

Copenhagen, Helsinki, Oslo, Stockholm, 28 January 2015

## Fourth Quarter and Full Year Results 2014

### CEO Christian Clausen's comments on the results:

"We are in 2014 delivering a robust result with stable revenues, decreased costs and improved credit quality leading to a 9%<sup>1</sup> increase in operating profit. This is despite a challenging environment with low growth, low rates and increased geopolitical tensions.

We have seen a record high flow of assets of EUR 18.6bn and improving market shares in the savings area. In the corporate area we have further consolidated our position being ranked as the leading bank for large corporates in the Nordics by Greenwich as well as number one in Nordic Equities by Prospera.

Our capital position has continued to improve during 2014 mainly due to a strong capital generation corresponding to 2.1% of REA pre dividend. The Board of Directors proposes a dividend of EUR 0.62 per share (EUR 0.43). Common Equity Tier 1 capital ratio improved by 1.8 %-points to 15.7%.

For 2015 we are prepared for another year with low growth and low interest rates, and continued changed customer behaviour. Thus, we will deliver on our cost and capital efficiency plans to secure our strong financial foundation. We will continue to develop our services to meet the changing needs from our customers and invest in our IT platform to secure that we also long term provide even more personalised and convenient solutions for our customers." (For further viewpoints, see CEO comments, page 2)

### Full year 2014 vs. Full year 2013 (Fourth quarter vs. Third quarter 2014)<sup>2</sup>:

- Total operating income unchanged excl. non-recurring items<sup>2</sup>, in local currencies +2%<sup>2</sup> (+6%<sup>2</sup>, in local currencies +7%<sup>2</sup>)
- Total expenses -4%<sup>2</sup>, in local currencies -1%<sup>2</sup> (+5%<sup>2</sup>, in local currencies +6%<sup>2</sup>)
- Operating profit +9%<sup>2</sup>, in local currencies +12%<sup>2</sup> (+6%<sup>2</sup>, in local currencies +7%<sup>2</sup>)
- Common equity tier 1 capital ratio 15.7%, up from 13.9%<sup>3</sup> (up to 15.7% from 15.6%)
- Cost/income ratio down to 49.1%<sup>2</sup> from 51% (down 0.5% to 48.8%<sup>2</sup>)
- Loan loss ratio of 15 basis points, down from 21 basis points (up 3 bps to 15 bps)
- Return on equity 11.6%<sup>2</sup>, up from 11.0% (up to 11.8%<sup>2</sup> from 11.2%<sup>2</sup>)
- Proposed dividend EUR 0.62 per share, up from EUR 0.43 per share

Summary key figures, continuing operations <sup>4</sup> , EURm	Q4		Q3		Q4		Q3		2014		2013	
	2014	2014	ch	loc. curr	2013	ch	loc. curr	2013	2013	ch	loc. curr	
Net interest income	1,356	1,396	-3	-1	1,390	-2	1	5,482	5,525	-1	2	
Total operating income <sup>2</sup>	2,513	2,377	6	7	2,469	2	4	9,847	9,891	0	2	
Total operating income	2,513	2,754	-9	-8	2,469	2	4	10,224	9,891	3	6	
Profit before loan losses <sup>2</sup>	1,286	1,205	7	8	1,186	8	11	5,015	4,851	3	6	
Net loan losses	-129	-112	15		-180	-28	-27	-534	-735	-27	-26	
Operating profit <sup>2</sup>	1,157	1,093	6	7	1,006	15	18	4,481	4,116	9	12	
Operating profit	1,157	1,126	3	4	1,006	15	18	4,324	4,116	5	8	
Diluted EPS (total oper.), EUR	0.22	0.23			0.19			0.83	0.77			
Diluted EPS (basis for dividend distribution <sup>5</sup> , total oper.), EUR	0.22	0.30			0.19			0.89	0.77			
Return on equity <sup>2</sup> , %	11.8	11.2			10.5			11.6	11.0			
Return on equity, %	11.8	12.8			10.5			11.5	11.0			

Exchange rates used for Q4 2014 for income statement items are for DKK 7.45, NOK 8.36 and SEK 9.10, see also Note 1.

<sup>1</sup>) In reported currency and excluding non-recurring items – capital gain of EUR 378m and charge for impairment of intangible assets of EUR 344m in Q3 2014 and restructuring costs of EUR 190m in Q2 2014.

<sup>2</sup>) Excluding non-recurring income and cost items in Q2 and Q3 2014, see footnote 1).

<sup>3</sup>) Previously estimated Basel III CET1 ratio.

<sup>4</sup>) Key figures for continuing operations, following the divestment of the Polish banking, financing and life insurance operations.

<sup>5</sup>) Diluted EPS, basis for dividend distribution, is excluding impairment of intangible assets in Q3 2014.

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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 700 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.

www.nordea.com

## CEO comment

### Full year 2014 report

In 2014 we have had a focused execution of our plan and delivered a robust result. Revenues are up by 2%\*, costs are down by 1%\* and loan losses have decreased 6 basis points to 15 basis points which is below the 10-year average. As a consequence the operating profit is up by 12%\* (+9% in EUR), cost to income ratio improved by 1.9% to 49.1%\*\* and the Return on Equity improved 60 basis points to 11.6%\*\*.

This is despite a challenging environment with low growth low interest rates and increased geopolitical tensions.

### Capital and dividend

The Common Equity Tier 1 ratio has improved by 180 basis points to 15.7%, due to a modest loan demand and strong capital generation. The total capital ratio improved to 20.7%. Pre-dividend Nordea has generated capital corresponding to approximately 2.1% of risk exposure amount, and since 2006 Nordea has generated capital of EUR 26bn. Since beginning of the crisis, Nordea has delivered a Return on Equity of minimum 10.6% in a single year and a minimum of 8% in a single quarter and the volatility in earnings is amongst the lowest in Europe.

Nordea is fully compliant with the Swedish FSA's capital requirement, and we aim at operating the bank with a CET 1 ratio of approx. 15%, including a management buffer.

Nordea Board of Directors proposes a dividend of EUR 0.62 per share (EUR 0.43 in 2013), corresponding to a pay-out ratio of 70% of net profit\*\*\*. The Board's ambition is continued to increase the pay-out ratio for 2015, while maintaining a strong capital base.

### Delivering value for our customers

In Retail Banking 90,000 new relationship customers chose Nordea as their financial partner, continuing the high inflow from previous years. We now have 3.16 million relationship customers.

The swift transformation of our customers' behaviour continues, as they increasingly use our online services and interact with us whenever and wherever they prefer. In the fourth quarter, the number of active mobile banking users grew by more than 1,000 every day and during 2014 the number of mobile transactions increased by 90%, illustrating the pace of the changing behaviour.

In Wholesale Banking we took a leading role in many of the large transactions in the market. We were ranked as the leading bank for large corporates in the Nordics by Greenwich as well as number one in Nordic Equities by Prospera and gained the position as the largest brokerage house in the region.

Also in Wealth Management we enhanced our position as the leading provider in our region. Wealth Management maintained its strong momentum in all client segments, and a record-high net flow of EUR 18.6bn contributed to the increase in assets under management to an all-time high of EUR 262bn. Our fund sales amounted to the 6th largest net fund sales in Europe, placing Nordea as the only European fund manager consistently in Top 10 the past three years.

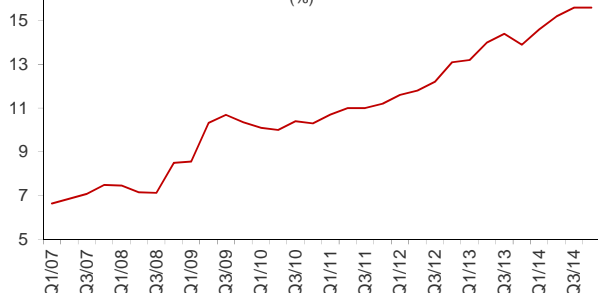
### Focus areas and deliveries on the 2015 plan

For 2015 we are planning for another year with low growth, subdued loan demand and continued changed customer behaviour. We will continue to increase efficiency, leading to a 5% cost reduction in local currencies 2015 versus 2013, and deliver on our 2015 plan, safeguarding our strong financial platform. In the coming quarters we expect a largely unchanged credit quality. We will continue to improve our offerings to adapt to the changing demands from our customers and start increasing the investments in new core banking and payment platforms to secure that we also in the long term provide more personalised and convenient solutions for our customers.

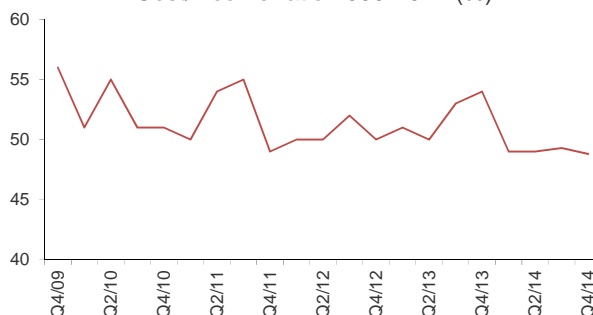
Christian Clausen  
President and Group CEO

Common equity tier 1 capital ratio 2007-2014

according to CRD IV/Basel 3 from Q4/13, excluding transition rules (%)



Cost/income ratio 2009-2014 (%)



\*) In local currencies and excluding non-recurring items

\*\*) Excluding non-recurring items

\*\*\*) Excluding the net effect from the charge for impairment of intangible assets of EUR 344m

## Income statement

EURm	Q4			Q3			Local			Local			
	2014	2014	Change	2013	Change	%	2013	Change	%	Jan-Dec 2014	Jan-Dec 2013	Change	%
Net interest income	1,356	1,396	-3	1,390	-2	1	5,482	5,525	-1	2			
Net fee and commission income	763	667	14	703	9	10	2,842	2,642	8	10			
Net result from items at fair value	367	291	26	333	10	11	1,425	1,539	-7	-6			
Equity method	-1	7		21			18	79	-77	-76			
Other operating income	28	393		22	27	27	457	106					
<b>Total operating income</b>	<b>2,513</b>	<b>2,754</b>	<b>-9</b>	<b>2,469</b>	<b>2</b>	<b>4</b>	<b>10,224</b>	<b>9,891</b>	<b>3</b>	<b>6</b>			
Staff costs	-758	-728	4	-739	3	5	-3,149	-2,978	6	9			
Other expenses	-416	-378	10	-480	-13	-11	-1,635	-1,835	-11	-8			
Depreciation of tangible and intangible assets	-53	-410		-64	-17	-13	-582	-227					
<b>Total operating expenses</b>	<b>-1,227</b>	<b>-1,516</b>	<b>-19</b>	<b>-1,283</b>	<b>-4</b>	<b>-2</b>	<b>-5,366</b>	<b>-5,040</b>	<b>6</b>	<b>9</b>			
<b>Profit before loan losses</b>	<b>1,286</b>	<b>1,238</b>	<b>4</b>	<b>1,186</b>	<b>8</b>	<b>11</b>	<b>4,858</b>	<b>4,851</b>	<b>0</b>	<b>3</b>			
Net loan losses	-129	-112	15	-180	-28	-27	-534	-735	-27	-26			
<b>Operating profit</b>	<b>1,157</b>	<b>1,126</b>	<b>3</b>	<b>1,006</b>	<b>15</b>	<b>18</b>	<b>4,324</b>	<b>4,116</b>	<b>5</b>	<b>8</b>			
<b>Operating profit excl. non-recurring items<sup>1</sup></b>	<b>1,157</b>	<b>1,093</b>	<b>6</b>	<b>1,006</b>	<b>15</b>	<b>18</b>	<b>4,481</b>	<b>4,116</b>	<b>9</b>	<b>12</b>			
Income tax expense	-280	-188	49	-246	14		-953	-1,009	-6				
<b>Net profit for period from continuing operations</b>	<b>877</b>	<b>938</b>	<b>-7</b>	<b>760</b>	<b>15</b>	<b>17</b>	<b>3,371</b>	<b>3,107</b>	<b>8</b>	<b>11</b>			
Net profit for the period from discontinued operations, after tax	0	0		13			-39	9					
<b>Net profit for the period</b>	<b>877</b>	<b>938</b>	<b>-7</b>	<b>773</b>	<b>13</b>	<b>16</b>	<b>3,332</b>	<b>3,116</b>	<b>7</b>	<b>9</b>			
<b>Net profit for the period, basis for dividend distribution<sup>2</sup></b>	<b>877</b>	<b>1,199</b>	<b>-27</b>	<b>773</b>			<b>3,593</b>	<b>3,116</b>	<b>15</b>				

Business volumes, key items<sup>3</sup>

EURbn	31 Dec			30 Sep			Change			Change in local		
	2014	2014	%	2013	Change	%	2013	Change	%	Dec/Sep	Dec/Dec	
Loans to the public	348.1	359.8	-3	342.5	2	0	5					
Loans to the public, excl. repos	303.6	310.5	-2	303.3	0	1	4					
Deposits and borrowings from the public	197.3	204.7	-4	200.7	-2	-2	0					
Assets under management	262.2	254.5	3	232.1	13							
Equity	29.8	29.8	0	29.2	2							
<b>Total assets</b>	<b>669.3</b>	<b>668.7</b>	<b>0</b>	<b>630.4</b>	<b>6</b>							

## Ratios and key figures

	Q4		Q3		Q4		Jan-Dec		Jan-Dec	
	2014	2014	2013	Change	2013	Change	2014	2013	Change	2013
Diluted earnings per share, EUR - Total operations	0.22	0.23	0.19		0.83	0.77				
Diluted earnings per share, EUR - Total operations, basis for dividend distribution <sup>2</sup>	0.22	0.30	0.19		0.89	0.77				
Share price <sup>3</sup> , EUR	9.68	10.27	9.78		9.68	9.78				
Total shareholders' return, %	0.8	3.7	11.8		9.2	44.6				
Proposed/actual dividend per share, EUR	0.62	0.43	0.43		0.62	0.43				
Equity per share <sup>3</sup> , EUR	7.40	7.39	7.27		7.40	7.27				
Potential shares outstanding <sup>3</sup> , million	4,050	4,050	4,050		4,050	4,050				
Weighted average number of diluted shares, million	4,034	4,029	4,020		4,031	4,020				
Return on equity, % - Continuing operations	11.8	12.8	10.5		11.5	11.0				
Return on equity, % - Continuing operations excl. non-recurring items <sup>1</sup>	11.8	11.2	10.5		11.6	11.0				
Cost/income ratio, % - Continuing operations excl. non-recurring items <sup>1</sup>	49	49	52		49	51				
Loan loss ratio, basis points	15	12	21		15	21				
Common Equity Tier 1 capital ratio, excl. Basel I floor <sup>3,4</sup> , %	15.7	15.6	14.9 <sup>5</sup>		15.7	14.9 <sup>5</sup>				
Common Equity Tier 1 capital ratio, incl. Basel I floor <sup>3,4</sup> , %	10.5	10.7	11.0 <sup>5</sup>		10.5	11.0 <sup>5</sup>				
Tier 1 capital ratio, excl. Basel I floor <sup>3,4</sup> , %	17.6	17.4	15.7 <sup>5</sup>		17.6	15.7 <sup>5</sup>				
Total capital ratio, excl. Basel I floor <sup>3,4</sup> , %	20.7	20.2	18.1 <sup>5</sup>		20.7	18.1 <sup>5</sup>				
Tier 1 capital <sup>3,4,5</sup> , EURm	25,588	25,548	24,444		25,588	24,444				
Risk exposure amount excl. Basel I floor <sup>3,6</sup> , EURbn	145	153	155		145	155				
Risk exposure amount incl. Basel I floor <sup>3,6</sup> , EURbn	220	224	209		220	209				
Number of employees (FTEs) - Continuing operations <sup>3</sup>	29,397	29,527	29,429		29,397	29,429				
Risk-adjusted profit <sup>6</sup> , EURm - Continuing operations	897	836	821		3,489	3,352				
Economic profit <sup>6</sup> , EURm - Continuing operations	289	223	224		1,071	912				
Economic capital <sup>3,6</sup> , EURbn - Total operations	23.9	24.8	24.4		23.9	24.4				
Economic capital <sup>3,6</sup> , EURbn - Continuing operations	23.9	24.8	23.5		23.9	23.5				
RAROCAR <sup>6</sup> , % - Continuing operations	14.6	13.6	13.5		14.4	13.7				
MCEV, EURm	4,758	-	4,700		4,758	4,700				

<sup>1</sup> Non-recurring items (Q2 2014: restructuring costs EUR 190m, Q3 2014: gain from the divestment of Nets EUR 378m and impairment of intangible assets EUR 344m).

<sup>2</sup> Net profit for the period (and EPS), basis for dividend distribution, is excluding impairment of intangible assets in Q3 2014.

<sup>3</sup> End of period.

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

<sup>5</sup> The Q4 2013 ratios are reported under the Basel II regulation framework and the Q4 2014 ratios are reported using the Basel III (CRR/CRDIV) framework.

<sup>6</sup> Capital deductions and physical assets (PAS) are included in 2013 and 2014 ratios.

## Table of contents

<b>Macroeconomy and financial markets .....</b>	<b>5</b>
<b>Group results and performance</b>	
<b>Fourth quarter 2014.....</b>	<b>6</b>
Net interest income.....	6
Net fee and commission income .....	7
Net result from items at fair value .....	8
Total operating income.....	8
Total expenses .....	9
Net loan losses and credit portfolio.....	10
Profit.....	11
<b>Full year 2014 compared to full year 2013 .....</b>	<b>11</b>
<b>Other information .....</b>	<b>12</b>
Capital position and risk exposure amount (REA).....	12
Balance sheet.....	13
Funding and liquidity operations .....	13
2015 plan.....	13
Dividend.....	13
Annual General Meeting.....	14
<b>Quarterly result development, Group.....</b>	<b>15</b>
<b>Business areas</b>	
<b>Financial overview by business area .....</b>	<b>16</b>
<b>Retail Banking.....</b>	<b>17</b>
<b>Wholesale Banking.....</b>	<b>22</b>
<b>Wealth Management.....</b>	<b>26</b>
<b>Group Functions and other .....</b>	<b>30</b>
<b>Financial statements</b>	
<b>Nordea Group .....</b>	<b>31</b>
<b>Notes to the financial statements .....</b>	<b>35</b>
<b>Nordea Bank AB (publ) .....</b>	<b>53</b>

## Macroeconomy and financial markets

The global economy moved cautiously forward during the fourth quarter even though the development was uneven. The US economy on the one hand continued to develop robustly, where in particular strong job creation drove unemployment to levels not seen since 2008. The healthy recovery paved way for the Federal Reserve to end its asset purchase program in October. Meanwhile, moderate wage growth combined with collapsing energy prices balanced market expectations regarding a possible exit from the US central bank's multi-year zero-rate policy.

The Euro area economy on the other hand continued to struggle due to structurally low demand and confidence repercussions from geo-political concerns. Weak growth along with low inflation and low inflation expectations induced the European Central Bank (ECB) to initiate covered bond and ABSs purchase programmes in order to prevent increased deflationary risks. The ECB also announced that it stands ready to launch a sovereign bond purchase program, perhaps as soon as in the beginning of 2015. European bond markets responded accordingly with substantially lower rates, in particular for longer maturities, where for example German 10-year yields reached all-time lows at 0.55% at the end of the quarter. Financial markets were overall driven by oil prices that fell more than 40% over the quarter due to concerns regarding excess supply in energy markets. The dramatic price drop generated substantial currency depreciation for oil-producing countries such as Norway and Russia. European equities fell slightly while credit spreads tightened during the quarter. US equities gained almost 5% while the US dollar strengthened against most currencies as economic divergence continue.

### *Denmark*

The Danish economy grew by 1% year-on-year in the third quarter and has expanded since mid-2013. This is the longest period of positive growth in eight years, highlighting the gradual recovery from the crisis. Still, the risk of new growth disappointments remains. The export sector is still impacted by the low demand in the Euro area and the ongoing crisis in Russia. Especially the Danish agricultural sector has been hit by the Russian ban on agricultural and food products from the EU – both directly and through a downward pressure on prices. On the other hand, the sharp fall in oil prices combined with a currency weakening is beneficial to economic growth in the Danish economy. Danish equities fell 2% while 10-year rates fell by 34 basis

points over the quarter in line with the broader European developments.

### *Finland*

The Finnish economy continued to exhibit broad-based weakness in the fourth quarter as the European slowdown and Russian sanctions drag substantially on exports, demand and general confidence. The weaker euro and lower energy prices mitigated some of the negative effects. Still, a drop in corporate profits and a weak growth outlook indicate a further decline in investments. Third quarter GDP expanded marginally compared to last year and GDP remains 5% below its level in 2007 while retail sales volumes are at 2008 levels. Finnish equities rose marginally in the fourth quarter, while 10-year government dropped 40 basis points to new all-time lows at 0.66%.

### *Norway*

The Norwegian mainland economy grew by 0.4% quarter-on-quarter in the third quarter. Consumption figures rebounded after a rather weak third quarter. Manufacturing production increased somewhat despite the negative oil sector impact on overall investments. Norges Bank surprisingly cut key rates in December by 25 basis points due to a significant weakening of the economic outlook which predominantly was related to the energy price development. Norges Bank also indicated a rather high possibility for further easing already in the first quarter of 2015, despite a 10% trade-weighted weakening of the Norwegian krona. Norwegian equities fell 4.5% in the fourth quarter, while 10-year yields dropped 60 basis points.

