

Fourth Quarter and Full Year Results 2015

CEO Casper von Koskull's comments on the results:

"2015 was a challenging year with exceptionally low interest rates, geopolitical tensions and market turmoil. Under these market conditions we are pleased to report an increase in the income level of 3% in local currencies². We also delivered a reduction in costs to EUR 4.7bn, in line with our target, and credit quality improved during the year. Consequently, operating profit improved by 7%². The Common Equity Tier 1 ratio improved 80 bps to 16.5%. The Board proposes a dividend per share of EUR 0.64 compared to the actual dividend of EUR 0.62 per share for 2014.

The coming three years will be a transition period in which we will execute on our transformational change agenda in order to generate a truly digital bank. We will initiate certain key activities to manage the transition efficiently, which led to a restructuring charge of EUR 263m in the fourth quarter. Together with the investments in our core banking platform, the outcome of this transformational agenda will lead to a more efficient and straightforward structure and reduce administrative complexity to the benefit of our customers, employees and investors, and enable us to become truly "One Nordea".

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

Full year 2015 vs. Full year 2014 (Fourth quarter 2015 vs. Fourth quarter 2014)¹:

- Total operating income +1% excl. non-recurring items², in local currencies +3%² (-2%², unchanged in local currencies²)
- Total expenses -4%², in local currencies -1%² (-2%², unchanged in local currencies²)
- Operating profit EUR 4,791m², +7%², in local currencies +9%² (-4%², in local currencies -2%²)
- Common equity tier 1 capital ratio 16.5%, up from 15.7%
- Cost/income ratio down to 47.1%² from 49.3%² (up 0.2 %-points from 48.9%²)
- Loan loss ratio of 14 basis points, down from 15 basis points (up 2 basis points to 17 basis points)
- Return on equity 12.3%², up from 11.5%² (down 0.3 %-points to 11.5%)
- Diluted EPS (total operations) EUR 0.91 vs. EUR 0.83 (EUR 0.21 vs. EUR 0.22)
- Proposed dividend per share of EUR 0.64 vs. actual dividend per share of EUR 0.62 for 2014

Summary key figures, continuing operations ¹	Q4	Q3	Chg	Loc. curr	Q4	Chg	Loc. curr	Jan-Dec	Jan-Dec	Chg	Loc. curr
EURm	2015	2015	%	%	2014	%	%	2015	2014	%	%
Net interest income	1,241	1,272	-2	-2	1,356	-8	-6	5,110	5,482	-7	-4
Total operating income ²	2,469	2,253	10	10	2,518	-2	0	9,964	9,864	1	3
Total operating income	2,645	2,253	17	17	2,518	5	7	10,140	10,241	-1	1
Profit before loan losses ²	1,256	1,145	10	10	1,286	-2	0	5,270	4,998	5	7
Net loan losses	-142	-112	27	25	-129	10	12	-479	-534	-10	-8
Operating profit ²	1,114	1,033	8	8	1,157	-4	-2	4,791	4,464	7	9
Operating profit	1,027	1,033	-1	0	1,157	-11	-9	4,704	4,307	9	11
Diluted earnings per share, EUR - Tot. op.	0.21	0.19			0.22			0.91	0.83		
ROE, % - Continuing operations ²	11.5	10.4			11.8			12.3	11.5		
ROE, % - Continuing operations	11.1	10.4			11.8			12.2	11.4		

Exchange rates used for Q4 2015 for income statement items are for DKK 7.46, NOK 8.94 and SEK 9.35.

¹ Key figures for continuing operations, following the divestment of the Polish banking, financing and life insurance operations.

² Excluding non-recurring items (Q2 2014: restructuring charge EUR 190m, Q3 2014: gain from the divestment of Nets EUR 378m and of intangible assets EUR 344m, Q4 2015: gain from divestment of Nordea's merchant acquiring business to Nets of EUR 176m before tax and restructuring charge of EUR 263m).

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Nordea's vision is to be a Great European bank, acknowledged for its people, creating superior value for customers and shareholders. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has around 11 million customers, approximately 650 branch office locations and is among the ten largest universal banks in Europe in terms of total market capitalisation. The Nordea share is listed on the Nasdaq Stockholm, Nasdaq Helsinki and Nasdaq Copenhagen exchanges.

CEO comment

Full year 2015 report

The Nordic economies have been on diverging courses, with Sweden leading the race for growth followed by Denmark which is back on the growth track after several years of stagnation. Commodity prices continued to fall, and the slowdown in China became more visible during the course of the year.

Total income¹ increased 3% in 2015. Net Interest Income was under severe pressure due to lower interest rates, while the savings operations were the main growth driver.

Costs¹ are developing as planned and we met the full-year target of EUR 4.7bn. The cost-to-income ratio¹ improved 220bps compared to 2014 to 47.1% which is the best ratio Nordea has ever reported. For 2016 we expect an underlying flat cost base due to cost savings of approximately EUR 200m, although projects related to IT and compliance will lead to total cost growth of approximately 3% in local currencies.

Credit quality is solid and net loan losses totalled at 14 bps for the full year and well within the 10 year average of 16 bps. In the fourth quarter, the level increased to 17 bps explained mainly by increased individual and collective loan loss provisions in the portfolios mostly exposed to commodity markets. The impaired loans were up by 9%, of which 8 %-points are due to technical impact of the new collective provisioning model implemented in the fourth quarter. Our guidance for a largely unchanged credit quality in the coming quarters remains intact.

The Common Equity Tier 1 ratio increased 20 bps to 16.5% compared to the previous quarter. Nordea's capital policy to maintain a management buffer of 50-150bps above the capital requirement remains unchanged.

The Board proposes a dividend per share of EUR 0.64, compared to the actual dividend per share of EUR 0.62 for 2014. The Board has also decided on a new dividend policy: "Nordea strives to maintain a strong capital position in line with Nordea's capital policy. The ambition is to achieve a yearly increase in the dividend per share".

Delivering value to our customers

We have launched new digital services, for example an updated mobile bank with easy access features such as touch ID and pre-authentication in the chat and call functions. Customers continue to appreciate the accessibility of online meetings, with one in seven customer meetings carried out online in the fourth quarter. We will now increase our ambitions in developing new digital solutions for corporate and household customers even further and will almost double our investments and create two development hubs in Finland and Denmark.

In Wholesale Banking customer activity, both transactions and lending picked up in the fourth quarter. A number of event-driven deals were completed, driving commission income and Nordea was selected as lead adviser in

several transactions. Increased demand of risk management products in this period of spikes in volatility and varying liquidity. Recently Nordea was named Best Equity Research and Brokerage in the Nordic region by TNS SIFO Prospera.

In Wealth Management, international sales of Nordea Funds exceeded Nordic sales in the fourth quarter. Nordea was in 2015 the eighth best-selling fund provider in Europe. Nordic Private Banking was awarded the best private bank in the Nordics by the Banker.

2016-2018 – a transition period towards delivering “One Nordea”

The coming three years will be a transition period in which we will execute on our transformational change agenda in order to generate a truly digital bank. This change agenda is driven by changed customer behaviour, a shift in technology and regulatory requirements.

We will initiate certain key activities to manage the transition efficiently, which led to a restructuring charge of EUR 263m in the fourth quarter, related to staff, premises and some international units. A few examples of activities are the shift from physical to digital distribution and establishing e-branches, a focusing of customer coverage across Europe to further leverage resources and competencies in the Nordics, (except for our cash equities, private banking and asset management franchise) and costs related to shift of competencies to support the digital transformation and compliance. The provision also covers the current activities to decrease the number of head office locations and to relocate to head office premises outside of the central business districts. These activities will be carried out during 2016-2017 and will start to deliver efficiencies already in late 2016, which will enable us to continue to invest in competence, product offerings and IT. As substantial investments will be carried out in 2017-2018, net cost reductions will start materialising from 2019.

As communicated in the Q2 2015 report, Nordea is working on simplifying its legal structure with the aim to change the Norwegian, Danish and Finnish subsidiary banks to branches of the Swedish parent company by means of cross-border mergers. The preparations are progressing as planned including the ability to present a proposal to the Annual General Meeting in March. The changes to the legal structure depend among other on regulatory approvals and a satisfactory outcome of discussions with the local authorities.

Together with the investments in our core banking platform the outcome of this transformational agenda will lead to a more efficient and straightforward structure and reduce administrative complexity to the benefit of our customers, employees and investors, and enable us to become truly “One Nordea”.

Casper von Koskull
President and Group CEO

¹ Excluding non-recurring items (Q2 2014: restructuring charge EUR 190m, Q3 2014: gain from the divestment of Nets EUR 378m and impairment of intangible assets EUR 344m, Q4 2015: gain from divestment of Nordea's merchant acquiring business to Nets of EUR 176m before tax and restructuring charge of EUR 263m)

Income statement

EURm	Local				Local				Local			
	Q4 2015	Q3 2015	Chg %	currency %	Q4 2014	Chg %	currency %	Jan-Dec 2015	Jan-Dec 2014	Chg %	currency %	
Net interest income	1,241	1,272	-2	-2	1,356	-8	-6	5,110	5,482	-7	-4	
Net fee and commission income	768	717	7	7	763	1	2	3,025	2,842	6	8	
Net result from items at fair value	436	222	96	95	367	19	17	1,703	1,425	20	19	
Equity method	3	18	-83		-1			39	18	117	114	
Other operating income	197	24			33			263	474	-45	-44	
Total operating income	2,645	2,253	17	17	2,518	5	7	10,140	10,241	-1	1	
Total operating income excl. non-recurring items¹	2,469	2,253	10	10	2,518	-2	0	9,964	9,864	1	3	
Staff costs	-956	-756	26	26	-760	26	27	-3,263	-3,159	3	5	
Other expenses	-455	-303	50	49	-418	9	10	-1,485	-1,656	-10	-9	
Depreciation of tangible and intangible assets	-65	-49	33	33	-54	20	19	-209	-585	-64	-64	
Total operating expenses	-1,476	-1,108	33	33	-1,232	20	21	-4,957	-5,400	-8	-6	
Total operating expenses, excl. non-recurring items¹	-1,213	-1,108	9	9	-1,232	-2	0	-4,694	-4,866	-4	-1	
Profit before loan losses	1,169	1,145	2	2	1,286	-9	-7	5,183	4,841	7	9	
Profit before loan losses, excl. non-recurring items¹	1,256	1,145	10	10	1,286	-2	0	5,270	4,998	5	7	
Net loan losses	-142	-112	27	25	-129	10	12	-479	-534	-10	-8	
Operating profit	1,027	1,033	-1	0	1,157	-11	-9	4,704	4,307	9	11	
Operating profit excl. non-recurring items¹	1,114	1,033	8	8	1,157	-4	-2	4,791	4,464	7	9	
Income tax expense	-179	-253	-29	-30	-280	-36	-34	-1,042	-950	10	12	
Net profit for period from continuing operations	848	780	9	10	877	-3	-2	3,662	3,357	9	11	
Net profit for the period from discontinued operations, after tax	-	-			-			-	-25			
Net profit for the period	848	780	9	10	877	-3	-2	3,662	3,332	10	11	

Business volumes, key items²

EURbn	31 Dec			30 Sep			31 Dec		
	2015	2015	Chg %	2015	2015	Chg %	2014	Chg %	currency %
Loans to the public	340.9	349.3	-2				348.1	-2	-2
Loans to the public, excl. repos	308.6	305.6	1				303.6	2	2
Deposits and borrowings from the public	193.3	208.3	-7				197.3	-2	-2
Assets under management	288.2	273.3	5				262.2	10	
Equity	31.0	30.0	3				29.8	4	
Total assets	646.9	679.9	-5				669.3	-3	

Ratios and key figures

	Q4		Q3		Q4		Jan-Dec		Jan-Dec	
	2015	2015			2014		2015	2014		
Diluted earnings per share, EUR - Total operations	0.21	0.19			0.22		0.91	0.83		
Share price ² , EUR	10.15	9.91			9.68		10.15	9.68		
Total shareholders' return, %	5.5	-5.0			0.8		8.2	9.2		
Proposed/actual dividend per share, EUR	0.64	0.62			0.62		0.64	0.62		
Equity per share ² , EUR	7.69	7.43			7.40		7.69	7.40		
Potential shares outstanding ² , million	4,050	4,050			4,050		4,050	4,050		
Weighted average number of diluted shares, million	4,035	4,035			4,034		4,031	4,031		
Return on equity, % - Continuing operations	11.1	10.4			11.8		12.2	11.4		
Return on equity, % - Continuing operations excl. non-recurring items ¹	11.5	10.4			11.8		12.3	11.5		
Cost/income ratio, % - Continuing operations excl. non-recurring items ¹	49	49			49		47	49		
Loan loss ratio, basis points	17	13			15		14	15		
Common Equity Tier 1 capital ratio, excl. Basel I floor ^{2,3} , %	16.5	16.3			15.7		16.5	15.7		
Common Equity Tier 1 capital ratio, incl. Basel I floor ^{2,3} , %	10.8	10.8			10.5		10.8	10.5		
Tier 1 capital ratio, excl. Basel I floor ^{2,3} , %	18.5	18.2			17.6		18.5	17.6		
Total capital ratio, excl. Basel I floor ^{2,3,4} , %	21.6	21.3			20.6		21.6	20.6		
Tier 1 capital ^{2,3} , EURm	26,516	26,744			25,588		26,516	25,588		
Risk exposure amount excl. Basel I floor ^{2,4} , EURbn	143	147			146		143	146		
Risk exposure amount incl. Basel I floor ^{2,4} , EURbn	222	222			220		222	220		
Number of employees (FTEs) - Cont. operations ²	29,815	29,821			29,643		29,815	29,643		
Risk-adjusted profit, EURm - Cont. operations, excl. non-recurring items ¹	878	792			898		3,692	3,476		
Economic profit, EURm - Cont. operations, excl. non-recurring items ¹	349	261			289		1,578	1,058		
Economic capital ^{2,5} , EURbn	25.0	24.8			24.3		25.0	24.3		
ROCAR, % - Cont. operations, excl. non-recurring items ¹	13.5	12.5			14.3		14.6	14.0		
RAROCAR, % - Cont. operations, excl. non-recurring items ¹	14.0	12.5			14.6		14.9	14.4		
MCEV, EURm	4,758	-			4,758		4,758	4,758		

¹ Non-recurring items (Q2 2014: restructuring charge EUR 190m, Q3 2014: gain from the divestment of Nets EUR 378m and impairment of intangible assets EUR 344m, Q4 2015: gain from divestment of Nordea's merchant acquiring business to Nets of EUR 176m before tax and restructuring charge of EUR 263m).

² End of period.

³ Including the result for the period.

⁴ Market Risk - of which trading book, Standardised Approach is restated for 2014.

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Macroeconomy and financial markets

The fourth quarter of 2015 marked the end of a year in which global economic growth slowed down to the lowest rate of expansion since 2009. While the recovery in advanced economies gained some momentum activity in Emerging Markets slowed down, primarily driven by China and commodity-producing countries. In Europe, economic growth remained slow but positive in Q4, with improving labour markets and private consumption as key drivers of economic activity. The low and sluggish inflation in Europe, however, remained a concern for the governing council of the European Central Bank during the quarter. In order to spur inflation, the European Central Bank lowered its Deposit Facility Rate to -0.3% from -0.2%, along with extending the quantitative easing programme until at least March 2017. In the US, the economy continued to show signs of stable growth, supported by strong labour- and housing markets. The US labour market continued to improve in a healthy fashion as 200 000 jobs per month were added to the economy and unemployment dropped to 5.0%, the lowest level since 2008. In addition, wage pressures began to cautiously resurface. At the December meeting, the Federal Reserve delivered on its guidance to hike interest rates by 0.25% to a target range of 0.25-0.50%. Commodities underperformed in Q4 spurred by a fear of a slow-down in the global economy driven by China, with crude oil prices 17.9% lower in Q4. Fixed income markets were volatile in Q4 but ended the quarter with 10y German yields 4bps higher and US 10y yields 6 bps lower. Volatility was also high in equity markets, with strong initial Q4 performance, after a poor Q3, but towards year-end equity markets rebounded. The US and European equity markets ended 5.4% and 6.5% higher in Q4, respectively, while the EUR weakened 2.8% against the USD.

Denmark

Economic indicators pointed to relatively weak developments in the Danish economy in Q4 after an outright decline in Q3 due to weakness in the export sector and fixed business investments. The housing market remained strong, however, driven by the low interest rate environment and a continuous steady increase in employment across most sectors. Inflation was persistently subdued due to the downward pressure on commodity prices. Central bank policy rates were unchanged over the quarter. In October, Danmarks Nationalbank resumed the issuance of government bonds. The international reserves fell by DKK 79bn to DKK435bn, below the level at the beginning of 2015. Danish equities rose by almost 10% in the fourth quarter while 10-year government bond yields rose by 9 bps to 0.92%. The spread to the German 10-year rate increased by 5 bps in Q4.

Finland

The Finnish economy struggled in Q4 following a sharp GDP contraction in the previous quarter. Exports disappointed in both October and November. With imports

recovering, the indicative contribution to economic growth from foreign trade was negative in Q4. Industrial output remained depressed, and the recent drop in new orders suggests that the short-term outlook for manufacturing remained weak. Nevertheless, economic sentiment improved slightly towards the end of 2015, but stayed well below its long-term average. Consumption data was somewhat mixed as new passenger car registrations came in at a three-year high while the trend in other retail sales was negative. On the positive side, increasing permits for residential construction suggest a gradual pick-up in housing investments, which is consistent with increased demand for new mortgages. House prices have in broader terms stabilised at seemingly healthy levels. Finnish equities gained an impressive 12% while 10-year government bonds rose by 5 bps to 0.92%.

Norway

The Norwegian economy showed further signs of slowdown in the fourth quarter. Business surveys, GDP figures and labour market data indicated that the weakness was mainly driven by the continued downward pressure in oil and energy prices. Unemployment increased in oil-related counties on the west coast and was flat to down in the rest of the country. Consumer confidence weakened, raising concerns regarding forward prospects for private consumption while core inflation increased to around 3% y/y, predominantly caused by a weaker currency. Norges Bank kept policy rates unchanged during the quarter while assessing a high likelihood of additional easing in the first half of 2016. Norwegian equities increased 4% in the fourth quarter while 10-year government yields were close to unchanged. The Norwegian krona weakened by 1.5% in trade-weighted terms.

Sweden

The Swedish economy held up well in the fourth quarter. Domestic consumption grew at a healthy pace while the export sector recovered somewhat further. The labour market showed signs of strength as employment remained on an upward path while unemployment dropped below 7.0% in November. Inflation outlook improved on the back of the weakening the currency, but remained below the Swedish central bank's 2% target. The Riksbank left the repo rate unchanged in October while deciding to increase government debt purchases by SEK 65bn until mid-2016. In December, the Riksbank left both the repo rate and the government debt purchase programme unchanged, clearly signalling that it stands prepared for further easing, and also for intervention in the currency market, should its inflation outlook deteriorate. The Swedish krona strengthened by 2% in trade-weighted terms during the course of the fourth quarter. Swedish equities gained 2% in the quarter while 10-year government yields rose by 28 bps to 0.99%.

Group results and performance

Fourth quarter 2015

Net interest income

Net interest income was down 2% in local currencies and EUR from the previous quarter at EUR 1 241m. Net interest income came down in business areas as the net interest margin* was down 4 basis points to 0.93% in the fourth quarter. Deposit margins decreased due to lower market rates while lending margins remained flat.

Net interest income for Retail Banking was down 2% in local currencies, mainly due to lower deposit margins following negative interest rates in Denmark, Finland and Sweden. Lending margins remained flat.

Net interest income in Wholesale Banking was down 1% in local currencies driven by lower deposit margins.

Net interest income in Wealth Management is up EUR 3m in the quarter to EUR 36m.

Net interest income in Group Corporate Centre increased to EUR 106m compared to EUR 81m in the previous quarter. The increase was mainly related to interest rate positions for lower rates.

Lending volumes

Loans to the public in local currencies, excluding repos, increased 1% from the previous quarter and 2% from the same quarter in 2014. Average lending volumes in local currencies in business areas were largely unchanged from the previous quarter and increased 3% from fourth quarter 2014, with somewhat higher growth in Norway and Sweden.

Deposit volumes

Total deposits from the public in local currencies, excluding repos, decreased 1% from the previous quarter and increased 4% from the same quarter in 2014. Average deposit volumes in local currencies in business areas were up 1% from the previous quarter and up 5% from fourth quarter 2014.

Net interest income per business area

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Retail Banking	847	866	885	904	965	-2%	-12%	-2%	-11%	
Wholesale Banking	256	262	264	254	294	-2%	-13%	-1%	-10%	
Wealth Management	36	33	25	27	33	9%	9%	10%	12%	
Group Corporate Centre	106	81	110	91	47	31%	126%	n.m	n.m	
Other and eliminations	-4	30	25	12	17	n.m	n.m	n.m	n.m	
Total Group	1,241	1,272	1,309	1,288	1,356	-2%	-8%	-2%	-6%	

Change in Net interest income

EURm	Q4/Q3	Jan-Dec 15/14
Margin driven NII	-26	-368
Lending margin	2	58
Deposit margin	-24	-382
Other in BA	-4	-44
Volume driven NII	7	139
Lending volume	6	134
Deposit volume	1	5
Day count		
GCC	25	56
Other*	-37	-199
Total NII change	-31	-372

*of which FX -7 -144

*) The net interest margin for the Group is the total net interest income in Retail Banking, Wholesale Banking and Wealth Management in relation to total lending and deposit volumes

Net fee and commission income

Net fee and commission income increased 7% in local currencies and EUR from the previous quarter.

Savings and investments commissions

Net fee and commission income from savings and investments increased 11% in local currencies in the fourth quarter from the previous quarter to EUR 508m. Assets under Management (AuM) increased to EUR 288bn following a continued inflow and a positive market trend. Net inflow amounted to EUR 1.8bn in the quarter.

Performance-related asset management fees were EUR 14m. Brokerage and corporate finance fees increased from the previous quarter following higher activity. Custody fees increased in the quarter.

Payments and cards and lending-related commissions

Lending-related net fee and commission income increased 3% in local currencies to EUR 167m from the previous quarter. Payments and cards net fee and commission income was down 8% from the previous quarter.

