**	-43	-21	-168
Total operating expenses	**-902**	**-903**	**0**	**-902**	**-979**	**-8**	**-3,655**
Loan losses	**6**	-42		**6**	10	-40	-27
Disposals of tangible and intangible assets	**2**	0		**2**	0		300
Operating profit	**688**	**624**	**10**	**688**	**677**	**2**	**2,745**
Income tax expense	**-193**	-165	17	**-193**	-201	-4	-667
Net profit	**495**	**459**	**8**	**495**	**476**	**4**	**2,078**

Balance sheet

EURbn	**31 Mar 2005**	31 Mar 2004	**31 Mar 2005**	31 Dec 2004	31 Dec 2004
Treasury bills and other interest-bearing securities	**41.6**	44.7	**41.6**	40.6	40.6
Loans and receivables to credit institutions	**22.3**	20.3	**22.3**	20.6	20.6
Loans and receivables to the public	**170.1**	148.2	**170.1**	161.3	161.3
Derivatives	**23.6**	19.2	**23.6**	26.7	26.7
Other assets	**26.6**	25.7	**26.6**	28.4	28.4
Total assets	**284.2**	**258.2**	**284.2**	**277.6**	**277.6**
Deposits by credit institutions	**30.4**	25.7	**30.4**	30.2	30.2
Deposits and borrowings from the public	**105.2**	92.2	**105.2**	104.7	104.7
Liabilities to policyholders	**24.1**	22.0	**24.1**	22.2	22.2
Debt securities in issue	**67.0**	66.0	**67.0**	61.0	61.0
Derivatives	**23.3**	18.8	**23.3**	27.1	27.1
Subordinated liabilities	**6.1**	5.7	**6.1**	5.8	5.8
Other liabilities and minority interests	**15.5**	16.5	**15.5**	13.9	13.9
Core equity[1]	**12.5**	11.3	**12.5**	12.7	12.7
Total liabilities and equity	**284.2**	**258.2**	**284.2**	**277.6**	**277.6**

Ratios and key figures

Earnings per share (EPS), EUR	**0.18**	0.16	**0.18**	0.17	0.74
EPS, rolling 12 months up to period end	**0.76**	0.63	**0.76**	0.74	0.74
Share price, EUR	**7.81**	5.56	**7.81**	7.43	7.43
Total shareholders' return, %	**6.7**	-5.0	**6.7**	12.6	29.8
Core equity per share[1,2], EUR	**4.74**	4.29	**4.74**	4.63	4.63
Shares outstanding[2], million	**2,634**	2,783	**2,634**	2,735	2,735
Return on equity, %	**15.7**	15.2	**15.7**	15.1	16.9
Assets under management, EURbn	**136**	122	**136**	131	131
Cost/income ratio, %	**57**	58	**57**	59	60
Tier 1 capital ratio[3], %	**6.8**	6.8	**6.8**	7.3	7.3
Total capital ratio[3], %	**8.9**	9.3	**8.9**	9.5	9.5
Risk-weighted assets, EURbn	**153**	135	**153**	145	145
Number of employees (full-time equivalents)	**28,725**	29,880	**28,725**	28,929	28,929

[1] Core equity is equity excluding minority interests.

[2] See footnotes to Movements in equity.

[3] Including the result for the first three months.

Segment reporting - Customer responsible units [1]

EURm	Retail Banking Q1 2005	Retail Banking Q1 2004	Corporate and Institutional Banking Q1 2005	Corporate and Institutional Banking Q1 2004	Asset Management Q1 2005	Asset Management Q1 2004	Subtotal Q1 2005	Subtotal Q1 2004	Change %	Life insurance Q1 2005	Life insurance Q1 2004	Group Treasury Q1 2005	Group Treasury Q1 2004	Group functions and eliminations Q1 2005	Group functions and eliminations Q1 2004	Total Q1 2005	Total Q1 2004	Change %
Net interest income	739	726	105	100	9	9	853	835	2	0	0	39	11	5	8	897	854	5
Net fee and commission income	301	288	80	79	67	61	448	428	5	19	20	-1	-2	-13	-12	453	434	4
Net gains/losses on items at fair value	50	45	76	97	4	5	130	147	-12	3	11	-15	55	-3	3	115	216	-47
Equity method	3	4	7	5	0	0	10	9	11	0	0	0	0	3	0	13	9	44
Other income	14	11	2	3	3	2	19	16	19	36	35	10	3	39	2	104	56	86
Total income incl. allocations	1,107	1,074	270	284	83	77	1,460	1,435	2	58	66	33	67	31	1	1,582	1,569	1
of which allocations	*154*	*146*	*-71*	*-72*	*-60*	*-59*	*23*	*15*		*-22*	*-17*	*0*	*1*	*-1*	*1*	*0*	*0*	
Staff costs	-260	-262	-77	-79	-26	-23	-363	-364	0	-16	-15	-3	-2	-133	-138	-515	-519	-1
Other expenses	-358	-351	-58	-62	-21	-22	-437	-435	0	-12	-10	-8	-10	104	116	-353	-339	4
Depreciation of tangible and intangible assets	-9	-12	-3	-2	0	0	-12	-14	-14	0	-1	0	0	-22	-30	-34	-45	-24
Expenses incl. allocations	-627	-625	-138	-143	-47	-45	-812	-813	0	-28	-26	-11	-12	-51	-52	-902	-903	0
of which allocations	*-248*	*-205*	*-37*	*-49*	*4*	*3*	*-281*	*-251*		*0*	*0*	*-4*	*-8*	*285*	*259*	*0*	*0*	
Loan losses	7	-17	15	8	0	0	22	-9	-	0	0	0	0	-16	-33	6	-42	-
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0		0	0	0	0	2	0	2	0	
Operating profit	487	432	147	149	36	32	670	613	9	30	40	22	55	-34	-84	688	624	10
Balance sheet, EURbn																		
Loans and receivables	135	121	31	24	2	2	168	147		0	0	2	1	0	0	170	148	
Other assets	21	24	64	57	2	2	87	83		27	26	14	15	-14	-14	114	110	
Total assets	156	145	95	81	4	4	255	230		27	26	16	16	-14	-14	284	258	
Deposits	74	69	27	18	2	3	103	90		0	0	0	2	0	0	103	92	
Other liabilities	77	71	66	61	2	1	145	133		26	25	16	14	-18	-17	169	155	
Total liabilities	151	140	93	79	4	4	248	223		26	25	16	16	-18	-17	272	247	
Economic capital / equity	5	5	2	2	0	0	7	7		1	1	0	0	4	3	12	11	
Total liabilities and allocated equity	156	145	95	81	4	4	255	230		27	26	16	16	-14	-14	284	258	
Other segment items																		
Capital expenditure	8	2	0	1	1	0	9	3		0	0	0	0	8	36	17	39	
Product result					67	59				48	53							

1) Including product result in Asset Management and Life

The Group

Result summary first quarter 2005

Operating profit increased by 10% compared to the same period in 2004 and reached EUR 688m. Net profit increased by 8% to EUR 495m.

Increased business volumes compensated for the pressure on margins. Total income increased by 1% to EUR 1,582m reflecting increased net interest and commission income. An additional income from the sale of the general insurance business increased income by EUR 40m. Lower net gains/losses on items at fair value is explained largely by lower investment return. Costs were flat and loan losses continued to be positive.

Income

Net interest income increased by 5% to EUR 897m.

Volume growth was strong in all segments and lending increased by 15% year-on-year to EUR 170bn. Mortgage lending to personal customer has expanded significantly and amounted to EUR 57.7bn, reflecting year-on year growth of 15%. The growth in lending to small and medium sized enterprises (SMEs) was confirmed by an increase of 14% to EUR 62.2bn.

Lending margins were down year-on-year reflecting strong competition in all segments. In the large corporate sector, the high liquidity and good credit quality in general is exerting pressure on margins.

Deposits were EUR 105bn, an increase of 14%. Lower interest rates had a negative impact on deposit margins, especially in the Swedish market.

Net commission income was up by 4% to EUR 453m. Asset-management-related commissions increased by 7% to EUR 130m as a result of strong inflows and asset appreciation. Commissions from investment products, including asset management commissions as well as commissions from other financial instruments, increased by 15% to EUR 163m. Commissions on loans increased by 4% to EUR 71m. Commissions from payments and e-services was down by 2% to EUR 171m. Card payments continued to increase whereas manual payments decreased. Commissions in Life increased by 36% to EUR 57m reflecting strong growth in net written premiums compared to last year.

Net gains/losses on items at fair value includes large gross flows and it should be expected to be fairly volatile. In the first quarter it was 47% lower at EUR 115m compared to EUR 216m in the first quarter of 2004. The fall is mainly due to a lower investment return in Group Treasury as a result of less favorable trading conditions. In the first quarter last year interest rates fell substantially whereas the first quarter of 2005 was characterised by low volatility in the financial markets. In addition, net gains/losses in Markets were lower than the high level in the first quarter 2004.

Other income increased by 86% to EUR 104m and includes an additional income of EUR 40m related to the sale of the general insurance business in 2002. As part of the sales agreement, Nordea was entitled to an additional deferred contingent consideration depending on, among other things, the sold company's performance through year end 2004.

Expenses

Total expenses were EUR 902m, unchanged compared to one year earlier reflecting continued efficiency gains, off-setting wage increases, inflation and business growth. Expenses were unchanged also when excluding depreciation of operational leasing and expenses in the Life business that have been included following IFRS reporting.

Staff costs were reduced by 1% to EUR 515m. General wage increases in the Group were more than offset by the reduction of the number of employees which was 1,155, or 4%, compared to the end of the first quarter of 2004.

Other expenses were EUR 353m, up by 4% compared to the first quarter last year reflecting slightly higher marketing expenses and higher costs for rents and premises.

The cost/income ratio was 57% (58%).

Loan losses

Loan losses were positive at EUR 6m, which is an improvement of EUR 48m compared to the first quarter last year.

Net profit

Net profit increased by 8% to EUR 495m corresponding to EUR 0.18 per share and a return on equity of 15.7%. The rolling 12 months earnings per share were EUR 0.76.

Comparison to the fourth quarter 2004

Operating profit increased by 2% compared to the fourth quarter 2004 and reached EUR 688m. Net profit increased by 4% to EUR 495m.