### *Sweden*

The Swedish economy continued to hold up relatively well considering the subdued development in the Euro area. Swedish GDP increased by 2.1% in the third quarter, driven by strong momentum in household consumption and service sector. The robust domestic demand was also manifested in higher house prices and continued credit growth. In contrast, the export side showed weakness related to European demand and as a result, the development on the industrial production was weaker than expected. The Riksbank cut the repo rate to 0% at the October meeting as a response to lower than expected inflation. The Swedish central bank also revealed that it stands ready to deliver further easing measures, should it be deemed necessary. Swedish equities, in contrast to regional and European markets, rose by 5% in the fourth quarter while 10-year yields dropped 50 basis points. The Swedish krona weakened 2.5% in trade-weighted terms, reflecting the increased possibility of additional central bank easing.

## Group results and performance

### Fourth quarter 2014

#### Net interest income

Net interest income decreased 1% in local currencies (-3% in EUR) compared to the previous quarter to EUR 1,356m, mainly due to lower net interest income in Group Treasury. Net interest income in Business Areas was somewhat higher than in the last quarter. Net interest income in reported numbers was affected by currency fluctuations by EUR 29m. Net interest margin\* was largely unchanged at 1.08% in the fourth quarter. Deposit margins decreased while corporate and household lending margins were up.

#### Corporate lending

Corporate lending volumes, excluding reverse repurchase agreements, were up 1% in local currencies compared to the previous quarter. Average corporate lending volumes were up 1% in the fourth quarter.

#### Household lending

Household lending volumes were up 2% in local currencies compared to the previous quarter. Average household lending volumes were up 1% in the fourth quarter.

#### Corporate and household deposits

Total deposits from the public were up 2% in local currencies excluding repurchase agreements. The average deposit volume in the business areas was largely unchanged in both corporate and household from the previous quarter in local currencies excluding repurchase agreements.

#### Group Corporate Centre

Net interest income decreased to EUR 47m compared to the EUR 70m in the previous quarter. The decrease was mainly related to re-pricing of assets at lower rates.

#### Net interest income per business area

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Retail Banking	961	963	953	940	947	0%	1%		1%	3%
Wholesale Banking	294	283	278	271	267	4%	10%		5%	12%
Wealth Management	33	35	38	36	30	-6%	10%		-4%	10%
Group Corporate Centre	47	70	71	91	102	-33%	-54%		n.m	n.m
Other and eliminations	21	45	28	24	44	-53%	-52%		n.m	n.m
<b>Total Group</b>	<b>1,356</b>	<b>1,396</b>	<b>1,368</b>	<b>1,362</b>	<b>1,390</b>	<b>-3%</b>	<b>-2%</b>		<b>-1%</b>	<b>1%</b>

#### Change in Net interest income

EURm	2014 vs	
	Q4/Q3	2013
Margin driven NII	10	65
Lending margin	22	218
Deposit margin	-21	-136
Yield fees & other NII in BAs	-4	13
Unallocated liquidity cost	13	-30
Volume driven NII	17	103
Lending volume	17	87
Deposit volume	0	16
Day count	0	0
GCC incl. Treasury	-20	-40
Other*	-47	-170
<b>Total NII change</b>	<b>-40</b>	<b>-42</b>

\*of which FX -29 -175

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

**Net fee and commission income**

Net fee and commission income increased 15% in local currencies (+14% in EUR) compared to the previous quarter to EUR 763m, leading to the best quarter ever for net fee and commission income.

*Savings and investments commissions*

Net fee and commission income from savings and investments increased 20% in local currencies in the fourth quarter from the third quarter to EUR 443m, due to strong continued development and seasonal performance fees. Assets under Management (AuM) increased 3% to EUR

262bn following a record-high net inflow and a positive investment performance.

*Payments and cards and lending-related commissions*

Lending-related net fee and commission income increased 20% in local currencies (+19% in EUR) to EUR 196m, due to continued high debt capital markets activity. Payments and cards net fee and commission income was down 10% in local currencies from the high level in the third quarter (-11% in EUR) to EUR 142m.

**Net fee and commission income per business area**

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Retail Banking	279	278	264	278	260	0%	7%		1%	9%
Wholesale Banking	168	135	153	170	149	24%	13%		26%	18%
Wealth Management	330	262	298	277	302	26%	9%		27%	11%
Group Corporate Centre	-3	-3	-2	-3	-1	n.m	n.m		n.m	n.m
Other and eliminations	-11	-5	-5	-18	-7	n.m	n.m		n.m	n.m
<b>Total Group</b>	<b>763</b>	<b>667</b>	<b>708</b>	<b>704</b>	<b>703</b>	<b>14%</b>	<b>9%</b>		<b>15%</b>	<b>10%</b>

**Net fee and commission income per category**

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Savings and investments, net	443	370	430	398	411	20%	8%		20%	9%
Payments and cards, net	142	160	148	147	145	-11%	-2%		-10%	0%
Lending-related, net	196	165	168	178	166	19%	18%		20%	21%
Other commissions, net	14	6	-5	15	15	133%	-7%		117%	-19%
State guarantee fees	-32	-34	-32	-35	-33	n.m	n.m		n.m	n.m
<b>Total Group</b>	<b>763</b>	<b>667</b>	<b>708</b>	<b>704</b>	<b>703</b>	<b>14%</b>	<b>9%</b>		<b>15%</b>	<b>10%</b>

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

EURbn	Q414	Q414 Net inflow	Q314	Q214	Q114	Q413
Nordic Retail funds	48.1	1.7	46.3	44.9	43.0	41.7
Private Banking	84.4	2.4	82.0	81.2	79.1	77.3
Institutional sales	66.8	2.6	63.5	61.0	57.3	54.4
Life & Pensions	62.9	0.1	62.7	61.2	59.3	58.7
<b>Total</b>	<b>262.2</b>	<b>6.8</b>	<b>254.5</b>	<b>248.3</b>	<b>238.7</b>	<b>232.1</b>

**Net result from items at fair value**

The net result from items at fair value increased 25% in local currencies (+26% in EUR) from the previous quarter to EUR 367m, due to higher activity in the customer business and the strong result in Life & Pensions.

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

The customer-driven capital markets activities generated higher income in the customer business compared to the low income in the previous quarter, due to higher corporate activity following higher volatility. The net fair value result for the business units increased to EUR 235m, from EUR 152m in the previous quarter, due to higher corporate activity and also due to a sales gain from sale of a debt collection portfolio in Retail Banking in Sweden of EUR 27m.

**Life & Pensions**

The net result from items at fair value for Life & Pensions increased to EUR 94m in the fourth quarter (EUR 68m), partly due to income recognition from the Danish fee reservation account of fees related to previous periods.

**Wholesale Banking other**

The net fair value result for Wholesale Banking other, ie income from managing the risks inherent in customer transactions, decreased to EUR 41m compared to EUR 81m in the previous quarter.

**Group Functions and Other and eliminations**

The net fair value result of Group Corporate Centre was EUR 15m compared to EUR 28m in the third quarter and was mainly related to equity and interest-rate-related items. In Other and eliminations, the net result from items at fair value was EUR -18m in the fourth quarter (EUR -38m in the third quarter).

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

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4
Retail Banking	128	70	89	94	87	83%	47%
Wholesale Banking excl. Other	83	60	90	70	79	38%	5%
Wealth Mgmt excl. Life	24	22	26	25	23	9%	4%
Wholesale Banking Other	41	81	120	148	148	-49%	-72%
Life & Pensions	94	68	53	46	55	38%	71%
Group Corporate Centre	15	28	19	22	-8	-46%	n.m
Other and eliminations	-18	-38	-41	6	-51	n.m	n.m
<b>Total Group</b>	<b>367</b>	<b>291</b>	<b>356</b>	<b>411</b>	<b>333</b>	<b>26%</b>	<b>10%</b>

**Equity method**

Income from companies accounted for under the equity method was EUR -1m, compared to EUR 7m in the previous quarter.

**Other operating income**

Other operating income was EUR 28m compared to EUR 15m in the previous quarter, excluding the gain from the divestment of the shareholding in Nets Holding of EUR 378m in the previous quarter.

**Total operating income**

Total income increased 7% in local currencies (+6% in EUR) from the previous quarter to EUR 2,513m, excluding the non-recurring gain from the divestment of the shareholding in Nets Holding in the third quarter.

**Total operating income per business area**

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	Loc.curr Q4/Q3	Q4/Q4
Retail Banking	1,380	1,319	1,314	1,319	1,306	5%	6%	6%	8%
Wholesale Banking	587	560	642	660	644	5%	-9%	6%	-7%
Wealth Management	489	392	420	392	415	25%	18%	25%	19%
Group Corporate Centre	64	97	90	111	96	-34%	-33%	n.m	n.m
Other and eliminations	-7	386	-10	19	8	n.m	n.m	n.m	n.m
<b>Total incl. non-recurring items</b>	<b>2,513</b>	<b>2,754</b>	<b>2,456</b>	<b>2,501</b>	<b>2,469</b>	<b>-9%</b>	<b>2%</b>	<b>-8%</b>	<b>4%</b>
<b>Total, excl. non-recurring items<sup>1</sup></b>	<b>2,513</b>	<b>2,377</b>	<b>2,456</b>	<b>2,501</b>	<b>2,469</b>	<b>6%</b>	<b>2%</b>	<b>7%</b>	<b>4%</b>

<sup>1</sup> Non-recurring item (Q3 2014: gain from the divestment of Nets EUR 378m)



### Total expenses

Total expenses in the fourth quarter amounted to EUR 1,227m. Excluding the impairment charge in the third quarter, total expenses were up 6% in local currencies (+5% in EUR) from the previous quarter, mainly due to increased provision for profit-sharing and due to seasonality.

Staff costs were up 5% in local currencies (+4% in EUR) and other expenses were up 11% in local currencies (+10% in EUR) from the previous quarter due to seasonality, while depreciations decreased. Compared to the fourth quarter last year, total expenses were down 2% in local currencies (-4% in EUR).

The number of employees (FTEs) at the end of the fourth quarter was down somewhat compared to at the end of the previous quarter, and largely unchanged compared to the end of the fourth quarter of 2013, due to insourcing of IT services.

The cost/income ratio was 48.8%, the lowest level since the third quarter 2009 and down 0.5 %-point from the previous quarter, excluding non-recurring items.

Provisions for performance-related salaries in the fourth quarter were EUR 73m, compared to EUR 65m in the previous quarter.

In local currencies and excluding variable pay, costs were down by 4.2% compared to the fourth quarter 2013.

### Cost efficiency

Cost efficiency measures have proceeded according to plan in the fourth quarter. An annualised gross reduction in total expenses of EUR 65m has been conducted in the fourth quarter and EUR 415m from the beginning of 2013.

### Currency fluctuation impact

Currency fluctuations had net a reducing effect of 1 %-point on income and expenses for the fourth quarter compared to the third quarter and a reducing effect of 2 %-points on income and expenses for the fourth quarter compared to the fourth quarter of the previous year. The effect on loan and deposit volumes was approx. -3 %-points compared to the previous quarter and -3 %-points compared to one year ago.

#### Total operating expenses

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Staff cost	-758	-728	-907	-756	-739	4%	3%		5%	5%
Other expenses	-416	-378	-415	-426	-480	10%	-13%		11%	-11%
Depreciations	-53	-410	-64	-55	-64	-87%	-17%		-86%	-13%
<b>Total incl. non-recurring items</b>	<b>-1,227</b>	<b>-1,516</b>	<b>-1,386</b>	<b>-1,237</b>	<b>-1,283</b>	<b>-19%</b>	<b>-4%</b>		<b>-18%</b>	<b>-2%</b>
<b>Total, excl. non-recurring items<sup>1</sup></b>	<b>-1,227</b>	<b>-1,172</b>	<b>-1,196</b>	<b>-1,237</b>	<b>-1,283</b>	<b>5%</b>	<b>-4%</b>		<b>6%</b>	<b>-2%</b>

<sup>1</sup> Non-recurring items (Q2 2014: restructuring costs EUR 190m, Q3 2014: impairment of intangible assets EUR 344m).

#### Total operating expenses per business area

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Retail Banking	-725	-687	-711	-718	-749	6%	-3%		6%	-1%
Wholesale Banking	-221	-195	-217	-212	-236	13%	-6%		13%	-5%
Wealth Management	-207	-185	-197	-198	-221	12%	-6%		12%	-5%
Group Corporate Centre	-73	-65	-68	-67	-85	12%	-14%		n.m	n.m
Other and eliminations	-1	-384	-193	-42	8	n.m	n.m		n.m	n.m
<b>Total incl. non-recurring items</b>	<b>-1,227</b>	<b>-1,516</b>	<b>-1,386</b>	<b>-1,237</b>	<b>-1,283</b>	<b>-19%</b>	<b>-4%</b>		<b>-18%</b>	<b>-2%</b>
<b>Total, excl. non-recurring items<sup>1</sup></b>	<b>-1,227</b>	<b>-1,172</b>	<b>-1,196</b>	<b>-1,237</b>	<b>-1,283</b>	<b>5%</b>	<b>-4%</b>		<b>6%</b>	<b>-2%</b>

<sup>1</sup> Non-recurring items (Q2 2014: restructuring costs EUR 190m, Q3 2014: impairment of intangible assets EUR 344m).

#### Currency fluctuation effects

%-points	Q4/Q3	Q4/Q4	2014 vs 2013
Income	-1	-2	-3
Expenses	-1	-2	-3
Operating profit	-1	-3	-3
Loan and deposit volumes	-3	-3	-3

### Net loan losses

Net loan loss provisions were EUR 129m and the loan loss ratio was 15 basis points (EUR 112m or 12 basis points in the previous quarter). In Retail Banking, net loan losses increased somewhat, while Wholesale Banking reported a slight reduction.

Provisions for future loan losses in Denmark increased somewhat from the previous quarter, due to collective provisions related to agriculture. Provisions in Russia increased from very low levels. In other areas, the losses were relatively stable, with a normal volatility between quarters.

Collective provisions were reduced by EUR 4m in the fourth quarter (increase in collective provisions of EUR 4m in the previous quarter). The above-mentioned collective provision in Denmark of EUR 23m was offset by reductions of collective provisions in real estate, retail trade and shipping industries.

### Credit portfolio

Total lending, excluding reversed repurchase agreements, amounted to EUR 304bn, which was up 1% compared to the previous quarter in local currencies (-2% in EUR). Overall, the credit quality of the loan portfolio remained solid in the fourth quarter, with a largely stable effect from migration in both the corporate and retail portfolios.

The impaired loans ratio increased to 174 basis points of total loans (170 basis points). The ratio is calculated in relation to total lending, including reversed repurchase agreement, which isolated went down by 10% compared to

the previous quarter. Total impaired loans gross decreased 2% compared to the previous quarter and non-performing impaired loans decreased 3% compared to the previous quarter. The provisioning ratio decreased compared to the end of the fourth quarter to 43% (44%).

### Loan loss ratios and impaired loans

Basis points of loans	Q414	Q314	Q214	Q114	Q413
Loan loss ratios					
annualised, Group	15	12	16	18	21
of which individual	15	12	15	18	20
of which collective	0	0	1	0	1
Banking Denmark	31	27	36	41	45
Banking Finland	17	20	16	6	18
Banking Norway	14	7	15	12	14
Banking Sweden	4	-5 <sup>1</sup>	4	4	8
Banking Baltic countries	25	68	63	140	72
Corporate & Institutional Banking (CIB)	16	27	43	39	38
Shipping, Offshore & Oil Services	-24 <sup>1</sup>	7	-102 <sup>1</sup>	-19 <sup>1</sup>	4
Banking Russia	77	12	0	6	6
Impaired loans ratio gross, Group (bps)	174	170	170	171	178
- performing	64%	64%	64%	62%	60%
- non-performing	36%	36%	36%	38%	40%
Total allowance ratio, Group (bps)	74	74	75	76	77
Provisioning ratio, Group <sup>2</sup>	43%	44%	44%	45%	43%

<sup>1</sup> Net Reversals

<sup>2</sup> Total allowances in relation to gross impaired loans.

## Profit

### Operating profit

Operating profit was up 7% in local currencies (+6% in EUR), excluding the non-recurring items in the third quarter, to EUR 1,157m for the continuing operations. Including non-recurring items, operating profit was up 4% in local currencies (+3% in EUR).

### Taxes

Income tax expense was EUR 280m, including the bank tax in Finland of EUR 15m. The effective tax rate was 24.2%, compared to 16.7% in the previous quarter and 24.5% in the fourth quarter last year.

### Operating profit per business area

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	Loc.curr	Q4/Q3	Q4/Q4
Retail Banking	553	546	484	477	413	1%	34%		3%	36%
Wholesale Banking	340	340	412	414	372	0%	-9%		2%	-7%
Wealth Management	280	207	222	194	195	35%	44%		36%	46%
Group Corporate Centre	-9	32	22	44	11	n.m	n.m		n.m	n.m
Other and eliminations	-7	1	-205	-23	15	n.m	n.m		n.m	n.m
<b>Total, incl. non-recurring items</b>	<b>1,157</b>	<b>1,126</b>	<b>935</b>	<b>1,106</b>	<b>1,006</b>	<b>3%</b>	<b>15%</b>		<b>4%</b>	<b>18%</b>
<b>Total, excl. non-recurring items<sup>1</sup></b>	<b>1,157</b>	<b>1,093</b>	<b>1,125</b>	<b>1,106</b>	<b>1,006</b>	<b>6%</b>	<b>15%</b>		<b>7%</b>	<b>18%</b>

<sup>1</sup> Non-recurring items (Q2 2014: restructuring costs EUR 190m, Q3 2014: gain from the divestment of Nets EUR 378m and impairment of intangible assets EUR 344m).

## Full year 2014 compared to full year 2013

Total income was up 2% in local currencies (largely unchanged in EUR) compared to last year, excluding non-recurring items, and operating profit was up 12% in local currencies (+9% in EUR) compared to last year excluding non-recurring items. The comparisons and comments for the full year are for the continuing operations.

### Income

Net interest income was up 2% in local currencies (down 1% in EUR) compared to last year. Lending volumes were up 4% in local currencies excluding reversed repurchase agreements. Corporate and household lending margins were higher, while deposit margins overall were down from one year ago.

Net fee and commission income increased 10% in local currencies (+8% in EUR) and the net result from items at fair value decreased by 6% in local currencies (-7% in EUR) compared to last year.

### Expenses

Total expenses were down 1% in local currencies (-4% in EUR) compared to 2013 excluding impairment charge and restructuring costs. Staff costs were up 3% in local currencies (largely unchanged in EUR) excluding restructuring costs.

## Net profit

Net profit from the continuing operations decreased 6% in local currencies (-7% in EUR) compared to the previous quarter to EUR 877m. Return on equity was 11.8%.

Diluted earnings per share were EUR 0.22 for the total operations (EUR 0.23 in the previous quarter).

In local currencies and excluding non-recurring items and variable pay, costs were down by 2.2%.

Total expenses in the full year 2014 excluding the restructuring costs and the charge for impairment of intangible assets was EUR 4,832m.

### Net loan losses

Net loan loss provisions decreased to EUR 534m, corresponding to a loan loss ratio of 15 basis points (21 basis points last year).

### Net profit

Net profit including non-recurring items increased 9% in local currencies (+7% in EUR) to EUR 3,332m and net profit as basis for dividend distribution increased 17% in local currencies (+15% in EUR) to EUR 3,593m.

### Currency fluctuation impact

The impact from currency fluctuations was a reducing effect of 3 %-points on income and expenses and approx. -3 %-points on loan and deposit volumes compared to a year ago.

**Other information**

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

The Group's fully loaded Basel III Common equity tier 1 (CET1) capital ratio increased to 15.7% at the end of the fourth quarter from 15.6% at the end of the third quarter, following strong profit generation and the continuous focus on capital management. The CET1 capital ratio was negatively affected by 10 basis points due to currency effects.

The tier 1 capital ratio increased to 17.6% and the total capital ratio increased 0.4% to 20.7%.

REA was EUR 145.5bn, a decrease of EUR 7.1bn compared to the previous quarter. A reduction in REA of EUR 4.4bn has been realised in the quarter following the continued focus on capital management.

The CET1 capital was EUR 22.8bn, the tier 1 capital was EUR 25.6bn and the own funds were EUR 30.0bn. The capital requirement based on the transitional rules was EUR 17.6bn and the adjusted own funds were EUR 30.4bn.

The CRR leverage ratio was stable at 4.3% and end of quarter leverage ratio (including profit) was stable at 4.4%.

Economic Capital (EC) was at the end of the fourth quarter EUR 23.9bn, a decrease of EUR 0.9bn from the end of the previous quarter. The decrease was mainly driven by capital management.

**Regulatory development**

On 10 December, the Swedish FSA again decided that the buffer rate for the countercyclical capital buffer should be set at 1% CET1 for Swedish exposures, to be applicable from 13 September 2015. The setting of the buffer rate is to be decided every quarter.

The result of the ECB Comprehensive assessment (including AQR) and the EBA EU-wide stress test were published on 26 October 2014. The result of the stress test confirmed Nordea's strong position, as the bank stood well above the set thresholds.

In November, the Financial Stability Board (FSB) published a proposal for Global Systemically Important Financial Institutions regarding total loss absorbing capacity (TLAC).