Net fee and commission income per business area

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Retail Banking	248	264	282	283	282	-6%	-12%		-7%	-11%
Wholesale Banking	152	130	137	145	167	17%	-9%		17%	-7%
Wealth Management	384	332	379	342	331	16%	16%		15%	16%
Group Corporate Centre	-6	-1	-2	-4	-3	n.m	n.m		n.m	n.m
Other and eliminations	-10	-8	-13	-9	-14	n.m	n.m		n.m	n.m
Total Group	768	717	783	757	763	7%	1%		7%	2%

Net fee and commission income per category

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Savings and investments, net	508	456	510	477	443	11%	15%		11%	16%
Payments and cards, net	137	148	148	144	142	-7%	-4%		-8%	-3%
Lending-related, net	167	162	171	169	196	3%	-15%		3%	-14%
Other commissions, net	-7	-9	-11	2	14	n.m	n.m		n.m	n.m
State guarantee fees	-37	-40	-35	-35	-32	n.m	n.m		n.m	n.m
Total Group	768	717	783	757	763	7%	1%		7%	2%

Assets under Management (AuM), volumes and net inflow

EURbn	Q415	Q415 Net inflow	Q315	Q215	Q115	Q414
Nordic Retail funds	54.5	-0.3	49.5	53.9	54.9	48.1
Private Banking	93.6	1.7	87.7	92.5	92.9	84.4
Institutional sales	73.7	0.1	71.9	73.1	74.3	66.8
Life & Pensions	66.4	0.3	64.2	66.6	67.9	62.9
Total	288.2	1.8	273.3	286.1	290.0	262.2

Net result from items at fair value

The net result from items at fair value increased from a low level in the previous quarter to EUR 436m.

Capital Markets income for customers in Wholesale Banking, Retail Banking and Private Banking

The customer-driven capital markets activities generated an unchanged net fair value result in the customer business compared to the previous quarter at EUR 208m.

Life & Pensions

The net result from items at fair value for Life & Pensions increased EUR 10m to EUR 65m in the fourth quarter from the previous quarter.

Wholesale Banking other

The net fair value result for Wholesale Banking other, i.e. income from managing the risks inherent in customer transactions, increased to EUR 109m compared to the exceptionally low level of EUR 8m in the previous quarter.

Group Functions and Other and eliminations

The net fair value result in Group Corporate Centre was EUR 27m compared to EUR -39m in the third quarter, mainly related to interest related items in the liquidity buffer. In Other and eliminations, the net result from items at fair value was EUR 27m in the fourth quarter (EUR -10m in the third quarter).

Net result from items at fair value per area

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4
Retail Banking	100	104	90	144	133	-4%	-25%
Wholesale Banking excl. Other	81	87	84	105	83	-7%	-2%
Wealth Mgmt excl. Life	27	17	25	36	23	59%	17%
Wholesale Banking Other	109	8	148	207	37	n.m	195%
Life & Pensions	65	55	61	55	94	18%	-31%
Group Corporate Centre	27	-39	13	84	25	n.m	n.m
Other and eliminations	27	-10	-20	13	-28	n.m	n.m
Total Group	436	222	401	644	367	96%	19%

Equity method

Income from companies accounted for under the equity method was EUR 3m, compared to EUR 18m in the previous quarter.

Total operating income

Total income increased 10% in local currencies and EUR excluding non-recurring items from the previous quarter to EUR 2,469m.

Other operating income

Other operating income was EUR 197m compared to EUR 24m in the previous quarter. The sale of the card acquiring business to Nets generated income of EUR 176m.

Total operating income per business area

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Retail Banking	1,200	1,251	1,271	1,341	1,391	-4%	-14%		-4%	-12%
Wholesale Banking	598	488	633	712	582	23%	3%		23%	5%
Wealth Management	523	442	498	466	488	18%	7%		19%	8%
Group Corporate Centre	129	42	128	178	77	207%	68%		n.m	n.m
Other and eliminations	195	30	-7	22	-20	n.m	n.m		n.m	n.m
Total incl. non-recurring items	2,645	2,253	2,523	2,719	2,518	17%	5%		17%	7%
Total, excl. non-recurring items¹	2,469	2,253	2,523	2,719	2,518	10%	-2%		10%	0%

¹ Non-recurring item (Q4 2015: gain from divestment of Nordea's merchant acquiring business to Nets of EUR 176m)

Total expenses

Total operating expenses in the fourth quarter amounted to EUR 1,213m, up 9% from the previous quarter and unchanged from the fourth quarter 2014 in local currencies and adjusted for non-recurring items.

Staff costs were down 1% from previous quarter in local currencies adjusted for non-recurring items. Other expenses were up 34% in local currencies related to regulatory requirements and seasonality, and depreciation was up 11% from the previous quarter, adjusted for non-recurring items.

The number of employees (FTEs) at the end of fourth quarter was unchanged compared to previous quarter and up 1% from the same quarter 2014. Investments in compliance and IT as well as substitution of external consultants increased the number of FTEs compared to one year ago, while the scale-down in Russia reduced the number of FTEs.

Provisions for performance-related salaries in the fourth quarter were EUR 82m, compared to EUR 63m in the previous quarter.

The cost-to-income ratio, excluding non-recurring items, was 49.1% in the fourth quarter, down from 49.2% in the previous quarter.

Total operating expenses

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Staff cost	-751	-756	-772	-779	-760	-1%	-1%		-1%	0%
Other expenses	-408	-303	-363	-364	-418	35%	-2%		34%	-1%
Depreciations	-54	-49	-50	-45	-54	10%	0%		11%	0%
Restructuring charge	-263	0	0	0	0	n.m	n.m		n.m	n.m
Total incl. non-recurring items	-1,476	-1,108	-1,185	-1,188	-1,232	33%	20%		33%	21%
Total, excl. non-recurring items¹	-1,213	-1,108	-1,185	-1,188	-1,232	9%	-2%		9%	0%

¹ Non-recurring item (Q4 2015: restructuring charge of EUR 263m).

Total operating expenses per business area

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Retail Banking	-637	-638	-662	-656	-724	0%	-12%		0%	-10%
Wholesale Banking	-230	-189	-224	-230	-223	22%	3%		21%	5%
Wealth Management	-203	-198	-208	-192	-207	3%	-2%		2%	-1%
Group Corporate Centre	-87	-70	-77	-74	-95	24%	-8%		n.m	n.m
Other and eliminations	-319	-13	-14	-36	17	n.m	n.m		n.m	n.m
Total incl. non-recurring items	-1,476	-1,108	-1,185	-1,188	-1,232	33%	20%		33%	21%
Total, excl. non-recurring items¹	-1,213	-1,108	-1,185	-1,188	-1,232	9%	-2%		9%	0%

¹ Non-recurring item (Q4 2015: restructuring charge of EUR 263m).

Currency fluctuation effects

%-points	Q4/Q3	Q4/Q4	Jan-Dec 15/14
Income	0	-2	-2
Expenses	0	-1	-2
Operating profit	0	-2	-2
Loan and deposit volumes	0	0	0

Net loan losses

Net loan loss provisions increased to EUR 142m and the loan loss ratio was 17 basis points (EUR 112m and 13 basis points in the previous quarter). Loan losses decreased from the previous quarter in Russia, increased in agriculture in Denmark, in the Baltics, as well as in CIB and SOO. Collective provisions include an increase of EUR 20m made by management judgement in CIB and EUR 7m in SOO. The other areas were relatively stable.

Credit portfolio

Total lending to the public, excluding reversed repurchase agreements, amounted to EUR 309bn, up 1% from the previous quarter in local currencies. Overall, the credit quality of the loan portfolio remained solid in the fourth

quarter, with a slightly positive effect from migration in the household portfolio and a slightly negative migration in the corporate portfolio.

The impaired loans ratio increased to 162 basis points of total loans (145 basis points). Total impaired loans gross increased by 9% compared to the previous quarter. 8%-points of the increase is a purely technical impact of the new collective provisioning model, now including defaulted household lending with a collective provision in total impaired loans. The underlying risk in the portfolio is unchanged. The non-performing part of impaired loans has increased to 38% of impaired loans (34% in previous quarter). The provisioning ratio decreased to 45% (48% in previous quarter) including the change from the new model. On comparable figures the ratio is unchanged.

Loan loss ratios and impaired loans

Basis points of loans	Q415	Q315	Q215	Q115	Q414
Loan loss ratios annualised, Group	17	13	12	14	15
of which individual	16	12	11	14	15
of which collective	1	1	1	0	0
Retail Banking total	14	12	13	15	18
Banking Denmark	21	10	24	27	31
Banking Finland	21	24	13	16	17
Banking Norway	0	4	9	16	14
Banking Sweden	5	6	7	4	4
Banking Baltic countries	54	34	-5 ¹	-5 ¹	24
Corporate & Institutional Banking (CIB)	57	41	19	26	16
Shipping, Offshore & Oil Services	26	0	-13 ¹	9	-24 ¹
Banking Russia	13	47	72	17	77
Impaired loans ratio gross, Group (bps)	162	145	152	159	174
- performing	62%	66%	62%	62%	64%
- non-performing	38%	34%	38%	38%	36%
Total allowance ratio, Group (bps)	72	69	70	71	74
Provisioning ratio, Group ²	45%	48%	46%	45%	43%

¹ Net Reversals

² Total allowances in relation to gross impaired loans.

Profit**Operating profit**

Operating profit was up 8% in local currencies (+8% in EUR), to EUR 1 114m for the continuing operations adjusted for non-recurring items.

Taxes

Income tax expense was EUR 179m including a tax expense of EUR 3m related to the sale of the card acquiring business to Nets. The effective tax rate was 17.4%, compared to 24.5% in the previous quarter and 24.2% in the fourth quarter last year.

Net profit

Net profit from the continuing operations increased 10% in local currencies (+9% in EUR) from the previous quarter to EUR 848m. Return on equity was 11.5%, up 1.1%-points from the previous quarter adjusted for non-recurring items.

Diluted earnings per share were EUR 0.21 for the total operations (EUR 0.19 in the previous quarter).

Operating profit per business area

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Retail Banking	480	546	533	595	565	-12%	-15%		-12%	-14%
Wholesale Banking	312	252	384	452	333	24%	-6%		25%	-4%
Wealth Management	320	244	290	273	279	31%	15%		32%	16%
Group Corporate Centre	42	-28	51	104	-18	n.m	n.m		n.m	n.m
Other and eliminations	-127	19	-23	-15	-2	n.m	n.m		n.m	n.m
Total, incl. non-recurring items	1,027	1,033	1,235	1,409	1,157	-1%	-11%		0%	-9%
Total, excl. non-recurring items¹	1,114	1,033	1,235	1,409	1,157	8%	-4%		8%	-2%

¹ Non-recurring items (Q4 2015: gain from divestment of Nordea's merchant acquiring business to Nets of EUR 176m before tax and restructuring charge of EUR 263m).

Full year 2015 compared to full year 2014

Total income was up 3% in local currencies (+1% in EUR) from last year and operating profit was up 9% in local currencies (+7% in EUR) from last year excluding non-recurring items.

Income

Net interest income was down 4% in local currencies (down 7% in EUR) from last year. Average lending volumes in local currencies in business areas increased 3% from the fourth quarter of 2014. Average deposit volumes in local currencies in business areas increased 5% from the fourth quarter of 2014. Lending margins were down somewhat, while deposit margins were down significantly compared to one year ago.

Net fee and commission income increased 8% in local currencies (+6% in EUR) and the net result from items at fair value increased by 19% in local currencies (+20% in EUR) from last year.

Expenses

Total expenses were down 1% in local currencies (-4% in EUR) from the previous year excluding non-recurring items and amounted to EUR 4,694m, in line with the cost target communicated in connection with the 2015 plan. Staff costs were up 4% in local currencies excluding non-recurring items.

Net loan losses

Net loan loss provisions decreased to EUR 479m, corresponding to a loan loss ratio of 14 basis points (15 basis points for full year 2014).

Net profit

Net profit increased 11% in local currencies (+9% in EUR) to EUR 3,662m.

Currency fluctuation impact

Currency fluctuations had a reducing effect of 2 %-points on income and expenses and no effect on loan and deposit volumes compared to a year ago.

Other information

Capital position and risk exposure amount, REA

The Group's Basel III Common equity tier 1 (CET1) capital ratio increased to 16.5% at the end of the fourth quarter 2015 from 16.3% at the end of the third quarter 2015. The CET1 capital ratio increase was due to reduced REA, somewhat offset by decreased CET1 capital.

The tier 1 capital ratio increased to 18.5%, up 30bps from previous quarter and the total capital ratio increased from 21.3% to 21.6%.

REA was EUR 143.3bn in the fourth quarter, a decrease of EUR 3.4bn compared to the previous quarter. The reduction is a combination of decreased market risk for internal models, reduced counterparty credit risk and a decrease of the article 3 buffer due to implementation in the credit risk models.

The CET1 capital was EUR 23.6bn, the tier 1 capital was EUR 26.5bn and the own funds were EUR 30.9bn. The capital requirement based on Basel 1 transitional rules was EUR 17.7bn and the adjusted own funds were EUR 31.2bn.

The CRR leverage ratio increased 10bps to 4.5% in the fourth quarter compared to the previous quarter and including profit to 4.6%. The leverage ratio is calculated in accordance to the delegated regulation 2015\62.

Economic Capital (EC) was at the end of the fourth quarter EUR 25.0bn, which is an increase by 0.2bn from the previous quarter. Economic Capital for market risk increased slightly where an increase in the pillar 2 risks was offset by decrease in pillar 1. Credit risk decreased by EUR 0.2bn between quarters. The FX increased EC by 0.1bn driven by the USD appreciation against the EUR. The decrease in credit risk was mainly from lower volumes, both in the corporate and counterparty credit risk portfolios. Capital deductions increased economic capital by EUR 0.2bn driven by increases in intangibles and shortfall.

The Group's Internal Capital Requirement (ICR) was at the end of the fourth quarter EUR 15,217m, an increase of EUR 511m compared to the previous quarter. The ICR should be compared to the own funds, which was EUR 30,900m at the end of the fourth quarter. The ICR is calculated based on a Pillar I plus Pillar II approach. For more detailed information about the ICR methodology see the Capital and Risk Management Report.

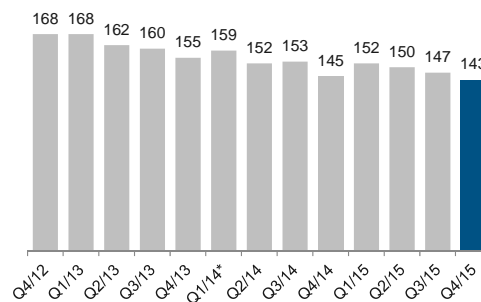
Regulatory developments

On 13 October 2015 Finansinspektionen announced that Nordea, on group level, is defined as other systemically important institution (O-SII). The buffer is activated to 2%, to be met with CET1 capital and applicable from 1 January 2016. In addition to this Nordea is already defined as a globally systemically important institution (G-SII) with a 1% CET1 buffer requirement. However, neither the G-SII buffer nor the O-SII buffer will increase Nordea's buffer requirement since Nordea is already obliged to hold a systemic risk buffer (SRB) of 3%. According to the legislation, the higher of G-SII or O-SII and the SRB should be applicable.

Capital ratios

%	Q415	Q315	Q215	Q115	Q414
CRR/CRDIV					
Common equity tier 1 capital ratio	16.5	16.3	16.0	15.6	15.7
Tier 1 capital ratio	18.5	18.2	17.9	17.5	17.6
Total capital ratio	21.6	21.3	20.7	20.3	20.6

Risk exposure amount, REA (EURbn), quarterly development



Common equity tier 1 (CET1) capital ratio, changes in the quarter



*Includes FX effect from OCI

Balance sheet

Total assets in the balance sheet decreased EUR 33bn in the quarter. Loans to the public decreased EUR 8bn in the quarter to EUR 341bn. Asset values of derivatives were EUR 9bn lower than in the third quarter. The corresponding change was seen in the derivative liabilities. Deposits from the public decreased EUR 15bn from the previous quarter to EUR 193bn.

Balance sheet data

EURbn	Q415	Q315	Q215	Q115	Q414
Loans to credit institutions	11	12	14	12	12
Loans to the public	341	349	358	358	348
Derivatives	81	90	86	124	105
Interest-bearing securities	88	87	88	91	87
Other assets	126	142	137	141	117
Total assets	647	680	683	726	669
Deposits from credit inst.	44	64	64	66	56
Deposits from the public	193	208	211	209	197
Debt securities in issue	202	192	197	199	194
Derivatives	80	87	84	120	97
Other liabilities	97	99	98	104	94
Total equity	31	30	30	28	30
Total liabilities and equity	647	680	683	726	669

Nordea's funding and liquidity operations

Nordea issued approx. EUR 6.1bn in long-term funding in the fourth quarter excluding Danish covered bonds and subordinated notes, of which approx. EUR 4.1bn represented the issuance of Swedish, Norwegian and Finnish covered bonds in domestic and international markets. Notable benchmark transactions in the quarter were a 7y EUR 1.25bn covered bond issued by Nordea Bank Finland in October and a CHF 275m 8y senior in November.

Nordea also issued a subordinated benchmark note during the quarter in the form of a EUR 750m fixed-rate 10non-call5 Tier 2, due November 2025.

Nordea's long-term funding portion of total funding was, at the end of the fourth quarter, approx. 77%.

Short-term liquidity risk is measured using several metrics and the Liquidity Coverage Ratio (LCR) is one such metric. LCR for the Nordea Group was, according to the Swedish FSA's LCR definition, 201% at the end of the fourth quarter. The LCR in EUR was 303% and in USD 188% at the end of the fourth quarter. LCR for the Nordea Group according to CRR LCR definitions was 161% at the end of the fourth quarter. 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 60bn at the end of the fourth quarter (EUR 65bn at the end of the third quarter).

Funding and liquidity data

	Q415	Q315	Q215	Q115	Q414
Long-term funding portion	77%	78%	76%	76%	74%
LCR total	161%	142%	131%	135%	149%
LCR EUR	303%	288%	133%	157%	307%
LCR USD	188%	163%	165%	192%	169%

Market risk

Total market risk, measured as Value at Risk, in the banking book amounted to EUR 77m. Total market risk, measured as Value at Risk, in the trading book amounted to EUR 33m.

Banking book

EURm	Q415	Q315	Q215	Q115	Q414
Total risk, VaR	77	77	48	61	40
Interest rate risk, VaR	76	76	45	57	40
Equity risk, VaR	3	3	1	2	4
Foreign exchange risk, VaR	3	3	6	5	5
Credit spread risk, VaR	3	4	4	6	7
Diversification effect	9%	9%	14%	13%	29%

Trading book

EURm	Q415	Q315	Q215	Q115	Q414
Total risk, VaR	33	17	29	35	25
Interest rate risk, VaR	32	14	26	30	20
Equity risk, VaR	7	6	4	8	7
Foreign exchange risk, VaR	4	3	9	7	3
Credit spread risk, VaR	6	9	6	8	7
Diversification effect	32%	49%	36%	34%	32%

Nordea share

In the fourth quarter, Nordea's share price on the Nasdaq Stockholm Exchange appreciated from SEK 93.2 to SEK 93.3.

Simplifying our legal structure

As communicated in the Q2 2015 report, Nordea is working on simplifying its legal structure with the aim to change the Norwegian, Danish and Finnish subsidiary banks to branches of the Swedish parent company by means of cross-border mergers. The preparations are progressing as planned including the ability to present a proposal to the Annual General Meeting in March. The changes to the legal structure depend among other on regulatory approvals and a satisfactory outcome of discussions with the local authorities.

Nordea has divested its merchant acquiring business to Nets

The sale of Nordea's merchant acquiring business to Nets was completed on 10 December 2015. The capital gain consists of approximately EUR 176m recognised under Other operating income and approximately EUR 3m is accounted for under Income tax expense.

Dividend

The Board of Directors proposes to the AGM 2016 a dividend of EUR 0.64 per share (EUR 0.62), and furthermore that the record date for dividend should be 21 March 2016. The total proposed dividend amounts to EUR 2,584m. The Board has also decided on a new dividend policy: "Nordea strives to maintain a strong capital position in line with Nordea's capital policy. The ambition is achieve a yearly increase in the dividend per share".

The ex-dividend date for the Nordea share is 18 March 2016. The dividend payments are scheduled to be made on 30 March 2016.

Mandate to issue convertible instruments

The Board of Directors proposes that the AGM 2016 should authorise the Board of Directors to decide on issuing convertible instruments, with or without preferential rights for existing shareholders. The authorisation means that the share capital may be increased by a maximum of 10% of the Company's share capital. The authorisation may be used on one or several occasions up until the next AGM.

An issue of convertible instruments should be carried out on market terms. The purpose of the authorisation is to facilitate a flexible and efficient adjustment of the Company's capital structure to the capital requirements.

The AGM 2015 decided on a corresponding authorisation to decide to issue convertible instruments.

Profit sharing and Long-term incentives

The profit-sharing scheme for 2015 is based on RAROCAR. If performance criteria are fully met, the cost will amount to approx. EUR 92m. As Nordea's LTIP 2012 is expensed over 36 months, Nordea has LTIP costs also for 2015.

The provision for Nordea's profit-sharing scheme and the LTIPs was EUR 82m compared to EUR 92m in 2014.

Performance-related salaries

Performance-related salaries at Nordea include bonuses, variable salary parts and executive incentive programme. In order to attract and retain high competence in areas directly exposed to international competition: Capital Markets, Investment Banking, Asset Management, International Private Banking, Treasury and ALM, Nordea offers performance-related salaries in the form of bonus

schemes to a selected group of employees in these areas. Nordea's ambition is to have competitive, but not market-leading, remuneration schemes.

The provisions for bonus in 2015 increased to EUR 182m from EUR 150m in 2014, of which approx. EUR 58m refers to Sweden (EUR 43m in 2014). The payout ratio – total staff costs including fixed salaries and bonuses in relation to total income – for the areas with bonus schemes was 14.4% in 2015 compared to 20.9% in 2014. Nordea thus continues to have payout ratios at significantly lower levels than most international peers. The bonus in relation to total income decreased to 3.7% in 2015 compared to 4.8% in 2014.