Income

Net interest income decreased by 3% to EUR 897m.

Volume growth continued in most segments. Mortgage lending to personal customers increased by 2% to EUR 57.7bn. Lending to SMEs increased by 5% to EUR 62.2bn. In total, lending increased by 6% to EUR 170bn.

Lending margins within the mortgage segment were slightly down whereas lending margins in the SME segment remained stable.

Deposits were stable at EUR 105bn. Deposit margins fell somewhat during the quarter following lower margins mainly on corporate deposits.

Net commission income decreased by 3% to EUR 453m. Asset management related commissions were 4% lower at EUR 130m mainly reflecting lower transaction related income. Commissions from investment products down by 4% to EUR 163m. Commission on loans increased by 8% to EUR 71m reflecting the strong volume growth. Commissions for payments and e-services commissions decreased by 7% to EUR 171m reflecting a decline from the seasonally high figure in the fourth quarter. Commissions in Life increased by 21% to EUR 57m.

Net/gains losses on items at fair value decreased by 36% to EUR 115m mainly due to the reduced contribution from the investment return in Group Treasury compared to the strong investment result in the fourth quarter 2004. Also, net gains/losses in Life were lower compared to the fourth quarter.

Equity method was EUR 13m compared to EUR 15m in the fourth quarter. International Moscow Bank contributed EUR 7m.

Expenses

Total expenses were reduced by 8% to EUR 902m reflecting lower staff costs and substantially lower other expenses.

Staff costs decreased by 2% to EUR 515m. The number of employees was reduced by approx. 200 FTEs in the first quarter. The provision for profit-sharing was unchanged at EUR 15m.

Other expenses were down by 15% to EUR 353m reflecting lower costs for marketing and IT. In addition, restructuring charges were lower in the first quarter.

Loan losses

Loan losses were positive at EUR 6m as reversals exceeded new provisions. The overall credit quality remains strong.

Net profit

Net profit was EUR 495m corresponding to EUR 0.18 per share and return on equity of 15.7%.

Credit portfolio

At the end of the first quarter, impaired loans, net, amounted to EUR 440m representing 0.26% of total lending, compared to 0.46% one year earlier.

The share of personal customer lending was 44%. Within personal customer lending, mortgage loans account for 77%.

There was no major change in the composition of the corporate loan portfolio during the quarter. Real estate management remains the largest industry exposure in the credit portfolio and amounts to EUR 24.8bn, representing 15% of the total portfolio.

Active capital management

Nordea still has a strong capital position considering the completion of the buy-back programme in the first quarter. The Tier 1 capital ratio was 6.8% and the total capital ratio was 8.9% at the end of the first quarter.

In the first quarter, Nordea issued a Tier 1 instrument through a private placement equivalent to approx. EUR 145m. In April Nordea successfully launched a USD 600m Tier 1 issue in the US market which increased the Tier 1 ratio by 0.3 percentage points to 7.1%.

Since hybrid capital under the current regulatory framework is limited to 15% of total Tier 1 capital Nordea has, following these two transactions, now utilised the main part of the potential for hybrid capital.

The repurchase of own shares in relation to the decision by the Board of Directors on 27 October 2004 was completed in the first quarter. A total of 139 million shares, or approximately 5% of the total shares in the company, was repurchased. At the AGM, a new mandate for further repurchases was granted (see below).

Nordea share

During the first quarter the share price of Nordea appreciated by 7% on the Stockholm Stock Exchange from SEK 67.00 on 30 December 2004 to SEK 71.50 on 31 March 2005. Total shareholder return in the first quarter was 6.7%.

Annual General Meeting

The Annual General Meeting (AGM) of Nordea 8 April approved the Board of Directors' proposal of a dividend for 2004 of EUR 0.28 per share, corresponding to a pay-out ratio of 40% of the net profit for 2004. The payout date was 20 April 2005 and the dividend yield on the payout date was 4.0%.

All Board members were re-elected for the time period up to the next Annual General Meeting and Anne Birgitte Lundholt was elected new member of the Board for the same period. Hans Dalborg was elected chairman of the Board.

The AGM decided to reduce the share capital by cancelling the 140.2 million shares that Nordea repurchased in 2004. The cancellation is expected to be effective in the third quarter.

Nordea's Annual General Meeting decided to authorise the Board of Directors to acquire shares in the Bank, for a maximum time period up until the next AGM. Total acquisitions may, together with the company's other holdings of own shares, not exceed 10% of all shares.

Outlook

The stable result generated in the first quarter continues to support the overall increased ambition level communicated at Nordea's Capital Markets Day on 30 November 2004. Nordea is well positioned to deliver results in accordance with the revised financial targets. The flat cost target for the banking business remains unchanged. As a result of IFRS and the changed presentation format, the flat cost target will consequently exclude the costs in Life and depreciation of operational leasing.

Based on the overall quality of the credit portfolio and the present economic outlook for the Nordic countries there are currently no indications of a deteriorating credit quality for 2005.

Retail Banking

- **Strong increase in volumes**
- **Improved cost/income ratio**
- **Positive loan losses continued**

Retail Banking has customer responsibility for personal as well as most corporate customers in Nordea and develops, markets and distributes a broad range of financial products and services.

Market conditions

Customer demand remained firm in the first quarter in particular for mortgages and savings products. Customer interest in new payment solutions such as e-invoicing continued. Competition is fierce in all markets. In particular the mortgage market is characterised by product innovation and price competition on mature products.

Business development

Lending to personal customers continued to grow and increased by 2% to EUR 73.3 bn reflecting growth in both mortgage lending and consumer credits. The average lending margin for personal customers was unchanged at 1.49% in the first quarter.

Lending to corporate customers within Retail Banking increased by 5%, or EUR 2.8bn, to EUR 62.2bn. However, EUR 1.6bn represented transfers of existing Nordea customers from Corporate and Institutional Banking. Adjusted for this, lending to corporate customers in Retail Banking increased by EUR 1.2bn or 2%.

Lending margin for corporate customers was unchanged at 1.12% in the first quarter compared to the fourth quarter.

The total loan volume increased from EUR 130.4bn at the end of the fourth quarter to EUR 135.5bn, an increase of 4%, of which 1% represented the above-mentioned internal customer transfers. Well over half of the total loan volume is mortgage lending to personal customers and corporate customers. Total lending margins were unchanged at 1.32%.

The total deposit volume decreased by EUR 0.3bn to EUR 73.6bn. The decrease reflected the high seasonal volume at the end of 2004. Overall deposit margins decreased slightly from 1.31% to 1.27% mainly reflecting lower corporate margins.

The implementation of customer programmes continued. The total number of personal core customers increased by 1% to a total of 1.3 million. In Norway, a total of 85,000 customers, of which 66,000 core customers, have signed up since launch in the autumn 2004.

A more sales-oriented front page on Nordea's Internet home pages was introduced in March with the aim of generating additional business using Internet as a sales channel to complement the branches and Contact Centres. The first product offer was debit and credit cards. The result has been encouraging, and the approach will be extended to other products.

Netbank activity continued to grow at a rapid pace. The number of log-ons was 47 million in the first quarter, corresponding to an increase of 16% year-on-year. The number of netbank payments increased by 12% year-on-year. The number of netbank customers increased by 0.1 million in the first quarter and reached 4.1 million, of which 3.7 million are personal customers. The growth in online equity trading customers continued during the quarter. At the end of the first quarter 360,000 customers had signed up for online equity trading.

An attractively priced package of payment services for small corporate customers was introduced in Finland. It was well received by customers.

Result

Total income was EUR 1,107m in the first quarter, a decrease of 5% from the fourth quarter, which reflected seasonal items and one-off income. Compared to the first quarter last year total income increased by 3%, with net interest income increasing by 2% and non-interest income by 6%.

Costs decreased by 6% to EUR 627m since the fourth quarter contained higher marketing expenses, redundancy costs and IT costs. In the first quarter the number of employees was reduced by approx. 50 to 17,270 full-time equivalents.

Operating profit in the first quarter was EUR 487m, slightly down the fourth quarter. The operating profit increased by 13% from the same quarter last year. Return on economic capital was 28% in the first quarter and the cost/income ratio was 57%.

Retail Banking operating profit by main area

	Total		Regional banks in Denmark		Regional banks in Finland		Regional banks in Norway		Regional banks in Sweden		Nordic Functions	
EURm	Q1 2005	Q4 2004	Q1 2005	Q4 2004	Q1 2005	Q4 2004	Q1 2005	Q4 2004	Q1 2005	Q4 2004	Q1 2005	Q4 2004
Net interest income	739	766	208	211	196	204	117	122	204	214	14	16
Net fee and commission income	301	320	76	85	83	90	25	28	117	117	0	0
Net gains/losses on items at fair value	50	49	17	12	7	9	11	12	14	17	0	0
Equity method	3	17	4	4	0	0	0	0	0	0	-1	13
Other operating income	14	8	10	0	-2	-4	3	2	1	7	2	2
Total income incl. allocations	**1,107**	**1,160**	**315**	**312**	**284**	**298**	**156**	**165**	**336**	**355**	**16**	**30**
Staff costs	-260	-274	-90	-89	-67	-71	-34	-39	-66	-71	-3	-4
Other expenses	-358	-386	-79	-77	-81	-88	-51	-57	-142	-159	-5	-4
Depreciations etc.	-9	-9	-1	-1	0	0	-2	1	-2	-2	-4	-7
Expenses incl. allocations	**-627**	**-669**	**-170**	**-167**	**-148**	**-159**	**-87**	**-96**	**-210**	**-232**	**-12**	**-15**
Loan losses	7	23	7	17	1	1	0	-2	0	8	-1	-1
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**487**	**514**	**152**	**162**	**137**	**140**	**70**	**66**	**125**	**131**	**3**	**15**
Cost/income ratio, %	57%	58%	54%	54%	52%	53%	56%	58%	62%	65%		
Return on economic capital, %	28%	30%	28%	30%	35%	34%	24%	23%	25%	27%		
Other information, EURbn												
Lending	135.5	132.4	38.2	37.1	32.4	31.6	21.4	21.0	43.5	42.6		
Deposits	73.6	72.8	18.2	16.4	23.4	23.7	11.3	10.9	20.8	21.8		
Economic capital	5.1	5.0	1.6	1.6	1.1	1.2	0.8	0.8	1.5	1.4		