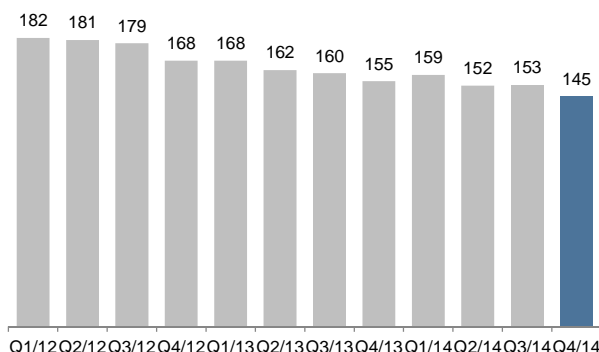
In December, the Basel Committee published a proposal for the design of a permanent floor to replace today's Basel 1 transitional floor, as well as a consultation paper on revision to the standardised approach for credit risk and a third consultation on the fundamental review of the trading book (FRTB). Nordea will participate in quantitative impact studies in the beginning of 2015 related to these proposals. As there are a number of uncertainties to be unveiled, it is not possible to assess the impact on Nordea.

**Capital ratios**

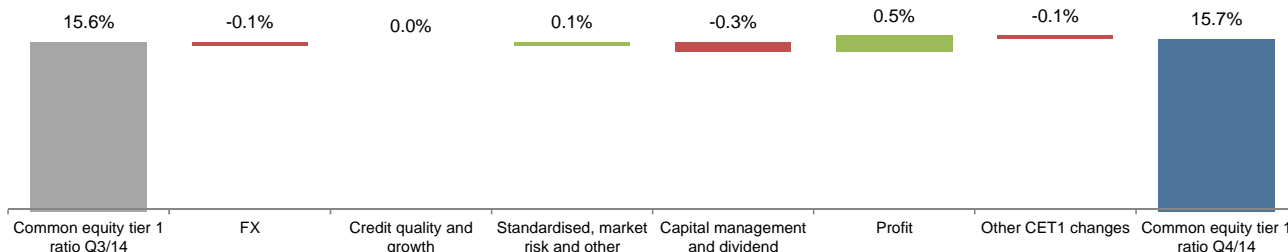
%	Q414	Q314	Q214	Q114	Q413
<b>CRR/CRDIV (Basel III)</b>					
Common equity tier 1 cap. ratio	15.7	15.6	15.2	14.6	13.9*
Tier 1 capital ratio	17.6	17.4	16.2	15.6	14.9*
Total capital ratio	20.7	20.2	19.0	18.4	17.8*
<b>CRDIII (Basel II)</b>					
Core tier 1 capital ratio					14.9
Tier 1 capital ratio					15.7
Total capital ratio					18.1

\* Previously estimated ratios

**Risk exposure amount, REA (EURbn), quarterly development**



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



### Balance sheet

Total assets in the balance sheet was unchanged compared to the end of the previous quarter at EUR 669bn.

#### Balance sheet data

EURm	Q414	Q314	Q214	Q413
Loans to credit institutions	12	14	15	11
Loans to the public	348	360	347	343
Derivatives	105	93	79	71
Interest-bearing securities	87	93	89	87
Other assets	117	109	107	119
<b>Total assets</b>	<b>669.3</b>	<b>668.7</b>	<b>636.7</b>	<b>630.4</b>
Deposits from credit inst.	56	58	54	59
Deposits from the public	197	205	202	201
Debt securities in issue	194	191	186	186
Derivatives	97	85	70	66
Other liabilities	94	100	97	90
Total equity	30	30	29	29
<b>Total liabilities and equity</b>	<b>669.3</b>	<b>668.7</b>	<b>636.7</b>	<b>630.4</b>

### Nordea's funding and liquidity operations

Nordea issued approx. EUR 3.0bn in long-term funding in the fourth quarter excluding Danish covered bonds, of which approx. EUR 2.0bn represented the issuance of Swedish, Norwegian and Finnish covered bonds in domestic and international markets. A notable transaction in the quarter was a EUR 1bn 10-year EMTN Finnish covered bond.

Nordea's long-term funding portion of total funding was at the end of the fourth quarter unchanged approx. 74%.

Short-term liquidity risk is measured using several metrics and Liquidity Coverage Ratio (LCR) is one such metric. LCR for the Nordea Group was according to the Swedish FSA's LCR definition 149% at the end of the fourth quarter. The LCR in EUR was 307% and in USD 169% at the end of the fourth quarter. With the new suggested Basel definition, the total LCR and the LCRs per currency for the Group would be even higher. The liquidity buffer is composed of highly liquid central bank eligible securities with characteristics similar to Basel III/CRD IV liquid assets and amounted to EUR 67bn at the end of the fourth quarter (EUR 62bn at the end of the third quarter).

#### Funding and liquidity data

	Q414	Q314	Q214	Q114	Q413
Long-term funding portion	74%	74%	74%	76%	73%
LCR total	149%	133%	140%	114%	117%
LCR EUR	307%	204%	134%	159%	140%
LCR USD	169%	113%	159%	127%	127%

### Market risk

Interest-bearing securities were EUR 99bn at the end of the fourth quarter, of which EUR 19bn were in the life insurance operations and the remainder in the liquidity buffer and trading portfolios. 33% of the portfolio comprises government or municipal bonds and 33% mortgage bonds, when excluding EUR 12bn of pledged securities.

Total market risk measured as Value at Risk decreased by EUR 9m to EUR 43m in the fourth quarter of 2014 compared to the third quarter, mainly due to decrease in interest rate and foreign exchange risk VaR.

#### Market risk

EURm	Q414	Q314	Q214	Q114	Q413
Total risk, VaR	43	52	57	90	148
Interest rate risk, VaR	37	54	59	95	153
Equity risk, VaR	10	5	8	5	6
Foreign exchange risk, VaR	7	12	11	18	7
Credit spread risk, VaR	13	7	7	10	18
Diversification effect	36%	34%	33%	29%	20%

### Deliveries on the 2015 plan

Nordea's cost efficiency programme is progressing as planned and the net cost reduction effects are expected to accelerate during 2015. An annualised gross reduction in total expenses of EUR 65m has been conducted in the fourth quarter and EUR 415m from the beginning of 2013.

The focus on capital management will continue. In the fourth quarter, it had a positive impact of approximately EUR 4.4bn.

### Nordea share

In the fourth quarter, Nordea's share price on the Nasdaq Stockholm Exchange depreciated from SEK 93.90 to SEK 90.90.

### Dividend

The Board of Directors proposes to the AGM 2015 a dividend of EUR 0.62 per share (EUR 0.43) and further, that the record date for dividend should be 23 March 2015. The dividend corresponds to a payout ratio of 70% of net profit\*. The ambition is to increase the dividend payout ratio for 2015, while maintaining a strong capital base. Total proposed dividend amounts to EUR 2,501m.

The ex-dividend date for the Nordea share is 20 March 2015. The dividend payments are scheduled to be made on 30 March 2015.

\*) Excluding the net effect from the charge for impairment of intangible assets of EUR 344m

**Mandate to acquire and convey own shares**

The Board of Directors proposes that the AGM 2015 should authorise the Board of Directors to decide on acquisition of own shares on a regulated market where the company's shares are listed, or by means of an acquisition offer directed to all shareholders. The authorisation is limited so that Nordea's holdings of own shares may not exceed 10% of all shares.

The purpose of acquisition of own shares is to facilitate an adjustment of the company's capital structure to prevailing capital requirements and to facilitate the use of own shares as payment for or financing of acquisitions of companies and businesses.

The Board further proposes an authorisation to decide on conveyance of own shares, to be used as payment for or financing of acquisitions of companies or businesses. Conveyance may be made in another way than on a regulated market and with deviation from shareholders' pre-emptive rights.

The AGM 2014 decided on corresponding authorisation to acquire and convey own shares.

**Mandate to issue of convertible instruments**

The Board of Directors proposes that the AGM 2015 should authorise the Board of Directors to decide on issuing of 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 done on market conditions. 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 2014 decided on a corresponding authorisation to decide to issue convertible instruments.

**Profit sharing and Long-term incentives**

The profit-sharing scheme for 2014 is based on RAROCAR and Customer Satisfaction. If both performance criteria are fully met, the cost will amount to approx. EUR 88m.

As Nordea's LTIP 2011 and LTIP 2012 are expensed over 36 months, Nordea has LTIP costs also for 2014.

The provision for Nordea's profit-sharing scheme and the LTIPs was EUR 92m (EUR 62m in 2013).

**Performance-related salaries**

Performance-related salaries in Nordea include bonuses, variable salary parts and the new executive incentive programme. In order to attract and retain high competence in areas directly exposed to international competition: Markets, Investment Banking and Asset Management, 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 2014 were down to EUR 164m (EUR 175m), of which approx. EUR 49m refers to Sweden (EUR 46m). The payout ratio – total staff costs including fixed salaries and bonuses in relation to total income – for the areas with bonus schemes was 19.0% in 2014 compared to 18.4% in 2013. Nordea thus continues to have payout ratios at significantly lower levels than most international peers. The bonus in relation to total income decreased to 4.7% in 2014 compared to 4.9% in 2013.

Variable salary parts in other areas or units, including costs for LTIP 2011 and LTIP 2012, decreased to EUR 94m in 2014 (EUR 102m). 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 2014 amounted to EUR 44m (EUR 35m).

The provisions for performance-related salaries in the fourth quarter amounted to EUR 73m, up from EUR 65m in the third quarter.

**Annual General Meeting**

The Annual General Meeting will be held on Thursday 19 March 2015 at Vinterträdgården, Grand Hôtel, Stockholm at 13.00 (CET).

## Quarterly development, Group

	Q4	Q3	Q2	Q1	Q4	Jan-Dec	Jan-Dec
EURm	2014	2014	2014	2014	2013	2014	2013
Net interest income	1,356	1,396	1,368	1,362	1,390	5,482	5,525
Net fee and commission income	763	667	708	704	703	2,842	2,642
Net result from items at fair value	367	291	356	411	333	1,425	1,539
Equity method	-1	7	3	9	21	18	79
Other operating income	28	393	21	15	22	457	106
<b>Total operating income</b>	<b>2,513</b>	<b>2,754</b>	<b>2,456</b>	<b>2,501</b>	<b>2,469</b>	<b>10,224</b>	<b>9,891</b>
General administrative expenses:							
Staff costs	-758	-728	-907	-756	-739	-3,149	-2,978
Other expenses	-416	-378	-415	-426	-480	-1,635	-1,835
Depreciation of tangible and intangible assets	-53	-410	-64	-55	-64	-582	-227
<b>Total operating expenses</b>	<b>-1,227</b>	<b>-1,516</b>	<b>-1,386</b>	<b>-1,237</b>	<b>-1,283</b>	<b>-5,366</b>	<b>-5,040</b>
<b>Profit before loan losses</b>	<b>1,286</b>	<b>1,238</b>	<b>1,070</b>	<b>1,264</b>	<b>1,186</b>	<b>4,858</b>	<b>4,851</b>
Net loan losses	-129	-112	-135	-158	-180	-534	-735
<b>Operating profit</b>	<b>1,157</b>	<b>1,126</b>	<b>935</b>	<b>1,106</b>	<b>1,006</b>	<b>4,324</b>	<b>4,116</b>
Income tax expense	-280	-188	-219	-266	-246	-953	-1,009
<b>Net profit for the period from continuing operations</b>	<b>877</b>	<b>938</b>	<b>716</b>	<b>840</b>	<b>760</b>	<b>3,371</b>	<b>3,107</b>
Net profit for the period from discontinued operations, after tax	0	0	-30	-9	13	-39	9
<b>Net profit for the period</b>	<b>877</b>	<b>938</b>	<b>686</b>	<b>831</b>	<b>773</b>	<b>3,332</b>	<b>3,116</b>
Diluted earnings per share (DEPS), EUR							
- Total operations	0.22	0.23	0.17	0.21	0.19	0.83	0.77
DEPS, rolling 12 months up to period end, EUR							
- Total operations	0.83	0.80	0.76	0.78	0.77	0.83	0.77

## 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
	2014	2014		2014	2014		2014	2014		2014	2014		2014	2014		2014	2014	
Net interest income	961	963	0%	294	283	4%	33	35	-6%	47	70	-33%	21	45	-53%	1,356	1,396	-3%
Net fee and commission income	279	278	0%	168	135	24%	330	262	26%	-3	-3		-11	-5		763	667	14%
Net result from items at fair value	128	70	83%	124	141	-12%	118	90	31%	15	28	-46%	-18	-38		367	291	26%
Equity method	1	1	0%	0	0		0	0		-1	0		-1	6		-1	7	
Other income	11	7	57%	1	1	0%	8	5	60%	6	2		2	378	-99%	28	393	-93%
<b>Total operating income</b>	<b>1,380</b>	<b>1,319</b>	<b>5%</b>	<b>587</b>	<b>560</b>	<b>5%</b>	<b>489</b>	<b>392</b>	<b>25%</b>	<b>64</b>	<b>97</b>	<b>-34%</b>	<b>-7</b>	<b>386</b>		<b>2,513</b>	<b>2,754</b>	<b>-9%</b>
Staff costs	-345	-328	5%	-197	-177	11%	-132	-118	12%	-73	-64	14%	-11	-41	-73%	-758	-728	4%
Other expenses	-362	-334	8%	-21	-9	133%	-74	-66	12%	12	12	9%	29	20	48%	-416	-378	10%
Depreciations	-18	-25	-28%	-3	-9	-67%	-1	-1	0%	-12	-12	0%	-19	-363	-95%	-53	-410	-87%
<b>Total operating expenses</b>	<b>-725</b>	<b>-687</b>	<b>6%</b>	<b>-221</b>	<b>-195</b>	<b>13%</b>	<b>-207</b>	<b>-185</b>	<b>12%</b>	<b>-73</b>	<b>-65</b>	<b>12%</b>	<b>-1</b>	<b>-384</b>	<b>-100%</b>	<b>-1,227</b>	<b>-1,516</b>	<b>-19%</b>
Net loan losses	-102	-86	19%	-26	-25	4%	-2	0		0	0		1	-1		-129	-112	15%
<b>Operating profit</b>	<b>553</b>	<b>546</b>	<b>1%</b>	<b>340</b>	<b>340</b>	<b>0%</b>	<b>280</b>	<b>207</b>	<b>35%</b>	<b>-9</b>	<b>32</b>		<b>-7</b>	<b>1</b>		<b>1,157</b>	<b>1,126</b>	<b>3%</b>
Cost/income ratio, %	53	52		38	35		42	47			67					49	49	
RAROCAR, %	15	15		13	12		40	28								15	14	
Economic capital (EC)	11,554	11,853	-3%	7,950	8,451	-6%	1,982	2,245	-12%	827	844	-100%	1,539	1,403		23,852	24,796	-4%
Risk exposure amount (REA)	70,003	73,656	-5%	53,415	57,346	-7%	4,970	4,791	4%	6,470	6,669	-100%	10,617	10,087		145,475	152,549	-5%
Number of employees (FTEs)	16,685	16,807	-1%	5,985	6,004	0%	3,478	3,492	0%	2,319	2,311		930	913		29,397	29,527	0%
<b>Volumes, EURbn:</b>																		
Lending to corporates	81.0	82.9	-2%	100.8	107.9	-7%							7.3	7.1		189.1	197.9	-4%
Household mortgage lending	125.6	127.9	-2%	0.3	0.5	-40%	5.9	5.9								131.8	134.3	-2%
Consumer lending	24.1	24.6	-2%				3.1	3.0	3%							27.2	27.6	-1%
<b>Total lending</b>	<b>230.7</b>	<b>235.4</b>	<b>-2%</b>	<b>101.1</b>	<b>108.4</b>	<b>-7%</b>	<b>9.0</b>	<b>8.9</b>	<b>1%</b>				<b>7.3</b>	<b>7.1</b>		<b>348.1</b>	<b>359.8</b>	<b>-3%</b>
Corporate deposits	44.9	45.4	-1%	66.0	73.0	-10%							1.9	0.5		112.8	118.9	-5%
Household deposits	73.4	74.8	-2%	0.1	0.2	-50%	11.0	10.8	2%							84.5	85.8	-2%
<b>Total deposits</b>	<b>118.3</b>	<b>120.2</b>	<b>-2%</b>	<b>66.1</b>	<b>73.2</b>	<b>-10%</b>	<b>11.0</b>	<b>10.8</b>	<b>2%</b>				<b>1.9</b>	<b>0.5</b>		<b>197.3</b>	<b>204.7</b>	<b>-4%</b>

Nordea Group - continuing operations																		
EURm	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other and Eliminations			Nordea Group		
	Jan-Dec	2013	Chg	Jan-Dec	2013	Chg	Jan-Dec	2013	Chg	Jan-Dec	2013	Chg	Jan-Dec	2013	Chg	Jan-Dec	2013	Chg
	2014	2013		2014	2013		2014	2013		2014	2013		2014	2013		2014	2013	
Net interest income	3,817	3,808	0%	1,126	1,112	1%	142	120	18%	279	340	-18%	118	145	-19%	5,482	5,525	-1%
Net fee and commission income	1,099	1,030	7%	626	568	10%	1,167	1,090	7%	-11	-8		-39	-38		2,842	2,642	8%
Net result from items at fair value	381	362	5%	693	934	-26%	358	293	22%	84	69	22%	-91	-119		1,425	1,539	-7%
Equity method	5	3	67%	0	0		0	0		-1	-2		14	78	-82%	18	79	-77%
Other income	30	75	-60%	4	4	0%	26	29	-10%	11	18	-39%	386	-20		457	106	
<b>Total operating income</b>	<b>5,332</b>	<b>5,278</b>	<b>1%</b>	<b>2,449</b>	<b>2,618</b>	<b>-6%</b>	<b>1,693</b>	<b>1,532</b>	<b>11%</b>	<b>362</b>	<b>417</b>	<b>-13%</b>	<b>388</b>	<b>46</b>		<b>10,224</b>	<b>9,891</b>	<b>3%</b>
Staff costs	-1,345	-1,361	-1%	-768	-783	-2%	-492	-480	3%	-270	-233	16%	-274	-121	126%	-3,149	-2,978	6%
Other expenses	-1,399	-1,496	-6%	-48	-79	-39%	-291	-313	-7%	46	-1		57	54	6%	-1,635	-1,835	-11%
Depreciations	-97	-103	-6%	-29	-35	-17%	-4	-7	-43%	-49	-42	17%	-403	-40		-582	-227	156%
<b>Total operating expenses</b>	<b>-2,841</b>	<b>-2,960</b>	<b>-4%</b>	<b>-845</b>	<b>-897</b>	<b>-6%</b>	<b>-787</b>	<b>-800</b>	<b>-2%</b>	<b>-273</b>	<b>-276</b>	<b>-1%</b>	<b>-620</b>	<b>-107</b>		<b>-5,366</b>	<b>-5,040</b>	<b>6%</b>
Net loan losses	-431	-477	-10%	-98	-252	-61%	-3	-3	0%	0	0		-2	-3	-33%	-534	-735	-27%
<b>Operating profit</b>	<b>2,060</b>	<b>1,841</b>	<b>12%</b>	<b>1,506</b>	<b>1,469</b>	<b>3%</b>	<b>903</b>	<b>729</b>	<b>24%</b>	<b>89</b>	<b>141</b>	<b>-37%</b>	<b>-234</b>	<b>-64</b>		<b>4,324</b>	<b>4,116</b>	<b>5%</b>
Cost/income ratio, %	53	56		35	34		46	52		76	66					49	51	
RAROCAR, %	14	13		14	14		32	26								14	14	
Economic capital (EC)	11,554	11,627	-1%	7,950	8,441		1,982	2,019	-2%	827	552		1,539	868		23,852	23,507	1%
Risk exposure amount (REA)	70,003	75,911	-8%	53,415	59,023		4,970	2,827	76%	6,470	4,849		10,617	12,644		145,475	155,254	-6%
Number of employees (FTEs)	16,685	17,273	-3%	5,985	6,008		3,478	3,452	1%	2,319	1,830		930	866		29,397	29,429	0%
<b>Volumes, EURbn:</b>																		
Lending to corporates	81.0	81.7	-1%	100.8	96.1								7.3	6.4		189.1	184.2	3%
Household mortgage lending	125.6	124.6	1%	0.3	0.5		5.9	5.3	11%							131.8	130.4	1%
Consumer lending	24.1	24.7	-2%				3.1	3.2	-3%							27.2	27.9	-3%
<b>Total lending</b>	<b>230.7</b>	<b>231.0</b>	<b>0%</b>	<b>101.1</b>	<b>96.6</b>		<b>9.0</b>	<b>8.5</b>	<b>6%</b>				<b>7.3</b>	<b>6.4</b>		<b>348.1</b>	<b>342.5</b>	<b>2%</b>
Corporate deposits	44.9	45.1	0%	66.0	66.5								1.9	2.9		112.8	114.5	-1%
Household deposits	73.4	74.9	-2%	0.1	0.2		11.0	11.1	-1%							84.5	86.2	-2%
<b>Total deposits</b>	<b>118.3</b>	<b>120.0</b>	<b>-1%</b>	<b>66.1</b>	<b>66.7</b>		<b>11.0</b>	<b>11.1</b>	<b>-1%</b>				<b>1.9</b>	<b>2.9</b>		<b>197.3</b>	<b>200.7</b>	<b>-2%</b>

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



## Retail Banking

The business area consists of the retail banking business in the Nordic region and the Baltic countries and includes all parts of the value chain 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 695 branch locations, customers are served by contact centres as well as through the online banking channels.

### Business development

The fourth quarter was, as previous quarters of the year, characterised by continued pressure on interest rates, and the macroeconomic environment only saw few signs of improvement. Despite a subdued level of investments and a highly competitive market environment, income held up well, with growth in both the corporate and the household business.

In the fourth quarter, the number of Gold and Premium customers amounted to 3.16 million, of whom 23,000 were new Nordea customers. The meeting activity remained at a high level.

Retail Banking has increased the focus on expanding the business with its corporate customers, which has contributed to the positive development in commission income as well as in markets-related income, both quarter-over-quarter and year-over-year.