Variable salary parts in other areas or units, including costs for LTIP 2012, decreased to EUR 89m in 2015 from EUR 108m in 2014. Nordea variable salary parts are capped – normally to 3 months' fixed salary.

The new executive incentive programme replaces from 2013 variable salary part and Long-Term Incentive Programme (LTIP) for up to 400 managers. Provisions in 2015 amounted to EUR 55m (EUR 47m).

The provisions for performance-related salaries in the fourth quarter amounted to EUR 82m, up from EUR 63m in the third quarter.

Annual General Meeting

The Annual General Meeting will be held on Thursday 17 March 2016 at Stockholm City Conference Center, Folkets Hus, Stockholm at 13.00 CET.

Quarterly development, Group

	Q4	Q3	Q2	Q1	Q4	Jan-Dec	Jan-Dec
EURm	2015	2015	2015	2015	2014	2015	2014
Net interest income	1,241	1,272	1,309	1,288	1,356	5,110	5,482
Net fee and commission income	768	717	783	757	763	3,025	2,842
Net result from items at fair value	436	222	401	644	367	1,703	1,425
Equity method	3	18	8	10	-1	39	18
Other operating income	197	24	22	20	33	263	474
Total operating income	2,645	2,253	2,523	2,719	2,518	10,140	10,241
General administrative expenses:							
Staff costs	-956	-756	-772	-779	-760	-3,263	-3,159
Other expenses	-455	-303	-363	-364	-418	-1,485	-1,656
Depreciation of tangible and intangible assets	-65	-49	-50	-45	-54	-209	-585
Total operating expenses	-1,476	-1,108	-1,185	-1,188	-1,232	-4,957	-5,400
Profit before loan losses	1,169	1,145	1,338	1,531	1,286	5,183	4,841
Net loan losses	-142	-112	-103	-122	-129	-479	-534
Operating profit	1,027	1,033	1,235	1,409	1,157	4,704	4,307
Income tax expense	-179	-253	-283	-327	-280	-1,042	-950
Net profit for the period from continuing operations	848	780	952	1,082	877	3,662	3,357
Net profit for the period from discontinued operations, after tax	-	-	-	-	-	-	-25
Net profit for the period	848	780	952	1,082	877	3,662	3,332
Diluted earnings per share (DEPS), EUR							
- Total operations	0.21	0.19	0.24	0.27	0.22	0.91	0.83
DEPS, rolling 12 months up to period end, EUR							
- Total operations	0.91	0.92	0.95	0.89	0.83	0.91	0.83

Business areas

Nordea Group - continuing operations																		
EURm	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other and Eliminations			Nordea Group		
	Q4	Q3	Chg	Q4	Q3	Chg	Q4	Q3	Chg	Q4	Q3	Chg	Q4	Q3	Chg	Q4	Q3	Chg
	2015	2015		2015	2015		2015	2015		2015	2015		2015	2015		2015	2015	
Net interest income	847	866	-2%	256	262	-2%	36	33	9%	106	81	31%	-4	30		1,241	1,272	-2%
Net fee and commission income	248	264	-6%	152	130	17%	384	332	16%	-6	-1		-10	-8		768	717	7%
Net result from items at fair value	100	104	-4%	190	95	100%	92	72	28%	27	-39		27	-10		436	222	96%
Equity method	-2	2		0	0		0	0		0	0		5	16	-69%	3	18	-83%
Other income	7	15	-53%	0	1	-100%	11	5	120%	2	1	100%	177	2		197	24	
Total operating income	1,200	1,251	-4%	598	488	23%	523	442	18%	129	42		195	30		2,645	2,253	17%
Staff costs	-350	-365	-4%	-167	-134	25%	-124	-126	-2%	-64	-69	-7%	-251	-62		-956	-756	26%
Other expenses	-268	-251	7%	-60	-51	18%	-78	-71	10%	-12	9		-37	61		-455	-303	50%
Depreciations	-19	-22	-14%	-3	-4	-25%	-1	-1	0%	-11	-10	10%	-31	-12	158%	-65	-49	33%
Total operating expenses	-637	-638	0%	-230	-189	22%	-203	-198	3%	-87	-70	24%	-319	-13		-1,476	-1,108	33%
Net loan losses	-83	-67	24%	-56	-47	19%	0	0		0	0		-3	2		-142	-112	27%
Operating profit	480	546	-12%	312	252	24%	320	244	31%	42	-28		-127	19		1,027	1,033	-1%
Cost/income ratio, %	53	51		38	39		39	45		67	167					49	49	
ROCAR, %	12	14		12	10		40	32								14	12	
Economic capital (EC)	12,158	12,095	1%	7,824	7,871	-1%	2,521	2,372	6%	1,297	935	39%	1,153	1,552	-26%	24,953	24,825	1%
Risk exposure amount (REA)	69,428	71,389	-3%	51,413	52,411	-2%	5,669	5,422	5%	8,174	6,392	28%	8,610	11,091	-22%	143,294	146,705	-2%
Number of employees (FTEs)	18,215	18,230	0%	3,899	3,926	-1%	3,648	3,638	0%	2,558	2,598	-2%	1,495	1,429	5%	29,815	29,821	0%
Volumes, EURbn:																		
Lending to corporates	79.1	79.5	-1%	97.5	108.7	-10%							0.2	-0.7		176.8	187.5	-6%
Household mortgage lending	130.6	128.4	2%	0.3	0.3	0%	6.7	6.5	4%							137.6	135.2	2%
Consumer lending	22.6	23.3	-3%				3.8	3.4	13%							26.4	26.7	-1%
Total lending	232.3	231.2	0%	97.8	109.0	-10%	10.6	9.8	8%				0.2	-0.7		340.9	349.3	-2%
Corporate deposits	46.9	44.5	5%	56.2	71.1	-21%							3.8	6.7		106.9	122.3	-13%
Household deposits	73.7	73.5	0%	0.1	0.1	0%	12.6	12.4	2%							86.4	86.0	0%
Total deposits	120.6	118.0	2%	56.3	71.2	-21%	12.6	12.4	2%				3.8	6.7	-43%	193.3	208.3	-7%

Nordea Group - continuing operations																		
EURm	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other and Eliminations			Nordea Group		
	Jan-Dec	2014	Chg	Jan-Dec	2014	Chg	Jan-Dec	2014	Chg	Jan-Dec	2014	Chg	Jan-Dec	2014	Chg	Jan-Dec	2014	Chg
	2015	2015		2015	2015		2015	2015		2015	2015		2015	2015		2015	2015	
Net interest income	3,502	3,832	-9%	1,036	1,124	-8%	121	141	-14%	388	288	35%	63	97	-35%	5,110	5,482	-7%
Net fee and commission income	1,077	1,094	-2%	564	630	-10%	1,437	1,170	23%	-13	-12		-40	-40		3,025	2,842	6%
Net result from items at fair value	438	398	10%	829	679	22%	341	355	-4%	85	101	-16%	10	-108		1,703	1,425	20%
Equity method	6	5	20%	0	0		0	0		0	0		33	13	154%	39	18	117%
Other income	40	32	25%	2	4	-50%	30	27	11%	17	20	-18%	174	391	-55%	263	474	-45%
Total operating income	5,063	5,361	-6%	2,431	2,437	0%	1,929	1,693	14%	477	397	20%	240	353	-32%	10,140	10,241	-1%
Staff costs	-1,438	-1,487	-3%	-637	-634	0%	-507	-492	3%	-269	-229	18%	-412	-317	30%	-3,263	-3,159	3%
Other expenses	-1,076	-1,234	-13%	-217	-205	6%	-289	-288	0%	0	-54		97	125	-23%	-1,485	-1,656	-10%
Depreciations	-79	-104	-24%	-19	-24	-21%	-5	-5	0%	-39	-24	63%	-67	-428	-84%	-209	-585	-64%
Total operating expenses	-2,593	-2,825	-8%	-873	-863	1%	-801	-785	2%	-308	-307	0%	-382	-620	-38%	-4,957	-5,400	-8%
Net loan losses	-316	-431	-27%	-158	-98	61%	-1	-3	-67%	0	0		-4	-2	100%	-479	-534	-10%
Operating profit	2,154	2,105	2%	1,400	1,476	-5%	1,127	905	25%	169	90	86%	-146	-269		4,704	4,307	9%
Cost/income ratio, %	51	53		36	35		42	46		65	77					47	49	
ROCAR, %	14	14		13	13		37	32								15	14	
Economic capital (EC)	12,158	11,435	6%	7,824	7,926	-1%	2,521	2,101	20%	1,297	827	57%	1,153	1,507	-23%	24,953	23,796	5%
Risk exposure amount (REA)	69,428	70,003	-1%	51,413	53,415	-4%	5,669	4,970	14%	8,174	6,470	26%	8,610	10,662	-19%	143,294	145,520	-2%
Number of employees (FTEs)	18,215	18,066	1%	3,899	4,292	-9%	3,648	3,478	5%	2,558	2,432	5%	1,495	1,375	9%	29,815	29,643	1%
Volumes, EURbn:																		
Lending to corporates	79.1	81.0	-2%	97.5	106.6	-9%							0.2	1.4		176.8	189.0	-6%
Household mortgage lending	130.6	125.8	4%	0.3	0.3	0%	6.7	5.9	14%							137.6	132.0	4%
Consumer lending	22.6	23.9	-5%				3.8	3.2	20%							26.4	27.1	-2%
Total lending	232.3	230.7	1%	97.8	106.9	-9%	10.6	9.1	16%				0.2	1.4		340.9	348.1	-2%
Corporate deposits	46.9	44.8	5%	56.2	63.4	-11%							3.8	4.3		106.9	112.5	-5%
Household deposits	73.7	73.6	0%	0.1	0.1	0%	12.6	11.1	14%							86.4	84.8	2%
Total deposits	120.6	118.4	2%	56.3	63.5	-11%	12.6	11.1	14%				3.8	4.3	-12%	193.3	197.3	-2%

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 except the Nordic Private Banking segment. Approx. 10 million household customers and 0.5 million corporate customers are offered a wide range of products. Besides 628 branch locations, customers are served by contact centres as well as through the online banking channels.

Business development

It's the customers who decide how, when and where they want to do banking. This requires the bank to be available and deliver professional financial advice and services anytime and anywhere, whether it is face to face, over the phone, remote via video or online and mobile. Household as well as corporate customers are increasingly moving towards digital banking services and advice. We are therefore increasing our ambitions in developing new digital solutions even further and will almost double our investments and create two development hubs in Finland and Denmark.

This year, Nordea has launched a Corporate Mobile Banking App to Danish, Swedish and most lately Finnish corporates. Across the Nordics more than 20.000 customers now use Nordea's Corporate Mobile Banking App. The app allows corporate customers to do their day-to-day banking activities on the go – such as checking balance, viewing transactions and approving bills.

An online solution making it easy for new customers to sign up online and at their convenience was also launched. In June the online sign up solution was introduced for new Norwegian corporate customers and since December new Swedish corporate customers have been given the same opportunity. In both cases, Nordea was first runner among the major banks in both countries. We provide the same solution for household customers in Sweden and Finland, and we will continue to expand this service to both corporate and household customers in the other Nordic countries in 2016.

The digital services for our household customers continued to expand. Now, getting access to an advisor in Nordea is never more than a click away thanks to the latest update of Nordea's mobile bank. Here, customers can chat with Nordea and easily place calls to Nordea directly in the app.

Another area, where the interest for our online solutions continues to increase is when it comes to getting advice online. Still more customers prefer an online meeting and today one out of seven of all our customer meetings are online meetings. The need for online meetings is also met via our new e-branches. Here, customers get access to the same advice as in the physical branch, but with more flexible opening hours. During 2016 we will establish more e-branches.

Result

Total income decreased by 4% from the third quarter. Compared to the same quarter last year income was 14% lower, driven by the negative interest rates in Sweden and Denmark as well in the euro countries. In addition Q4 last year included a gain from the sale of a debt portfolio of EUR 27m.

In local currencies, lending volumes were stable compared to the third quarter and increased by 1% from the fourth quarter 2014. Deposit volumes improved from the previous quarter. In total, net interest income decreased by 2% from the previous quarter.

Income from the savings area remained high, while payments commission decreased. Total net fee and commission income was down by 6%. Excluding the sale of a debt portfolio in the third quarter, net result from items at fair value showed a solid increase, driven by high customer activities in the risk management area.

Despite the higher activity level in the fourth quarter compared to July and August total expenses were unchanged from the previous quarter. Compared to the same quarter last year, expenses were substantially lower, a result of the continuous work to enhance the efficiency in the operations and the branch network transformation. The number of FTEs was unchanged from the previous quarter and 1% up from the same quarter last year following the investments in digital channels and the compliance area. In local currencies total expenses were down by 6% 2015 compared to 2014.

Economic capital (EC) was unchanged while Risk exposure amount (REA) decreased from last quarter. RoCar FY 2015 ended at 14%, unchanged compared to previous year.

Credit quality

Net loan losses increased from Q3 but were 19% lower compared to the same period last year. The loan loss ratio was 14 basis points compared to 12 basis points in the third quarter. Credit quality remained solid.

Banking Denmark

Total income declined in the fourth quarter from the previous quarter mainly as a result of changes in the Central Bank deposit possibilities, lower refinancing fees related to mortgage refinancing where customers move out on the interest curve in previous quarters and a high Equity method income in the third quarter from selling of shares in a sector company. Costs continued down and were 10 % lower compared to the same quarter last year. The transition towards the future relationship bank continues at a high speed with a very significant increase in the number of customers being served in an increasing number of e-branches.

Banking Finland

Total income was strong in the fourth quarter as savings sales and sales of markets products returned to the high level after a slower summer period. Costs were down by 4% compared to the same quarter last year. Despite the persistently weak macroeconomic environment, lending and deposit volumes have increased steadily from year end and net loan losses are still at moderate level.

Banking Norway

Total income was down 4% in local currency from last quarter. Corporate lending volumes were slightly down while margins were unchanged. Household mortgage margins were down in the quarter. Savings has improved further with very high income growth compared both to last quarter and fourth quarter last year. Number of online meetings has improved significantly and more than 15% of all household meetings during the quarter were online meetings. Loan losses were on a very low level.

Banking Sweden

The business volumes from Banking Sweden's customers continued to grow in the fourth quarter. Declining stock markets limited the progression of commission income and net results at fair value. In the previous quarter, the net result from items at fair value included a one-off of EUR 14m and in the same quarter last year there was an equivalent income item of EUR 27m, both regarding sales of debt collection portfolios. The number of FTEs increased following investments in contact centre services.

Banking Baltic countries

Total income was down from the high level in previous quarter but was 7% higher than the same quarter last year. Net commission income increased by 14% compared to the same quarter last year, driven by the growing number of transactions both in the household and corporate segments. Total deposits increased 5% compared to the previous year as a result of the continuous attentiveness to home-bank relationships.

Retail Banking total

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Local curr. Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14	EUR	Local
Net interest income	847	866	885	904	965	-2%	-12%	-2%	-11%	3,502	3,832	-9%	-7%	
Net fee and commission income	248	264	282	283	282	-6%	-12%	-7%	-11%	1,077	1,094	-2%	-1%	
Net result from items at fair value	100	104	90	144	133	-4%	-25%	-4%	-23%	438	398	10%	13%	
Equity method & other income	5	17	14	10	11	-71%	-55%	-70%	-53%	46	37	24%	38%	
Total income incl. allocations	1,200	1,251	1,271	1,341	1,391	-4%	-14%	-4%	-12%	5,063	5,361	-6%	-4%	
Staff costs	-350	-365	-366	-357	-381	-4%	-8%	-4%	-7%	-1,438	-1,487	-3%	-2%	
Other exp. excl. depreciations	-268	-251	-277	-280	-325	7%	-18%	7%	-15%	-1,076	-1,234	-13%	-11%	
Total expenses incl. allocations	-637	-638	-662	-656	-724	0%	-12%	0%	-10%	-2,593	-2,825	-8%	-6%	
Profit before loan losses	563	613	609	685	667	-8%	-16%	-8%	-15%	2,470	2,536	-3%	-1%	
Net loan losses	-83	-67	-76	-90	-102	24%	-19%	24%	-18%	-316	-431	-27%	-26%	
Operating profit	480	546	533	595	565	-12%	-15%	-12%	-14%	2,154	2,105	2%	4%	
Cost/income ratio, %	53	51	52	49	52					51	53			
ROCAR, %	12	14	14	15	15					14	14			
Economic capital (EC)	12,158	12,095	11,923	12,112	11,435	1%	6%	-1%	7%	12,158	11,435	6%	7%	
Risk exposure amount (REA)	69,428	71,389	70,015	72,303	70,003	-3%	-1%	-3%	0%	69,428	70,003	-1%	0%	
Number of employees (FTEs)	18,215	18,230	18,180	18,032	18,066	0%	1%	0%	1%	18,215	18,066	1%	1%	
Volumes, EURbn:														
Lending to corporates	79.1	79.5	81.6	81.4	81.0	-1%	-2%	-1%	-1%	79.1	81.0	-2%	-1%	
Household mortgage lending	130.6	128.4	129.8	127.7	125.8	2%	4%	1%	4%	130.6	125.8	4%	4%	
Consumer lending	22.6	23.3	23.6	23.6	23.9	-3%	-5%	-3%	-5%	22.6	23.9	-5%	-5%	
Total lending	232.3	231.2	235.0	232.7	230.7	0%	1%	0%	1%	232.3	230.7	1%	1%	
Corporate deposits	46.9	44.5	45.0	44.1	44.8	5%	5%	5%	5%	46.9	44.8	5%	5%	
Household deposits	73.7	73.5	75.0	72.1	73.6	0%	0%	0%	0%	73.7	73.6	0%	0%	
Total deposits	120.6	118.0	120.0	116.2	118.4	2%	2%	2%	2%	120.6	118.4	2%	2%	

Historical numbers have been restated following organisational changes

Banking Denmark

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14
Net interest income	271	280	279	281	303	-3%	-11%	1,111	1,233	-10%
Net fee and commission income	37	52	57	65	47	-29%	-21%	211	175	21%
Net result from items at fair value	16	23	-1	44	28	-30%	-43%	82	99	-17%
Equity method & other income	-4	9	3	3	2			11	2	
Total income incl. allocations	320	364	338	393	380	-12%	-16%	1,415	1,509	-6%
Staff costs	-70	-75	-70	-73	-78	-7%	-10%	-288	-297	-3%
Other exp. excl. depreciations	-116	-105	-113	-115	-131	10%	-11%	-449	-520	-14%
Total expenses incl. allocations	-190	-184	-187	-191	-212	3%	-10%	-752	-831	-10%
Profit before loan losses	130	180	151	202	168	-28%	-23%	663	678	-2%
Net loan losses	-35	-16	-40	-44	-52	119%	-33%	-135	-222	-39%
Operating profit	95	164	111	158	116	-42%	-18%	528	456	16%
Cost/income ratio, %	59	51	55	49	56			53	55	
ROCAR, %	8	15	10	14	10			12	10	
Economic capital (EC)	3,410	3,481	3,410	3,584	3,454	-2%	-1%	3,410	3,454	-1%
Risk exposure amount (REA)	23,385	24,321	23,650	25,145	24,081	-4%	-3%	23,385	24,081	-3%
Number of employees (FTEs)	3,060	3,116	3,209	3,155	3,253	-2%	-6%	3,060	3,253	-6%
Volumes, EURbn:										
Lending to corporates	22.4	22.1	22.3	22.1	22.3	1%	0%	22.4	22.3	0%
Household mortgage lending	32.3	32.3	32.0	31.7	32.2	0%	0%	32.3	32.2	0%
Consumer lending	10.9	11.3	11.4	11.5	11.8	-4%	-8%	10.9	11.8	-8%
Total lending	65.6	65.7	65.7	65.3	66.3	0%	-1%	65.6	66.3	-1%
Corporate deposits	9.3	8.8	9.0	9.6	9.2	6%	1%	9.3	9.2	1%
Household deposits	22.9	23.2	23.7	22.8	24.0	-1%	-5%	22.9	24.0	-5%
Total deposits	32.2	32.0	32.7	32.4	33.2	1%	-3%	32.2	33.2	-3%

Historical numbers have been restated following organisational changes

Banking Finland

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14
Net interest income	191	188	188	188	188	2%	2%	755	752	0%
Net fee and commission income	87	84	94	91	93	4%	-6%	356	373	-5%
Net result from items at fair value	32	27	35	35	32	19%	0%	129	102	26%
Equity method & other income	1	2	1	0	1	-50%	0%	4	3	33%
Total income incl. allocations	311	301	318	314	314	3%	-1%	1,244	1,230	1%
Staff costs	-52	-57	-54	-55	-59	-9%	-12%	-218	-225	-3%
Other exp. excl. depreciations	-99	-90	-95	-94	-99	10%	0%	-378	-398	-5%
Total expenses incl. allocations	-154	-149	-152	-152	-161	3%	-4%	-607	-633	-4%
Profit before loan losses	157	152	166	162	153	3%	3%	637	597	7%
Net loan losses	-26	-30	-16	-20	-21	-13%	24%	-92	-72	28%
Operating profit	131	122	150	142	132	7%	-1%	545	525	4%
Cost/income ratio, %	50	50	48	48	51			49	52	
ROCAR, %	20	19	23	22	20			22	21	
Economic capital (EC)	2,046	2,038	1,969	1,937	1,933	0%	6%	2,046	1,933	6%
Risk exposure amount (REA)	13,310	13,445	12,949	12,890	12,591	-1%	6%	13,310	12,591	6%
Number of employees (FTEs)	3,666	3,706	3,760	3,684	3,726	-1%	-2%	3,666	3,726	-2%
Volumes, EURbn:										
Lending to corporates	15.5	15.7	15.5	15.5	15.3	-1%	1%	15.5	15.3	1%
Household mortgage lending	27.8	27.7	27.6	27.4	27.4	0%	1%	27.8	27.4	1%
Consumer lending	6.4	6.5	6.5	6.4	6.4	-2%	0%	6.4	6.4	0%
Total lending	49.7	49.9	49.6	49.3	49.1	0%	1%	49.7	49.1	1%
Corporate deposits	10.8	10.7	10.6	10.0	10.1	1%	7%	10.8	10.1	7%
Household deposits	20.6	20.6	20.7	20.5	20.8	0%	-1%	20.6	20.8	-1%
Total deposits	31.4	31.3	31.3	30.5	30.9	0%	2%	31.4	30.9	2%