Retail Banking margins

Lending margins, %	Q1 2005	Q4 2004
To corporates	1.12%	1.12%
To personal customers	1.49%	1.49%
-mortgages	0.89%	0.90%
Total lending	1.32%	1.32%

Deposit margins, %	Q1 2005	Q4 2004
From corporates	0.86%	0.91%
From personal customerss	1.56%	1.58%
Total deposits	1.27%	1.31%

Retail Banking key figures per quarter

EURm	**Q1 2005**	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Total operating income	**1,107**	1,160	1,078	1,079	1,074
Total operating expenses	**-627**	-669	-616	-638	-625
Loan losses	**7**	23	6	6	-17
Operating profit	**487**	**514**	**468**	**447**	**432**
Return on economic capital, %	**28**	30	29	27	27
Cost/income ratio, %	**57**	58	57	59	58
Customer base: personal customers, million	**9.3**	9.3	9.3	9.3	9.3
corporate customers, million	**0.9**	0.9	0.9	0.9	0.9
Number of employees (full-time equivalents)	**17,270**	17,328	17,376	17,488	17,713

Corporate and Institutional Banking

- **Growth in income**
- **Volumes up**
- **Positive loan losses continued**

Corporate and Institutional Banking delivers a wide range of products and services to Nordea's largest corporate customers as well as to institutional customers. Corporate and Institutional Banking has customer responsibility for corporate customers which are listed on the key stock exchanges and eg customers with an external credit rating as well as shipping, offshore and oil services companies, and financial institutions. Nordea’s activities in Poland and the Baltic countries are part of Corporate and Institutional Banking.

Market conditions

European and Nordic government bond markets continued to be characterised by low interest rates levels, supported by the strong Euro. The Nordic corporate bond markets saw lower credit spreads as a result of low supply of new issues and good investor demand. Towards the end of the quarter, a number of larger M&A and LBO transactions led to more volatile and wider credit spreads.

The Nordic equity markets were characterised by positive market developments.

Stock market development

	Market volume		Market index
	Q1 EUR bn	Q1 vs. Q4	Q1 vs. Q4
Denmark	27.1	17%	10%
Finland	47.1	8%	6%
Norway	40.6	22%	8%
Sweden	101.6	10%	6%

Business development

Many large corporates have a strong financial position. The high liquidity and good credit quality in general leads to the current price pressure in the corporate market. Despite the market conditions, the business activity in Corporate Banking Division picked up during the quarter.

In the Financial Institutions Division, business activity increased compared to the previous quarter. The improvement was primarily related to financial market transactions, as client trading activity increased and the division won a number of structured product mandates.

The number of custody transactions increased by 9% compared to the fourth quarter. Custody Services was ranked no. 1 in Sweden and Finland and no. 2 in Norway and Denmark in Global Investor’s annual survey and won the ICFA European Award 2005 for Sub-Custodian of the Year in the Nordic region.

Business activity in Shipping, Offshore and Oil Services continued at a high level, and Nordea's leading position as arranger of syndicated loans to the shipping and offshore industries was maintained in the first quarter of 2005. Market knowledge, structuring capabilities, placing power, strong client relationships and a high quality portfolio secure a high and stable deal flow, and several large mandates have been secured in the period.

In Markets Division, customer activity in the first quarter was good in all major product areas.

In Poland and the Baltic markets, lending to small and medium-sized corporates increased by 28%. Uniform customer programmes with differentiated service and pricing levels for three main personal customer segments have been introduced in all markets. Lending to personal customers continued to grow, mainly in mortgage lending which increased by 9%.

Result

Total income in the first quarter amounted to EUR 270m, up by EUR 13m or 5% from the fourth quarter. Net interest income was EUR 105m, about the same level as in the previous quarter. The lending volume increased in all divisions, but the strong pressure on credit margins continued. Deposit volumes also increased. Other income items increased by EUR 16m influenced by a high customer activity especially among financial institution customers. Total income in Markets was EUR 153m, which is at the same high level as in the fourth quarter.

Total expenses in the first quarter amounted to EUR 138m, down by EUR 7m, or 5%. The decrease is largely due to IT development being reduced from the high level in the previous quarter and a continuous downward trend in the overall cost base. Staff expenses were up from a low level in the fourth quarter, when part of the salary provisions for 2003 were reversed. The number of employees continued to decrease.

Loan losses amounted to a positive figure of EUR 15m including transfer risk, as the reversals of earlier provisions for loan losses exceeded the amount of new provisions. Loan losses have been positive in each quarter since the first quarter 2004.
Operating profit was EUR 147m, up by EUR 18m from the fourth quarter, corresponding to a return on economic capital of 25%. The cost-income ratio improved to 51%.

CIB operating profit by main area

EURm	Total Q1 2005	Total Q4 2004	Corporate Banking Division[1] Q1 2005	Corporate Banking Division[1] Q4 2004	Financial Institutions Division[1] Q1 2005	Financial Institutions Division[1] Q4 2004	Shipping, Offshore and Oil services Division[1, 3] Q1 2005	Shipping, Offshore and Oil services Division[1, 3] Q4 2004	Poland and Baltics Q1 2005	Poland and Baltics Q4 2004	Other Q1 2005	Other Q4 2004	Markets[2] Q1 2005	Markets[2] Q4 2004
Net interest income	105	108	43	44	10	9	33	30	17	16	2	9	11	13
Net fee and commission income	80	81	27	31	21	21	4	8	4	4	24	17	24	18
Net gains/losses on items at fair value	76	57	13	31	38	24	3	3	4	4	18	-5	118	127
Equity method	7	6	6	4	0	0	0	0	0	0	1	2	0	0
Other operating income	2	5	0	2	1	1	1	1	1	1	-1	0	0	0
Total income incl. allocations	**270**	**257**	**89**	**112**	**70**	**55**	**41**	**42**	**26**	**25**	**44**	**23**	**153**	**158**
Staff costs	-77	-70	-18	-25	-4	-4	-4	-4	-8	-7	-43	-30	-43	-33
Other expenses	-58	-72	-20	-14	-31	-25	-5	-5	-7	-8	5	-20	-34	-47
Depreciations etc.	-3	-3	0	0	0	0	0	0	-3	-3	0	0	0	0
Expenses incl. allocations	**-138**	**-145**	**-38**	**-39**	**-35**	**-29**	**-9**	**-9**	**-18**	**-18**	**-38**	**-50**	**-77**	**-80**
Loan losses	15	17	14	17	0	0	3	0	-2	0	0	0	0	0
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**147**	**129**	**65**	**90**	**35**	**26**	**35**	**33**	**6**	**7**	**6**	**-27**	**76**	**78**
Other information, EURbn														
Lending	31.0	26.6	12.8	10.9	2.0	1.4	6.5	5.9	2.4	2.4	7.2	6.1	7.2	6.1
Deposits	26.7	24.9	8.9	9.1	11.1	9.0	3.2	3.0	1.3	1.3	2.2	2.6	2.2	2.6
Economic capital	1.6	1.6	0.8	0.9	0.2	0.2	0.2	0.2	0.1	0.1	0.3	0.2	0.3	0.6

[1] Figures include income and costs related to the division's activities as a customer responsible unit. In addition, the division has income and costs related to its service and product responsibility that are allocated to other customer responsible units within the Group.

[2] Markets has product responsibility for trading products such as FX, fixed-income and related derivatives and is evaluated by the product result. The product result includes all income and expenses related to the respective products, which is allocated to the customer responsible units within Corporate and Institutional Banking and Retail Banking.

[3] As of 1st January the responsibility of international network including foreign branches was moved from International & Shipping Division to Corporate Banking Division. International & Shipping Division was renamed as 'Shipping, Offshore and Oil Services'. Historic figures have been restated accordingly.

CIB key figures per quarter

EURm	**Q1 2005**	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Total operating income	**270**	257	240	216	284
Total operating expenses	**-138**	-145	-140	-145	-143
Loan losses	**15**	17	18	8	8
Operating profit	**147**	**129**	**118**	**79**	**149**
Return on economic capital, %	**25**	24	13	20	21
Cost/income ratio, %	**51**	57	58	67	50
Number of employees (full-time equivalents)	**3,218**	3,238	3,248	3,198	3,267

Asset Management & Life

- **AuM climbs to EUR 135.8bn**
- **Strong Asset Management result**
- **Stable Life result**
- **Inflows into new, innovative products**

Asset Management & Life is responsible for the Group's activities within institutional investment management, life insurance and pensions, investment funds, private banking and the savings market in general.

Market conditions

Market conditions within the asset management and life industry remained positive especially in the Nordic region where strong equity market performance bolstered client activity and contributed to the rise in AuM. Demand for savings products – especially in more innovative products - continued to be strong.

Business development

Nordea's AuM increased by EUR 5.2bn in the first quarter to a total of EUR 135.8bn. Net inflow contributed EUR 2.7bn to the increase.

AuM in Nordic retail funds was EUR 39.3bn. Strong net inflows of EUR 1.5bn were the main contributor. Net inflow was particularly strong in the Finnish market. New modern fund products such as the "Dynamic Fixed Income Fund" are attracting inflows. This product, launched in Finland last year, was launched in Sweden in the first quarter to a very successful start. The success of Dynamic Fixed Income, which is sold as a substitute for account balances and lower-margin money-market funds, contributed to an overweight in fixed income in first quarter fund inflows. The total assets in this fund increased by EUR 470m to EUR 792m at the end of the quarter.

Inflow in European Fund Distribution (EFD) was EUR 0.2bn and AuM were EUR 7.1bn at the end of the quarter. The strength of the product offering continues to gain recognition and Nordea won "Best European fund" awards from both Lipper and Standard & Poors. To further leverage Nordea's distribution capacity, regulatory approval has been obtained for a new investment fund. This new SICAV structure will be launched during the second quarter and will initially consist of three sub-funds, based on existing and tested in-house investment concepts. The product will complement the existing fund range, thereby supporting the product differentiation strategy of EFD, and it will become the platform for Nordea's cross-border alternative funds in Europe.

AuM in Nordic Private banking increased by EUR 1.4bn to EUR 29.2bn of which 0.8bn was due to inflow. Nordic Private Banking is in the process of implementing a complete streamlining of the private banking concept in the four Nordic markets, thereby reducing complexity and enabling full sharing of best practices across markets.