Understanding of customers' individual needs and preferences is paramount when enhancing the digital banking experience from everyday finances to full banking relationship.

Customers prefer digital interactions, which has led to an increase of nearly 20% to 641 million only in 2014. The number of customers using smart devices increased in 2014 with close to 50% and therefore new ways of communicating with our advisors have been launched in this channel. It is now possible to send and receive secure messages with attachments via the Nordea apps. For faster communication and problem solving, chat has been launched on our open pages and netbank. At the same time, customers' needs for manual transactions have decreased by 33% over the last two years.

For smart devices, transactions are still the main driver for customers to logon along with viewing account information. In the fourth quarter, each active user made on average five transactions per month, hence more user-friendly solutions were released such as photo bill payments and a wider possibility to view different types of account and loan information.

### Result

The depreciation of the SEK and NOK has had a substantial impact on the reported financials, especially on volumes.

Total income increased 5% from the third quarter and 6% from the same quarter last year. The growth was coming from all major income lines and driven by all countries.

In local currencies, lending volumes increased by 1% compared to the third quarter and by 3% from the fourth quarter 2013. Deposit volumes decreased from the previous quarter, but were up by 1% in local currencies in the same period. Net interest income improved by 1% in local currencies from the previous quarter and was up by 3% from 2013.

Net fee and commission income was at a seasonally high level. A strong development in the savings area, as well as high lending commissions, supported by debt capital markets income, contributed to the development. The increase from the fourth quarter 2013 was 7%. Net result from items at fair value followed seasonal patterns and in addition included a sales gain from a debt collection portfolio in Sweden.

The execution of the cost efficiency programme continued in the fourth quarter. The number of FTEs continued to decline and excluding higher costs related to the profit sharing foundation, expenses were unchanged compared to the third quarter. Other expenses were affected by especially higher IT investments. Total expenses in local currencies were down by 1% from the same period last year.

Risk exposure amount (REA) decreased during the quarter following the weakening of the NOK and SEK and a continued focus on capital efficiency RAROCAR increased with 1.6 %-points compared to the previous year.

### Credit quality

Net loan losses increased somewhat, mainly due to a reversal of loan losses in Sweden in the third quarter and a collective provision for agriculture in Denmark in the fourth quarter. The loan loss ratio was 18 basis points compared to 15 basis points in the third quarter. Credit quality remained solid.

### Banking Denmark

A continued high activity level with customers paved the way for increased business volumes, leading to higher total income compared to previous quarters. The high level of inflow of both new corporate and household customers was maintained and the cost efficiency programme continued to be on track with lower year-over-year costs and a lower number of FTEs. Net loan losses in the fourth quarter included a collective provision of EUR 23m related to agriculture.

### Banking Finland

Total income was affected by a positive development in markets income and a continued good sales level of savings. It was a strong quarter especially for foreign exchange and derivatives. Excluding seasonal effects, costs as well as the number of FTEs were decreasing. Net loan losses stayed at a moderate level despite the weak macroeconomic development.

### Banking Norway

The weakening of the NOK, due to a significant reduction in oil prices, had a substantial impact on the reported income and expense development. It also resulted in a high demand for markets products. In local currency, markets income from corporate customers was 32% higher than the previous quarter. In local currency, total income increased significantly from the previous quarter due to improvements on all major income lines. In local currency, both lending and deposit volumes grew.

### Banking Sweden

Banking Sweden continued to grow household business volumes during the fourth quarter. Transaction-driven non-interest income increased compared to the third quarter. The fourth quarter's net result from items at fair value included income of EUR 27m from the sale of a debt collection portfolio. Continued focus on optimising processes and services in the branch network resulted in a lower number of FTEs.

### Banking Baltic countries

Total income increased compared to the previous quarter driven by the growth of commission income, following strong focus on expanding customer relationships and a differentiation of income sources. A deposit growth of 14% compared to the same quarter last year was achieved by focusing on mass-affluent customers, leading to an increase of the deposit/lending ratio by 7 %-points. Effective capital management resulted in a 5% reduction in REA compared to the third quarter.

#### Retail Banking total

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	Chg local curr.		2014	2013	2014 vs 2013	
								Q4/Q3	Q4/Q4			EUR	Local
Net interest income	961	963	953	940	947	0%	1%	1%	3%	3,817	3,808	0%	3%
Net fee and commission income	279	278	264	278	260	0%	7%	1%	9%	1,099	1,030	7%	10%
Net result from items at fair value	128	70	89	94	87	83%	47%	85%	51%	381	362	5%	9%
Equity method & other income	12	8	8	7	12	50%	0%	51%	7%	35	78	-55%	-53%
<b>Total income incl. allocations</b>	<b>1,380</b>	<b>1,319</b>	<b>1,314</b>	<b>1,319</b>	<b>1,306</b>	<b>5%</b>	<b>6%</b>	<b>6%</b>	<b>8%</b>	<b>5,332</b>	<b>5,278</b>	<b>1%</b>	<b>4%</b>
Staff costs	-345	-328	-335	-337	-334	5%	3%	6%	5%	-1,345	-1,361	-1%	2%
Other exp. excl. depreciations	-362	-334	-349	-354	-388	8%	-7%	9%	-5%	-1,399	-1,496	-6%	-4%
<b>Total expenses incl. allocations</b>	<b>-725</b>	<b>-687</b>	<b>-711</b>	<b>-718</b>	<b>-749</b>	<b>6%</b>	<b>-3%</b>	<b>6%</b>	<b>-1%</b>	<b>-2,841</b>	<b>-2,960</b>	<b>-4%</b>	<b>-1%</b>
<b>Profit before loan losses</b>	<b>655</b>	<b>632</b>	<b>603</b>	<b>601</b>	<b>557</b>	<b>4%</b>	<b>18%</b>	<b>5%</b>	<b>20%</b>	<b>2,491</b>	<b>2,318</b>	<b>7%</b>	<b>10%</b>
Net loan losses	-102	-86	-119	-124	-144	19%	-29%	19%	-28%	-431	-477	-10%	-9%
<b>Operating profit</b>	<b>553</b>	<b>546</b>	<b>484</b>	<b>477</b>	<b>413</b>	<b>1%</b>	<b>34%</b>	<b>3%</b>	<b>36%</b>	<b>2,060</b>	<b>1,841</b>	<b>12%</b>	<b>15%</b>
Cost/income ratio, %	53	52	54	54	57					53	56		
RAROCAR, %	15	15	14	14	13					14	13		
Economic capital (EC)	11,554	11,853	11,344	11,566	11,627	-3%	-1%	1%	3%	11,554	11,627	-1%	3%
Risk exposure amount (REA)	70,003	73,656	72,428	74,712	75,911	-5%	-8%	-2%	-5%	70,003	75,911	-8%	-5%
Number of employees (FTEs)	16,685	16,807	17,047	17,214	17,273	-1%	-3%			16,685	17,273	-3%	
<b>Volumes, EURbn:</b>													
Lending to corporates	81.0	82.9	82.0	82.2	81.7	-2%	-1%	1%	2%	81.0	81.7	-1%	2%
Household mortgage lending	125.6	127.9	125.6	125.4	124.6	-2%	1%	1%	4%	125.6	124.6	1%	4%
Consumer lending	24.1	24.6	24.3	24.6	24.7	-2%	-2%	-1%	-1%	24.1	24.7	-2%	-1%
<b>Total lending</b>	<b>230.7</b>	<b>235.4</b>	<b>231.9</b>	<b>232.2</b>	<b>231.0</b>	<b>-2%</b>	<b>0%</b>	<b>1%</b>	<b>3%</b>	<b>230.7</b>	<b>231.0</b>	<b>0%</b>	<b>3%</b>
Corporate deposits	44.9	45.4	46.7	44.0	45.1	-1%	0%	2%	3%	44.9	45.1	0%	3%
Household deposits	73.4	74.8	75.2	73.9	74.9	-2%	-2%	0%	1%	73.4	74.9	-2%	1%
<b>Total deposits</b>	<b>118.3</b>	<b>120.2</b>	<b>121.9</b>	<b>117.9</b>	<b>120.0</b>	<b>-2%</b>	<b>-1%</b>	<b>1%</b>	<b>1%</b>	<b>118.3</b>	<b>120.0</b>	<b>-1%</b>	<b>1%</b>

Historical numbers have been restated following changes in the allocation principles and organisational changes

## Banking Denmark

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	2014	2013	2014 vs 2013
Net interest income	303	308	310	310	310	-2%	-2%	1,231	1,252	-2%
Net fee and commission income	49	48	39	45	32	2%	53%	181	116	56%
Net result from items at fair value	27	13	21	35	25	108%	8%	96	107	-10%
Equity method & other income	2	1	1	-2	0	100%		2	10	-80%
<b>Total income incl. allocations</b>	<b>381</b>	<b>370</b>	<b>371</b>	<b>388</b>	<b>367</b>	<b>3%</b>	<b>4%</b>	<b>1,510</b>	<b>1,485</b>	<b>2%</b>
Staff costs	-78	-74	-72	-74	-75	5%	4%	-298	-301	-1%
Other exp. excl. depreciations	-135	-120	-123	-126	-126	13%	7%	-504	-506	0%
<b>Total expenses incl. allocations</b>	<b>-216</b>	<b>-198</b>	<b>-199</b>	<b>-204</b>	<b>-205</b>	<b>9%</b>	<b>5%</b>	<b>-817</b>	<b>-822</b>	<b>-1%</b>
<b>Profit before loan losses</b>	<b>165</b>	<b>172</b>	<b>172</b>	<b>184</b>	<b>162</b>	<b>-4%</b>	<b>2%</b>	<b>693</b>	<b>663</b>	<b>5%</b>
Net loan losses	-52	-44	-59	-67	-73	18%	-29%	-222	-310	-28%
<b>Operating profit</b>	<b>113</b>	<b>128</b>	<b>113</b>	<b>117</b>	<b>89</b>	<b>-12%</b>	<b>27%</b>	<b>471</b>	<b>353</b>	<b>33%</b>
Cost/income ratio, %	57	54	54	53	56			54	55	
RAROCAR, %	12	12	12	14	12			12	12	
Economic capital (EC)	3,518	3,469	3,559	3,614	3,298	1%	7%	3,518	3,298	7%
Risk exposure amount (REA)	24,081	24,313	24,460	24,932	22,613	-1%	6%	24,081	22,613	6%
Number of employees (FTEs)	3,253	3,286	3,351	3,367	3,411	-1%	-5%	3,253	3,411	-5%
<b>Volumes, EURbn:</b>										
Lending to corporates	22.4	21.7	22.1	21.7	21.9	3%	2%	22.4	21.9	2%
Household mortgage lending	32.0	31.7	31.6	31.5	31.6	1%	1%	32.0	31.6	1%
Consumer lending	11.8	12.1	11.9	12.0	12.0	-2%	-2%	11.8	12.0	-2%
<b>Total lending</b>	<b>66.2</b>	<b>65.5</b>	<b>65.6</b>	<b>65.2</b>	<b>65.5</b>	<b>1%</b>	<b>1%</b>	<b>66.2</b>	<b>65.5</b>	<b>1%</b>
Corporate deposits	9.1	9.8	9.9	9.3	9.1	-7%	0%	9.1	9.1	0%
Household deposits	23.8	23.5	23.7	23.2	23.5	1%	1%	23.8	23.5	1%
<b>Total deposits</b>	<b>32.9</b>	<b>33.3</b>	<b>33.6</b>	<b>32.5</b>	<b>32.6</b>	<b>-1%</b>	<b>1%</b>	<b>32.9</b>	<b>32.6</b>	<b>1%</b>

Historical numbers have been restated following changes in the allocation principles

## Banking Finland

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	2014	2013	2014 vs 2013
Net interest income	188	189	190	184	180	-1%	4%	751	665	13%
Net fee and commission income	92	91	94	93	92	1%	0%	370	354	5%
Net result from items at fair value	32	25	23	22	22	28%	45%	102	84	21%
Equity method & other income	1	1	1	0	1	0%	0%	3	14	-79%
<b>Total income incl. allocations</b>	<b>313</b>	<b>306</b>	<b>308</b>	<b>299</b>	<b>295</b>	<b>2%</b>	<b>6%</b>	<b>1,226</b>	<b>1,117</b>	<b>10%</b>
Staff costs	-59	-54	-56	-58	-57	9%	4%	-227	-228	0%
Other exp. excl. depreciations	-110	-98	-102	-101	-108	12%	2%	-411	-414	-1%
<b>Total expenses incl. allocations</b>	<b>-171</b>	<b>-154</b>	<b>-159</b>	<b>-161</b>	<b>-166</b>	<b>11%</b>	<b>3%</b>	<b>-645</b>	<b>-648</b>	<b>0%</b>
<b>Profit before loan losses</b>	<b>142</b>	<b>152</b>	<b>149</b>	<b>138</b>	<b>129</b>	<b>-7%</b>	<b>10%</b>	<b>581</b>	<b>469</b>	<b>24%</b>
Net loan losses	-21	-24	-20	-7	-22	-13%	-5%	-72	-57	26%
<b>Operating profit</b>	<b>121</b>	<b>128</b>	<b>129</b>	<b>131</b>	<b>107</b>	<b>-5%</b>	<b>13%</b>	<b>509</b>	<b>412</b>	<b>24%</b>
Cost/income ratio, %	55	50	52	54	56			53	58	
RAROCAR, %	19	21	21	19	18			20	16	
Economic capital (EC)	1,958	2,008	1,978	2,002	2,016	-2%	-3%	1,958	2,016	-3%
Risk exposure amount (REA)	12,591	13,505	13,174	13,389	14,237	-7%	-12%	12,591	14,237	-12%
Number of employees (FTEs)	3,717	3,747	3,864	3,923	3,949	-1%	-6%	3,717	3,949	-6%
<b>Volumes, EURbn:</b>										
Lending to corporates	15.4	15.3	15.2	15.0	14.6	1%	5%	15.4	14.6	5%
Household mortgage lending	27.4	27.3	27.1	27.0	26.9	0%	2%	27.4	26.9	2%
Consumer lending	6.4	6.4	6.4	6.3	6.3	0%	2%	6.4	6.3	2%
<b>Total lending</b>	<b>49.2</b>	<b>49.0</b>	<b>48.7</b>	<b>48.3</b>	<b>47.8</b>	<b>0%</b>	<b>3%</b>	<b>49.2</b>	<b>47.8</b>	<b>3%</b>
Corporate deposits	10.2	10.0	9.8	9.4	9.7	2%	5%	10.2	9.7	5%
Household deposits	20.8	21.0	21.4	21.3	21.6	-1%	-4%	20.8	21.6	-4%
<b>Total deposits</b>	<b>31.0</b>	<b>31.0</b>	<b>31.2</b>	<b>30.7</b>	<b>31.3</b>	<b>0%</b>	<b>-1%</b>	<b>31.0</b>	<b>31.3</b>	<b>-1%</b>

## Banking Norway

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3		Chg local curr.		2014	2013	2014 vs 2013	
						Q4/Q3	Q4/Q4	Q4/Q3	Q4/Q4			EUR	Local
Net interest income	192	192	190	194	197	0%	-3%	4%	2%	768	802	-4%	2%
Net fee and commission income	43	44	45	41	41	-2%	5%	2%	9%	173	168	3%	10%
Net result from items at fair value	20	16	19	14	18	25%	11%	27%	13%	69	77	-10%	-3%
Equity method & other income	0	0	0	0	1		-100%	-307%	-84%	0	6	-100%	-99%
<b>Total income incl. allocations</b>	<b>255</b>	<b>252</b>	<b>254</b>	<b>249</b>	<b>257</b>	<b>1%</b>	<b>-1%</b>	<b>5%</b>	<b>3%</b>	<b>1,010</b>	<b>1,053</b>	<b>-4%</b>	<b>3%</b>
Staff costs	-36	-36	-37	-38	-38	0%	-5%	3%	-1%	-147	-157	-6%	1%
Other exp. excl. depreciations	-76	-71	-71	-70	-74	7%	3%	12%	6%	-288	-305	-6%	1%
<b>Total expenses incl. allocations</b>	<b>-114</b>	<b>-108</b>	<b>-110</b>	<b>-110</b>	<b>-114</b>	<b>6%</b>	<b>0%</b>	<b>9%</b>	<b>4%</b>	<b>-442</b>	<b>-469</b>	<b>-6%</b>	<b>1%</b>
<b>Profit before loan losses</b>	<b>141</b>	<b>144</b>	<b>144</b>	<b>139</b>	<b>143</b>	<b>-2%</b>	<b>-1%</b>	<b>3%</b>	<b>3%</b>	<b>568</b>	<b>584</b>	<b>-3%</b>	<b>4%</b>
Net loan losses	-15	-8	-17	-14	-16	88%	-6%	87%	-1%	-54	-22	145%	150%
<b>Operating profit</b>	<b>126</b>	<b>136</b>	<b>127</b>	<b>125</b>	<b>127</b>	<b>-7%</b>	<b>-1%</b>	<b>-2%</b>	<b>4%</b>	<b>514</b>	<b>562</b>	<b>-9%</b>	<b>-2%</b>
Cost/income ratio, %	45	43	43	44	44					44	45		
RAROCAR, %	17	17	17	15	15					16	14		
Economic capital (EC)	2,256	2,418	2,360	2,440	2,617	-7%	-14%	5%	-7%	2,256	2,617	-14%	-7%
Risk exposure amount (REA)	15,328	16,857	16,037	16,636	17,951	-9%	-15%	1%	-8%	15,328	17,951	-15%	-8%
Number of employees (FTEs)	1,338	1,371	1,395	1,425	1,405	-2%	-5%	-2%	-5%	1,338	1,405	-5%	
<b>Volumes, EURbn:</b>													
Lending to corporates	18.9	20.3	19.6	19.6	19.1	-7%	-1%	4%	7%	18.9	19.1	-1%	7%
Household mortgage lending	24.0	26.3	25.1	25.0	24.4	-9%	-2%	2%	6%	24.0	24.4	-2%	6%
Consumer lending	0.6	0.7	0.6	0.7	0.7	-14%	-14%	2%	1%	0.6	0.7	-14%	1%
<b>Total lending</b>	<b>43.5</b>	<b>47.3</b>	<b>45.3</b>	<b>45.3</b>	<b>44.2</b>	<b>-8%</b>	<b>-2%</b>	<b>3%</b>	<b>7%</b>	<b>43.5</b>	<b>44.2</b>	<b>-2%</b>	<b>7%</b>
Corporate deposits	9.9	10.6	11.6	10.4	10.4	-7%	-5%	4%	3%	9.9	10.4	-5%	3%
Household deposits	8.0	8.9	8.7	8.1	7.9	-10%	1%	2%	10%	8.0	7.9	1%	10%
<b>Total deposits</b>	<b>17.9</b>	<b>19.5</b>	<b>20.3</b>	<b>18.5</b>	<b>18.3</b>	<b>-8%</b>	<b>-2%</b>	<b>3%</b>	<b>6%</b>	<b>17.9</b>	<b>18.3</b>	<b>-2%</b>	<b>6%</b>

Volumes have been restated

## Banking Sweden

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3		Chg local curr.		2014	2013	2014 vs 2013	
						Q4/Q3	Q4/Q4	Q4/Q3	Q4/Q4			EUR	Local
Net interest income	250	253	255	254	251	-1%	0%	0%	4%	1,012	1,053	-4%	1%
Net fee and commission income	101	93	88	95	92	9%	10%	9%	14%	377	371	2%	7%
Net result from items at fair value	53	21	29	25	24	152%	121%	154%	129%	128	102	25%	31%
Equity method & other income	0	0	1	1	1		-100%	-134%	-106%	2	13	-85%	-84%
<b>Total income incl. allocations</b>	<b>404</b>	<b>367</b>	<b>373</b>	<b>375</b>	<b>368</b>	<b>10%</b>	<b>10%</b>	<b>11%</b>	<b>15%</b>	<b>1,519</b>	<b>1,539</b>	<b>-1%</b>	<b>4%</b>
Staff costs	-71	-67	-71	-73	-70	6%	1%	6%	5%	-282	-290	-3%	2%
Other exp. excl. depreciations	-124	-124	-129	-136	-144	0%	-14%	0%	-10%	-513	-577	-11%	-7%
<b>Total expenses incl. allocations</b>	<b>-198</b>	<b>-194</b>	<b>-203</b>	<b>-213</b>	<b>-220</b>	<b>2%</b>	<b>-10%</b>	<b>3%</b>	<b>-6%</b>	<b>-808</b>	<b>-886</b>	<b>-9%</b>	<b>-4%</b>
<b>Profit before loan losses</b>	<b>206</b>	<b>173</b>	<b>170</b>	<b>162</b>	<b>148</b>	<b>19%</b>	<b>39%</b>	<b>20%</b>	<b>45%</b>	<b>711</b>	<b>653</b>	<b>9%</b>	<b>15%</b>
Net loan losses	-6	8	-6	-6	-13		-54%	-177%	-55%	-10	-53	-81%	-81%
<b>Operating profit</b>	<b>200</b>	<b>181</b>	<b>164</b>	<b>156</b>	<b>135</b>	<b>10%</b>	<b>48%</b>	<b>12%</b>	<b>55%</b>	<b>701</b>	<b>600</b>	<b>17%</b>	<b>23%</b>
Cost/income ratio, %	49	53	54	57	60					53	58		
RAROCAR, %	19	17	18	16	14					17	16		
Economic capital (EC)	3,108	3,194	2,679	2,752	2,886	-3%	8%	0%	14%	3,108	2,886	8%	14%
Risk exposure amount (REA)	13,065	13,808	13,585	14,557	16,039	-5%	-19%	-3%	-14%	13,065	16,039	-19%	-14%
Number of employees (FTEs)	3,040	3,145	3,206	3,264	3,250	-3%	-6%			3,040	3,250	-6%	
<b>Volumes, EURbn:</b>													
Lending to corporates	19.2	20.2	19.7	20.5	20.6	-5%	-7%	-3%	-2%	19.2	20.6	-7%	-2%
Household mortgage lending	39.7	40.0	39.2	39.4	39.1	-1%	2%	2%	8%	39.7	39.1	2%	8%
Consumer lending	4.8	5.1	5.1	5.2	5.4	-6%	-11%	-2%	-4%	4.8	5.4	-11%	-4%
<b>Total lending</b>	<b>63.7</b>	<b>65.3</b>	<b>64.0</b>	<b>65.1</b>	<b>65.1</b>	<b>-2%</b>	<b>-2%</b>	<b>0%</b>	<b>4%</b>	<b>63.7</b>	<b>65.1</b>	<b>-2%</b>	<b>4%</b>
Corporate deposits	12.7	11.8	12.6	12.3	13.2	8%	-4%	10%	1%	12.7	13.2	-4%	1%
Household deposits	19.6	20.3	20.4	20.3	20.9	-3%	-6%	-1%	0%	19.6	20.9	-6%	0%
<b>Total deposits</b>	<b>32.3</b>	<b>32.1</b>	<b>33.0</b>	<b>32.6</b>	<b>34.1</b>	<b>1%</b>	<b>-5%</b>	<b>3%</b>	<b>0%</b>	<b>32.3</b>	<b>34.1</b>	<b>-5%</b>	<b>0%</b>