Banking Norway

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Local curr.		Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14	
								Q4/Q3	Q4/Q4			EUR	Local
Net interest income	150	167	177	185	192	-10%	-22%	-8%	-14%	679	767	-11%	-5%
Net fee and commission income	43	39	41	39	43	10%	0%	11%	7%	162	173	-6%	0%
Net result from items at fair value	17	17	20	33	20	0%	-15%	1%	-5%	87	69	26%	35%
Equity method & other income	0	2	0	0	0	-100%		-74%	206%	2	0		
Total income incl. allocations	210	225	238	257	255	-7%	-18%	-4%	-10%	930	1,009	-8%	-1%
Staff costs	-33	-34	-35	-35	-36	-3%	-8%	1%	0%	-137	-147	-7%	-1%
Other exp. excl. depreciations	-65	-62	-67	-67	-72	5%	-10%	5%	-2%	-261	-286	-9%	-2%
Total expenses incl. allocations	-99	-97	-104	-104	-109	2%	-9%	4%	-1%	-404	-439	-8%	-2%
Profit before loan losses	111	128	134	153	146	-13%	-24%	-10%	-16%	526	570	-8%	-1%
Net loan losses	0	-4	-10	-18	-15	-100%	-100%	-74%	-95%	-32	-54	-41%	-38%
Operating profit	111	124	124	135	131	-10%	-15%	-9%	-8%	494	516	-4%	3%
Cost/income ratio, %	47	43	44	41	43					43	44		
ROCAR, %	13	14	14	17	17					15	16		
Economic capital (EC)	2,630	2,603	2,610	2,683	2,247	1%	17%	2%	24%	2,630	2,247	17%	24%
Risk exposure amount (REA)	15,009	15,360	15,298	15,981	15,328	-2%	-2%	-1%	4%	15,009	15,328	-2%	4%
Number of employees (FTEs)	1,269	1,327	1,326	1,325	1,338	-4%	-5%	-4%	-5%	1,269	1,338	-5%	-5%
Volumes, EURbn:													
Lending to corporates	17.3	17.7	19.2	19.4	18.9	-2%	-8%	-2%	-3%	17.3	18.9	-8%	-3%
Household mortgage lending	24.3	24.1	25.8	25.3	23.9	1%	2%	2%	8%	24.3	23.9	2%	8%
Consumer lending	0.2	0.5	0.6	0.6	0.6	-60%	-67%	-42%	-41%	0.2	0.6	-67%	-41%
Total lending	41.8	42.3	45.6	45.3	43.4	-1%	-4%	0%	3%	41.8	43.4	-4%	3%
Corporate deposits	9.2	9.0	9.6	9.6	9.8	2%	-6%	3%	0%	9.2	9.8	-6%	0%
Household deposits	7.3	7.8	8.6	8.2	8.0	-6%	-9%	-5%	-2%	7.3	8.0	-9%	-2%
Total deposits	16.5	16.8	18.2	17.8	17.8	-2%	-7%	-1%	-1%	16.5	17.8	-7%	-1%

Banking Sweden

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Local curr.		Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14	
								Q4/Q3	Q4/Q4			EUR	Local
Net interest income	218	215	224	231	250	1%	-13%	0%	-13%	888	1,013	-12%	-10%
Net fee and commission income	90	95	98	95	103	-5%	-13%	-8%	-13%	378	378	0%	3%
Net result from items at fair value	29	36	30	29	53	-19%	-45%	-22%	-46%	124	128	-3%	0%
Equity method & other income	0	0	0	0	0			39%	-306%	0	2	-100%	-79%
Total income incl. allocations	337	346	352	355	406	-3%	-17%	-4%	-17%	1,390	1,521	-9%	-6%
Staff costs	-67	-68	-68	-68	-71	-1%	-6%	-2%	-5%	-271	-282	-4%	-2%
Other exp. excl. depreciations	-120	-113	-119	-118	-126	6%	-5%	5%	-5%	-470	-517	-9%	-7%
Total expenses incl. allocations	-190	-183	-189	-189	-200	4%	-5%	2%	-5%	-751	-813	-8%	-5%
Profit before loan losses	147	163	163	166	206	-10%	-29%	-12%	-29%	639	708	-10%	-7%
Net loan losses	-9	-10	-12	-7	-6	-10%	50%	-11%	53%	-38	-10		303%
Operating profit	138	153	151	159	200	-10%	-31%	-12%	-32%	601	698	-14%	-12%
Cost/income ratio, %	56	53	54	53	49					54	54		
ROCAR, %	13	14	14	16	19					14	18		
Economic capital (EC)	3,284	3,264	3,240	3,213	3,087	1%	6%	-2%	4%	3,284	3,087	6%	4%
Risk exposure amount (REA)	12,691	13,231	13,155	13,377	13,065	-4%	-3%	-6%	-5%	12,691	13,065	-3%	-5%
Number of employees (FTEs)	3,029	2,994	2,933	3,020	3,041	1%	0%	1%	0%	3,029	3,041	0%	0%
Volumes, EURbn:													
Lending to corporates	18.8	18.8	19.3	19.3	19.2	0%	-2%	-2%	-4%	18.8	19.2	-2%	-4%
Household mortgage lending	43.6	41.7	41.8	40.7	39.7	5%	10%	2%	8%	43.6	39.7	10%	8%
Consumer lending	4.7	4.6	4.9	4.8	4.8	2%	-2%	-2%	-7%	4.7	4.8	-2%	-7%
Total lending	67.1	65.1	66.0	64.8	63.7	3%	5%	1%	3%	67.1	63.7	5%	3%
Corporate deposits	14.5	12.8	13.0	12.3	12.6	13%	15%	10%	12%	14.5	12.6	15%	12%
Household deposits	21.6	20.7	20.7	19.3	19.6	4%	10%	2%	8%	21.6	19.6	10%	8%
Total deposits	36.1	33.5	33.7	31.6	32.2	8%	12%	5%	9%	36.1	32.2	12%	9%

Banking Baltic countries

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14
Net interest income	38	38	37	35	37	0%	3%	148	145	2%
Net fee and commission income	8	8	7	6	7	0%	14%	29	25	16%
Net result from items at fair value	3	5	3	3	2	-40%	50%	14	3	
Equity method & other income	0	1	1	1	0	-100%		3	2	50%
Total income incl. allocations	49	52	48	45	46	-6%	7%	194	175	11%
Staff costs	-7	-7	-7	-6	-7	0%	0%	-27	-25	8%
Other exp. excl. depreciations	-18	-16	-15	-13	-18	13%	0%	-62	-61	2%
Total expenses incl. allocations	-24	-22	-22	-19	-26	9%	-8%	-87	-88	-1%
Profit before loan losses	25	30	26	26	20	-17%	25%	107	87	23%
Net loan losses	-11	-7	1	1	-5	57%	120%	-16	-61	-74%
Operating profit	14	23	27	27	15	-39%	-7%	91	26	
Cost/income ratio, %	49	42	46	42	57			45	50	
ROCAR, %	6	10	12	12	6			10	3	
Economic capital (EC)	704	705	694	691	696	0%	1%	704	696	1%
Risk exposure amount (REA)	4,954	5,032	4,963	4,909	4,939	-2%	0%	4,954	4,939	0%
Number of employees (FTEs)	782	784	784	788	773	0%	1%	782	773	1%
Volumes, EURbn:										
Lending to corporates	5.2	5.3	5.2	5.1	5.2	-2%	0%	5.2	5.2	0%
Household mortgage lending	2.5	2.5	2.6	2.6	2.6	0%	-4%	2.5	2.6	-4%
Consumer lending	0.4	0.4	0.3	0.3	0.3	0%	33%	0.4	0.3	33%
Total lending	8.1	8.2	8.1	8.0	8.1	-1%	0%	8.1	8.1	0%
Corporate deposits	3.1	3.1	2.7	2.7	3.0	0%	3%	3.1	3.0	3%
Household deposits	1.3	1.3	1.3	1.2	1.2	0%	8%	1.3	1.2	8%
Total deposits	4.4	4.4	4.0	3.9	4.2	0%	5%	4.4	4.2	5%

Historical numbers have been restated following organisational changes

Retail Banking Other

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14
Net interest income	-21	-22	-20	-16	-5	-5%		-79	-78	1%
Net fee and commission income	-17	-14	-15	-13	-11	21%	55%	-59	-30	97%
Net result from items at fair value	3	-4	3	0	-2			2	-3	
Equity method & other income	8	3	9	6	8	167%	0%	26	28	-7%
Total income incl. allocations	-27	-37	-23	-23	-10	-27%	170%	-110	-83	33%
Staff costs	-121	-124	-132	-120	-130	-2%	-7%	-497	-511	-3%
Other exp. excl. depreciations	150	135	132	127	121	11%	24%	544	548	-1%
Total expenses incl. allocations	20	-3	-8	-1	-16			8	-21	
Profit before loan losses	-7	-40	-31	-24	-26	-83%	-73%	-102	-104	-2%
Net loan losses	-2	0	1	-2	-3		-33%	-3	-12	-75%
Operating profit	-9	-40	-30	-26	-29	-78%	-69%	-105	-116	-9%
Economic capital (EC)	84	4	0	4	18			84	18	
Number of employees (FTEs)	6,409	6,303	6,168	6,060	5,935	2%	8%	6,409	5,935	8%

Historical numbers have been restated following organisational changes

Wholesale Banking

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

A successful journey has secured a substantial lead-bank footprint in all the Nordic markets and the no. 1 position overall. This is supported by competitive product offerings and local presence in the Nordics underlining value-adding relationships. An integrated platform based on broad capabilities further leverage customer relationships, drives cross-selling, and provides our customers with access to attractive financing in the capital markets.

Wholesale Banking emphasises a return-driven culture through continuous improvement and disciplined capital management. Effective business selection and a relationship-driven customer service model support income development and capital allocation.

Business development

Wholesale Banking continued to strengthen its long-term relationships in the fourth quarter. Leading market capabilities and closeness to customers proved highly relevant with Nordea as their preferred financial partner. This resulted in solid customer activity despite intense competition.

Wholesale Banking was recognised for its leading markets capabilities across the Nordics. For example Nordea was ranked number 1 in Denmark, Finland and Sweden by the yearly Domestic Equity Prospera survey for 2015, while our ranking in Norway was improved significantly from a number 6 position to a number 4.

Banking

Customer activity was gradually picking up in the fourth quarter. Daily business showed an overall decent trend. Lending margins held up well although the general loan market featured high lending capacity and high risk appetite among Nordic peers. Customer demand for event-driven transactions was strong. Private Equity funds were active during the quarter, leading to an increase in LBO transactions. Sentiment for IPO transactions also strengthened towards end of the year.

Institutional customer activity was high in the fourth quarter. Nordea continues to grow in relevance to financial institutions with a leading role in Nordic ECM, DCM, Equities and FICC, combined with a strong rating and ability to commit capital and liquidity to Financial Institution customers.

Customer activity in Shipping, Offshore & Oil Services was moderate. The offshore market remains affected by low oil prices and reduced exploration and oil production spending among oil and gas companies. In Russia, customer activity was moderate. Due to a challenging geopolitical and economic environment, the

strategy for Russia to gradually reduce the exposures continued in the fourth quarter with a more selective approach for new business.

Capital markets

Activity in the FICC business picked up after a slowdown over the summer, largely driven by the FX and Fixed Income areas. The beginning of the quarter largely featured calm markets in anticipation of the FED and ECB announcements in December. The two announcements per se did not move markets significantly although ECB disappointed due to high prior expectations. Throughout the quarter we saw spikes of volatility stemming from the continued reduction in liquidity due to the regulatory changes and falling interest rates. In particular, credit markets experienced quite sharp moves towards the end of the quarter.

Activity in primary bond markets picked up as a result of improved issuance conditions. In the loan market there was also increased activity with banks and institutional investors offering competitive terms and strong liquidity. Nordic ECM activity remained at a high level, and Nordea successfully participated in the IPO of Bravida. Some year-end fatigue lead to increased selectiveness among investors. M&A market activity increased during the fourth quarter compared to the previous quarter.

Nordea further cemented its position as the top Nordic equity brokerage house in the last quarter of 2015, both in terms of investor rankings and market share. Overall activity in both the primary and secondary market went up from last quarter and all parts of the Nordea equity business continued to improve.

Credit quality

Net loan losses amounted to EUR 56m. The loan loss ratio was 39 basis points, an increase from 33 basis points in the previous quarter, due to a handful of events in Corporate & Institutional Banking.

Result

Total income was EUR 598m, a 23% increase from the previous quarter, mainly explained by an improvement in Net items at fair value

Total expenses increased to EUR 230m from the previous quarter. Continued strict resource management resulted in lower REA and a competitive cost-to-income ratio of 38%, down from 39% in the previous quarter.

Operating profit was EUR 312m and the business area ROCAR amounted to 12%, up from 10% in previous quarter.

Corporate & Institutional Banking

Total income was EUR 362m, up 7 % from the previous quarter. Commission income was up by 15% from the previous quarter as event driven activities increased towards the close of the quarter. Items at fair value increased by 7 % compared to the previous quarter as the market experienced spikes in volatility. Net interest income was on the same level as in the previous quarter. Net interest income suffered from negative interest rates in some of the currencies. Lending capacity and risk appetite remained high among Nordic banks leading to continued aggressive pricing, particularly within strongly rated customers. Lending volume increased by 3% from the previous quarter.

Institutional customer activity increased in the last quarter of 2015. Institutions prioritised strategic partnerships and increasing allocations towards direct investments and other in the search for yield.

Shipping, Offshore & Oil Services

Total income was EUR 94m, down from EUR 114m in the previous quarter. Net interest income was stable, but net fee and commission income and items at fair value were lower compared to a strong third quarter. Loan volumes were stable compared to the previous quarter and 2 % down excluding currency effects. Compared to same quarter last year, total income was slightly down due to lower fee and commission income.

Banking Russia

Total income was EUR 62m up 9% from the previous quarter. Lending volumes continued somewhat down in the fourth quarter adjusted for currency effects. Compared to the previous year the loan book has been reduced by 16% in local currencies. The business development and reduction in the loan portfolio reflects a strategy to selectively focus on the largest Russian corporates and Nordic international companies.

Wholesale Banking other (including Capital Markets unallocated)

Wholesale Banking other total income increased from the previous quarter. Wholesale Banking other is the residual result not allocated to customer units. This includes the unallocated income from Capital Markets and the International division. It also includes the additional liquidity premium for the funding cost of long-term lending and deposits in Wholesale Banking.

Wholesale Banking total

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Local curr.		Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14	
								Q4/Q3	Q4/Q4			EUR	Local
Net interest income	256	262	264	254	294	-2%	-13%	-1%	-10%	1,036	1124	-8%	-4%
Net fee and commission income	152	130	137	145	167	17%	-9%	17%	-7%	564	630	-10%	-9%
Net result from items at fair value	190	95	232	312	120	100%	58%	100%	57%	829	679	22%	22%
Equity method & other income	0	1	0	1	1	-100%	-100%	-102%	-102%	2	4	-50%	-19%
Total income incl. allocations	598	488	633	712	582	23%	3%	23%	5%	2,431	2,437	0%	2%
Staff costs	-167	-134	-162	-174	-161	25%	4%	24%	5%	-637	-634	0%	3%
Other exp. excl. depreciations	-60	-51	-53	-53	-59	18%	2%	18%	4%	-217	-205	6%	9%
Total expenses incl. allocations	-230	-189	-224	-230	-223	22%	3%	21%	5%	-873	-863	1%	4%
Profit before loan losses	368	299	409	482	359	23%	3%	23%	5%	1,558	1,574	-1%	1%
Net loan losses	-56	-47	-25	-30	-26	19%	115%	15%	126%	-158	-98	61%	72%
Operating profit	312	252	384	452	333	24%	-6%	25%	-4%	1,400	1,476	-5%	-4%
Cost/income ratio, %	38	39	35	32	39					36	35		
ROCAR, %	12	10	14	17	12					13	13		
Economic capital (EC)	7,824	7,871	7,872	8,379	7,926	-1%	-1%			7,824	7,926	-1%	
Risk exposure amount (REA)	51,413	52,411	53,120	56,330	53,415	-2%	-4%			51,413	53,415	-4%	
Number of employees (FTEs)	3,899	3,926	4,015	4,151	4,292	-1%	-9%			3,899	4,292	-9%	
Volumes, EURbn:													
Lending to corporates	97.5	108.7	113.2	113.3	106.6	-10%	-9%			97.5	106.6	-9%	
Lending to households	0.3	0.3	0.4	0.4	0.3	0%	0%			0.3	0.3	0%	
Total lending	97.8	109.0	113.6	113.7	106.9	-10%	-9%	-11%	-11%	97.8	106.9	-9%	-11%
Corporate deposits	56.2	71.1	71.8	76.4	63.4	-21%	-11%			56.2	63.4	-11%	
Household deposits	0.1	0.1	0.1	0.1	0.1	0%	0%			0.1	0.1	0%	
Total deposits	56.3	71.2	71.9	76.5	63.5	-21%	-11%	-22%	-12%	56.3	63.5	-11%	-12%

Historical numbers have been restated following organisational changes

Corporate & Institutional Banking

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14
Net interest income	151	151	150	155	170	0%	-11%	607	682	-11%
Net fee and commission income	138	120	121	129	148	15%	-7%	508	568	-11%
Net result from items at fair value	73	68	73	91	78	7%	-6%	305	263	16%
Equity method & other income	0	0	0	0	0			0	0	
Total income incl. allocations	362	339	344	375	396	7%	-9%	1420	1513	-6%
Staff costs	-9	-9	-10	-9	-11	0%	-18%	-37	-39	-5%
Other exp. excl. depreciations	-94	-93	-95	-95	-91	1%	3%	-377	-385	-2%
Total expenses incl. allocations	-103	-102	-105	-104	-102	1%	1%	-414	-424	-2%
Profit before loan losses	259	237	239	271	294	9%	-12%	1006	1089	-8%
Net loan losses	-57	-40	-19	-26	-15	43%		-142	-122	16%
Operating profit	202	197	220	245	279	3%	-28%	864	967	-11%
Cost/income ratio, %	28	30	31	28	26			29	28	
ROCAR, %	15	15	16	18	20			16	17	
Economic capital (EC)	4,194	4,132	4,018	4,315	4,081	2%	3%	4,194	4,081	3%
Risk exposure amount (REA)	28,748	28,735	27,950	29,755	28,842	0%	0%	28,748	28,842	0%
Number of employees (FTEs)	174	172	169	168	180	1%	-3%	174	180	-3%
Volumes, EURbn:										
Total lending	39.8	38.7	39.6	39.6	38.5	3%	3%	39.8	38.5	3%
Total deposits	38.9	35.7	35.3	37.1	33.4	9%	16%	38.9	33.4	16%

Shipping, Offshore & Oil Services

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14
Net interest income	75	76	75	73	70	-1%	7%	299	266	12%
Net fee and commission income	14	19	15	15	19	-26%	-26%	63	68	-7%
Net result from items at fair value	5	19	7	8	6	-74%	-17%	39	34	15%
Equity method & other income	0	0	0	0	0			0	0	
Total income incl. allocations	94	114	97	96	95	-18%	-1%	401	368	9%
Staff costs	-5	-5	-5	-5	-6	0%	-17%	-20	-21	-5%
Other exp. excl. depreciations	-10	-9	-10	-10	-9	11%	11%	-39	-42	-7%
Total expenses incl. allocations	-15	-14	-15	-15	-15	7%	0%	-59	-63	-6%
Profit before loan losses	79	100	82	81	80	-21%	-1%	342	305	12%
Net loan losses	-8	0	4	-3	7			-7	37	
Operating profit	71	100	86	78	87	-29%	-18%	335	342	-2%
Cost/income ratio, %	16	12	15	16	16			15	17	
ROCAR, %	16	23	20	18	22			19	22	
Economic capital (EC)	1,376	1,311	1,267	1,416	1,250	5%	10%	1,376	1,250	10%
Risk exposure amount (REA)	9,785	9,345	9,055	10,115	9,137	5%	7%	9,785	9,137	7%
Number of employees (FTEs)	79	79	77	80	80	0%	-1%	79	80	-1%
Volumes, EURbn:										
Total lending	12.4	12.4	12.3	12.8	11.6	0%	7%	12.4	11.6	7%
Total deposits	5.4	5.5	5.2	4.8	4.7	-2%	15%	5.4	4.7	15%

Banking Russia

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Local curr.		Jan-Dec	Jan-Dec	Jan-Dec
								Q4/Q3	Q4/Q4	15	14	15/14
Net interest income	56	54	58	54	69	4%	-19%	3%	-6%	222	254	-13%
Net fee and commission income	3	3	3	3	4	0%	-25%	-7%	-39%	12	13	-8%
Net result from items at fair value	3	0	4	6	-1					13	6	117%
Equity method & other income	0	0	0	0	0					0	1	-100%
Total income incl. allocations	62	57	65	63	72	9%	-14%	9%	0%	247	274	-10%
Staff costs	-10	-10	-13	-11	-13	0%	-23%	-4%	-9%	-44	-59	-25%
Other exp. excl. depreciations	-6	-5	-5	-4	-8	20%	-25%	8%	-9%	-20	-29	-31%
Total expenses incl. allocations	-16	-17	-24	-17	-22	-6%	-27%	-6%	-13%	-74	-94	-21%
Profit before loan losses	46	40	41	46	50	15%	-8%	16%	5%	173	180	-4%
Net loan losses	-2	-7	-11	-3	-12	-71%	-83%	-73%	-78%	-23	-15	53%
Operating profit	44	33	30	43	38	33%	16%	35%	27%	150	165	-9%
Cost/income ratio, %	26	30	37	27	31					30	34	
ROCAR, %	28	21	19	27	24					24	26	
Economic capital (EC)	471	476	475	501	471	-1%	0%			471	471	0%
Risk exposure amount (REA)	3,363	3,455	3,433	3,574	3,288	-3%	2%			3,363	3,288	2%
Number of employees (FTEs)	846	917	1,081	1,202	1,348	-8%	-37%			846	1,348	-37%
Volumes, EURbn:												
Lending to corporates	5.7	5.7	5.7	6.6	5.9	0%	-3%	-2%	-16%	5.7	5.9	-3%
Lending to households	0.3	0.3	0.4	0.4	0.3	0%	0%	-6%	-18%	0.3	0.3	0%
Total lending	6.0	6.0	6.1	7.0	6.2	0%	-3%	-2%	-16%	6.0	6.2	-3%
Corporate deposits	0.7	0.4	0.6	0.8	0.6	75%	17%	55%	17%	0.7	0.6	17%
Household deposits	0.1	0.1	0.1	0.1	0.1	0%	0%	9%	15%	0.1	0.1	0%
Total deposits	0.8	0.5	0.7	0.9	0.7	60%	14%	45%	15%	0.8	0.7	14%

Wholesale Banking Other

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec	Jan-Dec	Jan-Dec
								15	14	15/14
Net interest income	-26	-19	-19	-28	-15	37%	73%	-92	-78	18%
Net fee and commission income	-3	-12	-2	-2	-4	-75%	-25%	-19	-19	0%
Net result from items at fair value	109	8	148	207	37		195%	472	376	26%
Equity method & other income	0	1	0	1	1	-100%	-100%	2	3	-33%
Total income incl. allocations	80	-22	127	178	19			363	282	29%
Staff costs	-143	-110	-134	-149	-131	30%	9%	-536	-515	4%
Other exp. excl. depreciations	50	56	57	56	49	-11%	2%	219	251	-13%
Total expenses incl. allocations	-96	-56	-80	-94	-84	71%	14%	-326	-282	16%
Profit before loan losses	-16	-78	47	84	-65	-79%	-75%	37	0	
Net loan losses	11	0	1	2	-6			14	2	
Operating profit	-5	-78	48	86	-71	-94%	-93%	51	2	
Economic capital (EC)	1,783	1,952	2,112	2,147	2,124	-9%	-16%	1,783	2,124	-16%
Risk exposure amount (REA)	9,517	10,876	12,682	12,886	12,148	-12%	-22%	9,517	12,148	-22%
Number of employees (FTEs)	2,800	2,758	2,688	2,701	2,684	2%	4%	2,800	2,684	4%
Volumes, EURbn:										
Total lending	39.6	51.9	55.6	54.3	50.6	-24%	-22%	39.6	50.6	-22%
Total deposits	11.2	29.5	30.7	33.7	24.7	-62%	-55%	11.2	24.7	-55%

Historical numbers have been restated following organisational changes

Wealth Management

Wealth Management provides high-quality investment, savings and risk management solutions. It manages customers' assets and provides financial advice to high net worth individuals and institutional investors. The area consists of the three businesses: Private Banking serving customers from 80 branches in the Nordics as well as from offices in Luxembourg, Zürich and Singapore; Asset Management responsible for actively managed investment funds and mandates and for serving institutional asset management customers; Life & Pensions serving customers with a full range of pension, endowment and risk products. Wealth Management is the largest Nordic private bank, life & pensions provider and asset manager.