In International Wealth Management AuM increased by EUR 0.2bn to EUR 7.6bn as a result of asset appreciation. Two new guaranteed structured products were launched in the first quarter.

AuM in Institutional asset management increased by 0.3bn to EUR 22.1bn. A small net inflow was registered mainly in fixed-income-products. Nordea's strong track record within fixed income management is now being leveraged to achieve a breakthrough with regard to winning fixed-income mandates from non-Nordic clients.

Investment performance was generally above benchmarks in the first quarter. Specifically, Nordea's growth-tilted Thematic equity products also performed well compared to the broad indices. This follows a prolonged period in which the "value" investment style has been in favour.

The re-focusing within Life & Pensions towards a growth-oriented strategy continues to yield results. In the first quarter net written premiums was EUR 789m, up 23% compared to first quarter 2004. AuM increased by EUR 0.7bn to EUR 30.4bn during the quarter. Premium growth was strong in particular in Denmark, Norway and Poland. Unit link products continue to show the strongest growth. The overall investment return within Life was 1.7% during the first quarter.

Result

Income from Asset Management activities was EUR 146m in the first quarter, 3% lower than in the fourth quarter when transaction related income was strong. The income margin declined during the first quarter from 60basis points to 56 basis points. The income margin consists of the management fee margin, which was stable during the quarter, and transaction margin, which declined during the quarter due to the lower transaction activity. Compared to first quarter of 2004, income rose by 7%.

Expenses within asset management activities decreased by 10% to EUR 79m including distribution expenses. Compared to first quarter 2004, expenses rose marginally due to investments within the prioritised growth areas. The product result in Asset Management increased by 6% to EUR 67m.

In Life & Pensions, the product result including distribution expenses was EUR 48m – on par with the result in the fourth quarter. Both the risk and the cost result contributed positively to the life result – the latter in spite of the expansion of business activity that has raised cost somewhat over the last couple of quarters. Financial buffers were stable at 5.8% of life provisions.

Asset Management & Life volumes, inflow and margins

EURbn	Q1 2005	Q1 Inflow	Total Q4 2004	Q3 2004	Q2 2004	Q1 2004
Nordic Retail funds[1]	39.3	1.5	37.2	35.6	34.9	32.7
European Fund Distribution	7.1	0.2	6.7	5.9	5.6	5.1
Private Banking Activities						
Nordic Private Banking	29.2	0.8	27.8	26.3	25.8	25.5
International Wealth Management	7.6	0.0	7.4	6.9	6.8	6.8
Institutional clients	22.1	0.0	21.8	22.5	22.3	23.9
Life & pensions [1]	30.4	0.2	29.7	28.5	27.9	27.9
Total	135.8	2.7	130.6	125.7	123.3	121.9

[1] Pension pools (3.3bn in the first quarter) are included in Life & Pensions. Previously these were reported as part of Nordic Retail Funds. Historical data has been restated.

Key figures per quarter – Asset Management activities

EURm	**Q1 2005**	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Net interest income	**9**	9	9	9	9
Net fee and commission income	**130**	136	120	116	121
Net gains/losses on items at fair value	**4**	4	1	6	5
Equity method	**0**	0	0	0	0
Other income	**3**	2	2	3	2
Total income	**146**	**151**	**132**	**134**	**137**
Staff costs	-29	-29	-26	-24	-25
Other expenses	-21	-29	-22	-24	-23
Depreciations etc.	0	-1	-1	-1	-1
Operating expenses	**-50**	**-59**	**-49**	**-49**	**-49**
Estimated distribution expenses in Retail Banking	**-29**	-29	-28	-28	-29
Product result	**67**	**63**	**55**	**57**	**59**
of which income within Retail Banking	***59***	*56*	*58*	*55*	*56*
Margins[1]					
Income margins (bps)	**56**	60	54	56	59
Operating expenses margin (bps)	**-19**	-24	-20	-20	-21
Distribution expenses margin (bps)	**-11**	-11	-11	-12	-12
Result margin (bps)	**25**	25	23	23	26
Cost/income ratio, %	**54**	58	58	58	57
Economic capital	**113**	156	131	133	136
Assets under management, EURbn	**136**	131	126	123	122
Number of employees (full-time equivalents)	**850**	831	829	793	786

[1] Margins calculated using average AuM for Asset Management activities excl. Nordic Private Banking activities. In the first quarter 2005 these were EUR 104.6bn.

Key figures per quarter – Life activities

EURm	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Profit drivers					
Traditional insurance:					
Fee contribution/profit sharing	**30**	24	22	39	40
Contribution from cost result	**1**	1	1	-1	0
Contribution from risk result	**5**	2	5	5	1
Inv. return on shareholder's Equity	**3**	2	4	0	4
Other profits	**3**	15	8	8	4
Total Profit Traditional	**42**	44	40	51	49
Total profit Unit linked	**10**	9	10	8	7
Estimated distribution expenses in Retail Banking	**-4**	-4	-3	-2	-3
Total Product Result	**48**	**49**	**47**	**57**	**53**
of which income within Retail Banking	***22***	*33*	*22*	*18*	*17*
Key figures					
Premiums written, net of reinsurance	**789**	784	490	613	643
of which from Traditional business	**590**	585	391	422	491
of which from Unit-linked business	**198**	198	99	190	152
Total operating expenses	**28**	40	25	25	26
Investment assets:					
Bonds	**15,864**	15,254	15,227	14,730	15,065
Equities	**2,969**	2,722	2,790	2,750	2,644
Alternative investments	**1,515**	1,968	1,236	1,210	1,148
Property	**2,416**	2,408	2,248	2,217	2,200
Unit linked	**4,316**	4,095	3,897	3,843	3,721
Total investment assets	**27,080**	26,447	25,398	24,750	24,778
Investment return %	**1.7**	3.6	1.9	-0.4	3.2
Technical provisions	**25,860**	25,236	24,116	23,824	23,642
of which financial buffers	**1,175**	1,177	856	933	1,058
Economic capital	**872**	791	848	803	837
Number of employees (full time equivalents)	**979**	984	987	1,002	1,011

Group Treasury

- **Low volatility in financial markets**
- **Tier 1 instruments successfully issued**

Group Treasury is responsible for the Group's own investment portfolio and market risk-taking in financial instruments (excluding investments within insurance), as well as group funding, and asset and liability management.

Market conditions

Financial markets were characterised by low interest rates and low volatility in the first quarter.

Business development

The funding situation of Nordea continues to be strong.

On 1 February Moody's placed the B Financial Strength Rating of Nordea Bank Danmark A/S under review for a possible upgrade.

In the first quarter, Nordea issued a Tier 1 instrument through a private placement equivalent to approx. EUR 145m. In April Nordea successfully issued USD 600m Tier 1 instrument in the US market. Nordea was able to benefit from the positive momentum in the US market and consequently able to launch and price the deal within the same day.

At the end of March, the price risk involved in Group Treasury's interest rate positions, calculated as VaR, was EUR 11m compared to EUR 42m at the end of the fourth quarter following active risk management.

The structural interest income risk (SIIR) which shows the effect on net interest income in the next 12 months was EUR 123m assuming increasing market rates by 100 basis points and EUR -150m assuming decreasing market rates by 100 basis points. At the end of the fourth quarter the corresponding figures were EUR 192m and EUR -200m. The reduction of the SIIR risk is a result of the asset-liability management related to Retail Banking deposits now being fully implemented.

The risk related to equities, calculated as VaR, was EUR 34m compared to EUR 37m at the end of December. The VaR figure comprises all equities including listed, unlisted and private equity.

IFRS

Nordea is applying the EU-carve out version of IAS 39 for hedge accounting. Nordea is mainly using fair value hedges.

Result

The investment return in Group investment is defined as the net of return on investment after subtracting a funding cost, defined as the expected average medium-term risk-free return over time. In 2005, the funding cost is 3%.

Operating profit in Group Investment was EUR 3m compared to EUR 33m in the fourth quarter. Operating profit in Group Funding was EUR 19m compared to EUR 27m in the fourth quarter.

Group Treasury operating profit by main area

	Total		Group Investment		Group Funding	
	Q1	Q4	Q1	Q4	Q1	Q4
EURm	2005	2004	2005	2004	2005	2004
Net interest income	39	37	-11	-14	50	51
Net fee and commission income	-1	-1	-1	-1	0	0
Net gains/losses on items at fair value	-15	38	9	52	-24	-14
Equity method	0	0	0	0	0	0
Other operating income	10	0	10	0	0	0
Total income incl. allocations	**33**	**74**	**7**	**37**	**26**	**37**
Staff costs	-3	-4	-1	-1	-2	-3
Other expenses	-8	-10	-3	-3	-5	-7
Depreciations etc.	0	0	0	0	0	0
Expenses incl. allocations	**-11**	**-14**	**-4**	**-4**	**-7**	**-10**
Operating profit	**22**	**60**	**3**	**33**	**19**	**27**

Group Treasury key figures per quarter

	Q1	Q4	Q3	Q2	Q1
EURm	**2005**	2004	2004	2004	2004
Total operating income	**33**	74	18	-16	67
Total operating expenses	**-11**	-14	-12	-11	-12
Operating profit	**22**	**60**	**6**	**-27**	**55**
Cost/income ratio, %	**33**	**19**	**67**	neg.	**18**
Bonds, EURm	**16,116**	16,261	16,481	15,656	15,811
Equities, EURm	**343**	367	321	384	399
Investments, EURm	**16,459**	16,628	16,802	16,040	16,210
Number of employees (full-time equivalents)	**97**	98	99	100	101

Quarterly development

EURm	Note	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Net interest income		897	920	875	846	854
Net fee and commission income	1	453	467	443	450	434
Net gains/losses on items at fair value		115	179	63	77	216
Equity method		13	15	15	16	9
Other income		104	65	54	73	56
Total operating income		**1,582**	**1,646**	**1,450**	**1,462**	**1,569**
General administrative expenses:	2					
Staff costs		-515	-523	-492	-487	-519
Other expenses		-353	-413	-334	-380	-339
Depreciation of tangible and intangible assets		-34	-43	-39	-41	-45
Total operating expenses		**-902**	**-979**	**-865**	**-908**	**-903**
Loan losses		6	10	2	3	-42
Disposals of tangible and intangible assets		2	0	0	300	0
Operating profit		**688**	**677**	**587**	**857**	**624**
Income tax expense		-193	-201	-149	-152	-165
Net profit		**495**	**476**	**438**	**705**	**459**
Earnings per share (EPS)		0.18	0.17	0.16	0.25	0.16
EPS, rolling 12 months up to period end		0.76	0.74	0.65	0.73	0.63