Historical numbers have been restated following changes in the allocation principles

## Banking Baltic countries

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	2014	2013	2014 vs 2013
Net interest income	37	37	36	34	34	0%	9%	144	130	11%
Net fee and commission income	11	10	10	8	11	10%	0%	39	40	-3%
Net result from items at fair value	-2	-3	-3	-2	-1	-33%	100%	-10	-4	
Equity method & other income	0	0	2	0	0			2	0	
<b>Total income incl. allocations</b>	<b>46</b>	<b>44</b>	<b>45</b>	<b>40</b>	<b>44</b>	<b>5%</b>	<b>5%</b>	<b>175</b>	<b>166</b>	<b>5%</b>
Staff costs	-7	-6	-6	-5	-6	17%	17%	-24	-23	4%
Other exp. excl. depreciations	-19	-15	-15	-13	-17	27%	12%	-62	-62	0%
<b>Total expenses incl. allocations</b>	<b>-26</b>	<b>-21</b>	<b>-21</b>	<b>-18</b>	<b>-23</b>	<b>24%</b>	<b>13%</b>	<b>-86</b>	<b>-86</b>	<b>0%</b>
<b>Profit before loan losses</b>	<b>20</b>	<b>23</b>	<b>24</b>	<b>22</b>	<b>21</b>	<b>-13%</b>	<b>-5%</b>	<b>89</b>	<b>80</b>	<b>11%</b>
Net loan losses	-5	-14	-13	-29	-15	-64%	-67%	-61	-22	
<b>Operating profit</b>	<b>15</b>	<b>9</b>	<b>11</b>	<b>-7</b>	<b>6</b>	<b>67%</b>	<b>150%</b>	<b>28</b>	<b>58</b>	<b>-52%</b>
Cost/income ratio, %	57	48	47	45	52			49	52	
RAROCAR, %	7	7	8	7	6			7	5	
Economic capital (EC)	696	745	748	745	737	-7%	-6%	696	737	-6%
Risk exposure amount (REA)	4,939	5,173	5,173	5,197	5,071	-5%	-3%	4,939	5,071	-3%
Number of employees (FTEs)	730	728	721	727	727	0%	0%	730	727	0%
<b>Volumes, EURbn:</b>										
Lending to corporates	5.2	5.3	5.4	5.3	5.4	-2%	-4%	5.2	5.4	-4%
Household mortgage lending	2.6	2.6	2.6	2.6	2.6	0%	0%	2.6	2.6	0%
Consumer lending	0.3	0.3	0.3	0.4	0.3	0%	0%	0.3	0.3	0%
<b>Total lending</b>	<b>8.1</b>	<b>8.2</b>	<b>8.3</b>	<b>8.3</b>	<b>8.3</b>	<b>-1%</b>	<b>-2%</b>	<b>8.1</b>	<b>8.3</b>	<b>-2%</b>
Corporate deposits	3.0	3.1	2.8	2.7	2.8	-3%	7%	3.0	2.8	7%
Household deposits	1.2	1.1	1.0	1.0	0.9	9%	33%	1.2	0.9	33%
<b>Total deposits</b>	<b>4.2</b>	<b>4.2</b>	<b>3.8</b>	<b>3.7</b>	<b>3.7</b>	<b>0%</b>	<b>14%</b>	<b>4.2</b>	<b>3.7</b>	<b>14%</b>

## Retail Banking Other

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	2014	2013	2014 vs 2013
Net interest income	-9	-16	-28	-36	-25	-44%	-64%	-89	-94	-5%
Net fee and commission income	-17	-8	-12	-4	-8	113%	113%	-41	-19	
Net result from items at fair value	-2	-2	0	0	-1	0%	100%	-4	-4	0%
Equity method & other income	9	6	3	8	9	50%	0%	26	35	-26%
<b>Total income incl. allocations</b>	<b>-19</b>	<b>-20</b>	<b>-37</b>	<b>-32</b>	<b>-25</b>	<b>-5%</b>	<b>-24%</b>	<b>-108</b>	<b>-82</b>	<b>32%</b>
Staff costs	-94	-91	-93	-89	-88	3%	7%	-367	-362	1%
Other exp. excl. depreciations	102	94	91	92	81	9%	26%	379	368	3%
<b>Total expenses incl. allocations</b>	<b>0</b>	<b>-12</b>	<b>-19</b>	<b>-12</b>	<b>-21</b>	<b>-100%</b>	<b>-100%</b>	<b>-43</b>	<b>-49</b>	<b>-12%</b>
<b>Profit before loan losses</b>	<b>-19</b>	<b>-32</b>	<b>-56</b>	<b>-44</b>	<b>-46</b>	<b>-41%</b>	<b>-59%</b>	<b>-151</b>	<b>-131</b>	<b>15%</b>
Net loan losses	-3	-4	-4	-1	-5	-25%	-40%	-12	-13	-8%
<b>Operating profit</b>	<b>-22</b>	<b>-36</b>	<b>-60</b>	<b>-45</b>	<b>-51</b>	<b>-39%</b>	<b>-57%</b>	<b>-163</b>	<b>-144</b>	<b>13%</b>
Economic capital (EC)	18	19	20	13	73	-5%	-75%	18	73	-75%
Number of employees (FTEs)	4,607	4,530	4,510	4,508	4,531	2%	2%	4,607	4,531	2%

Historical numbers have been restated following organisational changes

## Wholesale Banking

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

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

Wholesale Banking focuses on increasing returns through continuous improvements and strict resource management. Effective business selection and a strengthened customer service model support income development and capital allocation.

### Business development

Wholesale Banking continued to leverage its core capabilities, scale and strong local presence. The subdued economy, continued uncertainty in the financial markets and strong competition for market position continued to affect customer activity.

Our relationship strategy embracing a close interaction across Wholesale Banking was further supported via an integrated financing and capital market platform. Development of the FICC business is well under way responding to the increased capital requirements and changing market micro structure.

Capital market financing and focus on ancillary income continued to support Nordea's position as preferred corporate advisor. Nordea further cemented its position as the leading wholesale bank in the Nordics, evident via continuous number one and leading league table rankings across its capital market activities.

### Banking

Corporate customer activity remained modest in the fourth quarter. Daily business was relatively stable with overall good development, largely unchanged margins and transaction flows at steady levels for the quarter, but affected by the low economic activity. Large financial capacity and risk appetite from banks combined with the disintermediation of banks in the loan market continued to affect lending volumes and re-pricing opportunities. This was offset by strong capital market activities. Customer demand for event-driven transactions remained robust.

Institutional customer activity was challenged by the general sentiment for risk management products, but with repeat business at strong levels and steady flows.

Customer activity in Shipping, Offshore & Oil Services was moderate. The offshore market was soft as a result

of lower oil prices and slower spending growth among oil and gas companies.

In Russia, customer activity was moderate given the RUB volatility and geopolitical turmoil, causing a slowdown in the economy and low capital investments. Monitoring of the development continued and Nordea is well prepared in case of further escalation.

### Capital markets

Performance was satisfactory and the quarter was characterised by a pick-up in volatility supporting customer activity. Increased customer activity included some large customer-driven transactions within fixed income. Activity in asset sales followed the positive trend throughout 2014 with a pick-up towards the end of the quarter. Low market liquidity combined with increased volatility and major market moves in the Nordics and globally made market-making activities more challenging as well as more important in providing market access for our customers.

Primary bond issuance and loan markets were impacted by significant volatility in the beginning of the quarter, stemming from macroeconomic and geopolitical uncertainty. Markets rapidly recovered and continued to demonstrate the same robustness as during most of the year. The Nordic ECM activity level remained high.

The equity market volatility increased during the quarter. Nordea Equities performed well across all markets and products throughout the fourth quarter. Nordea received encouraging rankings in the Nordic Prospera 2014 and was awarded the number one overall Nordic equity house.

### Credit quality

Net loan losses amounted to EUR 26m. The loan loss ratio was 10 basis points (9 basis points in the previous quarter). Net recoveries in Shipping, Offshore & Oil Services amounted to EUR 7m.

### Result

Total income was EUR 587m, a 5% increase from the previous quarter. The shift in income composition from items at fair value to fee and commission income was underlined by the full-year development.

Total expenses increased by 13% from the previous quarter and decreased by 6% compared to the fourth quarter of last year. For the full year, total expenses decreased by 6% compared to 2013. Continued strict resource management resulted in lower REA and a competitive cost/income ratio.

Operating profit was EUR 340m, unchanged from the previous quarter. The business area RAROCAR amounted to 13%.

### Corporate & Institutional Banking

Total income was up 16% compared to the previous quarter. The lending capacity and risk appetite was high among international and Nordic banks, affecting pricing and materialisation of deals. Income showed good development with some larger transactions booked during the quarter. Daily business continued to be challenged by the relatively low level of capital market volatility and stable low interest rates, affecting the sentiment for hedging products.

Institutional customer activity corresponded to the previous quarter, with a few large transactions. Income was largely dependent on capital markets performance with cross asset selling as an important lever. Regulation continued to affect market liquidity.

### Shipping, Offshore & Oil Services

Total income was up 3% compared to the previous quarter, mainly due to an increase in commission income on lending. Loan volumes increased by 4% mainly due to currency effects. Items at fair value were stable. Compared to the fourth quarter last year, income increased following higher commission income and loan margins. The dry cargo and container market continued to be weak, but the tanker market improved in the fourth quarter. Net loan recoveries were EUR 7m in the quarter.

### Banking Russia

Total income was up 6% from the previous quarter. Average lending volumes decreased 6%. The level of expenses was significantly influenced by the depreciation of RUB. The operating profit increased 9% compared to the fourth quarter last year. Net loan losses amounted to EUR 12m, of which half relates to collective provisions and half relates to one exposure.

### Wholesale Banking other (including Capital Markets unallocated)

Wholesale Banking other total income was down EUR 34m from the previous quarter. Wholesale Banking other is the residual result not allocated to customer units. This includes the unallocated income from Capital Markets, Transaction Products and International Units. It also includes the additional liquidity premium for the funding cost of long-term lending and deposits in Wholesale Banking. Optimisation of the business takes place in the relevant customer and product units.

#### Wholesale Banking total

EURm	Q414 Q314 Q214 Q114 Q413					Q4/Q3 Q4/Q4		Chg local curr.		2014 2013		2014 vs 2013	
	Q4/Q3	Q4/Q4	Q4/Q3	Q4/Q4	2014	2013	EUR	Local					
Net interest income	294	283	278	271	267	4%	10%	5%	12%	1,126	1,112	1%	7%
Net fee and commission income	168	135	153	170	149	24%	13%	26%	18%	626	568	10%	15%
Net result from items at fair value	124	141	210	218	227	-12%	-45%	-10%	-45%	693	934	-26%	-25%
Equity method & other income	1	1	1	1	1	0%	0%			4	4	0%	
<b>Total income incl. allocations</b>	<b>587</b>	<b>560</b>	<b>642</b>	<b>660</b>	<b>644</b>	<b>5%</b>	<b>-9%</b>	<b>6%</b>	<b>-7%</b>	<b>2,449</b>	<b>2,618</b>	<b>-6%</b>	<b>-3%</b>
Staff costs	-197	-177	-198	-196	-200	11%	-2%	13%	1%	-768	-783	-2%	2%
Other exp. excl. depreciations	-21	-9	-10	-8	-27	133%	-22%			-48	-79	-39%	-29%
<b>Total expenses incl. allocations</b>	<b>-221</b>	<b>-195</b>	<b>-217</b>	<b>-212</b>	<b>-236</b>	<b>13%</b>	<b>-6%</b>	<b>13%</b>	<b>-5%</b>	<b>-845</b>	<b>-897</b>	<b>-6%</b>	<b>-2%</b>
<b>Profit before loan losses</b>	<b>366</b>	<b>365</b>	<b>425</b>	<b>448</b>	<b>408</b>	<b>0%</b>	<b>-10%</b>	<b>2%</b>	<b>-9%</b>	<b>1,604</b>	<b>1,721</b>	<b>-7%</b>	<b>-3%</b>
Net loan losses	-26	-25	-13	-34	-36	4%	-28%	7%	-23%	-98	-252	-61%	-59%
<b>Operating profit</b>	<b>340</b>	<b>340</b>	<b>412</b>	<b>414</b>	<b>372</b>	<b>0%</b>	<b>-9%</b>	<b>2%</b>	<b>-7%</b>	<b>1,506</b>	<b>1,469</b>	<b>3%</b>	<b>6%</b>
Cost/income ratio, %	38	35	34	32	37					35	34		
RAROCAR, %	13	12	15	15	14					14	14		
Economic capital (EC)	7,950	8,451	8,385	8,566	8,441	-6%	-6%			7,950	8,441	-6%	
Risk exposure amount (REA)	53,415	57,346	58,011	59,307	59,023	-7%	-10%			53,415	59,023	-10%	
Number of employees (FTEs)	5,985	6,004	5,968	6,007	6,008	0%	0%			5,985	6,008	0%	
<b>Volumes, EURbn:</b>													
Lending to corporates	100.8	107.9	98.8	96.0	96.1	-7%	5%			100.8	96.1	5%	
Lending to households	0.3	0.5	0.5	0.5	0.5	-40%	-40%			0.3	0.5	-40%	
<b>Total lending</b>	<b>101.1</b>	<b>108.4</b>	<b>99.3</b>	<b>96.5</b>	<b>96.6</b>	<b>-7%</b>	<b>5%</b>	<b>-6%</b>	<b>4%</b>	<b>101.1</b>	<b>96.6</b>	<b>5%</b>	<b>4%</b>
Corporate deposits	66.0	73.0	69.0	70.7	66.5	-10%	-1%			66.0	66.5	-1%	
Household deposits	0.1	0.2	0.2	0.2	0.2	-50%	-50%			0.1	0.2	-50%	
<b>Total deposits</b>	<b>66.1</b>	<b>73.2</b>	<b>69.2</b>	<b>70.9</b>	<b>66.7</b>	<b>-10%</b>	<b>-1%</b>	<b>-8%</b>	<b>1%</b>	<b>66.1</b>	<b>66.7</b>	<b>-1%</b>	<b>1%</b>

Historical numbers have been restated following changes in the allocation principles and organisational changes

## Corporate &amp; Institutional Banking

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	2014	2013	2014 vs 2013
Net interest income	170	168	177	167	177	1%	-4%	682	688	-1%
Net fee and commission income	148	121	136	163	139	22%	6%	568	533	7%
Net result from items at fair value	78	53	74	58	71	47%	10%	263	304	-13%
Equity method & other income	0	0	0	0	0			0	0	
<b>Total income incl. allocations</b>	<b>396</b>	<b>342</b>	<b>387</b>	<b>388</b>	<b>387</b>	<b>16%</b>	<b>2%</b>	<b>1,513</b>	<b>1,525</b>	<b>-1%</b>
Staff costs	-13	-11	-11	-11	-9	18%	44%	-46	-38	21%
Other exp. excl. depreciations	-87	-92	-92	-97	-96	-5%	-9%	-368	-386	-5%
<b>Total expenses incl. allocations</b>	<b>-100</b>	<b>-103</b>	<b>-103</b>	<b>-108</b>	<b>-105</b>	<b>-3%</b>	<b>-5%</b>	<b>-414</b>	<b>-424</b>	<b>-2%</b>
<b>Profit before loan losses</b>	<b>296</b>	<b>239</b>	<b>284</b>	<b>280</b>	<b>282</b>	<b>24%</b>	<b>5%</b>	<b>1,099</b>	<b>1,101</b>	<b>0%</b>
Net loan losses	-15	-27	-42	-38	-37	-44%	-59%	-122	-173	-29%
<b>Operating profit</b>	<b>281</b>	<b>212</b>	<b>242</b>	<b>242</b>	<b>245</b>	<b>32%</b>	<b>15%</b>	<b>977</b>	<b>928</b>	<b>5%</b>
Cost/income ratio, %	25	30	27	28	27			27	28	
RAROCAR, %	21	15	19	18	16			18	15	
Economic capital (EC)	4,105	4,406	4,387	4,450	4,913	-7%	-16%	4,105	4,913	-16%
Risk exposure amount (REA)	28,842	31,181	30,900	31,283	34,816	-8%	-17%	28,842	34,816	-17%
Number of employees (FTEs)	214	212	212	205	169	1%	27%	214	169	27%
<b>Volumes, EURbn:</b>										
Total lending	38.5	39.4	39.0	38.5	38.7	-2%	-1%	38.5	38.7	-1%
Total deposits	36.4	35.8	34.7	35.8	33.6	2%	8%	36.4	33.6	8%

Historical numbers have been restated following changes in the allocation principles and organisational changes

## Shipping, Offshore &amp; Oil Services

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	2014	2013	2014 vs 2013
Net interest income	70	68	62	66	65	3%	8%	266	266	0%
Net fee and commission income	19	17	16	16	12	12%	58%	68	53	28%
Net result from items at fair value	6	7	10	11	6	-14%	0%	34	32	6%
Equity method & other income	0	0	0	0	0			0	0	
<b>Total income incl. allocations</b>	<b>95</b>	<b>92</b>	<b>88</b>	<b>93</b>	<b>83</b>	<b>3%</b>	<b>14%</b>	<b>368</b>	<b>351</b>	<b>5%</b>
Staff costs	-6	-5	-5	-5	-6	20%	0%	-21	-24	-13%
Other exp. excl. depreciations	-9	-11	-11	-11	-10	-18%	-10%	-42	-40	5%
<b>Total expenses incl. allocations</b>	<b>-15</b>	<b>-16</b>	<b>-16</b>	<b>-16</b>	<b>-16</b>	<b>-6%</b>	<b>-6%</b>	<b>-63</b>	<b>-64</b>	<b>-2%</b>
<b>Profit before loan losses</b>	<b>80</b>	<b>76</b>	<b>72</b>	<b>77</b>	<b>67</b>	<b>5%</b>	<b>19%</b>	<b>305</b>	<b>287</b>	<b>6%</b>
Net loan losses	7	-2	27	5	-1			37	-95	
<b>Operating profit</b>	<b>87</b>	<b>74</b>	<b>99</b>	<b>82</b>	<b>66</b>	<b>18%</b>	<b>32%</b>	<b>342</b>	<b>192</b>	<b>78%</b>
Cost/income ratio, %	16	17	18	17	19			17	18	
RAROCAR, %	18	18	18	19	14			18	14	
Economic capital (EC)	1,250	1,180	1,154	1,162	1,314	6%	-5%	1,250	1,314	-5%
Risk exposure amount (REA)	9,137	8,612	8,409	8,457	9,065	6%	1%	9,137	9,065	1%
Number of employees (FTEs)	80	85	86	84	87	-6%	-8%	80	87	-8%
<b>Volumes, EURbn:</b>										
Total lending	11.6	11.2	10.6	10.7	11.4	4%	2%	11.6	11.4	2%
Total deposits	4.7	4.0	4.4	4.1	4.3	18%	9%	4.7	4.3	9%