Business development

Nordea's Assets under Management (AuM) increased to EUR 288.2bn, up EUR 14.9bn or 5% from the previous quarter and up 10% from the same quarter last year. The increase in AuM was due to a market appreciation of EUR 13.1bn, and net flow of EUR 1.8bn.

The number of Nordic Private Banking customers continued to grow. 2,500 new customers were acquired in the fourth quarter, driven by both higher elevations of customers from Retail Banking and by stronger external customer acquisition.

Private Banking customers' appetite for especially equity products and discretionary management solutions remained high in the fourth quarter. Wealth Planning was another area that continued to grow in importance due to greater regulatory complexity and increasingly sophisticated customer needs.

The efforts to enhance productivity in all Private Banking units are on-going, including activities that will streamline processes, upgrade IT systems and make room for further enhancements of the value proposition.

In the fourth quarter, Nordea Private Banking was named "Best Private Bank in the Nordics", "Best Private Bank in Finland" and "Best Private Bank in Norway" at the Global Private Banking Awards Ceremony, managed by global financial magazine The Banker.

A strong focus is maintained on customer acquisition as well as aligning the Private Banking service and advisory model with the needs of the customers and the regulatory changes in the market. Net flow in Private Banking amounted to EUR 1.7bn.

Volatile markets affected the growth-rate in net flows in Asset Management in the fourth quarter, especially within retail funds, where net flows amounted to EUR -0.3bn.

The combined net flow from Institutional Clients and Global Fund Distribution was EUR 0.1bn. The institutional segment had a net outflow of EUR 1.6bn.

Global Fund Distribution continued to attract new assets and had a net inflow of EUR 1.7bn. The Multi-Asset solutions remained popular among investors during the quarter and net flow remained strong across all countries of distribution.

Investment performance was above targets in the fourth quarter with 73% of composites outperforming benchmarks. The 3-year performance remains strong and above target with 73% of all composites outperforming benchmarks.

Life & Pensions' gross written premiums exceeded the record levels reported in 2014, reaching EUR 8,155m in 2015 and 7% higher than the previous high in 2014. In the fourth quarter gross written premiums received from the market return products was EUR 1.660m, which is 8% lower than received in the same period last year.

The market return product-driven sales momentum in the Nordea Bank channel continued and accounted for three quarters of the gross written premiums received on market return products in the fourth quarter.

In the fourth quarter market return products and risk products accounted for 89% of total gross written premiums. Market return products continues to support the growth of AuM and amounted to 58% of the total AuM in Life & Pensions at the end of 2015 compared to 52% at the beginning of the year.

Result

Fourth quarter income was EUR 523m, up 18% from the previous quarter. The increase was due to strong growth across all businesses. Compared to the same quarter last year income is up 7%.

Costs increased 3% from the previous quarter due to seasonal fluctuations and decreased 2% from the same quarter last year as a consequence of successful cost management. Operating profit was EUR 320m, up 31% from the previous quarter and up 15% from the same quarter last year.

Private Banking

Total income was EUR 154m in the fourth quarter, up 31% from the previous quarter and up 15% compared to the same period last year. The increased income level was supported by higher recurring income from increased AuM in discretionary solutions and in life products. Compared to the previous quarter, the increase was affected by seasonal income. The increase in income combined with a maintained strict cost focus and simplification initiatives, resulted in an operating profit of EUR 67m, and ROCAR at 37%.

Asset Management

Asset Management income was EUR 204m in the fourth quarter, up 9% from the previous quarter and up 13% from the same quarter last year. The increase was mainly the result of an increase in AuM due to positive net flow and investment performance. Operating profit was EUR 144m, up 13% from the previous quarter and up 19% from the same quarter last year.

Life & Pensions

Total income was EUR 165m in the fourth quarter, up 20% from the previous quarter and down 5% from the same period last year, adjusted for extra ordinary income (EUR 7.3m) from the traditional shadow account in Q4 2014 total income is down 0.5% from the same period last year. Operating profit was EUR 117m, down 4% compared to same quarter last year, and adjusted for extra ordinary income (EUR 7.3m) from the traditional shadow account in Q4 2014 operating profit is up 2%. Compared to the previous quarter, operating profit is up 34%, driven by increased volume in market return products

Wealth Management other

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

Wealth Management total

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Local curr.		Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14	
								Q4/Q3	Q4/Q4			EUR	Local
Net interest income	36	33	25	27	33	9%	9%	10%	12%	121	141	-14%	-13%
Net fee and commission income	384	332	379	342	331	16%	16%	15%	16%	1,437	1,170	23%	23%
Net result from items at fair value	92	72	86	91	117	28%	-21%	29%	-20%	341	355	-4%	-3%
Equity method & other income	11	5	8	6	7	120%	57%	125%	61%	30	27	11%	18%
Total income incl. allocations	523	442	498	466	488	18%	7%	19%	8%	1,929	1,693	14%	15%
Staff costs	-124	-126	-128	-129	-132	-2%	-6%	-1%	-5%	-507	-492	3%	4%
Other exp. excl. depreciations	-78	-71	-78	-62	-74	10%	5%	9%	6%	-289	-288	0%	2%
Total expenses incl. allocations	-203	-198	-208	-192	-207	3%	-2%	2%	-1%	-801	-785	2%	3%
Profit before loan losses	320	244	290	274	281	31%	14%	32%	15%	1,128	908	24%	25%
Net loan losses	0	0	0	-1	-2		-100%		-91%	-1	-3	-67%	-62%
Operating profit	320	244	290	273	279	31%	15%	32%	16%	1,127	905	25%	25%
Cost/income ratio, %	39	45	42	41	42					42	46		
ROCAR, %	40	32	39	39	39					37	32		
Economic capital (EC)	2,521	2,372	2,319	2,186	2,101	6%	20%	5%	18%	2,521	2,101	20%	18%
Risk exposure amount (REA)	5,669	5,422	5,402	5,281	4,970	5%	14%	0%	9%	5,669	4,970	14%	9%
Number of employees (FTEs)	3,648	3,638	3,554	3,511	3,478	0%	5%	0%	5%	3,648	3,478	5%	5%
Volumes, EURbn:													
AuM	288.2	273.3	286.1	290.0	262.2	5%	10%	5%	10%	288.2	262.2	10%	10%
Total lending	10.6	9.8	9.9	9.7	9.1	8%	16%	7%	16%	10.6	9.1	16%	16%
Total deposits	12.6	12.4	13.2	12.1	11.1	2%	14%	2%	14%	12.6	11.1	14%	14%

Assets under Management (AuM), volumes and net inflow

EURbn	Q415	Q415 Net inflow	Q315	Q215	Q115	Q414
Nordic Retail funds	54.5	-0.3	49.5	53.9	54.9	48.1
Private Banking	93.6	1.7	87.7	92.5	92.9	84.4
Institutional sales	73.7	0.1	71.9	73.1	74.3	66.8
Life & Pensions	66.4	0.3	64.2	66.6	67.9	62.9
Total	288.2	1.8	273.3	286.1	290.0	262.2

Private Banking

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14
Net interest income	36	33	25	27	33	9%	9%	121	141	-14%
Net fee and commission income	89	65	94	89	77	37%	16%	337	307	10%
Net result from items at fair value	25	19	25	33	23	32%	9%	102	88	16%
Equity method & other income	4	1	2	2	1			9	7	29%
Total income incl. allocations	154	118	146	151	134	31%	15%	569	543	5%
Staff costs	-44	-44	-46	-45	-44	0%	0%	-179	-172	4%
Other exp. excl. depreciations	-42	-42	-44	-38	-43	0%	-2%	-166	-173	-4%
Total expenses incl. allocations	-87	-86	-92	-84	-87	1%	0%	-349	-349	0%
Profit before loan losses	67	32	54	67	47	109%	43%	220	194	13%
Net loan losses	0	0	0	-1	-2		-100%	-1	-3	-67%
Operating profit	67	32	54	66	45	109%	49%	219	191	15%
Cost/income ratio, %	56	73	63	56	65			61	64	
ROCAR, %	37	19	33	41	29			32	33	
Economic capital (EC)	573	533	520	499	496	8%	16%	573	496	16%
Risk exposure amount (REA)	3,360	3,094	3,108	3,034	2,857	9%	18%	3,360	2,857	18%
Number of employees (FTEs)	1,279	1,286	1,274	1,255	1,231	-1%	4%	1,279	1,231	4%
Volumes, EURbn:										
AuM	93.6	87.7	92.5	92.9	84.4	7%	11%	93.6	84.4	11%
Household mortgage lending	6.7	6.5	6.5	6.3	5.9	4%	14%	6.7	5.9	14%
Consumer lending	3.8	3.4	3.3	3.4	3.2	13%	20%	3.8	3.2	20%
Total lending	10.6	9.8	9.9	9.7	9.1	8%	16%	10.6	9.1	16%
Household deposits	12.6	12.4	13.2	12.1	11.1	2%	14%	12.6	11.1	14%
Total deposits	12.6	12.4	13.2	12.1	11.1	2%	14%	12.6	11.1	14%

Asset Management

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14
Net interest income	0	0	0	0	0			0	0	
Net fee and commission income	200	188	198	174	180	6%	11%	760	590	29%
Net result from items at fair value	2	-2	0	3	0			3	6	-50%
Equity method & other income	2	1	1	0	1	100%	100%	4	1	
Total income incl. allocations	204	187	199	177	181	9%	13%	767	597	28%
Staff costs	-30	-34	-36	-35	-32	-12%	-6%	-135	-120	13%
Other exp. excl. depreciations	-30	-24	-24	-23	-27	25%	11%	-101	-102	-1%
Total expenses incl. allocations	-60	-59	-60	-58	-60	2%	0%	-237	-223	6%
Profit before loan losses	144	128	139	119	121	13%	19%	530	374	42%
Net loan losses	0	0	0	0	0			0	0	
Operating profit	144	128	139	119	121	13%	19%	530	374	42%
Cost/income ratio, %	29	31	30	33	33			31	37	
Income, spread (basis points)	44	40	41	39	43	10%	2%	44	43	2%
Economic capital (EC)	109	116	106	110	97	-6%	12%	109	97	12%
Risk exposure amount (REA)	516	534	501	452	319	-3%	62%	516	319	62%
AuM, EURbn	189.0	183.0	190.6	194.1	173.9	3%	9%	189.0	173.9	9%
Number of employees (FTEs)	582	595	589	600	592	-2%	-2%	582	592	-2%

Life & Pensions

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14
Net interest income	0	0	0	0	0			0	0	
Net fee and commission income	95	79	87	79	74	20%	28%	340	273	25%
Net result from items at fair value	65	55	61	55	94	18%	-31%	236	261	-10%
Equity method & other income	5	3	5	4	5	67%	0%	17	19	-11%
Total income incl. allocations	165	137	153	138	173	20%	-5%	593	553	7%
Staff costs	-29	-27	-25	-30	-34	7%	-15%	-111	-121	-8%
Other exp. excl. depreciations	-19	-23	-25	-19	-17	-17%	12%	-86	-83	4%
Total expenses incl. allocations	-48	-50	-50	-49	-51	-4%	-6%	-197	-204	-3%
Profit before loan losses	117	87	103	89	122	34%	-4%	396	349	13%
Net loan losses	0	0	0	0	0			0	0	
Operating profit	117	87	103	89	122	34%	-4%	396	349	13%
Cost/income ratio, %	29	36	33	35	29			33	37	
Return on Equity YtD, %	20	17	19	18	23			19	17	
Equity	1,812	1,703	1,674	1,566	1,498	6%	21%	1,812	1,498	21%
AuM, EURbn	60.6	58.6	60.6	61.8	57.2	3%	6%	60.6	57.2	6%
Premiums	1,918	1,485	2,079	2,673	2,105	29%	-9%	8,155	7,601	7%
Risk exposure amount (REA)	1,793	1,793	1,793	1,794	1,794	0%	0%	1,793	1,794	0%
Number of employees (FTEs)	1,094	1,088	1,080	1,074	1,078	1%	1%	1,094	1,078	1%
Profit drivers										
Profit Traditional products	36	27	24	23	53	33%	-32%	110	124	-11%
Profit Market Return products	70	52	59	42	46	35%	52%	223	174	28%
Profit Risk products	18	18	18	18	16	0%	13%	72	63	14%
Total product result	124	97	101	83	115	28%	8%	405	361	12%
Return on Shareholder equity, other profits and group adj.	-7	-10	2	6	7	-30%		-9	-12	-25%
Operating profit	117	87	103	89	122	34%	-4%	396	349	13%

Wealth Management Other

EURm	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14	Jan-Dec 15/14
Net interest income	0	0	0	0	0			0	0	
Net fee and commission income	0	0	0	0	0			0	0	
Net result from items at fair value	0	0	0	0	0			0	0	
Equity method & other income	0	0	0	0	0			0	0	
Total income incl. allocations	0	0	0	0	0			0	0	
Staff costs	-21	-21	-21	-19	-22	0%	-5%	-82	-79	4%
Other exp. excl. depreciations	13	18	15	18	13	-28%	0%	64	70	-9%
Total expenses incl. allocations	-8	-3	-6	-1	-9	167%	-11%	-18	-9	100%
Profit before loan losses	-8	-3	-6	-1	-9	167%	-11%	-18	-9	100%
Net loan losses	0	0	0	0	0			0	0	
Operating profit	-8	-3	-6	-1	-9	167%	-11%	-18	-9	100%
Economic capital (EC)	27	20	19	11	10	35%	170%	27	10	170%
Number of employees (FTEs)	693	669	611	582	577	4%	20%	693	577	20%

Group Functions and other

Together with the results in the business areas, the results of Group Functions & other add up to the reported result for the Group. The main income in Group Corporate Centre (GCC) originates from Group Treasury & ALM together with Capital account centre, through which capital is allocated to business areas.

Group Corporate Centre

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

At the end of the fourth quarter, the proportion of long-term funding of total funding was approx. 77% compared to 78% at the end of the third quarter.

The structural liquidity risk of Nordea is measured and limited through an internal model which conceptually resembles the proposed Net Stable Funding Ratio (NSFR), but applies internal-based assumptions for the stability of assets and liabilities. The structure of the balance sheet is considered conservative and well balanced and appropriately adapted to the current economic and regulatory environment, also in terms of structural liquidity risk.

Short-term liquidity risk is measured using several metrics and Liquidity Coverage Ratio is one of the metrics. LCR for the Nordea Group was 201% at the end of the fourth quarter. The LCR in EUR was 303% and in USD 188% at the end of the fourth quarter. LCR for the Nordea Group according to CRR LCR definitions was 161% at the end of the fourth quarter. The liquidity buffer comprises highly liquid, primarily Nordic government and covered bonds which are all central bank eligible securities with characteristics similar to Basel III/CRD IV. The liquidity buffer amounted to EUR 60bn at the end of the fourth quarter (EUR 65bn at the end of the third quarter).

The outstanding volume of short-term debt was at the end of the fourth quarter, EUR 49bn.

Nordea issued approx. EUR 6.1bn in long-term funding in the fourth quarter excluding Danish covered bonds and

subordinated notes, of which approx. EUR 4.1bn represented the issuance of Swedish, Norwegian and Finnish covered bonds in domestic and international markets. Notable benchmark transactions in the quarter were a 7Y EUR 1.25bn covered bond issued by Nordea Bank Finland in October and a CHF 275m 8Y senior in November.

Nordea also issued a subordinated benchmark note during the quarter the form of a EUR 750m fixed rate 10non-call5 Tier 2 due November 2025.

The market risk on Group Treasury's interest-rate positions, calculated as average VaR, was EUR 97m in the fourth quarter. The risk related to equities, calculated as VaR, was EUR 3m and the risk related to credit spreads (VaR) was EUR 3m. Interest rate risk decreased slightly and equity risk and credit spread risk were unchanged compared to the third quarter.

Result

Total operating income was EUR 129m in the fourth quarter. Net interest income increased to EUR 106m in the fourth quarter compared to EUR 81m in the previous quarter, mainly due to interest rate positions for lower rates. The net result from items at fair value was EUR 27m compared to EUR -39m in the third quarter and was mainly related to interest-rate-related items in the liquidity buffer. Operating profit was EUR 42m.

EURm	Group Corporate Centre					Group functions, Other & Eliminations												
	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14	Q415	Q315	Q215	Q115	Q414	Q4/Q3	Q4/Q4	Jan-Dec 15	Jan-Dec 14
Net interest income	106	81	110	91	47	31%	126%	388	288	-4	30	25	12	17			63	97
Net fee and commission income	-6	-1	-2	-4	-3		100%	-13	-12	-10	-8	-13	-9	-14	25%	-29%	-40	-40
Net result from items at fair value	27	-39	13	84	25		8%	85	101	27	-10	-20	13	-28			10	-108
Equity method & other income	2	1	7	7	8	100%	-75%	17	20	182	18	1	6	5			207	404
Total operating income	129	42	128	178	77		68%	477	397	195	30	-7	22	-20			240	353
Staff costs	-64	-69	-68	-68	-65	-7%	-2%	-269	-229	-251	-62	-48	-51	-20			-412	-317
Other exp. excl. depreciations	-12	9	0	4	-21		-43%	1	-54	-37	61	45	27	61			97	125
Total operating expenses	-87	-70	-77	-74	-95	24%	-8%	-308	-307	-319	-13	-14	-36	17			-382	-620
Net loan losses	0	0	0	0	0			0	0	-3	2	-2	-1	1			-4	-2
Operating profit	42	-28	51	104	-18			169	90	-127	19	-23	-15	-2			-146	-269
Economic capital (EC)	1,297	935	918	896	827	39%	57%	1,297	827	1,153	1,552	2,053	1,595	1,507	-26%	-23%	1,153	1,507
Risk exposure amount (REA)	8,174	6,392	6,419	6,596	6,470	28%	26%	8,174	6,470	8,610	11,091	14,809	11,000	10,662	-22%	-19%	8,610	10,662
Number of employees (FTEs)	2,558	2,598	2,560	2,494	2,432	-2%	5%	2,558	2,432	1,495	1,429	1,410	1,400	1,375	5%	9%	1,495	1,375

Historical numbers have been restated following organisational changes

Income statement

EURm	Note	Q4 2015	Q4 2014	H2 2015	H2 2014	Jan-Dec 2015	Jan-Dec 2014
Operating income							
Interest income		2,045	2,371	4,132	4,918	8,549	9,995
Interest expense		-804	-1,015	-1,619	-2,166	-3,439	-4,513
Net interest income		1,241	1,356	2,513	2,752	5,110	5,482
Fee and commission income		1,019	1,006	1,994	1,928	4,035	3,799
Fee and commission expense		-251	-243	-509	-498	-1,010	-957
Net fee and commission income	3	768	763	1,485	1,430	3,025	2,842
Net result from items at fair value	4	436	367	658	658	1,703	1,425
Profit from companies accounted for under the equity method		3	-1	21	6	39	18
Other operating income		197	33	221	431	263	474
Total operating income		2,645	2,518	4,898	5,277	10,140	10,241
Operating expenses							
General administrative expenses:							
Staff costs		-956	-760	-1,712	-1,491	-3,263	-3,159
Other expenses	5	-455	-418	-758	-798	-1,485	-1,656
Depreciation, amortisation and impairment charges of tangible and intangible assets		-65	-54	-114	-464	-209	-585
Total operating expenses		-1,476	-1,232	-2,584	-2,753	-4,957	-5,400
Profit before loan losses		1,169	1,286	2,314	2,524	5,183	4,841
Net loan losses	6	-142	-129	-254	-241	-479	-534
Operating profit		1,027	1,157	2,060	2,283	4,704	4,307
Income tax expense		-179	-280	-432	-468	-1,042	-950
Net profit for the period from continuing operations		848	877	1,628	1,815	3,662	3,357
Net profit for the period from discontinued operations, after tax	12	-	-	-	-	-	-25
Net profit for the period		848	877	1,628	1,815	3,662	3,332
Attributable to:							
Shareholders of Nordea Bank AB (publ)		848	877	1,628	1,815	3,662	3,332
Non-controlling interests		-	-	-	-	-	-
Total		848	877	1,628	1,815	3,662	3,332
Basic earnings per share, EUR - Total operations		0.21	0.22	0.40	0.45	0.91	0.83
Diluted earnings per share, EUR - Total operations		0.21	0.22	0.40	0.45	0.91	0.83

Statement of comprehensive income

EURm		Q4 2015	Q4 2014	H2 2015	H2 2014	Jan-Dec 2015	Jan-Dec 2014
Net profit for the period		848	877	1,628	1,815	3,662	3,332
Items that may be reclassified subsequently to the income statement							
Currency translation differences during the period		-70	-1,094	-832	-901	-544	-1,039
Hedging of net investments in foreign operations:							
Valuation gains/losses during the period		-33	490	386	340	308	435
Tax on valuation gains/losses during the period		7	-108	-85	-75	-68	-96
Available for sale investments: ¹							
Valuation gains/losses during the period, net of recycling		-30	-28	-91	18	-160	40
Tax on valuation gains/losses during the period		8	7	21	-3	37	-8
Cash flow hedges:							
Valuation gains/losses during the period, net of recycling		10	38	20	80	84	31
Tax on valuation gains/losses during the period		-2	-8	-5	-18	-19	-7
Items that may not be reclassified subsequently to the income statement							
Defined benefit plans:							
Remeasurement of defined benefit plans		392	-154	210	-359	483	-518
Tax on remeasurement of defined benefit plans		-87	36	-45	84	-108	120
Other comprehensive income, net of tax²		195	-821	-421	-834	13	-1,042
Total comprehensive income		1,043	56	1,207	981	3,675	2,290
Attributable to:							
Shareholders of Nordea Bank AB (publ)		1,043	56	1,207	981	3,675	2,290
Non-controlling interests		-	-	-	-	-	-
Total		1,043	56	1,207	981	3,675	2,290

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

² For Jan-Dec 2014 EUR -12m is related to discontinued operations.