Note 1 Net fee and commission income, EURm	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Loans and receivables	71	66	65	65	68
Guarantees and documentary payments	17	25	26	29	26
Life insurance	57	47	40	41	42
Investment products / services	163	169	159	149	142
Deposits, payments and e-services	171	184	180	179	174
Brokerage	57	49	50	51	55
Other commission income	41	42	42	35	31
Fee and commission income	**577**	**582**	**562**	**549**	**538**
Life insurance	-23	-20	-12	-12	-15
Payments and e-services	-37	-44	-45	-42	-36
Other commission expenses	-64	-51	-62	-45	-53
Fee and commission expenses	**-124**	**-115**	**-119**	**-99**	**-104**
Net fee and commission income	**453**	**467**	**443**	**450**	**434**

Note 2 General administrative expenses, EURm	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Staff[1]	500	508	477	472	504
Profit sharing	15	15	15	15	15
Information technology[2]	116	120	109	113	117
Marketing	22	40	19	23	14
Postage, telephone and office expenses	52	54	48	51	54
Rents, premises and real estate expenses	84	95	84	91	76
Other	79	104	74	102	78
Total	**868**	**936**	**826**	**867**	**858**

[1] Variable salaries were EUR 32m in Q1 2005 (Q4 2004: EUR 33m).

[2] Refers to IT operations, service expenses and consultant fees. Total IT-related costs in Q1 2005, including staff etc, but excluding IT expenses in insurance operations, were EUR 164m (Q4 2004: EUR 182m).

Segment reporting

Nordea's operations are organised into three business areas: Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The business areas operate as profit centres. Group Treasury conducts the Group's financial management operations. Group Functions and Eliminations include the unallocated results of the four group functions, Group Processing and Technology, Group Corporate Centre (excluding Group Treasury), Group Credit and Risk Control and Group Legal and Compliance. This segment also includes items needed to reconcile the Nordea Group.

The principles used in the segment reporting are described below. Figures are disclosed and consolidated using end of period and average currency rates in conformity with the statutory reporting. Within Nordea, customer responsibility is fundamental. The Group's total business relations with customers are reported in the customer responsible unit's income statement and balance sheet.

Capital allocation is based on the internal framework for calculating economic capital, which reflects each business unit's actual risk exposure considering credit and market risk, insurance risk as well as operational and business risk. This framework optimises utilisation and distribution of capital between the different business areas. When calculating return on economic capital standard tax is applied.

Economic profit constitutes the internal basis for evaluating strategic alternatives as well as for the evaluation of financial performance.

Asset Management & Life has customer responsibility within investment management and in private banking outside a joint unit with Retail Banking. In addition, Asset Management & Life commands product responsibility for investment funds and life insurance products. The operating profit shown in the accompanying table includes the customer responsible units. The product result for Asset Management and Life respectively represent the Group's total earnings including income allocated to Retail Banking on these products, as well as sales and distribution costs within Retail Banking.

When allocating income and costs between business areas and group functions a gross principle is applied, with the implication that cost is allocated separately from income. Cost is allocated according to calculated unit prices and the individual business areas' consumption. Income is allocated following the underlying business transactions combined with the identification of the customer responsible unit.

Internal allocations of income and expenses are performed in such a way that allocated expenses from a business unit are subtracted from the expenses and added to the expenses in the receiving business unit, with the result that all allocations add to zero on Group level. The same principle is applied for income allocations.

The assets allocated to the business areas include trading assets, loans and receivables to the public as well as to credit institutions. The liabilities allocated to the business areas include deposits from the public as well as by credit institutions.

Included in business areas' assets and liabilities are also other assets and liabilities directly related to the specific business area or group function, such as accrued interest, fixed assets and goodwill. All other assets and liabilities, and certain items required to reconcile balances to the Nordea Group are placed in the segment Group Functions and Eliminations.

Funds-transfer pricing is based on current market interest rates and used against all assets and liabilities allocated or booked in the business areas or group functions, resulting in a remaining net interest income in business areas driven in essence from margins on lending and deposits.

Goodwill generated as part of business areas' strategic decisions is included in business areas' balances. Goodwill arising from the creation of Nordea is not allocated, but is placed as part of Group Functions and Eliminations.

Economic Capital is allocated to the business areas according to risks taken. As part of net interest income business units receive a capital benefit rate corresponding to the expected average medium-term risk-free return. The cost above Libor from issued subordinated debt is also included in the business areas net interest income according to the use of Economic Capital.

Group internal transactions between countries and legal entities are performed according to arm's length principles in conformity with OECD requirements on transfer pricing. The financial result of such transactions is fully consolidated into the relevant business areas based on assigned product and customer responsibilities. However, the total result related to investment funds is included in Retail Banking, as well as sales commissions and margins from the life insurance business.

The segment Group Functions and Eliminations contains, in addition to goodwill related to the creation of Nordea, expenses in Group Functions not defined as services to business areas, central provisions for loan losses and profits from companies accounted for under the equity method which are not included in the customer responsible units.

In 2005, segment reporting has been affected by changed principles for allocation of costs in Markets and in Group IT, moved responsibility for certain customers between CIB and Retail Banking as well as changed principles for the capital benefit rate now being equal to the investment return target set for Group Investment (3.0% in 2005 and 3.3% in 2004). Historical information has been restated accordingly.

EURm Customer responsible units	Retail Banking Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Corporate and Institutional Banking Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Asset Management Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Net interest income	739	766	727	716	726	105	108	95	101	100	9	9	9	9	9
Net fee and commission income	301	320	297	287	288	80	81	95	77	79	67	77	60	57	61
Net gains/losses on items at fair value	50	49	40	52	45	76	57	43	27	97	4	4	1	6	5
Equity method	3	17	4	3	4	7	6	5	3	5	0				0
Other income	14	8	10	21	11	2	5	2	8	3	3	2	2	3	2
Total operating income	**1,107**	**1,160**	**1,078**	**1,079**	**1,074**	**270**	**257**	**240**	**216**	**284**	**83**	**92**	**72**	**75**	**77**
of which allocations	*154*	*178*	*137*	*154*	*146*	*-71*	*-87*	*-56*	*-75*	*-72*	*-60*	*-58*	*-60*	*-56*	*-59*
General administrative expenses															
Staff costs	-260	-274	-259	-263	-262	-77	-70	-69	-76	-79	-26	-26	-23	-22	-23
Other expenses	-358	-386	-345	-363	-351	-58	-72	-68	-66	-62	-21	-29	-22	-22	-22
Depreciations of tangible and intagible assets	-9	-9	-12	-12	-12	-3	-3	-3	-3	-2	0	-1	-1	-1	0
Total operating expenses	**-627**	**-669**	**-616**	**-638**	**-625**	**-138**	**-145**	**-140**	**-145**	**-143**	**-47**	**-56**	**-46**	**-45**	**-45**
of which allocations	*-248*	*-237*	*-220*	*-232*	*-205*	*-37*	*-43*	*-48*	*-54*	*-49*	*4*	*6*	*3*	*3*	*3*
Loan losses	7	23	6	6	-17	15	17	18	8	8	0	0	0	0	0
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**487**	**514**	**468**	**447**	**432**	**147**	**129**	**118**	**79**	**149**	**36**	**36**	**26**	**30**	**32**
Balance sheet, EURbn															
Loans and receivables	135	132	128	125	121	31	27	24	26	24	2	2	2	2	2
Other assets	21	27	24	26	24	64	60	56	55	57	2	3	1	1	2
Total assets	**156**	**159**	**152**	**151**	**145**	**95**	**87**	**80**	**81**	**81**	**4**	**5**	**3**	**3**	**4**
Deposits	74	73	70	69	69	27	25	21	22	18	4	4	3	3	3
Other liabilities	77	81	77	77	71	66	60	57	57	61	0	1	0	0	1
Total liabilities	151	154	147	146	140	93	85	78	79	79	4	5	3	3	4
Allocated equity	5	5	5	5	5	2	2	2	2	2	0	0	0	0	0
Total liabilities and allocated equity	**156**	**159**	**152**	**151**	**145**	**95**	**87**	**80**	**81**	**81**	**4**	**5**	**3**	**3**	**4**
Other segment items															
Capital expenditure, EURm	8	2	3	3	2	0	1	0	0	1	1	1	1	1	0
Product result											**67**	**63**	**55**	**57**	**59**