## Banking Russia

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	Chg local curr.		2014	2013	2014 vs 2013
								Q4/Q3	Q4/Q4			
Net interest income	69	65	60	60	60	6%	15%			254	233	9%
Net fee and commission income	4	2	4	3	3	100%	33%			13	12	8%
Net result from items at fair value	-1	0	6	1	2					6	12	-50%
Equity method & other income	0	1	0	0	0	-100%				1	0	
<b>Total income incl. allocations</b>	<b>72</b>	<b>68</b>	<b>70</b>	<b>64</b>	<b>65</b>	<b>6%</b>	<b>11%</b>			<b>274</b>	<b>257</b>	<b>7%</b>
Staff costs	-13	-15	-16	-15	-18	-13%	-28%			-59	-68	-13%
Other exp. excl. depreciations	-8	-8	-7	-6	-9	0%	-11%			-29	-31	-6%
<b>Total expenses incl. allocations</b>	<b>-22</b>	<b>-26</b>	<b>-24</b>	<b>-22</b>	<b>-29</b>	<b>-15%</b>	<b>-24%</b>			<b>-94</b>	<b>-106</b>	<b>-11%</b>
<b>Profit before loan losses</b>	<b>50</b>	<b>42</b>	<b>46</b>	<b>42</b>	<b>36</b>	<b>19%</b>	<b>39%</b>			<b>180</b>	<b>151</b>	<b>19%</b>
Net loan losses	-12	-2	0	-1	-1					-15	7	
<b>Operating profit</b>	<b>38</b>	<b>40</b>	<b>46</b>	<b>41</b>	<b>35</b>	<b>-5%</b>	<b>9%</b>			<b>165</b>	<b>158</b>	<b>4%</b>
Cost/income ratio, %	31	38	34	34	45					34	41	
RAROCAR, %	31	25	29	25	22					28	23	
Economic capital (EC)	471	483	470	493	475	-2%	-1%			471	475	-1%
Risk exposure amount (REA)	3,288	3,415	3,182	3,332	3,372	-4%	-2%			3,288	3,372	-2%
Number of employees (FTEs)	1,348	1,377	1,383	1,399	1,405	-2%	-4%			1,348	1,405	-4%
<b>Volumes, EURbn:</b>												
Lending to corporates	5.9	6.1	5.6	5.7	5.8	-3%	2%	-5%	-7%	5.9	5.8	2%
Lending to households	0.3	0.5	0.5	0.5	0.5	-40%	-40%	-20%	-20%	0.3	0.5	-40%
<b>Total lending</b>	<b>6.2</b>	<b>6.6</b>	<b>6.1</b>	<b>6.2</b>	<b>6.3</b>	<b>-6%</b>	<b>-2%</b>	<b>-6%</b>	<b>-8%</b>	<b>6.2</b>	<b>6.3</b>	<b>-2%</b>
Corporate deposits	0.6	1.1	1.2	1.3	1.7	-45%	-65%	-27%	-35%	0.6	1.7	-65%
Household deposits	0.1	0.2	0.2	0.2	0.2	-50%	-50%	-50%	-50%	0.1	0.2	-50%
<b>Total deposits</b>	<b>0.7</b>	<b>1.3</b>	<b>1.4</b>	<b>1.5</b>	<b>1.9</b>	<b>-46%</b>	<b>-63%</b>	<b>-31%</b>	<b>-37%</b>	<b>0.7</b>	<b>1.9</b>	<b>-63%</b>

## Wholesale Banking Other

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	2014	2013	2014 vs 2013
Net fee and commission income	-3	-5	-3	-12	-5	-40%	-40%	-23	-30	
Net result from items at fair value	41	81	120	148	148	-49%	-72%	390	586	-33%
Equity method & other income	1	0	1	1	1		0%	3	4	-25%
<b>Total income incl. allocations</b>	<b>24</b>	<b>58</b>	<b>97</b>	<b>115</b>	<b>109</b>	<b>-59%</b>	<b>-78%</b>	<b>294</b>	<b>485</b>	<b>-39%</b>
Staff costs	-165	-146	-166	-165	-167	13%	-1%	-642	-653	-2%
Other exp. excl. depreciations	83	102	100	106	88	-19%	-6%	391	378	3%
<b>Total expenses incl. allocations</b>	<b>-84</b>	<b>-50</b>	<b>-74</b>	<b>-66</b>	<b>-86</b>	<b>68%</b>	<b>-2%</b>	<b>-274</b>	<b>-303</b>	<b>-10%</b>
<b>Profit before loan losses</b>	<b>-60</b>	<b>8</b>	<b>23</b>	<b>49</b>	<b>23</b>			<b>20</b>	<b>182</b>	<b>-89%</b>
Net loan losses	-6	6	2	0	3			2	9	-76%
<b>Operating profit</b>	<b>-66</b>	<b>14</b>	<b>25</b>	<b>49</b>	<b>26</b>			<b>22</b>	<b>191</b>	<b>-88%</b>
Economic capital (EC)	2,124	2,382	2,374	2,461	1,739	-11%	22%	2,124	1,739	22%
Risk exposure amount (REA)	12,148	14,138	15,520	16,235	11,770	-14%	3%	12,148	11,770	3%
Number of employees (FTEs)	4,343	4,330	4,287	4,319	4,347	0%	0%	4,343	4,347	0%
<b>Volumes, EURbn:</b>										
Total lending	44.8	51.2	43.6	41.1	40.2	-13%	11%	44.8	40.2	11%
Total deposits	24.3	32.1	28.7	29.5	26.9	-24%	-10%	24.3	26.9	-10%

Historical numbers have been restated following changes in the allocation principles and organisational changes

## Wealth Management

Wealth Management provides high quality investment, savings and risk management products. It manages customers' assets and gives financial advice to affluent and high net worth individuals as well as institutional investors. The area consists of the 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. Additionally, the area consists of the service units Savings & Wealth Offerings and Strategy, Support & Control. 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 262.2bn, up EUR 7.7bn or 3% from the previous quarter and 13% from the same quarter last year. The increase in AuM was due to a positive market appreciation of EUR 0.9bn, and net inflow of EUR 6.8bn ending the quarter with AuM at another all-time high.

For the fifth quarter in a row, all businesses contributed positively to the quarter's inflow.

Customers' interest in investing in discretionary management solutions continued to increase in the fourth quarter. In the prevailing low interest rate environment, it is difficult to achieve a satisfactory investment return without taking too much risk. The discretionary management solutions allow customers to benefit from Nordea's investment process in which risk levels are closely managed to match future possible returns with client expectations and risk profiles.

A continued strong focus is kept 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 inflow in Private Banking amounted to EUR 2.4bn.

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 recognised for this continued work, when Nordea was awarded "Best Private Bank in the Nordics" at the Global Private Banking Awards Ceremony, managed by the global financial magazine The Banker.

Asset Management maintains its strong momentum in sales and income in all client segments. Net inflows into the Nordic retail funds across all four Nordic countries were EUR 1.7bn in the fourth quarter.

Net inflow from Institutional Clients and Global Fund Distribution was EUR 0.5bn and EUR 2.1bn respectively. The institutional segment had positive net flows with especially high value of flow in Germany and Norway and the strong development in value of AuM continued throughout the quarter. Global Fund Distribution also continued the strong growth, and achieved a record-high net inflow of EUR 2.1bn in the quarter, and further record-high net inflows for 2014 in total. The net flow was well diversified in terms of products with multi-asset solutions continuing to attracting the highest net flows. The growth remains strong across all countries of distribution during the quarter, with a noticeable strong development in continental Europe.

During the fourth quarter Asset Management has focused on product consolidation and optimisation of the product offerings, which have involved a number of fund mergers and closures.

Investment performance was satisfactory in the fourth quarter with 85% of composites outperforming benchmarks. The 3-year performance is strong with 72% of all composites outperforming benchmarks.

Life & Pensions' gross written premiums continued to exceed the record levels reported in 2013, reaching EUR 2,105m in the fourth quarter, which is 13% higher than in the same quarter of 2013.

Gross written premiums increased by EUR 491m compared to the third quarter. The market return product driven sales momentum in the Nordea Bank channel continued to fuel new business sales in the fourth quarter.

In the fourth quarter, market return and risk products accounted for 87% of total gross written premiums. The Nordea distribution network continued to generate two-thirds of total sales in the fourth quarter. Market return products continued to support the growth in AuM and amounted to 52% of total AuM in Life & Pensions at the end of the fourth quarter.

During the fourth quarter, the Nordea Life Group completed the sale of the business in Luxembourg and Isle of Man.

### Result

Fourth quarter income was EUR 489m, up 25% from the previous quarter and up 18% from the same quarter last year. The increase is mainly due to double-digit increases in income in Life & Pensions and Asset Management.

Costs have increased 12% compared to the previous quarter due to seasonal fluctuations and decreased 6% from the same quarter last year as a consequence of successful cost management. Operating profit was EUR 280m, up 35% from the previous quarter and up 44% from the same quarter last year.

### Private Banking

Total income was EUR 136m in the fourth quarter, up 5% from the previous quarter and down 2% compared to the same period last year. The slight decrease in income level versus same period last year is due to volatility in transaction-related income. A continuous strict cost focus and simplification initiatives, has materialised into a 5% cost reduction compared to same quarter last year, and operating profit ended at EUR 47m, slightly down compared to the same quarter last year, primarily due to the decrease in income.

### Asset Management

Asset Management income was EUR 180m in the fourth quarter, up 29% from the previous quarter and up 20% from the same quarter last year. The increase was mainly the result of an increase in AuM due to positive net inflow and investment performance. Operating profit was EUR 120m, up 38% from the previous quarter and up 36% from the same quarter last year.

### Life & Pensions

Operating profit in the fourth quarter amounted to EUR 122m, 67% higher than in the third quarter, largely due to higher traditional profits and the write down of deferred acquisition costs in the Polish pension fund subsidiary of EUR 27m in third quarter. The traditional profits constitute of recognition from the Danish fee reservation account of fee income related to previous periods and profit sharing in the Swedish traditional portfolio following an excellent investment performance in 2014, which is reported under result from items at fair value.

### 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 additional liquidity premium for long-term lending and deposits in Wealth Management and net interest income related thereto.

#### Wealth Management total

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3		Q4/Q4		Chg local curr.		2014 vs 2013	
						Q4/Q3	Q4/Q4	Q4/Q3	Q4/Q4	2014	2013	EUR	Local
Net interest income	33	35	38	36	30	-6%	10%	-4%	10%	142	120	18%	18%
Net fee and commission income	330	262	298	277	302	26%	9%	27%	11%	1,167	1,090	7%	8%
Net result from items at fair value	118	90	79	71	78	31%	51%	31%	53%	358	293	22%	23%
Equity method & other income	8	5	5	8	5	60%	60%	27%	60%	26	29	-10%	-10%
<b>Total income incl. allocations</b>	<b>489</b>	<b>392</b>	<b>420</b>	<b>392</b>	<b>415</b>	<b>25%</b>	<b>18%</b>	<b>25%</b>	<b>19%</b>	<b>1,693</b>	<b>1,532</b>	<b>11%</b>	<b>11%</b>
Staff costs	-132	-118	-122	-120	-130	12%	2%	12%	2%	-492	-480	3%	3%
Other exp. excl. depreciations	-74	-66	-74	-77	-90	12%	-18%	14%	-16%	-291	-313	-7%	-5%
<b>Total expenses incl. allocations</b>	<b>-207</b>	<b>-185</b>	<b>-197</b>	<b>-198</b>	<b>-221</b>	<b>12%</b>	<b>-6%</b>	<b>12%</b>	<b>-5%</b>	<b>-787</b>	<b>-800</b>	<b>-2%</b>	<b>0%</b>
<b>Profit before loan losses</b>	<b>282</b>	<b>207</b>	<b>223</b>	<b>194</b>	<b>194</b>	<b>36%</b>	<b>45%</b>	<b>37%</b>	<b>48%</b>	<b>906</b>	<b>732</b>	<b>24%</b>	<b>24%</b>
Net loan losses	-2	0	-1	0	1					-3	-3	0%	0%
<b>Operating profit</b>	<b>280</b>	<b>207</b>	<b>222</b>	<b>194</b>	<b>195</b>	<b>35%</b>	<b>44%</b>	<b>36%</b>	<b>46%</b>	<b>903</b>	<b>729</b>	<b>24%</b>	<b>24%</b>
Cost/income ratio, %	42	47	47	51	53					46	52		
RAROCAR, %	40	28	31	28	27					32	26		
Economic capital (EC)	1,982	2,245	2,179	2,116	2,019	-12%	-2%	-13%	-3%	1,982	2,019	-2%	-3%
Risk exposure amount (REA)	4,970	4,791	4,795	4,827	2,827	4%	76%	4%	76%	4,970	2,827	76%	76%
Number of employees (FTEs)	3,478	3,492	3,502	3,489	3,452	0%	1%	0%	1%	3,478	3,452	1%	1%
<b>Volumes, EURbn:</b>													
AuM	262.2	254.5	248.3	238.7	232.1	3%	13%	3%	13%	262.2	232.1	13%	13%
Total lending	9.0	8.9	8.8	8.6	8.5	1%	6%	2%	6%	9.0	8.5	6%	6%
Total deposits	11.0	10.8	11.2	11.0	11.1	2%	-1%	2%	-1%	11.0	11.1	-1%	-1%

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

EURbn	Q414	Q414 Net inflow	Q314	Q214	Q114	Q413
Nordic Retail funds	48.1	1.7	46.3	44.9	43.0	41.7
Private Banking	84.4	2.4	82.0	81.2	79.1	77.3
Institutional sales	66.8	2.6	63.5	61.0	57.3	54.4
Life & Pensions	62.9	0.1	62.7	61.2	59.3	58.7
<b>Total</b>	<b>262.2</b>	<b>6.8</b>	<b>254.5</b>	<b>248.3</b>	<b>238.7</b>	<b>232.1</b>

## Private Banking

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	2014	2013	2014 vs 2013
Net interest income	33	35	38	35	31	-6%	6%	141	121	17%
Net fee and commission income	77	73	80	74	86	5%	-10%	304	321	-5%
Net result from items at fair value	24	20	24	24	22	20%	9%	92	81	14%
Equity method & other income	2	1	1	1	0	100%		5	2	150%
<b>Total income incl. allocations</b>	<b>136</b>	<b>129</b>	<b>143</b>	<b>134</b>	<b>139</b>	<b>5%</b>	<b>-2%</b>	<b>542</b>	<b>525</b>	<b>3%</b>
Staff costs	-44	-42	-44	-42	-44	5%	0%	-172	-169	2%
Other exp. excl. depreciations	-42	-43	-42	-46	-47	-2%	-11%	-173	-177	-2%
<b>Total expenses incl. allocations</b>	<b>-87</b>	<b>-86</b>	<b>-87</b>	<b>-89</b>	<b>-92</b>	<b>1%</b>	<b>-5%</b>	<b>-349</b>	<b>-352</b>	<b>-1%</b>
<b>Profit before loan losses</b>	<b>49</b>	<b>43</b>	<b>56</b>	<b>45</b>	<b>47</b>	<b>14%</b>	<b>4%</b>	<b>193</b>	<b>173</b>	<b>12%</b>
Net loan losses	-2	0	-1	0	1			-3	-3	0%
<b>Operating profit</b>	<b>47</b>	<b>43</b>	<b>55</b>	<b>45</b>	<b>48</b>	<b>9%</b>	<b>-2%</b>	<b>190</b>	<b>170</b>	<b>12%</b>
Cost/income ratio, %	64	67	61	66	66			64	67	
RAROCAR, %	36	30	38	32	35			35	33	
Economic capital (EC)	361	426	428	428	379	-15%	-5%	361	379	-5%
Risk exposure amount (REA)	2,857	2,688	2,698	2,736	2,497	6%	14%	2,857	2,497	14%
Number of employees (FTEs)	1,231	1,233	1,237	1,226	1,216	0%	1%	1,231	1,216	1%
<b>Volumes, EURbn:</b>										
AuM	84.4	82.0	81.2	79.1	77.3	3%	9%	84.4	77.3	9%
Household mortgage lending	5.9	5.9	5.7	5.5	5.3	0%	11%	5.9	5.3	11%
Consumer lending	3.1	3.0	3.1	3.1	3.2	3%	-3%	3.1	3.2	-3%
<b>Total lending</b>	<b>9.0</b>	<b>8.9</b>	<b>8.8</b>	<b>8.6</b>	<b>8.5</b>	<b>1%</b>	<b>6%</b>	<b>9.0</b>	<b>8.5</b>	<b>6%</b>
Household deposits	11.0	10.8	11.2	11.0	11.1	2%	-1%	11.0	11.1	-1%
<b>Total deposits</b>	<b>11.0</b>	<b>10.8</b>	<b>11.2</b>	<b>11.0</b>	<b>11.1</b>	<b>2%</b>	<b>-1%</b>	<b>11.0</b>	<b>11.1</b>	<b>-1%</b>

## Asset Management

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	2014	2013	2014 vs 2013
Net interest income	0	0	0	0	0			0	0	
Net fee and commission income	179	138	141	132	148	30%	21%	590	502	18%
Net result from items at fair value	0	2	2	2	1	-100%	-100%	6	0	
Equity method & other income	1	0	-1	2	1		0%	2	11	-82%
<b>Total income incl. allocations</b>	<b>180</b>	<b>140</b>	<b>142</b>	<b>136</b>	<b>150</b>	<b>29%</b>	<b>20%</b>	<b>598</b>	<b>513</b>	<b>17%</b>
Staff costs	-32	-29	-29	-30	-32	10%	0%	-120	-115	4%
Other exp. excl. depreciations	-27	-24	-28	-25	-30	13%	-10%	-104	-107	-3%
<b>Total expenses incl. allocations</b>	<b>-60</b>	<b>-53</b>	<b>-57</b>	<b>-55</b>	<b>-62</b>	<b>13%</b>	<b>-3%</b>	<b>-225</b>	<b>-223</b>	<b>1%</b>
<b>Profit before loan losses</b>	<b>120</b>	<b>87</b>	<b>85</b>	<b>81</b>	<b>88</b>	<b>38%</b>	<b>36%</b>	<b>373</b>	<b>290</b>	<b>29%</b>
Net loan losses	0	0	0	0	0			0	0	
<b>Operating profit</b>	<b>120</b>	<b>87</b>	<b>85</b>	<b>81</b>	<b>88</b>	<b>38%</b>	<b>36%</b>	<b>373</b>	<b>290</b>	<b>29%</b>
Cost/income ratio, %	33	38	40	40	41	-12%	-19%	38	43	
Income, spread (basis points)	43	34	36	36	41	26%	5%	37	37	0%
Economic capital (EC)	113	133	121	108	107	-15%	6%	113	107	6%
Risk exposure amount (REA)	319	309	303	297	330	3%	-3%	319	330	-3%
AuM, EURbn	173.9	166.3	159.8	152.8	146.2	5%	19%	173.9	146.2	19%
Number of employees (FTEs)	592	588	581	572	564	1%	5%	592	564	5%

## Life &amp; Pensions

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	2014	2013	2014 vs 2013
Net interest income	0	0	0	0	0			0	0	
Net fee and commission income	74	51	77	71	67	45%	10%	273	266	3%
Net result from items at fair value	94	68	53	46	55	38%	71%	261	212	23%
Equity method & other income	5	4	5	5	4	25%	25%	19	17	12%
<b>Total income incl. allocations</b>	<b>173</b>	<b>123</b>	<b>135</b>	<b>122</b>	<b>126</b>	<b>41%</b>	<b>37%</b>	<b>553</b>	<b>495</b>	<b>12%</b>
Staff costs	-34	-29	-29	-29	-34	17%	0%	-121	-124	-2%
Other exp. excl. depreciations	-17	-21	-22	-23	-20	-19%	-15%	-83	-89	-7%
<b>Total expenses incl. allocations</b>	<b>-51</b>	<b>-50</b>	<b>-51</b>	<b>-52</b>	<b>-54</b>	<b>2%</b>	<b>-6%</b>	<b>-204</b>	<b>-213</b>	<b>-4%</b>
<b>Profit before loan losses</b>	<b>122</b>	<b>73</b>	<b>84</b>	<b>70</b>	<b>72</b>	<b>67%</b>	<b>69%</b>	<b>349</b>	<b>282</b>	<b>24%</b>
Net loan losses	0	0	0	0	0			0	0	
<b>Operating profit</b>	<b>122</b>	<b>73</b>	<b>84</b>	<b>70</b>	<b>72</b>	<b>67%</b>	<b>69%</b>	<b>349</b>	<b>282</b>	<b>24%</b>
Cost/income ratio, %	29	41	38	43	43			37	43	
Return on Equity YtD, %	23	13	16	14	13			17	13	
Equity	1,498	1,674	1,614	1,565	1,518	-11%	-1%	1,498	1,518	-1%
AuM, EURbn	57.2	56.8	55.5	53.6	53.3	1%	7%	57	53	7%
Premiums	2,105	1,614	1,818	2,064	1,867	30%	13%	7,601	6,644	14%
Risk exposure amount (REA)	1,794	1,794	1,794	1,794		0%		1,794		
Number of employees (FTEs)	1,078	1,097	1,110	1,118	1,130	-2%	-5%	1,078	1,130	-5%
<b>Profit drivers</b>										
Profit Traditional products	53	29	25	17	26	83%	104%	124	78	59%
Profit Market Return products	46	51	42	35	24	-10%	92%	174	133	31%
Profit Risk products	16	16	15	16	21	0%	-24%	63	64	-2%
<b>Total product result</b>	<b>115</b>	<b>96</b>	<b>82</b>	<b>68</b>	<b>71</b>	<b>20%</b>	<b>62%</b>	<b>361</b>	<b>275</b>	<b>31%</b>
Return on Shareholder equity, other profits and group adj.	7	-23	2	2	1			-12	7	
<b>Operating profit</b>	<b>122</b>	<b>73</b>	<b>84</b>	<b>70</b>	<b>72</b>	<b>67%</b>	<b>69%</b>	<b>349</b>	<b>282</b>	<b>24%</b>

## Wealth Management Other

EURm	Q414	Q314	Q214	Q114	Q413	Q4/Q3	Q4/Q4	2014	2013	2014 vs 2013
Net interest income	0	0	0	1	-1		-100%	1	-1	
Net fee and commission income	0	0	0	0	1		-100%	0	1	-100%
Net result from items at fair value	0	0	0	-1	0			-1	0	
Equity method & other income	0	0	0	0	0			0	-1	-100%
<b>Total income incl. allocations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>-1</b>	<b>-100%</b>
Staff costs	-22	-18	-20	-19	-20	22%	10%	-79	-72	10%
Other exp. excl. depreciations	12	22	18	17	7	-45%	71%	69	60	15%
<b>Total expenses incl. allocations</b>	<b>-9</b>	<b>4</b>	<b>-2</b>	<b>-2</b>	<b>-13</b>		<b>-31%</b>	<b>-9</b>	<b>-12</b>	<b>-25%</b>
<b>Profit before loan losses</b>	<b>-9</b>	<b>4</b>	<b>-2</b>	<b>-2</b>	<b>-13</b>		<b>-31%</b>	<b>-9</b>	<b>-13</b>	<b>-31%</b>
Net loan losses	0	0	0	0	0			0	0	
<b>Operating profit</b>	<b>-9</b>	<b>4</b>	<b>-2</b>	<b>-2</b>	<b>-13</b>		<b>-31%</b>	<b>-9</b>	<b>-13</b>	<b>-31%</b>
Economic capital (EC)	10	12	16	15	15	-17%	-33%	10	15	-33%
Number of employees (FTEs)	577	574	574	573	542	1%	6%	577	542	6%

## Group Functions and other

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

### 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. 74%, unchanged from 74% at the end of the third quarter.

The structural liquidity risk of Nordea is measured and limited through an internal model which conceptually is alike 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 149% at the end of the fourth quarter. The LCR in EUR was 307% and in USD 169% at the end of the fourth quarter, with the definition in accordance with the Swedish FSA's LCR requirement. With the new suggested Basel definition, the total LCR and the LCRs per currency for the Group would be even higher. The 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 67bn at the end of the fourth quarter (EUR 62bn at the end of the third quarter).