Balance sheet

EURm	Note	31 Dec 2015	31 Dec 2014
Assets			
Cash and balances with central banks		35,500	31,067
Loans to central banks	7	13,224	6,958
Loans to credit institutions	7	10,959	12,217
Loans to the public	7	340,920	348,085
Interest-bearing securities		88,176	87,110
Financial instruments pledged as collateral		8,341	12,151
Shares		40,745	39,749
Derivatives		80,741	105,119
Fair value changes of the hedged items in portfolio hedge of interest rate risk		151	256
Investments in associated undertakings		515	487
Intangible assets		3,208	2,908
Properties and equipment		557	509
Investment properties		3,165	3,227
Deferred tax assets		76	130
Current tax assets		87	132
Retirement benefit assets		377	42
Other assets		18,600	17,581
Prepaid expenses and accrued income		1,526	1,614
Total assets		646,868	669,342
<i>Of which assets customer bearing the risk</i>		<i>34,537</i>	<i>29,125</i>
Liabilities			
Deposits by credit institutions		44,209	56,322
Deposits and borrowings from the public		193,342	197,254
Liabilities to policyholders		55,491	51,843
Debt securities in issue		201,937	194,274
Derivatives		79,505	97,340
Fair value changes of the hedged items in portfolio hedge of interest rate risk		2,594	3,418
Current tax liabilities		225	368
Other liabilities		25,756	26,973
Accrued expenses and prepaid income		1,805	1,943
Deferred tax liabilities		1,028	983
Provisions		415	305
Retirement benefit obligations		329	540
Subordinated liabilities		9,200	7,942
Total liabilities		615,836	639,505
Equity			
Non-controlling interests		1	2
Share capital		4,050	4,050
Share premium reserve		1,080	1,080
Other reserves		-1,188	-1,201
Retained earnings		27,089	25,906
Total equity		31,032	29,837
Total liabilities and equity		646,868	669,342
Assets pledged as security for own liabilities		184,795	163,041
Other assets pledged		9,038	11,265
Contingent liabilities		22,569	22,017
Credit commitments ¹		71,340	74,291
Other commitments		3,323	1,644

¹ Including unutilised portion of approved overdraft facilities of EUR 37,961m (31 Dec 2014: EUR 38,234m).

Statement of changes in equity

Attributable to shareholders of Nordea Bank AB (publ)										
Other reserves:										
EURm	Share capital ¹	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 Jan 2015	4,050	1,080	-1,313	6	113	-7	25,906	29,835	2	29,837
Net profit for the period	-	-	-	-	-	-	3,662	3,662	-	3,662
Other comprehensive income, net of tax	-	-	-304	65	-123	375	-	13	-	13
<i>Total comprehensive income</i>	-	-	-304	65	-123	375	3,662	3,675	-	3,675
Share-based payments ²	-	-	-	-	-	-	2	2	-	2
Dividend for 2014	-	-	-	-	-	-	-2,501	-2,501	-	-2,501
Disposal of own shares ³	-	-	-	-	-	-	20	20	-	20
Other changes	-	-	-	-	-	-	-	-	-1	-1
Balance at 31 Dec 2015	4,050	1,080	-1,617	71	-10	368	27,089	31,031	1	31,032

Attributable to shareholders of Nordea Bank AB (publ)										
Other reserves:										
EURm	Share capital ¹	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 Jan 2014	4,050	1,080	-613	-18	81	391	24,236	29,207	2	29,209
Net profit for the period	-	-	-	-	-	-	3,332	3,332	-	3,332
Other comprehensive income, net of tax	-	-	-700	24	32	-398	-	-1,042	-	-1,042
<i>Total comprehensive income</i>	-	-	-700	24	32	-398	3,332	2,290	-	2,290
Share-based payments ²	-	-	-	-	-	-	16	16	-	16
Dividend for 2013	-	-	-	-	-	-	-1,734	-1,734	-	-1,734
Disposal of own shares ³	-	-	-	-	-	-	56	56	-	56
Balance at 31 Dec 2014	4,050	1,080	-1,313	6	113	-7	25,906	29,835	2	29,837

¹ Total shares registered were 4,050 million (31 Dec 2014: 4,050 million).

² The total holding of own shares related to Long Term Incentive Programme (LTIP) is 11.7 million (31 Dec 2014: 15.9 million).

³ 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 31 Dec 2015 was 18.6 million (31 Dec 2014: 23.0 million).

Cash flow statement, condensed - Total operations

EURm	Jan-Dec 2015	Jan-Dec 2014
<i>Operating activities</i>		
Operating profit	4,704	4,307
Profit for the period from discontinued operations, after tax	-	-25
Adjustments for items not included in cash flow	2,824	8,140
Income taxes paid	-1,056	-966
Cash flow from operating activities before changes in operating assets and liabilities	6,472	11,456
Changes in operating assets and liabilities	-6,276	-22,280
Cash flow from operating activities	196	-10,824
<i>Investing activities</i>		
Sale/acquisition of business operations	175	481
Properties and equipment	-135	-183
Intangible assets	-458	-271
Net investments in debt securities, held to maturity	-139	2,750
Other financial fixed assets	35	477
Cash flow from investing activities	-522	3,254
<i>Financing activities</i>		
Issued/amortised subordinated liabilities	735	638
Divestment/repurchase of own shares incl change in trading portfolio	20	56
Dividend paid	-2,501	-1,734
Cash flow from financing activities	-1,746	-1,040
Cash flow for the period	-2,072	-8,610
Cash and cash equivalents at beginning of the period	39,683	45,670
Translation difference	2,589	2,623
Cash and cash equivalents at end of the period	40,200	39,683
Change	-2,072	-8,610
Cash and cash equivalents	31 Dec	31 Dec
The following items are included in cash and cash equivalents (EURm):	<u>2015</u>	<u>2014</u>
Cash and balances with central banks	35,500	31,067
Loans to central banks	2,684	6,454
Loans to credit institutions	2,016	2,162
Total cash and cash equivalents	40,200	39,683

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

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

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

Notes to the financial statements

Note 1 Accounting policies

The consolidated interim financial statements are presented in accordance with IAS 34 "Interim Financial Reporting". In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25 including amendments) and the Supplementary Accounting Rules for Groups (RFR 1) from the Swedish Financial Reporting Board have been applied.

The same accounting policies and methods of computation are followed as compared to the Annual Report 2014, for more information see Note G1 in the Annual Report 2014. For changes implemented during 2015, see "Changed accounting policies" below.

Changed accounting policies

For the change in scope of discontinued business, see Note 12.

The following amendments published by the IASB were implemented 1 January 2015 but have not had any significant impact on Nordea's financial statements:

- Amendments to IAS 19 "Defined benefit plans: Employee Contributions"
- Annual Improvements to IFRSs, 2010-2012 Cycle
- Annual Improvements to IFRSs, 2011-2013 Cycle
- IFRIC 21 "Levies"

The Swedish Financial Reporting Board has amended the accounting recommendation for groups by issuing "RFR 1 Supplementary Accounting Rules for Groups – January 2015". These changes were implemented by Nordea 1 January 2015 but have not had any significant impact on Nordea's financial statements.

Impact on capital adequacy from new or amended IFRS standards not yet applied IFRS 9 "Financial instruments"

IASB has completed the new standard for financial instruments, IFRS 9 "Financial instruments". IFRS 9 covers classification and measurement, impairment and general hedging and replaces the current requirements covering these areas in IAS 39. IFRS 9 is effective as from annual periods beginning on or after 1 January 2018. Earlier application is permitted, but IFRS 9 is not yet endorsed by the EU commission. Nordea does not currently intend to early adopt the standard.

The changes in classification and measurement are not expected to have a significant impact on Nordea's income statement or balance sheet as the mixed measurement model will be maintained, and as there will still be a measurement category similar to the current Available For Sale (AFS) category in IAS 39. Significant reclassifications between fair value and amortised cost or impact on the capital adequacy and large exposures are not expected in the period of initial application, but this is naturally dependent on the

financial instruments on Nordea's balance sheet at transition.

The impairment requirements in IFRS 9 are based on an expected loss model as opposed to the current incurred loss model in IAS 39. In general, it is expected that the new requirements will increase loan loss provisions, decrease equity and have a negative impact on capital adequacy, but no impact on large exposures, in the period of initial application. IFRS 9 requires all assets measured at amortised cost and fair value through other comprehensive income, as well as guarantees and loan commitments, to be included in the impairment test. Currently Nordea does not calculate collective provisions for off balance sheet exposures or the AFS portfolio. The assets to test for impairment will be divided into three groups depending on the stage of credit deterioration. Stage 1 includes assets where there has been no significant deterioration in credit risk, stage 2 includes assets where there has been a significant deterioration and stage 3 includes assets that have been individually assessed to be impaired. In stage 1, the provisions should equal the 12 month expected loss. In stage 2 and 3, the provisions should equal the lifetime expected losses. Nordea's current model for calculating collective provisions defines a loss event as a deterioration in rating/scoring, but it is not expected that the loss event in the current model will equal the trigger event for moving items from stage 1 to stage 2 under IFRS 9. Currently Nordea does not, in addition, hold any provisions for assets where there has been no deterioration in credit risk. For assets where there has been a significant deterioration in credit risk, Nordea currently holds provisions based on the losses estimated to occur during the period between the date when the loss event occurred and the date when the loss event is identified on an individual basis, the so called "Emergence period", while IFRS 9 will require provisions equal to the lifetime expected loss. This means total provisions will increase when IFRS 9 is implemented.

The main change to the general hedging requirements is that the standard aligns hedge accounting more closely with the risk management activities. As Nordea generally uses macro (portfolio) hedge accounting Nordea's assessment is that the new requirements will not have any significant impact on Nordea's financial statements, capital adequacy, or large exposures in the period of initial application.

Nordea has not yet finalised the impact assessment of the implementation of IFRS 9.

IFRS 15 "Revenue from Contracts with Customers"

The IASB has published the new standard, IFRS 15 "Revenue from Contracts with Customers". The new standard outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition standards and interpretations within IFRS, such as IAS 18 "Revenue". The new standard is effective for annual

periods beginning on or after 1 January 2018, with earlier application permitted. The EU-commission is expected to endorse the standard during the second quarter 2016. Nordea does not currently intend to early adopt the standard. The standard does not apply to financial instruments, insurance contracts or lease contracts. Nordea has not finalised the investigation of the impact on the financial statements but the current assessment is that the new standard will not have any significant impact on Nordea's financial statements, capital adequacy, or large exposures in the period of initial application.

IFRS 16 "Leases"

The IASB has published the new standard, IFRS 16 "Leases". The new standard changes the accounting requirements for lessees. All leases (except for short term- and small ticket leases) should be accounted for on the balance sheet of the lessee as a right to use the

asset and a corresponding liability, and the lease payments should be recognised as amortisation and interest expense. The accounting requirements for lessors are unchanged. Additional disclosures are also required. The new standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted. The amendments are not yet endorsed by the EU-commission. Nordea does not currently intend to early adopt the amendments. Nordea's current assessment is that the new standard will change the accounting of property leases which mainly affects Nordea's balance sheet.

Other amendments to IFRS

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

Exchange rates

	Jan-Dec 2015	Jan-Dec 2014
EUR 1 = SEK		
Income statement (average)	9.3537	9.1012
Balance sheet (at end of period)	9.1895	9.3930
EUR 1 = DKK		
Income statement (average)	7.4587	7.4548
Balance sheet (at end of period)	7.4626	7.4453
EUR 1 = NOK		
Income statement (average)	8.9434	8.3597
Balance sheet (at end of period)	9.6030	9.0420
EUR 1 = RUB		
Income statement (average)	67.9657	50.9996
Balance sheet (at end of period)	80.6736	72.3370

Note 2 Segment reporting

	Operating segments							Total Group
	Retail Banking	Whole-sale Banking	Wealth Management	Group Corporate Centre	Other operating segments	Total operating segments	Reconciliation	
Jan-Dec 2015								
Total operating income, EURm	5,639	2,427	1,928	478	212	10,684	-544	10,140
- of which internal transactions ¹ , EURm	-1,263	-308	13	1,577	-19	0	-	-
Operating profit, EURm	2,556	1,395	1,127	168	177	5,423	-719	4,704
Loans to the public ² , EURbn	228	60	11	-	-	299	42	341
Deposits and borrowings from the public ² , EURbn	110	45	13	-	-	168	25	193
Jan-Dec 2014								
Total operating income, EURm	5,774	2,377	1,666	398	-26	10,189	52	10,241
- of which internal transactions ¹ , EURm	-1,480	-209	16	1,740	-67	0	-	-
Operating profit, EURm	2,396	1,447	880	90	-34	4,779	-472	4,307
Loans to the public ² , EURbn	224	58	9	-	-	291	57	348
Deposits and borrowings from the public ² , EURbn	108	39	11	-	-	158	39	197

¹ 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.

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

Breakdown of Retail Banking, Wholesale Banking and Wealth Management

	Retail Banking Nordic ¹		Retail Banking Baltic countries ²		Retail Banking Other ³		Retail Banking	
	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Total operating income, EURm	5,562	5,680	194	174	-117	-80	5,639	5,774
- of which internal transactions, EURm	-1,111	-1,283	-28	-41	-124	-156	-1,263	-1,480
Operating profit, EURm	2,582	2,484	90	24	-116	-112	2,556	2,396
Loans to the public, EURbn	220	216	8	8	0	0	228	224
Deposits and borrowings from the public, EURbn	106	104	4	4	0	0	110	108

	Corporate & Institutional Banking		Shipping, Offshore & Oil Services		Nordea Bank Russia		Capital Markets unallocated		Wholesale Banking Other ⁴		Wholesale Banking	
	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Total operating income, EURm	1,428	1,496	391	366	254	226	355	286	-1	3	2,427	2,377
- of which internal transactions, EURm	-136	-139	-67	-63	-82	-30	65	101	-88	-78	-308	-209
Operating profit, EURm	869	956	329	342	155	143	109	81	-67	-75	1,395	1,447
Loans to the public, EURbn	40	39	13	12	7	7	-	-	-	-	60	58
Deposits and borrowings from the public, EURbn	39	34	5	4	1	1	-	-	-	-	45	39

	Private Banking		Asset Management		Life & Pension unallocated		Wealth Management Other ⁵		Wealth Management	
	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Total operating income, EURm	865	777	768	580	592	547	-297	-238	1,928	1,666
- of which internal transactions, EURm	13	12	0	0	0	0	0	4	13	16
Operating profit, EURm	457	372	532	358	411	361	-273	-211	1,127	880
Loans to the public, EURbn	11	9	-	-	-	-	-	-	11	9
Deposits and borrowings from the public, EURbn	13	11	-	-	-	-	-	-	13	11

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.

⁵ Wealth Management Other includes the area Savings and support areas, such as IT.

Note 2, continued

Reconciliation between total operating segments and financial statements

	Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	Jan-Dec		31 Dec		31 Dec	
	2015	2014	2015	2014	2015	2014
Total operating segments	5,423	4,779	299	291	168	158
Group functions ¹	-119	-77	-	-	-	-
Unallocated items ²	-192	-130	47	61	26	40
Differences in accounting policies ³	-408	-265	-5	-4	-1	-1
Total	4,704	4,307	341	348	193	197

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

² Including non-recurring items 2015 EUR -263m (2014 EUR -190m).

³ Impact from plan exchange rates and internal allocation principles used in the segment reporting.

Measurement of operating segments' performance

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

Financial results are presented for the main business areas Retail Banking, Wholesale Banking and Wealth Management, with a 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.

Note 3 Net fee and commission income

EURm	Q4 2015	Q3 2015	Q4 2014	H2 2015	H2 2014	Jan-Dec 2015	Jan-Dec 2014
Asset management commissions	375	374	327	749	623	1,496	1,188
Life insurance	99	84	97	183	189	373	367
Brokerage, securities issues and corporate finance	68	55	65	123	124	274	281
Custody and issuer services	38	26	30	64	53	121	129
Deposits	8	8	9	16	20	31	39
Total savings and investments	588	547	528	1,135	1,009	2,295	2,004
Payments	105	101	104	206	202	408	406
Cards	123	136	129	259	276	523	529
Total payment and cards	228	237	233	465	478	931	935
Lending	129	121	155	250	279	505	541
Guarantees and documentary payments	44	44	46	88	91	182	181
Total lending related commissions	173	165	201	338	370	687	722
Other commission income	30	26	44	56	71	122	138
Fee and commission income	1,019	975	1,006	1,994	1,928	4,035	3,799
Savings and investments	-81	-90	-85	-171	-196	-344	-363
Payments	-33	-24	-22	-57	-43	-102	-85
Cards	-59	-64	-69	-123	-133	-252	-253
State guarantee fees	-37	-40	-32	-77	-66	-147	-132
Other commission expenses	-41	-40	-35	-81	-60	-165	-124
Fee and commission expenses	-251	-258	-243	-509	-498	-1,010	-957
Net fee and commission income	768	717	763	1,485	1,430	3,025	2,842

Note 4 Net result from items at fair value

EURm	Q4 2015	Q3 2015	Q4 2014	H2 2015	H2 2014	Jan-Dec 2015	Jan-Dec 2014
Equity related instruments	40	63	91	103	485	271	431
Interest related instruments and foreign exchange gains/losses	321	97	212	418	-279	1,135	323
Other financial instruments (including credit and commodities)	6	6	-32	12	289	56	409
Investment properties	0	-1	-1	-1	-4	-4	-10
Life insurance ¹	69	57	97	126	167	245	272
Total	436	222	367	658	658	1,703	1,425

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

Break-down of life insurance

EURm	Q4 2015	Q3 2015	Q4 2014	H2 2015	H2 2014	Jan-Dec 2015	Jan-Dec 2014
Equity related instruments	2,533	-2,745	1,005	-212	1,449	1,417	2,398
Interest related instruments and foreign exchange gains/losses	-1,254	1,395	605	141	1,121	-148	2,232
Other financial instruments	-	0	0	-	5	-	0
Investment properties	59	29	45	88	84	150	255
Change in technical provisions ¹	-1,052	995	-1,246	-57	-2,045	-1,053	-3,834
Change in collective bonus potential	-216	364	-333	148	-504	-169	-871
Insurance risk income	53	54	55	107	112	213	212
Insurance risk expense	-54	-35	-34	-89	-55	-165	-120
Total	69	57	97	126	167	245	272

¹ Premium income amounts to EUR 686m for Q4 2015 and EUR 2,500m for Jan-Dec 2015 (Q4 2014: EUR 605m, Jan-Dec 2014: EUR 2,270m).