	Life Insurance					Group Treasury					Group Functions and Eliminations				
EURm	Q1	Q4	Q3	Q2	Q1	Q1	Q4	Q3	Q2	Q1	Q1	Q4	Q3	Q2	Q1
Customer responsible units	2005	2004	2004	2004	2004	2005	2004	2004	2004	2004	2005	2004	2004	2004	2004
Net interest income	0	0	0	0	0	39	37	24	25	11	5	0	20	-5	8
Net fee and commission income	19	4	16	18	20	-1	-1	-2	-2	-2	-13	-14	-23	13	-12
Net gains/losses on items at fair value	3	15	2	17	11	-15	38	-10	-52	55	-3	16	-13	27	3
Equity method	0	0	0	0	0	0	0	0	0	0	3	-8	6	10	0
Other income	36	41	35	31	35	10	0	6	13	3	39	9	-1	-3	2
Total operating income	**58**	**60**	**53**	**66**	**66**	**33**	**74**	**18**	**-16**	**67**	**31**	**3**	**-11**	**42**	**1**
of which allocations	*-22*	*-33*	*-22*	*-18*	*-17*	*0*	*2*	*2*	*1*	*1*	*-1*	*-2*	*-2*	*-4*	*1*
General administrative expenses															
Staff costs	-16	-19	-15	-15	-15	-3	-4	-1	-2	-2	-133	-130	-125	-109	-138
Other expenses	-12	-20	-10	-9	-10	-8	-10	-11	-9	-10	104	104	122	89	116
Depreciations of tangible and intagible assets	0	-1	0	-1	-1	0	0	0	0	0	-22	-29	-23	-24	-30
Total operating expenses	**-28**	**-40**	**-25**	**-25**	**-26**	**-11**	**-14**	**-12**	**-11**	**-12**	**-51**	**-55**	**-26**	**-44**	**-52**
of which allocations	*0*	*0*	*0*	*0*	*0*	*-4*	*-2*	*-2*	*-2*	*-8*	*285*	*276*	*267*	*285*	*259*
Loan losses	0	0	0	0	0	0	0	0	0	0	-16	-30	-22	-11	-33
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	2	0	0	300	0
Operating profit	**30**	**20**	**28**	**41**	**40**	**22**	**60**	**6**	**-27**	**55**	**-34**	**-82**	**-59**	**287**	**-84**
Balance sheet, EURbn															
Loans and receivables	0	0	0	0	0	2	0	0	2	1	0	0	0	1	0
Other assets	27	26	25	25	26	14	17	17	14	15	-14	-18	-15	-15	-14
Total assets	**27**	**26**	**25**	**25**	**26**	**16**	**17**	**17**	**16**	**16**	**-14**	**-18**	**-15**	**-14**	-14
Deposits	0	0	0	0	0	2	0	0	0	2	0	2	3	4	2
Other liabilities	26	25	24	24	25	14	17	17	16	14	-18	-25	-22	-22	0
Total liabilities	26	25	24	24	25	16	17	17	16	16	-18	-23	-19	-18	-17
Allocated equity	1	1	1	1	1	0	0	0	0	0	4	5	4	4	3
Total liabilities and allocated equity	**27**	**26**	**25**	**25**	**26**	**16**	**17**	**17**	**16**	**16**	**-14**	**-18**	**-15**	**-14**	**-14**
Other segment items															
Capital expenditure, EURm	0	2	0	1	0	0	0	0	0	0	2	37	8	26	36
Product result	**48**	**49**	**47**	**57**	**53**										

Income statement

EURm	Note	Q1 2005	Q1 2004	Full year 2004
Operating income				
Interest income		*2,055*	*1,970*	*7,964*
Interest expense		*-1,158*	*-1,116*	*-4,469*
Net interest income		897	854	3,495
Fee and commission income		*577*	*538*	*2,230*
Fee and commission expense		*-124*	*-104*	*-436*
Net fee and commission income		453	434	1,794
Net gains/losses on items at fair value	2	115	216	535
Profit from companies accounted for under the equity method		13	9	55
Dividends		0	1	11
Other operating income		104	55	237
Total operating income		**1,582**	**1,569**	**6,127**
Operating expenses				
General administrative expenses:				
Staff costs		-515	-519	-2,021
Other expenses		-353	-339	-1,466
Depreciation, amortisation and impairment charges of tangible and intangible assets		-34	-45	-168
Total operating expenses		**-902**	**-903**	**-3,655**
Loan losses	3	6	-42	-27
Disposals of tangible and intangible assets		2	0	300
Operating profit		**688**	**624**	**2,745**
Income tax expense		-193	-165	-667
Net profit		**495**	**459**	**2,078**
Attributable to:				
Shareholders of Nordea Bank AB (publ)		494	458	2,075
Minority interest		1	1	3
		495	**459**	**2,078**
Earnings per share, EUR		0.18	0.16	0.74
Earnings per share, after full dilution, EUR		0.18	0.16	0.74

Balance sheet

EURm	Note	31 Mar 2005	31 Dec 2004	31 Mar 2004
Assets				
Cash and balances with central banks		1,839	4,585	4,421
Treasury bills and other eligible bills		11,121	12,758	9,524
Loans and receivables to credit institutions	5	22,335	20,628	20,309
Loans and receivables to the public	5	170,112	161,295	148,208
Interest-bearing securities		30,442	27,869	35,170
Shares		9,578	8,898	7,624
Derivatives	6	23,619	26,697	19,242
Fair value changes of the hedged items in portfolio hedge of interest rate risk		198	409	-
Shares in associated undertakings		594	559	569
Intangible assets		2,077	2,081	2,058
Tangible assets		434	449	1,025
Investment property		2,558	2,484	2,267
Deferred tax assets		459	454	532
Prepaid expenses and accrued income		1,523	1,623	1,277
Other assets		7,346	6,808	5,947
Total assets		**284,235**	**277,597**	**258,173**
Of which assets customer bearing the risk		*4,651*	*5,276*	*4,322*
Liabilities				
Deposits by credit institutions		30,433	30,159	25,729
Deposits and borrowings from the public		105,229	104,704	92,152
Liabilities to policyholders		24,115	22,191	21,978
Debt securities in issue		66,986	61,011	66,020
Derivatives	6	23,326	27,075	18,828
Fair value changes of the hedged items in portfolio hedge of interest rate risk		228	334	-
Current tax liabilities		212	153	96
Other liabilities		11,713	10,081	13,132
Accrued expenses and prepaid income		2,048	2,003	2,048
Deferred tax liabilities		614	623	530
Provisions		171	192	187
Retirement benefit obligations		531	545	521
Subordinated liabilities		6,141	5,818	5,680
Total liabilities		**271,747**	**264,889**	**246,901**
Equity				
Minority interests		14	13	14
Core equity				
Share capital		1,128	1,128	1,160
Other reserves		5,459	5,212	5,756
Retained earnings		5,887	6,355	4,342
Total core equity		**12,474**	**12,695**	**11,258**
Total equity		**12,488**	**12,708**	**11,272**
Total liabilities and equity		**284,235**	**277,597**	**258,173**
Assets pledged for own liabilities		23,324	23,003	27,733
Other assets pledged		3,644	3,369	3,097
Contingent liabilities		14,162	13,955	13,612
Commitments		1,725,772	1,587,512	1,452,333

Other notes

Note 4 Classification of financial instruments

Note 7 Capital adequacy

Movements in shareholders' equity

EURm	Attributable to shareholders of Nordea Bank AB (publ) Share capital[1]	Other reserves	Retained earnings	Minority interests	Total
Balance at end of year, at 31 December 2004	**1,128**	**5,471**	**6,066**	**13**	**12,678**
Change in accounting policies:					
IAS 39 Loan loss provisions			70		70
IAS 39 Financial instruments			-40		-40
Other opening balance issues			0		0
Balance at end of year, at 31 December 2004, restated	**1,128**	**5,471**	**6,096**	**13**	**12,708**
Net change in available-for-sale investments, net of tax					0
Net change in cash flow hedges, net of tax					0
Currency translation differences		-12	-9		-21
Purchases of own shares[2,3]			-694		-694
Net profit for the period			494	1	495
Balance at 31 March 2005	**1,128**	**5,459**	**5,887**	**14**	**12,488**

EURm	Attributable to shareholders of Nordea Bank AB (publ) Share capital[1]	Other reserves	Retained earnings	Minority interests	Total
Balance at end of year, at 31 December 2003	**1,160**	**5,822**	**5,195**	**-**	**12,177**
Change in accounting policies:					
IAS 1 Minority interests				13	13
IAS 19 Pension			-183		-183
IAS 36 Impairment of assets			-29		-29
Other opening balance issues			-15		-15
Balance at end of year, at 31 December 2003, restated	**1,160**	**5,822**	**4,968**	**13**	**11,963**
Currency translation differences		-35	-58		-93
Dividend for 2003			-696		-696
Transfers between other reserves and retained earnings[4]		323	-323		0
Purchases of own shares[2,3]		-354	-7		-361
Net profit for the period			458	1	459
Balance at 31 March 2004	**1,160**	**5,756**	**4,342**	**14**	**11,272**

[1] Total shares registered was 2,847 million (31 Dec 2004: 2,847 million, 31 Mar 2004: 2,928 million).

[2] Refers to the change in the trading portfolio and Nordeas shares within portfolio schemes in Denmark. Number of own shares in the trading portfolio and within the portfolio schemes at 31 Mar 2005 was 10.0 million (31 Mar 2004: 3.6 million, 31 Dec 2004: 6.7 million).

[3] The number of own shares referring to Nordea Bank AB (publ)'s repurchase of own shares was as at 31 Mar 2005 202.4 million (31 Dec 2004: 111.7 million, 31 Mar 2004: 145.0 million). The average number of own shares Jan-Mar 2005 was 149.7 million (Jan-Dec 2004: 128.7 million, Jan-Mar 2004: 102.6 million).

[4] Due to the merger of Nordea Bank AB (publ) and Nordea Bank Sweden AB (publ).

Cash-flow statement

EURm	Jan-Mar 2005	Jan-Mar 2004
Operating activities		
Operating profit	688	624
Adjustments for items not included in cash flow	58	1,111
Income taxes paid	-160	-245
Cash flow from operating activities before changes in operating assets and liabilities	586	1,490
Changes in operating assets and liabilities		
Change in treasury bills and other eligible bills	1,637	2,511
Change in loans and receivables to credit institutions	-1,566	4,833
Change in loans and receivables to public	-8,833	-3,171
Change in interest bearing securities	-2,501	-793
Change in shares	-715	-785
Change in derivatives, net	-645	-1,552
Change in other assets	-531	-344
Change in deposits by credit institutions	274	-3,373
Change in deposits and borrowings from the public	525	-3,406
Change in liabilities to policyholders	1,924	751
Change in debt securities in issue	5,975	1,102
Change in other liabilities	1,631	1,005
Cash flow from operating activities	-2,239	-1,732
Investing activities		
Acquisition of tangible assets	-14	-31
Sale of tangible assets	8	96
Acquisition of intangible assets	-3	-6
Purchase/sale of other financial fixed assets	13	-1
Cash flow from investing activities	4	58
Financing activities		
Issued/amortised subordinated liabilities	323	565
Repurchase of own shares incl change in trading portfolio	-694	-361
Cash flow from financing activities	-371	204
Cash flow for the period	**-2,606**	**-1,470**
Cash and cash equivalents at beginning of period	**6,922**	**8,211**
Exchange rate difference	1	-25
Cash and cash equivalents at end of period	**4,317**	**6,716**
Change	**-2,606**	**-1,470**

Cash and cash equivalents	Jan-Mar	Jan-Mar
The following items are included in cash and cash equivalents (EURm):	2005	2004
Cash and balances with central banks	1,839	4,421
Loans and receivables to credit institutions, payable on demand	2,478	2,295

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

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

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

Notes to the financial statements
Note 1 Accounting policies

Basis for presentation
Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the EU. These statements are presented in accordance with IAS 34 "Interim Financial Reporting".