The outstanding volume of short-term debt was at the end of the fourth quarter EUR 53bn.

Nordea issued approx. EUR 3.0bn of long-term funding in the fourth quarter excluding Danish covered bonds, of which approx. EUR 2.0bn represented the issuance of Swedish, Norwegian and Finnish covered bonds in the domestic and international markets.

A notable transaction in the quarter was a EUR 1bn 10-year EMTN Finnish covered bond.

The market risk on Group Treasury's interest-rate positions, calculated as average VaR, was EUR 37m in the fourth quarter. The risk related to equities, calculated as VaR, was EUR 1m and the risk related to credit spreads (VaR) was EUR 5m. Interest rate risk and equity risk decreased while the credit spread risk increased compared to the third quarter.

#### Result

Total operating income was EUR 64m in the fourth quarter. Net interest income decreased to EUR 47m in the fourth quarter compared to EUR 70m in the previous quarter, mainly due to re-pricing of assets at lower rates. The net result from items at fair value was EUR 15m compared to EUR 28m in the third quarter and was mainly related to equity and interest-rate-related items. Operating profit was EUR -9m.

EURm	Group Corporate Centre					Group functions, Other & Eliminations									
	Q414	Q314	Q214	Q114	Q413	2014	2013	Q414	Q314	Q214	Q114	Q413	2014	2013	
Net interest income	47	70	71	91	102	279	340	21	45	28	24	44	118	145	
Net fee and commission income	-3	-3	-2	-3	-1	-11	-8	-11	-5	-5	-18	-7	-39	-38	
Net result from items at fair value	15	28	19	22	-8	84	69	-18	-38	-41	6	-51	-91	-119	
Equity method & other income	5	2	2	1	3	10	16	1	384	8	7	22	400	58	
<b>Total operating income</b>	<b>64</b>	<b>97</b>	<b>90</b>	<b>111</b>	<b>96</b>	<b>362</b>	<b>417</b>	<b>-7</b>	<b>386</b>	<b>-10</b>	<b>19</b>	<b>8</b>	<b>388</b>	<b>46</b>	
Staff costs	-73	-64	-74	-59	-58	-270	-233	-11	-41	-178	-44	-17	-274	-121	
Other exp. excl. depreciations	12	12	19	2	-12	46	-1	29	19	-1	11	37	57	54	
<b>Total operating expenses</b>	<b>-73</b>	<b>-65</b>	<b>-68</b>	<b>-67</b>	<b>-85</b>	<b>-273</b>	<b>-276</b>	<b>-1</b>	<b>-384</b>	<b>-193</b>	<b>-42</b>	<b>8</b>	<b>-620</b>	<b>-107</b>	
Net loan losses	0	0	0	0	0	0	0	1	-1	-2	0	-1	-2	-3	
<b>Operating profit</b>	<b>-9</b>	<b>32</b>	<b>22</b>	<b>44</b>	<b>11</b>	<b>89</b>	<b>141</b>	<b>-7</b>	<b>1</b>	<b>-205</b>	<b>-23</b>	<b>15</b>	<b>-234</b>	<b>-64</b>	
Economic capital (EC)	827	844	806	913	552	827	552	1,539	1,403	1,483	877	868	1,539	868	
Risk exposure amount (REA)	6,470	6,669	6,427	6,566	4,849	6,470	4,849	10,617	10,087	10,542	13,492	12,644	10,617	12,644	
Number of employees (FTEs)	2,319	2,311	2,284	1,899	1,830	2,319	1,830	930	913	916	850	860	930	860	

## Income statement

EURm	Note	Q4 2014	Q4 2013	Jan-Dec 2014	Jan-Dec 2013
<b>Operating income</b>					
Interest income		2,371	2,731	9,995	10,604
Interest expense		-1,015	-1,341	-4,513	-5,079
Net interest income		1,356	1,390	5,482	5,525
Fee and commission income		1,006	949	3,799	3,574
Fee and commission expense		-243	-246	-957	-932
Net fee and commission income	3	763	703	2,842	2,642
Net result from items at fair value	4	367	333	1,425	1,539
Profit from companies accounted for under the equity method		-1	21	18	79
Other operating income		28	22	457	106
<b>Total operating income</b>		<b>2,513</b>	<b>2,469</b>	<b>10,224</b>	<b>9,891</b>
<b>Operating expenses</b>					
General administrative expenses:					
Staff costs		-758	-739	-3,149	-2,978
Other expenses	5	-416	-480	-1,635	-1,835
Depreciation, amortisation and impairment charges of tangible and intangible assets		-53	-64	-582	-227
<b>Total operating expenses</b>		<b>-1,227</b>	<b>-1,283</b>	<b>-5,366</b>	<b>-5,040</b>
<b>Profit before loan losses</b>		<b>1,286</b>	<b>1,186</b>	<b>4,858</b>	<b>4,851</b>
Net loan losses	6	-129	-180	-534	-735
<b>Operating profit</b>		<b>1,157</b>	<b>1,006</b>	<b>4,324</b>	<b>4,116</b>
Income tax expense		-280	-246	-953	-1,009
<b>Net profit for the period from continuing operations</b>		<b>877</b>	<b>760</b>	<b>3,371</b>	<b>3,107</b>
Net profit for the period from discontinued operations, after tax	12	0	13	-39	9
<b>Net profit for the period</b>		<b>877</b>	<b>773</b>	<b>3,332</b>	<b>3,116</b>
<b>Attributable to:</b>					
Shareholders of Nordea Bank AB (publ)		877	773	3,332	3,116
Non-controlling interests		-	-	-	-
<b>Total</b>		<b>877</b>	<b>773</b>	<b>3,332</b>	<b>3,116</b>
Basic earnings per share, EUR - Total operations		0.22	0.19	0.83	0.77
Diluted earnings per share, EUR - Total operations		0.22	0.19	0.83	0.77

## Statement of comprehensive income

EURm	Q4 2014	Q4 2013	Jan-Dec 2014	Jan-Dec 2013
<b>Net profit for the period</b>	<b>877</b>	<b>773</b>	<b>3,332</b>	<b>3,116</b>
<b>Items that may be reclassified subsequently to the income statement</b>				
Currency translation differences during the period	-1,094	-285	-1,039	-999
Hedging of net investments in foreign operations:				
Valuation gains/losses during the period	490	115	435	464
Tax on valuation gains/losses during the period	-108	-25	-96	-102
Available for sale investments: <sup>1</sup>				
Valuation gains/losses during the period	-28	-8	40	31
Tax on valuation gains/losses during the period	7	3	-8	-6
Cash flow hedges:				
Valuation gains/losses during the period	38	-32	31	-2
Tax on valuation gains/losses during the period	-8	7	-7	-1
<b>Items that may not be reclassified subsequently to the income statement</b>				
Defined benefit plans:				
Remeasurement of defined benefit plans	-154	56	-518	155
Tax on remeasurement of defined benefit plans	36	-16	120	-39
<b>Other comprehensive income, net of tax<sup>2</sup></b>	<b>-821</b>	<b>-185</b>	<b>-1,042</b>	<b>-499</b>
<b>Total comprehensive income</b>	<b>56</b>	<b>588</b>	<b>2,290</b>	<b>2,617</b>
<b>Attributable to:</b>				
Shareholders of Nordea Bank AB (publ)	56	588	2,290	2,617
Non-controlling interests	-	-	-	-
<b>Total</b>	<b>56</b>	<b>588</b>	<b>2,290</b>	<b>2,617</b>

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

<sup>2</sup> Of which EUR 0m for Q4 2014 and EUR -12m for Jan-Dec 2014 (Q4 2013: EUR -22m, Jan-Dec 2013: EUR -22m) related to discontinued operations.

## Balance sheet

EURm	Note	31 Dec 2014	31 Dec 2013
<b>Assets</b>			
Cash and balances with central banks		31,067	33,529
Loans to central banks	7	6,958	11,769
Loans to credit institutions	7	12,217	10,743
Loans to the public	7	348,085	342,451
Interest-bearing securities		87,110	87,314
Financial instruments pledged as collateral		12,151	9,575
Shares		39,749	33,271
Derivatives		105,119	70,992
Fair value changes of the hedged items in portfolio hedge of interest rate risk		256	203
Investments in associated undertakings		487	630
Intangible assets		2,908	3,246
Properties and equipment		509	431
Investment properties		3,227	3,524
Deferred tax assets		130	62
Current tax assets		132	31
Retirement benefit assets		42	321
Other assets		17,581	11,064
Prepaid expenses and accrued income		1,614	2,383
Assets held for sale	12	-	8,895
<b>Total assets</b>		<b>669,342</b>	<b>630,434</b>
<i>Of which assets customer bearing the risk</i>		<i>29,125</i>	<i>24,912</i>
<b>Liabilities</b>			
Deposits by credit institutions		56,322	59,090
Deposits and borrowings from the public		197,254	200,743
Liabilities to policyholders		51,843	47,226
Debt securities in issue		194,274	185,602
Derivatives		97,340	65,924
Fair value changes of the hedged items in portfolio hedge of interest rate risk		3,418	1,734
Current tax liabilities		368	303
Other liabilities		26,973	24,737
Accrued expenses and prepaid income		1,943	3,677
Deferred tax liabilities		983	935
Provisions		305	177
Retirement benefit obligations		540	334
Subordinated liabilities		7,942	6,545
Liabilities held for sale	12	-	4,198
<b>Total liabilities</b>		<b>639,505</b>	<b>601,225</b>
<b>Equity</b>			
Non-controlling interests		2	2
Share capital		4,050	4,050
Share premium reserve		1,080	1,080
Other reserves		-1,201	-159
Retained earnings		25,906	24,236
<b>Total equity</b>		<b>29,837</b>	<b>29,209</b>
<b>Total liabilities and equity</b>		<b>669,342</b>	<b>630,434</b>
Assets pledged as security for own liabilities		163,041	174,418
Other assets pledged		11,265	7,467
Contingent liabilities		22,017	20,870
Credit commitments <sup>1</sup>		74,291	78,332
Other commitments		1,644	1,267

<sup>1</sup> Including unutilised portion of approved overdraft facilities of EUR 38,234m (31 Dec 2013: EUR 44,053).



## Statement of changes in equity

Attributable to shareholders of Nordea Bank AB (publ)										
Other reserves:										
EURm	Share capital <sup>1</sup>	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
<b>Balance at 1 Jan 2014</b>	<b>4,050</b>	<b>1,080</b>	<b>-613</b>	<b>-18</b>	<b>81</b>	<b>391</b>	<b>24,236</b>	<b>29,207</b>	<b>2</b>	<b>29,209</b>
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 <sup>2</sup>	-	-	-	-	-	-	16	16	-	16
Dividend for 2013	-	-	-	-	-	-	-1,734	-1,734	-	-1,734
Disposal of own shares <sup>3</sup>	-	-	-	-	-	-	56	56	-	56
<b>Balance at 31 Dec 2014</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,313</b>	<b>6</b>	<b>113</b>	<b>-7</b>	<b>25,906</b>	<b>29,835</b>	<b>2</b>	<b>29,837</b>

Attributable to shareholders of Nordea Bank AB (publ)										
Other reserves:										
EURm	Share capital <sup>1</sup>	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
<b>Balance at 1 Jan 2013</b>	<b>4,050</b>	<b>1,080</b>	<b>24</b>	<b>-15</b>	<b>56</b>	<b>275</b>	<b>22,530</b>	<b>28,000</b>	<b>5</b>	<b>28,005</b>
Net profit for the period	-	-	-	-	-	-	3,116	3,116	-	3,116
Other comprehensive income, net of tax	-	-	-637	-3	25	116	-	-499	-	-499
<i>Total comprehensive income</i>	-	-	-637	-3	25	116	3,116	2,617	-	2,617
Share-based payments <sup>2</sup>	-	-	-	-	-	-	17	17	-	17
Dividend for 2012	-	-	-	-	-	-	-1,370	-1,370	-	-1,370
Purchases of own shares <sup>3</sup>	-	-	-	-	-	-	-57	-57	-	-57
Other changes	-	-	-	-	-	-	-	-	-3	-3
<b>Balance at 31 Dec 2013</b>	<b>4,050</b>	<b>1,080</b>	<b>-613</b>	<b>-18</b>	<b>81</b>	<b>391</b>	<b>24,236</b>	<b>29,207</b>	<b>2</b>	<b>29,209</b>

<sup>1</sup> Total shares registered were 4,050 million (31 Dec 2013: 4,050 million).

<sup>2</sup> The total holding of own shares related to Long Term Incentive Programme (LTIP) is 15.9 million (31 Dec 2013: 18.3 million).

<sup>3</sup> Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares at 31 Dec 2014 were 23.0 million (31 Dec 2013: 31.8 million).

## Cash flow statement, condensed - Total operations

EURm	Jan-Dec 2014	Jan-Dec 2013
<i>Operating activities</i>		
Operating profit	4,324	4,116
Profit for the period from discontinued operations, after tax	-39	9
Adjustments for items not included in cash flow	8,137	4,492
Income taxes paid	-966	-1,010
Cash flow from operating activities before changes in operating assets and liabilities	11,456	7,607
Changes in operating assets and liabilities	-22,280	-1,292
Cash flow from operating activities	-10,824	6,315
<i>Investing activities</i>		
Sale/acquisition of associated undertakings	481	-
Properties and equipment	-183	-120
Intangible assets	-271	-228
Net investments in debt securities, held to maturity	2,750	930
Other financial fixed assets	477	-10
Cash flow from investing activities	3,254	572
<i>Financing activities</i>		
Issued/amortised subordinated liabilities	638	-500
Divestment/repurchase of own shares incl change in trading portfolio	56	-57
Dividend paid	-1,734	-1,370
Cash flow from financing activities	-1,040	-1,927
<b>Cash flow for the period</b>	<b>-8,610</b>	<b>4,960</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>45,670</b>	<b>42,808</b>
Translation difference	2,623	-2,098
<b>Cash and cash equivalents at end of the period</b>	<b>39,683</b>	<b>45,670</b>
<b>Change</b>	<b>-8,610</b>	<b>4,960</b>
<b>Cash and cash equivalents</b>		
The following items are included in cash and cash equivalents (EURm):	31 Dec <u>2014</u>	31 Dec <u>2013</u>
Cash and balances with central banks	31,067	33,529
Loans to central banks	6,454	9,313
Loans to credit institutions	2,162	2,290
Assets held for sale	-	538

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

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

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

## Notes to the financial statements

### Note 1 Accounting policies

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU Commission. In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54, 2013:2, 2013:24 and 2014:18) have also been applied.

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

### Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2013 Annual Report.

The new standard IFRS 10 "Consolidated Financial Statements" was implemented on 1 January 2014 but has not had any significant impact on the financial statements.

The Swedish Financial Supervisory Authority has in addition issued amendments to FFFS 2008:25 in FFFS 2013:24 and 2014:18. These amendments were implemented as from 1 January 2014 except for the amendments in FFFS 2014:18 that were implemented in the third quarter 2014. The amendments in FFFS 2014:18 require changed capital adequacy disclosures (presented in Note 11 "Capital adequacy"). The amendments in FFFS 2013:24 have not had any significant impact on the financial statements.

### Impact on capital adequacy from new or amended IFRS standards

IFRS 9 "Financial Instruments" covering classification and measurement, impairment and general hedging

has been adopted by the IASB but has not yet been implemented by Nordea.

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. Significant reclassifications between fair value and amortised cost or impact on the capital adequacy or large exposures are not expected, 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 at transition. Nordea has not yet finalised any impact assessment.

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.

The IASB has also adopted IFRS 15 "Revenue from Contracts with Customers". The new standard has not yet been implemented by Nordea. It is not expected that the standard will have any significant impact on Nordea's financial statements, capital adequacy or large exposures in the period of initial application.

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

### Exchange rates

	Jan-Dec 2014	Jan-Dec 2013
<b>EUR 1 = SEK</b>		
Income statement (average)	9.1012	8.6524
Balance sheet (at end of period)	9.3930	8.8591
<b>EUR 1 = DKK</b>		
Income statement (average)	7.4548	7.4579
Balance sheet (at end of period)	7.4453	7.4593
<b>EUR 1 = NOK</b>		
Income statement (average)	8.3597	7.8091
Balance sheet (at end of period)	9.0420	8.3630
<b>EUR 1 = PLN</b>		
Income statement (average)	4.1859	4.1969
Balance sheet (at end of period)	4.2732	4.1543
<b>EUR 1 = RUB</b>		
Income statement (average)	50.9996	42.3269
Balance sheet (at end of period)	72.3370	45.3246

## 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	
<b>Jan-Dec 2014</b>								
Total operating income, EURm	5,840	2,484	1,696	369	-10	10,379	-155	<b>10,224</b>
- of which internal transactions <sup>1</sup> , EURm	-1,547	-221	16	1,694	58	0	-	-
Operating profit, EURm	2,383	1,523	902	90	-19	4,879	-555	<b>4,324</b>
Loans to the public <sup>2</sup> , EURbn	224	57	9	-	-	290	58	<b>348</b>
Deposits and borrowings from the public <sup>2</sup> , EURbn	110	41	11	-	-	162	35	<b>197</b>
<b>Jan-Dec 2013</b>								
Total operating income, EURm	5,618	2,550	1,514	400	32	10,114	-223	<b>9,891</b>
- of which internal transactions <sup>1</sup> , EURm	-1,622	-283	22	1,816	67	0	-	-
Operating profit, EURm	2,068	1,432	728	138	23	4,389	-273	<b>4,116</b>
Loans to the public <sup>2</sup> , EURbn	217	57	9	-	-	283	59	<b>342</b>
Deposits and borrowings from the public <sup>2</sup> , EURbn	107	41	11	-	-	159	42	<b>201</b>

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

<sup>2</sup> 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 <sup>1</sup>		Retail Banking Baltic countries <sup>2</sup>		Retail Banking Other <sup>3</sup>		Retail Banking	
	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
Total operating income, EURm	5,775	5,532	175	166	-110	-80	<b>5,840</b>	<b>5,618</b>
- of which internal transactions, EURm	-1,335	-1,448	-41	-46	-171	-128	<b>-1,547</b>	<b>-1,622</b>
Operating profit, EURm	2,526	2,166	26	40	-169	-138	<b>2,383</b>	<b>2,068</b>
Loans to the public, EURbn	216	209	8	8	-	-	<b>224</b>	<b>217</b>
Deposits and borrowings from the public, EURbn	106	104	4	3	-	-	<b>110</b>	<b>107</b>

	Corporate & Institutional Banking		Shipping, Offshore & Oil Services		Nordea Bank Russia		Capital Markets unallocated		Wholesale Banking Other <sup>4</sup>		Wholesale Banking	
	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
Total operating income, EURm	1,525	1,499	365	339	303	244	280	442	11	26	<b>2,484</b>	<b>2,550</b>
- of which internal transactions, EURm	-146	-215	-62	-77	-32	-42	100	134	-81	-83	<b>-221</b>	<b>-283</b>
Operating profit, EURm	987	918	340	185	179	152	77	229	-60	-52	<b>1,523</b>	<b>1,432</b>
Loans to the public, EURbn	39	39	11	12	7	6	-	-	-	-	<b>57</b>	<b>57</b>
Deposits and borrowings from the public, EURbn	36	36	4	4	1	1	-	-	-	-	<b>41</b>	<b>41</b>

	Private Banking		Asset Management		Life & Pension unallocated		Wealth Management Other <sup>5</sup>		Wealth Management	
	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
Total operating income, EURm	814	726	599	503	554	486	-271	-201	<b>1,696</b>	<b>1,514</b>
- of which internal transactions, EURm	12	15	0	0	0	1	4	6	<b>16</b>	<b>22</b>
Operating profit, EURm	403	316	373	283	348	277	-222	-148	<b>902</b>	<b>728</b>
Loans to the public, EURbn	9	9	-	-	-	-	-	-	<b>9</b>	<b>9</b>
Deposits and borrowings from the public, EURbn	11	11	-	-	-	-	-	-	<b>11</b>	<b>11</b>

<sup>1</sup> Retail Banking Nordic includes banking operations in Denmark, Finland, Norway and Sweden.