Note 5 Other expenses

EURm	Q4 2015	Q3 2015	Q4 2014	H2 2015	H2 2014	Jan-Dec 2015	Jan-Dec 2014
Information technology	-130	-114	-157	-244	-287	-485	-561
Marketing and representation	-26	-15	-29	-41	-49	-84	-103
Postage, transportation, telephone and office expenses	-37	-32	-45	-69	-84	-145	-178
Rents, premises and real estate	-131	-75	-86	-206	-177	-373	-389
Other	-131	-67	-101	-198	-201	-398	-425
Total	-455	-303	-418	-758	-798	-1,485	-1,656

Note 6 Net loan losses

EURm	Q4 2015	Q3 2015	Q4 2014	H2 2015	H2 2014	Jan-Dec 2015	Jan-Dec 2014
Loan losses divided by class							
Realised loan losses	-	-	0	-	-2	-	-2
Allowances to cover realised loan losses	-	-	0	-	2	-	2
Recoveries on previous realised loan losses	-	-	-	-	-	0	0
Provisions	0	-1	0	-1	1	0	0
Reversal of previous provisions	0	1	0	1	22	1	23
Loans to credit institutions	0	0	0	0	23	1	23
Realised loan losses	-128	-142	-208	-270	-323	-605	-633
Allowances to cover realised loan losses	81	109	146	190	215	448	450
Recoveries on previous realised loan losses	17	20	20	37	44	63	81
Provisions	-419	-220	-256	-639	-501	-1,074	-998
Reversal of previous provisions	277	122	169	399	295	693	557
Loans to the public	-172	-111	-129	-283	-270	-475	-543
Realised loan losses	-1	-4	-2	-5	-2	-11	-3
Allowances to cover realised loan losses	1	4	2	5	2	11	3
Provisions	-19	-17	-28	-36	-53	-104	-107
Reversal of previous provisions	49	16	28	65	59	99	93
Off-balance sheet items	30	-1	0	29	6	-5	-14
Net loan losses	-142	-112	-129	-254	-241	-479	-534

Key ratios

	Q4 2015	Q3 2015	Q4 2014	H2 2015	H2 2014	Jan-Dec 2015	Jan-Dec 2014
Loan loss ratio, basis points	17	13	15	15	14	14	15
- of which individual	16	12	15	14	14	13	15
- of which collective	1	1	0	1	0	1	0

Note 7 Loans and impairment

EURm	Total		
	31 Dec 2015	30 Sep 2015	31 Dec 2014
Loans, not impaired	361,807	373,573	363,584
Impaired loans	5,960	5,486	6,425
-of which performing	3,682	3,627	4,115
-of which non-performing	2,278	1,859	2,310
Loans before allowances	367,767	379,059	370,009
Allowances for individually assessed impaired loans	-2,213	-2,173	-2,329
-of which performing	-1,289	-1,347	-1,432
-of which non-performing	-924	-826	-897
Allowances for collectively assessed impaired loans	-451	-433	-420
Allowances	-2,664	-2,606	-2,749
Loans, carrying amount	365,103	376,453	367,260

EURm	Central banks and credit institutions			The public		
	31 Dec 2015	30 Sep 2015	31 Dec 2014	31 Dec 2015	30 Sep 2015	31 Dec 2014
Loans, not impaired	24,185	27,118	19,177	337,622	346,455	344,407
Impaired loans	-	-	-	5,960	5,486	6,425
-of which performing	-	-	-	3,682	3,627	4,115
-of which non-performing	-	-	-	2,278	1,859	2,310
Loans before allowances	24,185	27,118	19,177	343,582	351,941	350,832
Allowances for individually assessed impaired loans	-	-	-	-2,213	-2,173	-2,329
-of which performing	-	-	-	-1,289	-1,347	-1,432
-of which non-performing	-	-	-	-924	-826	-897
Allowances for collectively assessed impaired loans	-2	-2	-2	-449	-431	-418
Allowances	-2	-2	-2	-2,662	-2,604	-2,747
Loans, carrying amount	24,183	27,116	19,175	340,920	349,337	348,085

Allowances and provisions

EURm	31 Dec 2015	30 Sep 2015	31 Dec 2014
Allowances for items on the balance sheet	-2,664	-2,606	-2,749
Provisions for off balance sheet items	-65	-96	-72
Total allowances and provisions	-2,729	-2,702	-2,821

Key ratios

	31 Dec 2015	30 Sep 2015	31 Dec 2014
Impairment rate, gross, basis points	162	145	174
Impairment rate, net, basis points	102	87	111
Total allowance rate, basis points	72	69	74
Allowances in relation to impaired loans, %	37	40	36
Total allowances in relation to impaired loans, %	45	48	43
Non-performing, not impaired, EURm	485	607	289

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	35,500	-	-	-	-	-	35,500
Loans to central banks	8,095	-	5,129	-	-	-	13,224
Loans to credit institutions	7,449	-	3,489	21	-	-	10,959
Loans to the public	251,876	-	36,999	52,045	-	-	340,920
Interest-bearing securities	61	2,708	34,870	16,421	-	34,116	88,176
Financial instruments pledged as collateral	-	-	8,341	-	-	-	8,341
Shares	-	-	4,917	35,828	-	-	40,745
Derivatives	-	-	77,594	-	3,147	-	80,741
Fair value changes of the hedged items in portfolio hedge of interest rate risk	151	-	-	-	-	-	151
Other assets	2,698	-	-	14,697	-	-	17,395
Prepaid expenses and accrued income	968	-	-	-	-	-	968
Total 31 Dec 2015	306,798	2,708	171,339	119,012	3,147	34,116	637,120
Total 31 Dec 2014	298,231	2,630	211,643	112,736	2,840	31,525	659,605

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	17,534	1,086	-	25,589	44,209
Deposits and borrowings from the public	10,465	8,520	-	174,357	193,342
Liabilities to policyholders, investment contracts	-	19,545	-	-	19,545
Debt securities in issue	6,885	46,229	-	148,823	201,937
Derivatives	77,887	-	1,618	-	79,505
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	2,594	2,594
Other liabilities	8,824	11,141	-	3,652	23,617
Accrued expenses and prepaid income	-	-	-	341	341
Subordinated liabilities	-	-	-	9,200	9,200
Total 31 Dec 2015	121,595	86,521	1,618	364,556	574,290
Total 31 Dec 2014	158,414	80,984	2,222	355,366	596,986

Note 9 Fair value of financial assets and liabilities

EURm	31 Dec 2015		31 Dec 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and balances with central banks	35,500	35,500	31,067	31,067
Loans	365,254	366,598	367,516	368,872
Interest-bearing securities	88,176	88,391	87,110	87,421
Financial instruments pledged as collateral	8,341	8,341	12,151	12,151
Shares	40,745	40,745	39,749	39,749
Derivatives	80,741	80,741	105,119	105,119
Other assets	17,395	17,395	15,766	15,766
Prepaid expenses and accrued income	968	968	1,127	1,127
Total	637,120	638,679	659,605	661,272
Financial liabilities				
Deposits and debt instruments	451,282	451,167	459,210	460,653
Liabilities to policyholders	19,545	19,545	16,741	16,741
Derivatives	79,505	79,505	97,340	97,340
Other liabilities	23,617	23,617	23,341	23,341
Accrued expenses and prepaid income	341	341	354	354
Total	574,290	574,175	596,986	598,429

The determination of fair value is described in the Annual report 2014, Note G40 "Assets and liabilities at fair value". The fair value has for loans been estimated by discounting the expected future cash flows with an assumed customer interest rate that would have been used on the market if the loans had been issued at the time of the measurement. The assumed customer interest rate is calculated as the benchmark interest rate plus the average margin on new lending in Retail Banking and Wholesale Banking respectively.

Note 10 Financial assets and liabilities held at fair value on the balance sheet**Categorisation into the fair value hierarchy**

EURm	Quoted prices in active markets for the same instrument (Level 1)		Valuation technique using observable data (Level 2)		Valuation technique using non-observable data (Level 3)		Total
		Of which Life		Of which Life		Of which Life	
Assets at fair value on the balance sheet¹							
Loans to central banks	-	-	5,129	-	-	-	5,129
Loans to credit institutions	-	-	3,510	-	-	-	3,510
Loans to the public	-	-	89,044	-	-	-	89,044
Interest-bearing securities ²	49,979	12,986	43,511	6,044	250	45	93,740
Shares ³	33,158	26,757	2,717	2,414	4,878	4,212	40,753
Derivatives	211	-	78,875	32	1,655	-	80,741
Other assets	-	-	14,697	-	-	-	14,697
Total 31 Dec 2015	83,348	39,743	237,483	8,490	6,783	4,257	327,614
Total 31 Dec 2014	87,550	35,544	263,991	8,658	7,203	4,539	358,744
Liabilities at fair value on the balance sheet¹							
Deposits by credit institutions	-	-	18,620	1,361	-	-	18,620
Deposits and borrowings from the public	-	-	18,985	-	-	-	18,985
Liabilities to policyholders	-	-	19,545	19,545	-	-	19,545
Debt securities in issue ⁴	46,229	-	6,885	-	-	-	53,114
Derivatives ⁴	242	-	77,739	153	1,524	-	79,505
Other liabilities	6,909	-	13,056	-	-	-	19,965
Total 31 Dec 2015	53,380	-	154,830	21,059	1,524	-	209,734
Total 31 Dec 2014	47,377	-	192,617	18,338	1,626	-	241,620

Liabilities at fair value on the balance sheet¹

Deposits by credit institutions	-	-	18,620	1,361	-	-	18,620
Deposits and borrowings from the public	-	-	18,985	-	-	-	18,985
Liabilities to policyholders	-	-	19,545	19,545	-	-	19,545
Debt securities in issue ⁴	46,229	-	6,885	-	-	-	53,114
Derivatives ⁴	242	-	77,739	153	1,524	-	79,505
Other liabilities	6,909	-	13,056	-	-	-	19,965
Total 31 Dec 2015	53,380	-	154,830	21,059	1,524	-	209,734
Total 31 Dec 2014	47,377	-	192,617	18,338	1,626	-	241,620

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

² Of which EUR 8,333m relates to the balance sheet item Financial instruments pledged as collateral.

³ Of which EUR 8m relates to the balance sheet item Financial instruments pledged as collateral.

⁴ For structured bonds the host contract and the embedded derivative are presented separately. The host contract is presented on the balance sheet as "Debt securities in issue" and the embedded derivative on the balance sheet as "Derivatives". The total fair value of the structured bonds is EUR 6,825m (EUR 7,541m), of which EUR 6,881m (EUR 7,185m) is categorised into Level 2 and a net positive fair value of EUR 56m (net negative fair value of EUR 356m) into Level 3 in the fair value hierarchy.

Determination of fair values for items measured at fair value on the balance sheet

Nordea incorporates credit valuation adjustments (CVA) and debit valuation adjustments (DVA) into derivative valuations. CVA and DVA reflect the impact on fair value of the counterparty's credit risk and Nordea's own credit quality, respectively. Calculations are based on estimates of exposure at default, probability of default and recovery rates, on a counterparty basis.

Generally, exposure at default for CVA and DVA is based on expected exposure and estimated through the simulation of underlying risk factors. Where possible, probabilities of defaults (PDs) and recovery rates are sourced from the CDS markets. For counterparties where this information is not directly available, PDs and recovery rates are estimated using a cross sectional approach where the illiquid counterparties are mapped to comparable liquid CDS names.

The impact of funding costs and funding benefits on valuation of uncollateralised and imperfectly collateralised derivatives is recognised as a funding fair valuation adjustment (FFVA). In 2015 Nordea has developed its FFVA framework to incorporate an estimated funding curve which reflects the market cost of funding. Since FFVA is a newly developing market practice, Nordea is continuously monitoring the market practices, and consequently reviewing and developing the methodology in use.

For more information about valuation techniques and inputs in the fair value measurement, see the Annual report 2014, Note G40 "Assets 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 1,129m from Level 1 to Level 2 and EUR 295m from Level 2 to Level 1 of the fair value hierarchy. Nordea has also transferred shares of EUR 22m from Level 1 to Level 2, derivative assets of EUR 96m and derivative liabilities of EUR 120m from Level 2 to Level 1 and other liabilities of EUR 4m from Level 2 to Level 1.

The reason for the transfers from Level 1 to Level 2 was that the instruments ceased to be actively traded during the period and fair values have now been obtained using valuation techniques with observable market inputs. The reason for the transfer from Level 2 to Level 1 was that the instruments have again been actively traded during the period and reliable quoted prices are obtained in the market. Transfers have also occurred following the implementation of an improved and more granular classification approach. Transfers between levels are considered to have occurred at the end of the reporting period.

Note 10, continued

Movements in Level 3

EURm	Fair value gains/losses recognised in the income statement during the year			Un-recognised in OCI	Purchases / Issues	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Translation differences	31 Dec
	1 Jan	Realised	realised								
Interest-bearing securities	279	1	8	-	75	-111	-1	-	-2	1	250
- of which Life	53	-	-3	-	-	-6	-	-	-	1	45
Shares	5,458	307	49	-	4,468	-5,021	-58	29	-333	-21	4,878
- of which Life	4,486	281	36	-	4,377	-4,897	-55	3	-	-19	4,212
Derivatives (net)	-160	37	-18	-	-1	-	-37	443	-133	0	131
Total 2015, net	5,577	345	39	-	4,542	-5,132	-96	472	-468	-20	5,259
Total 2014, net	4,355	-92	126	-2	2,580	-1,813	463	-	-22	-18	5,577

Unrealised gains and losses relate to those assets and liabilities held at the end of the reporting period. During the period Nordea transferred shares of EUR 29m from Level 2 to Level 3 and EUR 333m from Level 3 to Level 2. Nordea also transferred derivatives (net) of EUR 443m from Level 2 to Level 3 and EUR 133m from Level 3 to Level 2. 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 have also occurred following the implementation of an improved and more granular classification approach. Transfers between levels are considered to have occurred at the end of the reporting period. Fair value gains and losses in the income statement during the period are included in "Net result from items at fair value". Assets and liabilities related to derivatives are presented net.

The valuation processes for fair value measurements in Level 3

For information about valuation processes for fair value measurement in Level 3, see the Annual report 2014 Note G40 "Assets and liabilities at fair value".

Deferred day 1 profit

The transaction price for financial instruments in some cases differs from the fair value at initial recognition measured using a valuation model, mainly due to that the transaction price is not established in an active market. If there are significant unobservable inputs used in the valuation technique (Level 3), the financial instrument is recognised at the transaction price and any difference between the transaction price and fair value at initial recognition measured using a valuation model (Day 1 profit) is deferred. For more information see the Annual report 2014 Note G1 "Accounting policies". The table below shows the aggregate difference yet to be recognised in the income statement at the beginning and end of the period and a reconciliation of how this aggregated difference has changed during the period (movement of deferred Day 1 profit).

Deferred day 1 profit - Derivatives, net

EURm	2015	2014
Opening balance at 1 Jan	36	38
Deferred profit on new transactions	9	9
Recognised in the income statement during the period	-11	-11
Closing balance at 31 Dec	34	36

Note 10, continued

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

EURm	Fair value	Of which		Unobservable input	Range of fair value ⁴
		Life ¹	Valuation techniques		
Interest-bearing securities					
Mortgage and other credit institutions ²	205	-	Discounted cash flows	Credit spread	-5/5
Corporates	45	45	Discounted cash flows	Credit spread	-3/3
Total 31 Dec 2015	250	45			-8/8
Total 31 Dec 2014	279	53			-11/11
Shares					
Private equity funds	1,965	1,781	Net asset value ³		-218/232
Hedge funds	474	298	Net asset value ³		-31/37
Credit funds	423	237	Net asset value/market consensus ³		-23/28
Other funds	1,880	1,868	Net asset value/Fund prices ³		-223/224
Other	136	28	-		-9/9
Total 31 Dec 2015	4,878	4,212			-504/530
Total 31 Dec 2014	5,458	4,486			-542/575
Derivatives, net					
Interest rate derivatives	180	-	Option model	Correlations Volatilities	-26/19
Equity derivatives	-24	-	Option model	Correlations Volatilities Dividends	-26/19
Foreign exchange derivatives	-35	-	Option model	Correlations Volatilities	-0/0
Credit derivatives	-18	-	Credit derivative model	Correlations Recovery rates	-8/6
Other	28	-	Option model	Correlations Volatilities	-0/0
Total 31 Dec 2015	131	-			-60/44
Total 31 Dec 2014	-160	-			-41/30

¹ Investments in financial instruments is a major part of the life insurance business, acquired 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.

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

³ The fair values are based on prices and net asset values delivered by external suppliers/custodians. The prices are fixed by the suppliers/custodians on the basis of the development in assets behind the investments. For private equity funds the dominant measurement methodology used by the suppliers/custodians is consistent with the International Private Equity and Venture Capital Valuation (IPEV) guidelines issued by the EVCA (European Venture Capital Association). Less than 15% of the private equity fund investments are internally adjusted/valued based on the IPEV guidelines. These carrying amounts are in a range of 0% to 100% compared to the values received from suppliers/custodians.

⁴ The column "Range of fair value" shows the sensitivity of Level 3 financial instruments to changes in key assumptions. For more information see the Annual Report 2014, Note G40 "Assets and liabilities at fair value".

Note 11 Capital adequacy

These figures are according to part 8 of CRR, in Sweden implemented in FFFS 2014:12

Summary of items included in own funds

EURm	31 Dec ³ 2015	31 Dec ³ 2014
Calculation of own funds		
Equity in the consolidated situation	29 959	29 063
Proposed/actual dividend	-2 584	-2 501
Common Equity Tier 1 capital before regulatory adjustments	27 375	26 562
Deferred tax assets		
Intangible assets	-2 866	-2 584
IRB provisions shortfall (-)	-296	-344
Deduction for investments in credit institutions (50%)		
Pension assets in excess of related liabilities ¹	-296	-33
Other items, net	-342	-780
Total regulatory adjustments to Common Equity Tier 1 capital	-3 800	-3 741
Common Equity Tier 1 capital (net after deduction)	23 575	22 821
Additional Tier 1 capital before regulatory adjustments	2 968	2 779
Total regulatory adjustments to Additional Tier 1 capital	-27	-12
Additional Tier 1 capital	2 941	2 767
Tier 1 capital (net after deduction)	26 516	25 588
Tier 2 capital before regulatory adjustments	5 940	5 011
IRB provisions excess (+)/shortfall (-)		
Deduction for investments in credit institutions (50%)		
Deductions for investments in insurance companies	-1 501	-505
Pension assets in excess of related liabilities		
Other items, net	-55	-45
Total regulatory adjustments to Tier 2 capital	-1 556	-550
Tier 2 capital	4 384	4 461
Own funds (net after deduction)²	30 900	30 049

¹ Based on conditional FSA approval

² Own Funds adjusted for IRB provision, i.e. adjusted own funds equal 31196m by 31 Dec 2015

³ including profit of the period

Own Funds excluding profit

EURm	31 Dec 2015	31 Dec 2014
Common Equity Tier 1 capital, excluding profit	22 802	22 270
Total Own Funds, excluding profit	30 127	29 498

Note 11, continued

Minimum capital requirement and REA	31 Dec 2015 Minimum Capital requirement	31 Dec 2015 REA	31 Dec 2014 Minimum Capital requirement	31 Dec 2014 REA
EURm				
Credit risk	9,358	116,978	9,522	119,029
- of which counterparty credit risk	761	9,510	843	10,535
IRB	8,297	103,717	8,451	105,637
- corporate	5,630	70,371	5,743	71,792
- <i>advanced</i>	4,497	56,211	4,048	50,600
- <i>foundation</i>	1,133	14,160	1,695	21,192
- institutions	682	8,526	766	9,572
- retail	1,802	22,520	1,755	21,940
- <i>secured by immovable property collateral</i>	1,016	12,702	897	11,219
- <i>other retail</i>	786	9,818	858	10,721
- other	183	2,300	187	2,333
Standardised	1,061	13,261	1,071	13,392
- central governments or central banks	40	504	57	717
- regional governments or local authorities	19	237	17	211
- public sector entities	3	32	2	20
- multilateral development banks	0	0		
- international organisations				
- institutions	23	282	27	338
- corporate	169	2,109	154	1,921
- of which retail	251	3,137	255	3,181
- secured by mortgages on immovable properties	231	2,887	222	2,777
- in default	9	119	12	155
- associated with particularly high risk	59	741	53	666
- covered bonds				
- institutions and corporates with a short-term credit assessment				
- collective investments undertakings (CIU)				
- equity	209	2,617	195	2,442
- other items	48	596	77	964
Credit Value Adjustment Risk	140	1,751	185	2,308
Market risk	522	6,534	588	7,341
- trading book, Internal Approach	239	2,990	312	3,898
- trading book, Standardised Approach ¹	96	1,209	116	1,447
- banking book, Standardised Approach	187	2,335	160	1,996
Operational risk	1,363	17,031	1,347	16,842
Standardised	1,363	17,031	1,347	16,842
Additional risk exposure amount, Article 3 CRR	80	1,000	-	-
Sub total	11,463	143,294	11,642	145,520
Adjustment for Basel I floor				
Additional capital requirement according to Basel I floor	6,283	78,533	5,995	74,938
Total	17,746	221,827	17,637	220,458

¹ Market Risk - of which trading book, Standardised Approach is restated for Q4 2014

Note 11, continued

Minimum Capital Requirement & Capital Buffers

Percentage	Minimum Capital requirement	Capital Buffers			SRB	Capital Buffers total ¹	Total
		CCoB	CCyB	SII			
Common Equity Tier 1 capital	4.5	2.5	0.4		3.0	5.9	10.4
Tier 1 capital	6.0	2.5	0.4		3.0	5.9	11.9
Own funds	8.0	2.5	0.4		3.0	5.9	13.9
EURm							
Common Equity Tier 1 capital	6,448	3,582	545		4,299	8,427	14,875
Tier 1 capital	8,598	3,582	545		4,299	8,427	17,024
Own funds	11,464	3,582	545		4,299	8,427	19,890

¹ Only the maximum of the SRB and SII is used in the calculation of the total capital buffers

Common Equity Tier 1 available to meet Capital Buffers

Percentage points of REA

	31 Dec 2015	31 Dec 2014
Common Equity Tier 1 capital ¹	12.0	11.2

¹ Including profit of the period.

Capital ratios

Percentage	31 Dec 2015	31 Dec 2014
Common Equity Tier 1 capital ratio, including profit	16.5	15.7
Tier 1 ratio, including profit	18.5	17.6
Total capital ratio, including profit	21.6	20.6
Common Equity Tier 1 capital ratio, excluding profit	15.9	15.3
Tier 1 ratio, excluding profit	18.0	17.2
Total Capital ratio, excluding profit	21.0	20.3

Capital ratios including Basel I floor

Percentage	31 Dec 2015	31 Dec 2014
Common Equity Tier 1 capital ratio, including profit	10.8	10.5
Tier 1 ratio, including profit	12.1	11.8
Total capital ratio, including profit	14.1	13.8
Common Equity Tier 1 capital ratio, excluding profit	10.4	10.3
Tier 1 ratio, excluding profit	11.7	11.5
Total Capital ratio, excluding profit	13.7	13.5

Leverage ratio^{1,2}

	31 Dec ² 2015	31 Dec ² 2014
Tier 1 capital, transitional definition, EURm	26,516	25,382
Leverage ratio exposure, EURm	576,317	590,759
Leverage ratio, percentage	4.6	4.3

¹ Q4 2015 based on end of month. Q4 2014 leverage ratio and volumes based on three month average according to local FSA reporting process

² Including profit of the period.