The disclosure requirements in IFRS 1 "First-time Adoption of International Financial Reporting Standards" have been applied when presenting the changes to the financial statements following the adoption of IFRS. In order to facilitate comparisons, opening balances as of 1 January 2005, based on IFRS, have been reported as closing balances as of 31 December 2004. The comparative figures under IFRS presented by Nordea for 2004, do not include the standards IFRS 4 "Insurance Contracts" and revised IAS 39 "Financial Instruments" in accordance with IFRS 1. These standards came into force on 1 January 2005. As Nordea has not based its relevant business operations on the principles of IFRS 4 and IAS 39 during 2004, remeasured figures would not provide meaningful information.

Changed accounting policies
In the Annual report for 2004 Swedish GAAP was applied. The main differences between Swedish GAAP and IFRS principles affecting the financial statements of Nordea are:

IAS 1, Presentation of Financial Statements
According to Swedish GAAP minority interests were deducted from equity and separately disclosed. In accordance with IAS 1 and IAS 27 minority interests are now included as a separate component in equity.

IFRS 3, Business Combinations and IAS 27 Consolidated and Separate Financial Statements
Under Swedish GAAP (FFFS Regulations) certain exceptions from full consolidation have previously been permitted, the major exception being the life insurance business. Life was earlier disclosed in one line in the income statement and in separate lines for assets and liabilities respectively in the balance sheet, but is now consolidated line-by-line. Group undertakings that are not credit institutions, securities companies or insurance companies were earlier consolidated in accordance with the equity method. Following the implementation of IFRS these are now consolidated line-by-line.

Goodwill acquired in business combinations is no longer amortised. As previously impairment tests are performed at least on a yearly basis.

IFRS 4, Insurance Contracts
Implementation of IFRS 4 and IAS 39 has affected the measurement and classification of assets and liabilities in the life insurance business. Fair value measurement is, however, already the main valuation principle in Nordea's life insurance business.

Following the implementation of IFRS 4 certain commission expenses are amortised due to DAC-standard (Deferred Acquisition Costs), the effect on the income statement is minor.

IAS 36, Impairment of Assets
Compared to Swedish GAAP (based on a previous version of IAS 36), this standard has been revised during 2003. These changes have affected the opening balance as of 1 January 2004.

IAS 39, Financial Instruments
Classification of financial instruments
Each financial instrument within the scope of IAS 39 has been classified into one of the following categories in accordance with the standard:

Financial assets
- Financial assets at fair value through profit or loss
  - Held for trading
  - Financial assets designated upon inception as measured at fair value through profit or loss
- Loans and receivables
- Held to maturity investments
- Available for sale financial assets

Financial liabilities
- Held for trading
- Other financial liabilities

The classification is the basis for how each financial instrument is measured in the balance sheet and how changes in its fair value is recognised.

Financial assets at fair value through profit or loss and financial liabilities held for trading are measured at fair value and changes in fair values are recognised directly in the income statement.

Financial assets classified as available for sale are also measured at fair value. However, effects of changes in interest rates are recognised directly in equity as a separate component (revaluation reserves). Other changes in fair value are recognised in the income statement.

Financial assets classified as loans and receivables, held to maturity investments as well as other financial liabilities are measured at amortised cost.

Recognition and derecognition of financial instruments
Financial assets and financial liabilities are recognised in the balance sheet when Nordea becomes a party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flow from the financial asset expire, or when the financial asset is sold.

A financial liability is removed from the balance sheet when it is extinguished, meaning when the obligation specified in the contract is discharged, cancelled or expired.

Derivatives, quoted securities and foreign exchange transactions are recognised and derecognised using trade date accounting.

Interest income from impaired loans
Implementation of IAS 39 regarding impairment means that the interest income from impaired loans is recognised as interest income, calculated at the effective interest rate, while the value of a loan at the time of impairment is calculated based on net present value of future cash flows. This means that interest income and impairment losses are showing increases of the same magnitude. The net effect on reported profits is expected to be marginal.

Loan loss provisions
General loan loss provisions are not allowed under IAS 39. The standard instead requires impairment to be identified in groups of loans with similar risk characteristics. Consequently, Nordea has partly reclassified general provisions to group-wise provisions (collective impairment). Remaining general provisions after reclassification have been dissolved.

Hedge accounting
Following the implementation of IAS 39 all derivatives are measured at fair value, also those that previously were accounted for under deferral hedge accounting requirements. Fair value hedge accounting is applied, meaning that both the hedged instrument and the hedged item are measured at fair value, with changes in fair values recognised directly in the income statement. The effectiveness of the hedging relationships is consequently measured and evaluated and any ineffectiveness is affecting the income statement.

Mortgage loans and related issued bonds
The Danish mortgage loans and closely related issued mortgage bonds in the fully owned subsidiary Nordea Kredit Realkreditaktieselskab are measured at fair value, in line with the principles applied in the subsidiary. These items have not affected the equity in the opening balance 1 January 2005. Uncertainty remains with respect to whether the annual accounts for 2005 can reflect fair value measurement of issued bonds. Issued Danish mortgage bonds are included in the classification category “Held for trading”.

Effects of IFRS

The application of IFRS has had the following effects on net profit, and equity balance sheets for comparative figures:

EURm	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Year 2004
Net profit under Swedish GAAP	**434**	**398**	**664**	**418**	**1,914**
IAS 1, Minority interests	+1	+1	0	+1	+3
IFRS 3, Goodwill amortisation	+41	+39	+41	+40	+161
Net profit under IFRS	**476**	**438**	**705**	**459**	**2,078**

EURm	1 Jan 2005	31 Mar 2004	1 Jan 2004
Equity under Swedish GAAP	**12,549**	**11,262**	**11,994**
IAS 1, Minority interests	+13	+13	+13
IFRS 3, Goodwill amortisation	+161	+41	-
IAS 36, Impairment of assets	-29	-29	-29
IAS 39, Loan loss provisions	+70	-	-
IAS 39, Financial instruments	-40	-	-
Other	-16	-15	-15
Equity under IFRS	**12,708**	**11,272**	**11,963**

Balance sheet, EURm	Swedish GAAP 31 Dec'03	IAS 19	IAS 27/ FRS 3	IAS 36	IAS 1 and Other	IFRS GAAP 1 Jan'04
Assets						
Treasury bills and other interest-bearing securities	12,016	0	0	0	0	12,016
Loans and receivables to credit institutions	29,037	0	3	0	-307	28,733
Loans and receivables to the public	145,644	0	344	0	-641	145,347
Interest bearing securities and shares	20,001	0	19,827	0	1,150	40,978
Derivatives	18,941	0	0	0	0	18,941
Other assets	36,551	0	-19,606	-29	-174	16,742
Total assets	**262,190**	**0**	**568**	**-29**	**28**	**262,757**
Liabilities and equity						
Deposits by credit institutions	28,753	0	342	0	7	29,102
Deposits and borrowings from the public	95,556	0	3	0	-1	95,558
Liabilities to policyholders	0	0	21,227	0	0	21,227
Debt securities in issue	64,380	0	538	0	0	64,918
Derivatives	19,918	0	0	0	0	19,918
Subordinated liabilities	5,115	0	0	0	0	5,115
Other liabilities and minority interests	36,291	183	-21,559	0	54	14,969
Core equity	12,177	-183	17	-29	-32	11,950
Total liabilities and equity	**262,190**	**0**	**568**	**-29**	**28**	**262,757**

Balance sheet, EURm	Swedish GAAP 31 Dec'04	IAS 27/ IFRS 3	IAS 36	IAS 39	Other	IFRS GAAP 1 Jan'05
Assets						
Treasury bills and other interest-bearing securities	12,797	0	0	-39	0	12,758
Loans and receivables to credit institutions	20,614	2	0	14	-2	20,628
Loans and receivables to the public	161,148	9	0	164	-26	161,295
Interest bearing securities and shares	15,355	21,528	0	-106	-10	36,767
Derivatives	26,367	0	0	330	0	26,697
Other assets	39,759	-20,915	-29	514	123	19,452
Total assets	**276,040**	**624**	**-29**	**877**	**85**	**277,597**
Liabilities and equity						
Deposits by credit institutions	30,153	0	0	0	6	30,159
Deposits and borrowings from the public	104,424	280	0	0	0	104,704
Liabilities to policyholders	0	22,191	0	0	0	22,191
Debt securities in issue	59,296	1,646	0	70	-1	61,011
Derivatives	26,677	0	0	398	0	27,075
Subordinated liabilities	5,818	0	0	0	0	5,818
Other liabilities and minority interests	37,123	-23,642	0	379	84	13,944
Core equity	12,549	149	-29	30	-4	12,695
Total liabilities and equity	**276,040**	**624**	**-29**	**877**	**85**	**277,597**

IFRS in 2005

Amendment to IAS 39

The IASB has issued a preliminary draft of the new approach of the fair value option during the first quarter 2005. Nordea is monitoring the development of these changes as they are expected to be implemented and endorsed by the EU in the autumn of 2005 with potential effect as from 1 January 2005.

Additional information

Additional information about the implementation of IFRS is found in Nordea's Annual Report 2004 and on Nordea's website (www.nordea.com/IR).