Note 11, continued

Credit risk exposures for which internal models are used, split by rating grade

	On-balance exposure, EURm	Off-balance exposure, EURm	Exposure value (EAD), EURm ¹	Of which EAD for off-balance, EURm	Exposure-weighted average risk weight:
Corporate, foundation IRB:	14,593	4,874	29,892	1,016	47,4
<i>of which:</i>					
- rating grades 6	1,189	123	4,383	23	16,0
- rating grades 5	4,122	1,354	9,293	328	31,0
- rating grades 4	5,884	1,934	11,512	481	56,0
- rating grades 3	1,934	928	2,928	147	86,2
- rating grades 2	299	110	680	5	157,4
- rating grades 1	45	25	50	1	176,3
- unrated	634	294	401	14	111,0
- defaulted	486	106	645	17	0,0
Corporate, advanced IRB:	113,869	68,787	142,810	32,922	39,4
<i>of which:</i>					
- rating grades 6	13,538	5,273	14,899	2,561	9,0
- rating grades 5	25,041	27,250	37,945	13,238	23,2
- rating grades 4	51,886	28,684	64,343	13,745	39,3
- rating grades 3	13,741	5,346	16,031	2,613	58,6
- rating grades 2	3,167	1,092	3,154	468	102,8
- rating grades 1	420	91	422	33	128,5
- unrated	1,748	527	1,900	264	91,0
- defaulted	4,328	524	4,116		143,5
Institutions, foundation IRB:	35,268	3,138	43,787	1,083	19,5
<i>of which:</i>					
- rating grades 6	12,274	547	14,318	327	9,7
- rating grades 5	22,223	826	27,292	268	20,5
- rating grades 4	461	1,149	1,725	370	55,3
- rating grades 3	194	211	291	57	112,0
- rating grades 2	67	111	70	23	183,2
- rating grades 1	2	7	4	3	242,9
- unrated	43	287	83	35	139,9
- defaulted	4		4		0,0
Retail, of which secured by real estate:	135,484	5,999	139,859	4,375	9,1
<i>of which:</i>					
- scoring grades A	84,190	4,825	87,768	3,578	3,5
- scoring grades B	30,652	762	31,214	561	8,1
- scoring grades C	12,617	259	12,775	158	16,0
- scoring grades D	3,903	101	3,957	55	30,8
- scoring grades E	1,725	39	1,741	15	62,9
- scoring grades F	822	6	825	3	86,4
- not scored	43	2	44	1	31,0
- defaulted	1,532	5	1,535	4	133,5
Retail, of which other retail:	25,612	12,495	32,546	8,048	30,2
<i>of which:</i>					
- scoring grades A	6,756	6,636	10,850	4,271	9,1
- scoring grades B	6,396	2,953	8,040	1,919	19,1
- scoring grades C	4,091	1,484	4,790	994	31,4
- scoring grades D	2,862	750	3,144	487	37,7
- scoring grades E	2,702	298	2,821	186	40,6
- scoring grades F	1,802	128	1,810	81	54,7
- not scored	101	111	135	33	46,0
- defaulted	902	135	956	77	251,1
Other non credit-obligation assets:	2,613	29	2,300	13	100,0

Nordea does not have the following IRB exposure classes: equity exposures, items representing securitisation positions, central governments and central banks, qualifying revolving retail

¹ Includes EAD for on-balance, off-balance, derivatives and securities financing.

Note 11, continued

Capital requirements for market risk

EURm	Trading book, IM		Trading book, SA		Banking book, SA		Total	
	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement
Interest rate risk & other ¹	1,193	96	966	77			2,159	173
Equity risk	353	28	220	17			573	45
Foreign exchange risk	209	17			2,335	187	2,544	204
Commodity risk			22	2			22	2
Settlement risk			1	0			1	0
Diversification effect	-644	-52					-644	-52
Stressed Value-at-Risk	1,046	84					1,046	84
Incremental Risk Measure	381	30					381	30
Comprehensive Risk Measure	452	36					452	36
Total	2,990	239	1,209	96	2,335	187	6,534	522

¹ Interest rate risk column Trading book IA includes both general and specific interest rate risk which is elsewhere referred to as interest rate VaR and credit spread VaR.

Note 12 Discontinued operations and disposal groups held for sale

EURm	Q4 2015	Q4 2014	Jan-Dec 2015	Jan-Dec 2014
Net interest income	-	-	-	28
Net fee and commission income	-	-	-	0
Other operating income	-	-	-	-16
Total operating income	-	-	-	12
Total operating expenses	-	-	-	-30
Net loan losses	-	-	-	-6
Operating profit	-	-	-	-24
Income tax expense	-	-	-	-1
Net profit for the period from discontinued	-	-	-	-25
Net result for the period recognised on the measurement at fair value	-	-	-	-19
Transaction and transition cost (including cost to sell)	-	-	-	-10
Net profit for the period from discontinued operations after measurement at fair value less cost to sell	-	-	-	-54
Basic earnings per share from discontinued operations, EUR	-	-	-	-0.01
Diluted earnings per share from discontinued operations, EUR	-	-	-	-0.01

Discontinued operations 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. All regulatory approvals were received and the transaction closed during the second quarter 2014, when also the operations were derecognised. During the second quarter 2015 the scope of discontinued operations changed and the IT-operations earlier classified as discontinued operations were reclassified to continuing operations. 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). The majority of the business was previously reported in the Retail Banking Poland segment. The impact from discontinued operations on other comprehensive income can be found in the statement of comprehensive income.

Note 13 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, compliance risk and life insurance risk. For further information on risk composition, see the Annual Report.

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

Tier 1 capital ratio

Tier 1 capital as a percentage of risk exposure amount. The Common equity tier 1 capital ratio is calculated as Common equity tier 1 capital as a percentage of risk exposure amount.

Loan loss ratio

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

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 in percentage of Economic capital.

ROCAR

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

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

Nordea Bank AB (publ)

Accounting policies

The interim financial statements for the parent company, Nordea Bank AB (publ) are presented in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25 including amendments) and the accounting recommendation for legal entities (RFR 2) issued by the Swedish Financial Reporting Board.

This means that the same accounting policies and methods for computation are followed as compared with the Annual Report 2014, for more information see Note P1 in the Annual Report 2014. For changed accounting policies implemented during 2015, see "Changed accounting policies" below.

Changed accounting policies

The Swedish Financial Reporting Board has amended the accounting recommendation for legal entities by issuing "RFR 2 Accounting for Legal Entities – January 2015". These amendments were implemented by the parent company 1 January 2015 but have not had any significant impact on the parent company's financial statements.

Other changes implemented by the parent company 1 January 2015 can be found in section "Changed

accounting policies" in Note 1 for the Group. The conclusions within this section are also, where applicable, relevant for the parent company.

Impact on capital adequacy from new or amended IFRS standards not yet applied

The IASB has issued "Amendments to IAS 27, Equity method in Separate Financial Statements" which allows the equity method when accounting for investments in subsidiaries, joint ventures and associated companies. The amendment is effective as from annual periods beginning on or after 1 January 2016. The amendment is endorsed by the EU commission. However, the Swedish accounting laws do not allow the equity method for investments in subsidiaries. Nordea's expectation is that the amendments in IAS 27 will not have any significant impact on the parent company's financial statements, capital adequacy or large exposures in the period of initial application.

Other, forthcoming changes in IFRS not yet implemented by the parent company can be found in the section "Impact on capital adequacy from new or amended IFRS standards" in Note 1 for the Group. The conclusions within this section are also, where applicable, relevant for the parent company.

Nordea Bank AB (publ)

Income statement

EURm	Q4 2015	Q4 2014	H2 2015	H2 2014	Jan-Dec 2015	Jan-Dec 2014
Operating income						
<i>Interest income</i>	378	445	762	922	1,607	1,942
<i>Interest expense</i>	-251	-292	-504	-598	-1,031	-1,293
Net interest income	127	153	258	324	576	649
<i>Fee and commission income</i>	285	283	533	550	1,094	1,093
<i>Fee and commission expense</i>	-65	-74	-135	-138	-273	-273
Net fee and commission income	220	209	398	412	821	820
Net result from items at fair value	27	72	62	95	136	186
Dividends	1,915	1,982	1,915	1,982	2,176	2,333
Other operating income	346	224	512	362	833	975
Total operating income	2,635	2,640	3,145	3,175	4,542	4,963
Operating expenses						
General administrative expenses:						
Staff costs	-366	-270	-636	-526	-1,196	-1,070
Other expenses	-250	-240	-438	-444	-851	-904
Depreciation, amortisation and impairment charges of tangible and intangible assets	-43	-32	-78	-196	-140	-261
Total operating expenses	-659	-542	-1,152	-1,166	-2,187	-2,235
Profit before loan losses	1,976	2,098	1,993	2,009	2,355	2,728
Net loan losses	-51	-38	-116	-57	-143	-98
Impairment of securities held as financial non-current assets	-9	-15	-9	-15	-9	-15
Operating profit	1,916	2,045	1,868	1,937	2,203	2,615
Appropriations	2	-1	2	-1	2	-1
Income tax expense ¹	-107	-177	-191	-177	-285	-189
Net profit for the period	1,811	1,867	1,679	1,759	1,920	2,425

¹ Includes an adjustment related to prior years amounting to EUR 94m in Q2 2015.

Balance sheet

EURm	31 Dec 2015	31 Dec 2014
Assets		
Cash and balances with central banks	75	931
Treasury bills	6,905	5,035
Loans to credit institutions	90,009	86,704
Loans to the public	45,820	39,809
Interest-bearing securities	12,163	11,321
Financial instruments pledged as collateral	0	43
Shares	2,363	6,061
Derivatives	5,011	5,981
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1	1
Investments in group undertakings	19,394	16,986
Investments in associated undertakings	7	7
Intangible assets	1,091	758
Properties and equipment	138	119
Deferred tax assets	26	14
Current tax assets	3	50
Other assets	4,387	3,727
Prepaid expenses and accrued income	780	884
Total assets	188,173	178,431
Liabilities		
Deposits by credit institutions	19,069	27,452
Deposits and borrowings from the public	61,043	49,367
Debt securities in issue	68,908	63,280
Derivatives	4,180	4,653
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,158	1,368
Current tax liabilities	34	4
Other liabilities	3,531	2,895
Accrued expenses and prepaid income	759	642
Deferred tax liabilities	0	0
Provisions	301	206
Retirement benefit obligations	159	171
Subordinated liabilities	8,951	7,728
Total liabilities	168,093	157,766
Untaxed reserves	2	4
Equity		
Share capital	4,050	4,050
Share premium reserve	1,080	1,080
Other reserves	-21	-5
Retained earnings	14,969	15,536
Total equity	20,078	20,661
Total liabilities and equity	188,173	178,431
Assets pledged as security for own liabilities	1,208	3,946
Other assets pledged	7,686	9,238
Contingent liabilities	72,402	71,103
Credit commitments ¹	27,927	23,824

¹ Including unutilised portion of approved overdraft facilities of EUR 16,658m (31 Dec 2014: EUR 14,114m).

Note 1, Capital adequacy

These figures are according to part 8 of CRR, in Sweden implemented in FFFS 2014:12

Summary of items included in own funds

EURm	31 Dec ³ 2015	31 Dec ³ 2014
Calculation of own funds		
Equity in the consolidated situation	20 079	20 661
Proposed/actual dividend	-2 584	-2 501
Common Equity Tier 1 capital before regulatory adjustments	17 495	18 160
Deferred tax assets		
Intangible assets	-1 091	-758
IRB provisions shortfall (-)		
Deduction for investments in credit institutions (50%)		
Pension assets in excess of related liabilities ¹		
Other items, net	-31	-238
Total regulatory adjustments to Common Equity Tier 1 capital	-1 122	-996
Common Equity Tier 1 capital (net after deduction)	16 373	17 164
Additional Tier 1 capital before regulatory adjustments	2 971	2 800
Total regulatory adjustments to Additional Tier 1 capital	-30	-32
Additional Tier 1 capital	2 941	2 768
Tier 1 capital (net after deduction)	19 314	19 932
Tier 2 capital before regulatory adjustments	5 686	4 731
IRB provisions excess (+)/shortfall (-)	108	55
Deduction for investments in credit institutions (50%)		
Deductions for investments in insurance companies	-1 501	-505
Pension assets in excess of related liabilities		
Other items, net	-58	-45
Total regulatory adjustments to Tier 2 capital	-1 451	-495
Tier 2 capital	4 235	4 236
Own funds (net after deduction)²	23 549	24 168

¹ Based on conditional FSA approval

² Own Funds adjusted for IRB provision, i.e. adjusted own funds equal 23441m by 31 Dec 2015

³ including profit of the period

Own Funds excluding profit

EURm	31 Dec 2015	31 Dec 2014
Common Equity Tier 1 capital, excluding profit	17 025	17 258
Total Own Funds, excluding profit	24 201	24 262

Note 1, continued

Minimum capital requirement and REA	31 Dec 2015 Minimum Capital requirement	31 Dec 2015 REA	31 Dec 2014 Minimum Capital requirement	31 Dec 2014 REA
EURm				
Credit risk	6,346	79,328	5,759	71,986
- of which counterparty credit risk	133	1,660	100	1,249
IRB	2,849	35,613	2,674	33,429
- corporate	2,367	29,584	2,130	26,622
- <i>advanced</i>	1,718	21,467	1,461	18,257
- <i>foundation</i>	649	8,117	669	8,365
- institutions	255	3,195	302	3,777
- retail	125	1,562	148	1,854
- <i>secured by immovable property collateral</i>	7	83	7	86
- <i>other retail</i>	118	1,479	141	1,768
- other	102	1,272	94	1,176
Standardised	3,497	43,715	3,085	38,557
- central governments or central banks	5	67	14	174
- regional governments or local authorities	2	19	1	8
- public sector entities				
- multilateral development banks				
- international organisations				
- institutions	1,279	15,986	1,319	16,481
- corporate	42	529	57	718
- of which retail	26	324	28	345
- secured by mortgages on immovable properties	212	2,646	202	2,530
- in default	3	43	5	60
- associated with particularly high risk				
- covered bonds	0	0	0	0
- institutions and corporates with a short-term credit assessment				
- collective investments undertakings (CIU)				
- equity	1,925	24,065	1,451	18,139
- other items	3	36	8	102
Credit Value Adjustment Risk	13	156	14	172
Market risk	210	2,623	218	2,724
- trading book, Internal Approach	23	288	42	524
- trading book, Standardised Approach ¹			2	26
- banking book, Standardised Approach	187	2,335	174	2,174
Operational risk	378	4,730	322	4,028
Standardised	378	4,730	322	4,028
Additional risk exposure amount, Article 3 CRR	16	195		
Sub total	6,963	87,032	6,313	78,910
Adjustment for Basel I floor				
Additional capital requirement according to Basel I floor				
Total	6,963	87,032	6,313	78,910

¹Market risk - of which trading book, Standardised Approach, have been restated in Q4 2014

Note 1, continued

Minimum Capital Requirement & Capital Buffers

Percentage	Minimum Capital requirement	Capital Buffers			Capital Buffers total	Total
		CCoB	CCyB	SII		
Common Equity Tier 1 capital	4.5	2.5	0.4		2.9	7.4
Tier 1 capital	6.0	2.5	0.4		2.9	8.9
Own funds	8.0	2.5	0.4		2.9	10.9

EURm

Common Equity Tier 1 capital	3,916	2,176	361		2,537	6,453
Tier 1 capital	5,222	2,176	361		2,537	7,759
Own funds	6,963	2,176	361		2,537	9,500

Common Equity Tier 1 available to meet Capital Buffers

Percentage points of REA	31 Dec ¹ 2015	31 Dec ¹ 2014
Common Equity Tier 1 capital ¹	14.3	17.3

¹ Including profit of the period.

Capital ratios

Percentage	31 Dec 2015	31 Dec 2014
Common Equity Tier 1 capital ratio, including profit	18.8	21.8
Tier 1 ratio, including profit	22.2	25.3
Total capital ratio, including profit	27.1	30.6
Common Equity Tier 1 capital ratio, excluding profit	19.6	21.9
Tier 1 ratio, excluding profit	22.9	25.4
Total Capital ratio, excluding profit	27.8	30.7

Capital ratios including Basel I floor

Percentage	31 Dec 2015	31 Dec 2014
Common Equity Tier 1 capital ratio, including profit	18.8	21.8
Tier 1 ratio, including profit	22.2	25.3
Total capital ratio, including profit	26.9	30.6
Common Equity Tier 1 capital ratio, excluding profit	19.6	21.9
Tier 1 ratio, excluding profit	22.9	25.4
Total Capital ratio, excluding profit	27.7	30.7

Leverage ratio¹

	31 Dec ² 2015	31 Dec ² 2014
Tier 1 capital, transitional definition, EURm	19,314	20,047
Leverage ratio exposure, EURm	224,816	225,148
Leverage ratio, percentage	8.6	8.9

¹ Q4 2015 based on end of month. Q4 2014 leverage ratio and volumes based on three month average according to local FSA reporting process² Including profit of the period.

Note 1, continued

Credit risk exposures for which internal models are used, split by rating grade

	On-balance exposure, EURm	Off-balance exposure, EURm	Exposure value (EAD), EURm ¹	Of which EAD for off-balance, EURm	Exposure-weighted average risk weight:
Corporate, foundation IRB:	4,113	11,802	16,189	10,880	50,1
of which:					
- rating grades 6	790	269	1,231	250	17,4
- rating grades 5	1,391	3,994	5,641	3,576	33,8
- rating grades 4	1,221	6,231	7,476	5,836	58,7
- rating grades 3	270	1,107	1,261	1,030	94,2
- rating grades 2	88	114	152	108	163,8
- rating grades 1	8	9	15	7	214,9
- unrated	98	4	106	1	129,3
- defaulted	247	74	307	72	0,0
Corporate, advanced IRB:	26,506	34,762	50,129	24,131	42,8
of which:					
- rating grades 6	573	1,820	1,653	1,082	12,3
- rating grades 5	6,708	13,293	15,547	8,841	24,9
- rating grades 4	14,885	15,727	25,680	11,112	43,1
- rating grades 3	2,850	3,017	5,193	2,419	68,4
- rating grades 2	407	391	670	358	120,5
- rating grades 1	65	47	101	37	139,7
- unrated	668	229	814	159	115,4
- defaulted	350	238	471	123	189,4
Institutions, foundation IRB:	14,561	838	15,770	324	20,3
of which:					
- rating grades 6	6,522	72	6,817	15	8,9
- rating grades 5	7,900	280	8,565	72	27,4
- rating grades 4	109	342	361	233	56,7
- rating grades 3	8	9	10	1	112,0
- rating grades 2	7	0	0	0	226,3
- rating grades 1	0	0	0	0	294,3
- unrated	15	135	17	3	140,4
- defaulted					
Retail, of which secured by real estate:	829	285	1,043	214	8,0
of which:					
- scoring grades A	338	140	444	106	2,9
- scoring grades B	277	81	337	60	6,8
- scoring grades C	155	53	196	40	13,5
- scoring grades D	50	10	57	7	24,5
- scoring grades E					
- scoring grades F	2	0	2	0	64,9
- not scored	1	1	1	1	22,4
- defaulted	6	0	6	0	88,6
Retail, of which other retail:	3,401	2,745	5,345	1,945	27,7
of which:					
- scoring grades A	1,099	1,520	2,195	1,096	10,6
- scoring grades B	1,158	650	1,620	463	23,0
- scoring grades C	610	355	851	241	37,7
- scoring grades D	275	153	374	100	46,9
- scoring grades E	129	41	156	28	52,6
- scoring grades F	70	12	79	8	80,4
- not scored	6	7	11	4	55,3
- defaulted	54	7	59	5	381,6
Other non credit-obligation assets:	1,269	0	1,272	0	100,0

Nordea does not have the following IRB exposure classes: equity exposures, items representing securitisation positions, central governments and central banks, qualifying revolving retail.

¹ Includes EAD for on-balance, off-balance, derivatives and securities financing.

Note 1, continued

Capital requirements for market risk

EURm	Trading book, IM		Trading book, SA		Banking book, SA		Total	
	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement
Interest rate risk & other ¹	16	1					16	1
Equity risk	122	10					122	10
Foreign exchange risk	23	2			2,335	187	2,358	189
Commodity risk								
Settlement risk					0	0	0	0
Diversification effect	-9	-1					-9	-1
Stressed Value-at-Risk	136	11					136	11
Incremental Risk Measure	0	0					0	0
Comprehensive Risk Measure	0	0					0	0
Total	288	23			2,335	187	2,623	210

¹ Interest rate risk column Trading book IA includes both general and specific interest rate risk which is elsewhere referred to as interest rate VaR and credit spread VaR.

For further information:

- A press conference with management will be held on 27 January at 09.30 CET, at Mäster Samuelsgatan 17, Stockholm. Registration opens at 09.00.
- An international telephone conference for analysts with management will be held on 27 January at 14.30 CET. Please dial +44(0)20 3427 1904, confirmation code 2457792#, no later than ten minutes in advance. An indexed on-demand version will be available on www.nordea.com. A replay will be available until 3 February by dialling +44(0)20 3427 0598, access code 2457792#.
- An analyst and investor presentation will be held in London on 28 January at 08.00 local time at The Corinthia Hotel London, Whitehall Place, London SW1A
- This quarterly report, an investor presentation and a fact book are available on www.nordea.com.
- Nordea Bank AB (publ)'s Annual Report 2015 and the Capital and Risk Management Report (Pillar III) 2015 will be published on www.nordea.com during week 7 (the week starting 15 February). In week 8 (the week starting 22 February) the printed Annual Report will be available.

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Financial calendar

27 April 2016 – First quarter results 2016 (silent period starts 7 April 2016)
20 July 2016 – Second quarter results 2016 (silent period starts 7 July 2016)
26 October 2016 – Third quarter results 2016 (silent period starts 7 October 2016)

Stockholm 27 January 2016

Casper von Koskull
President and Group CEO

This report has not been subject to review by the Auditors.

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

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) macroeconomic developments, (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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