Exchange rates

EUR 1 = SEK	Jan-Mar 2005	Jan-Dec 2004	Jan-Mar 2004
Income statement (average)	9.0842	9.1276	9.1964
Balance sheet (at end of period)	9.1529	9.0153	9.2613
EUR 1 = DKK			
Income statement (average)	7.4431	7.4385	7.4491
Balance sheet (at end of period)	7.4494	7.4390	7.4439
EUR 1 = NOK			
Income statement (average)	8.2435	8.3725	8.6241
Balance sheet (at end of period)	8.2067	8.2484	8.4296
EUR 1 = PLN			
Income statement (average)	4.0143	4.5297	4.7952
Balance sheet (at end of period)	4.0839	4.0746	4.7462

Note 2 Net gains/losses on items at fair value, EURm	Jan-Mar 2005	Jan-Mar 2004
Shares/participations and other share-related instruments	21	46
Interest-bearing securities and other interest-related instruments	127	176
Other financial instruments	-92	-2
Life insurance	3	11
of which		
Premium income, Life insurance	*713*	*581*
Investments, Life insurance	*442*	*639*
Change in technical provisions, Life insurance	*-599*	*-598*
Change in claims paid, Life insurance	*-537*	*-433*
Change in collective bonus potentials, Life insurance	*-16*	*-178*
Foreign exchange gains/losses	56	-15
Total	**115**	**216**

Note 3 Loan losses, EURm	Jan-Mar 2005	Jan-Mar 2004
Loan losses divided by category		
Write-downs and provisions for loans and receivables to the public	-91	-128
Reversals and recoveries for loans and receivables to the public	97	86
Total	**6**	**-42**
Specifications		
Specific provisions for individually assessed loans		
Realised loan losses during the period	-57	-70
Reversed amount of previous provisions made for realised losses during the period	44	54
This period's provisions for probable loan losses	-65	-86
Recoveries of previous periods' realised loan losses	21	16
Reversals of provisions for probable loan loss no longer required	57	55
This period's costs for individually assessed loans, net	0	-31
Provisions for groups of significant loans		
Allocation to reserve	-3	-16
Withdrawal from reserve	4	-
This period's change of provisions for groups of significant loans	1	-16
Provisions for groups of non-significant loans		
Realised loan losses during the period	-2	-3
Recoveries of previous periods' realised loan losses	3	5
Allocation to reserve	0	0
Withdrawal from reserve	0	1
This period's net costs of provisions for groups of non-significant loans	1	3
Transfer risks		
Allocation to reserve for transfer risks	-8	-7
Withdrawal from reserve for transfer risks	10	8
This period´s change of provisions for transfer risks	2	1
Contingent liabilities		
Net cost for redemption of guarantees and other contingent liabilities	1	0
This period's net cost for redemption of guarantees and other contingent liabilities	**1**	**0**
Change in value of assets taken over for protection of claims	1	1
Loan losses	**6**	**-42**

Note 4 Classification of financial instruments, EURm

31 March 2005 **Financial assets**	Held for trading	Assets at fair value	Loans and receiva-bles	Held to maturity	Available for sale	Total
Cash and balances with central banks			1,839			1,839
Treasury bills and other eligible bills	11,112		9			11,121
Loans and receivables to credit institutions	9,344		12,991			22,335
Loans and receivables to the public	7,185	22,345	140,582			170,112
Interest-bearing securities	16,212	12,978		1,252		30,442
Derivatives	23,619					23,619
Shares	9,571	7				9,578
Total	**77,043**	**35,330**	**155,421**	**1,252**	**0**	**269,046**

31 March 2005 **Financial liabilities**	Held for trading	Liabilities at fair value	Other financial liabilities	Total
Deposits by credit institutions			30,433	30,433
Deposits and borrowings from the public			105,229	105,229
Liabilities to policyholders, investment contracts	1,325			1,325
Debt securities in issue	19,088		47,898	66,986
Derivatives	23,236			23,236
Other liabilities	4,494		7,219	11,713
Subordinated liabilities			6,141	6,141
Total	**48,143**	**0**	**196,920**	**245,063**

Note 5 Loan portfolio and its impairment

EURm	31 Mar 2005	31 Dec 2004	31 Mar 2004
Loans and receivables to credit institutions	22,335	20,628	20,309
Loans and receivables to the public	170,112	161,295	148,208
Total	**192,447**	**181,923**	**168,517**

Loan portfolio by categories of borrowers

31 March 2005, EURm	Credit institutions	Corpo-rates	House-holds	Public sector	Total
Loans before reserves	**22,335**	**92,471**	**75,589**	**3,709**	**194,104**
- of which impaired loans	-	1,649	437	11	2,097
- of which non-performing loans, which are not impaired and where interest is accrued	-	39	12	-	51
- of which non-performing loans, which are impaired	-	666	249	11	926
- of which performing loans, which are impaired	-	983	188	-	1,171
Reserves	**-**	**-1,390**	**-266**	**-1**	**-1,657**
- of which reserves for impaired loans	-	-1,390	-266	-1	-1,657
- of which reserves for non-performing loans, which are impaired	-	-407	-78	-1	-486
- of which reserves for performing loans, which are impaired	-	-983	-188	-	-1,171
Loans at book value	**22,335**	**91,081**	**75,323**	**3,708**	**192,447**
- of which impaired loans	-	259	171	10	440
- of which non-performing loans, which are not impaired and where interest is accrued	-	39	12	-	51
- of which non-performing loans, which are impaired	-	259	171	10	440
- of which performing loans, which are impaired	-	-	-	-	-
Specification of reserves					
Specific reserves for individually assessed loans	-	-1,078	-201	-1	-1,280
Reserves for groups of significant loans	-	-312	-	-	-312
Reserves for groups of non-significant loans	-	-	-65	-	-65
Total reserves	**-**	**-1,390**	**-266**	**-1**	**-1,657**

Note 5, continued

31 December 2004, EURm	Credit institutions	Corpo-rates	House-holds	Public sector	Total
Loans before reserves	**20,628**	**85,541**	**73,769**	**3,691**	**183,629**
- of which impaired loans	-	1,738	509	2	2,249
- of which non-performing loans, which are not impaired and where interest is accrued	-	40	13	-	53
- of which non-performing loans, which are impaired	-	781	309	1	1,091
- of which performing loans, which are impaired	-	957	200	1	1,158
Reserves	**-**	**-1,376**	**-329**	**-1**	**-1,706**
- of which reserves for impaired loans	-	-1,376	-329	-1	-1,706
- of which reserves for non-performing loans, which are impaired	-	-419	-129	-	-548
- of which reserves for performing loans, which are impaired	-	-957	-200	-1	-1,158
Loans at book value	**20,628**	**84,165**	**73,440**	**3,690**	**181,923**
- of which impaired loans	-	362	180	1	543
- of which non-performing loans, which are not impaired and where interest is accrued	-	40	13	-	53
- of which non-performing loans, which are impaired	-	362	180	1	543
- of which performing loans, which are impaired	-	-	-	-	-
Specification of reserves					
Specific reserves for individually assessed loans	-	-1,035	-276	-1	-1,312
Reserves for groups of significant loans	-	-341	-	-	-341
Reserves for groups of non-significant loans	-	-	-53	-	-53
Total reserves	**-**	**-1,376**	**-329**	**-1**	**-1,706**

31 March 2004, EURm	Credit institutions	Corpo-rates	House-holds	Public sector	Total
Loans before reserves	**20,309**	**80,458**	**66,638**	**3,041**	**170,446**
- of which impaired loans	-	2,090	524	1	2,615
- of which non-performing loans, which are not impaired and where interest is accrued	-	42	13	3	58
- of which non-performing loans, which are impaired	-	1,060	314	1	1,375
- of which performing loans, which are impaired	-	1,030	210	1	1,241
Reserves	**0**	**-1,584**	**-344**	**-1**	**-1,929**
- of which reserves for impaired loans	0	-1,584	-344	-1	-1,929
- of which reserves for non-performing loans, which are impaired	0	-555	-134	0	-689
- of which reserves for performing loans, which are impaired	-	-1,030	-210	-1	-1,241
Loans at book value	**20,309**	**78,874**	**66,294**	**3,040**	**168,517**
- of which impaired loans	0	506	180	0	686
- of which non-performing loans, which are not impaired and where interest is accrued	-	42	13	3	58
- of which non-performing loans, which are impaired	0	505	180	1	686
- of which performing loans, which are impaired	-	-	-	-	-
Specification of reserves					
Specific reserves for individually assessed loans	0	-1,164	-284	-1	-1,449
Reserves for groups of significant loans	-	-420	-	-	-420
Reserves for groups of non-significant loans	-	-	-60	-	-60
Total reserves	**0**	**-1,584**	**-344**	**-1**	**-1,929**

	31 Mar 2005	31 Dec 2004	31 Mar 2004
Reserves/impaired loans, gross, %	79	76	74
Impaired loans, gross/loans and receivables to the public, gross,%	1.2	1.4	1.7

Assets taken over for protection of claims, EURm	31 Mar 2005	31 Dec 2004	31 Mar 2004
Current assets			
Land and buildings	1	1	2
Shares and other participations	3	3	1
Other assets	0	0	0
Total	**4**	**4**	**3**

Note 6 Derivatives, EURm

31 March 2005	Assets Fair value	Liabilities Fair value	Total Nom value
Derivatives held for trading			
Interest rate derivatives	18,071	17,596	1,147,274
Equity derivatives	273	265	8,153
Foreign exchange derivatives	4,162	4,500	421,089
Other derivatives	435	446	20,437
Total	**22,941**	**22,807**	**1,596,953**
Derivatives used for hedging			
Interest rate derivatives	389	344	49,325
Equity derivatives	52	52	1,688
Foreign exchange derivatives	237	123	22,609
Other derivatives	0	0	10
Total	**678**	**519**	**73,632**
Derivatives, total			
Interest rate derivatives	18,460	17,940	1,196,599
Equity derivatives	325	317	9,841
Foreign exchange derivatives	4,399	4,623	443,698
Other derivatives	435	446	20,447
Total	**23,619**	**23,326**	**1,670,585**

Note 7 Capital adequacy	31 Mar 2005	31 Dec 2004	31 Mar 2004
Tier 1 capital, EURm[1]	10,343	10,596	9,210
Capital base, EURm[1]	13,569	13,743	12,559
Risk-weighted assets, EURbn	153	145	135
Tier 1 capital ratio, %[1]	6.8	7.3	6.8
Total capital ratio, %[1]	8.9	9.5	9.3

[1] Including the result for the first three months.

- A conference call with management will be arranged on 27 April 2005 at 17.00, CET. (Please dial +44 (0) 207 769 6432, access code Nordea, ten minutes in advance.) The telephone conference can be monitored live on www.nordea.com. An indexed on-demand version will also be available on www.nordea.com.
- This interim report is available on the Internet (www.nordea.com). A slide presentation is available on the Internet.

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Financial calendar:

Nordea will publish financial reports on the following dates:

24 August - interim report for the second quarter
26 October - interim report for the third quarter

Wednesday 27 April 2005

Lars G Nordström
President and Group CEO

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.

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