<sup>2</sup> Retail Banking Baltic countries includes banking operations in Estonia, Latvia and Lithuania.

<sup>3</sup> Retail Banking Other includes the support areas Development & Projects, Distribution, Segments, Products and IT.

<sup>4</sup> Wholesale Banking Other includes the area International Units and the support areas Transaction Products, Segment CIB and IT.

<sup>5</sup> 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	
	2014	2013	2014	2013	2014	2013
Total operating segments	4,879	4,389	290	283	162	159
Group functions <sup>1</sup>	-129	-116	-	-	-	-
Unallocated items <sup>2</sup>	-81	47	69	53	39	39
Differences in accounting policies <sup>3</sup>	-345	-204	-11	6	-4	3
<b>Total</b>	<b>4,324</b>	<b>4,116</b>	<b>348</b>	<b>342</b>	<b>197</b>	<b>201</b>

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

<sup>2</sup> Including non-recurring items 2014 EUR -157m.

<sup>3</sup> Impact from plan exchange rates used in the segment reporting. As from Q1 2014 the allocation principles have changed, which in addition leads to a difference between the measurement of the operating profit in the "Total operating segments" and the "Total Group". Comparative figures have been restated accordingly.

#### 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 2014	Q3 2014	Q4 2013	Jan-Dec 2014	Jan-Dec 2013
Asset management commissions	327	296	273	1,188	1,000
Life insurance	97	92	101	367	350
Brokerage, securities issues and corporate finance	65	59	80	281	296
Custody and issuer services	30	23	38	129	124
Deposits	9	11	13	39	50
Total savings and investments	528	481	505	2,004	1,820
Payments	104	98	110	406	417
Cards	129	147	127	529	508
Total payment and cards	233	245	237	935	925
Lending	155	124	124	541	510
Guarantees and documentary payments	46	45	51	181	187
Total lending related commissions	201	169	175	722	697
Other commission income	44	27	32	138	132
<b>Fee and commission income</b>	<b>1,006</b>	<b>922</b>	<b>949</b>	<b>3,799</b>	<b>3,574</b>
Savings and investments	-85	-111	-94	-363	-322
Payments	-22	-21	-23	-85	-90
Cards	-69	-64	-69	-253	-259
State guarantee fees	-32	-34	-33	-132	-132
Other commission expenses	-35	-25	-27	-124	-129
<b>Fee and commission expenses</b>	<b>-243</b>	<b>-255</b>	<b>-246</b>	<b>-957</b>	<b>-932</b>
<b>Net fee and commission income</b>	<b>763</b>	<b>667</b>	<b>703</b>	<b>2,842</b>	<b>2,642</b>

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

EURm	Q4 2014	Q3 2014	Q4 2013	Jan-Dec 2014	Jan-Dec 2013
Shares/participations and other share-related instruments	1,096	837	879	2,829	2,630
Interest-bearing securities and other interest-related instruments	792	195	397	3,119	238
Other financial instruments	-32	326	-74	409	90
Foreign exchange gains/losses	25	-170	157	-564	876
Investment properties	44	36	40	245	145
Change in technical provisions <sup>1</sup> , Life insurance	-1,246	-798	-876	-3,834	-1,519
Change in collective bonus potential, Life insurance	-333	-171	-216	-871	-978
Insurance risk income, Life insurance	55	57	49	212	202
Insurance risk expense, Life insurance	-34	-21	-23	-120	-145
<b>Total</b>	<b>367</b>	<b>291</b>	<b>333</b>	<b>1,425</b>	<b>1,539</b>

**Of which Life insurance**

EURm	Q4 2014	Q3 2014	Q4 2013	Jan-Dec 2014	Jan-Dec 2013
Shares/participations and other share-related instruments	1,005	444	849	2,398	2,418
Interest-bearing securities and other interest-related instruments	702	624	208	2,473	30
Other financial instruments	0	5	0	0	0
Foreign exchange gains/losses	-97	-108	27	-241	66
Investment properties	45	39	39	255	144
Change in technical provisions <sup>1</sup> , Life insurance	-1,246	-798	-876	-3,834	-1,519
Change in collective bonus potential, Life insurance	-333	-171	-216	-871	-978
Insurance risk income, Life insurance	55	57	49	212	202
Insurance risk expense, Life insurance	-34	-21	-23	-120	-145
<b>Total</b>	<b>97</b>	<b>71</b>	<b>57</b>	<b>272</b>	<b>218</b>

<sup>1</sup> Premium income amounts to EUR 605m for Q4 2014 and EUR 2,270 for Jan-Dec 2014, (Q3 2014: EUR 517m, Q4 2013: EUR 531m, Jan-Dec 2013: EUR 2,278m).

**Note 5 Other expenses**

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
EURm	2014	2014	2013	2014	2013
Information technology	-157	-130	-200	-558	-671
Marketing and representation	-29	-20	-32	-103	-116
Postage, transportation, telephone and office expenses	-45	-40	-44	-177	-192
Rents, premises and real estate	-85	-90	-90	-387	-373
Other	-100	-98	-114	-410	-483
<b>Total</b>	<b>-416</b>	<b>-378</b>	<b>-480</b>	<b>-1,635</b>	<b>-1,835</b>

**Note 6 Net loan losses**

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
EURm	2014	2014	2013	2014	2013
<b>Loan losses divided by class</b>					
Realised loan losses	0	-2	0	-2	0
Allowances to cover realised loan losses	0	2	0	2	-
Recoveries on previous realised loan losses	-	-	0	0	0
Provisions	0	1	1	0	0
Reversal of previous provisions	0	22	0	23	1
<b>Loans to credit institutions</b>	<b>0</b>	<b>23</b>	<b>1</b>	<b>23</b>	<b>1</b>
Realised loan losses	-208	-115	-227	-633	-709
Allowances to cover realised loan losses	146	69	173	450	508
Recoveries on previous realised loan losses	20	24	21	81	76
Provisions	-256	-245	-289	-998	-1,131
Reversal of previous provisions	169	126	149	557	508
<b>Loans to the public</b>	<b>-129</b>	<b>-141</b>	<b>-173</b>	<b>-543</b>	<b>-748</b>
Realised loan losses	-2	0	0	-3	0
Allowances to cover realised loan losses	2	0	0	3	-
Recoveries on previous realised loan losses	-	-	0	-	0
Provisions	-28	-25	-9	-107	-25
Reversal of previous provisions	28	31	1	93	37
<b>Off-balance sheet items</b>	<b>0</b>	<b>6</b>	<b>-8</b>	<b>-14</b>	<b>12</b>
<b>Net loan losses</b>	<b>-129</b>	<b>-112</b>	<b>-180</b>	<b>-534</b>	<b>-735</b>

**Key ratios**

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
	2014	2014	2013	2014	2013
Loan loss ratio, basis points	15	12	21	15	21
- of which individual	15	12	20	15	20
- of which collective	0	0	1	0	1

**Note 7 Loans and impairment**

EURm	Total					
	31 Dec 2014	30 Sep 2014	31 Dec 2013			
Loans, not impaired	363,584	378,214	361,218			
Impaired loans	6,425	6,538	6,564			
-of which performing	4,115	4,168	3,909			
-of which non-performing	2,310	2,370	2,655			
<b>Loans before allowances</b>	<b>370,009</b>	<b>384,752</b>	<b>367,782</b>			
Allowances for individually assessed impaired loans	-2,329	-2,416	-2,397			
-of which performing	-1,432	-1,447	-1,372			
-of which non-performing	-897	-969	-1,025			
Allowances for collectively assessed impaired loans	-420	-437	-422			
<b>Allowances</b>	<b>-2,749</b>	<b>-2,853</b>	<b>-2,819</b>			
<b>Loans, carrying amount</b>	<b>367,260</b>	<b>381,899</b>	<b>364,963</b>			
EURm	Central banks and credit institutions			The public		
	31 Dec 2014	30 Sep 2014	31 Dec 2013	31 Dec 2014	30 Sep 2014	31 Dec 2013
Loans, not impaired	19,177	22,085	22,515	344,407	356,129	338,703
Impaired loans	-	-	24	6,425	6,538	6,540
-of which performing	-	-	-	4,115	4,168	3,909
-of which non-performing	-	-	24	2,310	2,370	2,631
<b>Loans before allowances</b>	<b>19,177</b>	<b>22,085</b>	<b>22,539</b>	<b>350,832</b>	<b>362,667</b>	<b>345,243</b>
Allowances for individually assessed impaired loans	-	-	-24	-2,329	-2,416	-2,373
-of which performing	-	-	-	-1,432	-1,447	-1,372
-of which non-performing	-	-	-24	-897	-969	-1,001
Allowances for collectively assessed impaired loans	-2	-2	-3	-418	-435	-419
<b>Allowances</b>	<b>-2</b>	<b>-2</b>	<b>-27</b>	<b>-2,747</b>	<b>-2,851</b>	<b>-2,792</b>
<b>Loans, carrying amount</b>	<b>19,175</b>	<b>22,083</b>	<b>22,512</b>	<b>348,085</b>	<b>359,816</b>	<b>342,451</b>

**Allowances and provisions**

EURm	31 Dec 2014	30 Sep 2014	31 Dec 2013
Allowances for items on the balance sheet	-2,749	-2,853	-2,819
Provisions for off balance sheet items	-72	-75	-61
<b>Total allowances and provisions</b>	<b>-2,821</b>	<b>-2,928</b>	<b>-2,880</b>

**Key ratios**

	31 Dec 2014	30 Sep 2014	31 Dec 2013
Impairment rate, gross, basis points	174	170	178
Impairment rate, net, basis points	111	107	113
Total allowance rate, basis points	74	74	77
Allowances in relation to impaired loans, %	36	37	37
Total allowances in relation to impaired loans, %	43	44	43
Non-performing, not impaired, EURm	289	318	418



**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
<b>Financial assets</b>							
Cash and balances with central banks	31,067	-	-	-	-	-	31,067
Loans to central banks	6,676	-	282	-	-	-	6,958
Loans to credit institutions	7,657	-	4,547	13	-	-	12,217
Loans to the public	246,862	-	49,517	51,706	-	-	348,085
Interest-bearing securities	-	2,630	34,418	18,541	-	31,521	87,110
Financial instruments pledged as collateral	-	-	12,151	-	-	-	12,151
Shares	-	-	8,445	31,300	-	4	39,749
Derivatives	-	-	102,279	-	2,840	-	105,119
Fair value changes of the hedged items in portfolio hedge of interest rate risk	256	-	-	-	-	-	256
Other assets	4,590	-	-	11,176	-	-	15,766
Prepaid expenses and accrued income	1,123	-	4	-	-	-	1,127
<b>Total 31 Dec 2014</b>	<b>298,231</b>	<b>2,630</b>	<b>211,643</b>	<b>112,736</b>	<b>2,840</b>	<b>31,525</b>	<b>659,605</b>
Total 31 Dec 2013 <sup>1</sup>	304,996	5,359	166,073	105,551	1,947	28,006	611,932

EURm	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
<b>Financial liabilities</b>					
Deposits by credit institutions	23,806	3,220	-	29,296	56,322
Deposits and borrowings from the public	24,577	8,343	-	164,334	197,254
Liabilities to policyholders, investment contracts	-	16,741	-	-	16,741
Debt securities in issue	8,001	42,619	-	143,654	194,274
Derivatives	95,118	-	2,222	-	97,340
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	3,418	3,418
Other liabilities	6,903	10,061	-	6,377	23,341
Accrued expenses and prepaid income	9	-	-	345	354
Subordinated liabilities	-	-	-	7,942	7,942
<b>Total 31 Dec 2014</b>	<b>158,414</b>	<b>80,984</b>	<b>2,222</b>	<b>355,366</b>	<b>596,986</b>
Total 31 Dec 2013 <sup>1</sup>	132,375	68,001	1,336	356,619	558,331

<sup>1</sup> The comparative figures have been restated to reflect a correction of the classification of liabilities linked to the development of assets in pooled schemes. The deposits have been moved from "Other financial liabilities" to "Designated at fair value through profit or loss". Corresponding assets have been moved from "Held for trading" to "Designated at fair value through profit or loss". There was no impact on the carrying amounts.

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

EURm	31 Dec 2014		31 Dec 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and balances with central banks	31,067	31,067	33,529	33,529
Loans	367,516	368,872	365,166	365,166
Interest-bearing securities	87,110	87,421	87,314	87,439
Financial instruments pledged as collateral	12,151	12,151	9,575	9,575
Shares	39,749	39,749	33,271	33,271
Derivatives	105,119	105,119	70,992	70,992
Other assets	15,766	15,766	10,179	10,179
Prepaid expenses and accrued income	1,127	1,127	1,906	1,906
<b>Total</b>	<b>659,605</b>	<b>661,272</b>	<b>611,932</b>	<b>612,057</b>
<b>Financial liabilities</b>				
Deposits and debt instruments	459,210	460,653	453,714	455,368
Liabilities to policyholders	16,741	16,741	13,737	13,737
Derivatives	97,340	97,340	65,924	65,924
Other liabilities	23,341	23,341	22,610	22,610
Accrued expenses and prepaid income	354	354	2,346	2,346
<b>Total</b>	<b>596,986</b>	<b>598,429</b>	<b>558,331</b>	<b>559,985</b>

The determination of fair value is described in the Annual report 2013, Note G42 "Assets and liabilities at fair value". The fair value for year 2014 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		Valuation technique using observable data		Valuation technique using non-observable data		Total
	(Level 1)	Of which Life	(Level 2)	Of which Life	(Level 3)	Of which Life	
<b>Assets at fair value on the balance sheet<sup>1</sup></b>							
Loans to central banks	-	-	282	-	-	-	282
Loans to credit institutions	-	-	4,560	7	-	-	4,560
Loans to the public	-	-	101,223	-	-	-	101,223
Interest-bearing securities <sup>2</sup>	54,724	12,805	41,598	6,936	279	53	96,601
Shares <sup>3</sup>	32,724	22,739	1,597	1,596	5,458	4,486	39,779
Derivatives	102	-	103,551	119	1,466	-	105,119
Other assets	-	-	11,176	-	-	-	11,176
Prepaid expenses and accrued income	-	-	4	-	-	-	4
<b>Total 31 Dec 2014</b>	<b>87,550</b>	<b>35,544</b>	<b>263,991</b>	<b>8,658</b>	<b>7,203</b>	<b>4,539</b>	<b>358,744</b>
Total 31 Dec 2013	87,475	30,764	208,347	8,362	5,755	2,946	301,577
<b>Liabilities at fair value on the balance sheet<sup>1</sup></b>							
Deposits by credit institutions	-	-	27,026	1,541	-	-	27,026
Deposits and borrowings from the public	-	-	32,920	-	-	-	32,920
Liabilities to policyholders	-	-	16,741	16,741	-	-	16,741
Debt securities in issue	42,619	-	8,001	-	-	-	50,620
Derivatives	91	-	95,623	56	1,626	-	97,340
Other liabilities	4,667	-	12,297	-	-	-	16,964
Accrued expenses and prepaid income	-	-	9	-	-	-	9
<b>Total 31 Dec 2014</b>	<b>47,377</b>	<b>-</b>	<b>192,617</b>	<b>18,338</b>	<b>1,626</b>	<b>-</b>	<b>241,620</b>
Total 31 Dec 2013	44,095	-	156,217	14,905	1,400	-	201,712

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

<sup>2</sup> Of which EUR 12,121m relates to the balance sheet item Financial instruments pledged as collateral.

<sup>3</sup> Of which EUR 30m relates to the balance sheet item Financial instruments pledged as collateral.

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

For information about valuation techniques and inputs used in the fair value measurement, see the Annual report 2013, Note G42 "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 149m from Level 1 to Level 2 and EUR 1,290m from Level 2 to Level 1 of the fair value hierarchy. Nordea also transferred other liabilities of EUR 55m from Level 2 to Level 1. The reason for the transfers from Level 1 to Level 2 was that the instruments ceased to be actively traded during the period and fair values have now been obtained using valuation techniques with observable market inputs. The reason for the transfer from Level 2 to Level 1 was that the instruments have again been actively traded during the period and reliable quoted prices are obtained in the market. Transfers between levels are considered to have occurred at the end of the reporting period.

## Note 10, continued

## Movements in Level 3

EURm	Fair value gains/losses recognised in the income statement during the year			Recognised in OCI	Purchases / Issues	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Translation differences	31 Dec
	1 Jan	Realised	Un-realised								
Interest-bearing securities	478	8	10	-2	163	-373	-3	-	-	-2	279
- of which Life insurance	104	5	5	-	19	-78	-	-	-	-2	53
Shares	3,841	388	313	-	2,417	-1,441	-22	-	-22	-16	5,458
- of which Life insurance	2,842	324	238	-	2,332	-1,196	-15	-	-22	-17	4,486
Derivatives (net)	37	-488	-197	-	-	-	488	-	-	-	-160
Other liabilities	1	-	-	-	-	-1	-	-	-	-	-
<b>Total 2014, net</b>	<b>4,355</b>	<b>-92</b>	<b>126</b>	<b>-2</b>	<b>2,580</b>	<b>-1,813</b>	<b>463</b>	<b>-</b>	<b>-22</b>	<b>-18</b>	<b>5,577</b>
Total 2013, net	4,824	596	-173	-	464	-1,402	237	-14	-137	-40	4,355

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 22m from Level 3 to Level 2. The reason for the transfer from Level 3 to Level 2 was that observable market data became available. Transfers between levels are considered to have occurred at the end of the reporting period. Fair value gains and losses in the income statement during the period are included in "Net result from items at fair value". Assets and liabilities related to derivatives are presented net.

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

For information about valuation processes for fair value measurement in level 3, see the Annual report 2013 Note G42 "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 2013 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	2014	2013
Opening balance at 1 Jan	38	24
Deferred profit on new transactions	9	26
Recognised in the income statement during the period	-11	-12
<b>Closing balance at 31 Dec</b>	<b>36</b>	<b>38</b>

## 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 <sup>4</sup>
		Life <sup>1</sup>	Valuation techniques		
<b>Interest-bearing securities</b>					
Mortgage and other credit institutions <sup>2</sup>	235	9	Discounted cash flows	Credit spread	-8/8
Corporates	44	44	Discounted cash flows	Credit spread	-3/3
<b>Total 31 Dec 2014</b>	<b>279</b>	<b>53</b>			<b>-11/11</b>
Total 31 Dec 2013	478	104			-25/25
<b>Shares</b>					
Private equity funds	2,328	1,820	Net asset value <sup>3</sup>		
Hedge funds	443	181	Net asset value <sup>3</sup>		
Credit funds	487	377	Net asset value/market consensus <sup>3</sup>		
Other funds	1,970	1,950	Net asset value/Fund prices <sup>3</sup>		
Other	230	158	-		
<b>Total 31 Dec 2014</b>	<b>5,458</b>	<b>4,486</b>			<b>-542/575</b>
Total 31 Dec 2013	3,841	2,842			-381/381
<b>Derivatives, net</b>					
Interest rate derivatives	191	-	Option model	Correlations Volatilities	-13/9
Equity derivatives	-220	-	Option model	Correlations Volatilities Dividend	-18/12
Foreign exchange derivatives	-31	-	Option model	Correlations Volatilities	+/-0
Credit derivatives	-129	-	Credit derivative model	Correlations Recovery rates	-10/9
Other	29	-	Option model	Correlations Volatilities	+/-0
<b>Total 31 Dec 2014</b>	<b>-160</b>	<b>-</b>			<b>-41/30</b>
Total 31 Dec 2013	37	-			-31/25

<sup>1</sup> Investment 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.

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

<sup>3</sup> The fair values are based on prices and net asset values delivered by external suppliers/custodians. The prices are fixed by the suppliers/custodians on the basis of the development in assets behind the investments. For private equity funds the dominant measurement methodology used by the suppliers/custodians is consistent with the International Private Equity and Venture Capital Valuation (IPEV) guidelines issued by 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 95% compared to the values received from suppliers/custodians.

<sup>4</sup> The column "Range of fair value" shows the sensitivity of Level 3 financial instruments to changes in key assumptions. For more information see the Annual Report 2013, Note G42 "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<sup>5</sup>**

EURm	31 Dec 2014	31 Dec 2013
Calculation of own funds		
Equity in the consolidated situation	29,063	28,429
Proposed/actual dividend	-2,501	-1,734
Common Equity Tier 1 capital before regulatory adjustments	26,562	26,695
Deferred tax assets	-	-68
Intangible assets	-2,584	-2,987
IRB provisions shortfall (-) <sup>1</sup>	-344	-369
Deduction for investments in credit institutions (50%) <sup>2</sup>	-	-99
Pension assets in excess of related liabilities <sup>3</sup>	-33	0
Other items, net	-780	-60
Total regulatory adjustments to Common Equity Tier 1 capital	-3,741	-3,583
<b>Common Equity Tier 1 capital (net after deduction)</b>	<b>22,821</b>	<b>23,112</b>
Additional Tier 1 capital before regulatory adjustments	2,779	1,949
Total regulatory adjustments to Additional Tier 1 capital	-12	-616
Additional Tier 1 capital	2,767	1,332
<b>Tier 1 capital (net after deduction)</b>	<b>25,588</b>	<b>24,444</b>
Tier 2 capital before regulatory adjustments	5,011	4,789
IRB provisions excess (+)/shortfall (-) <sup>1</sup>	-	-369
Deduction for investments in credit institutions (50%) <sup>2</sup>	-	-99
Deductions for investments in insurance companies	-505	-616
Pension assets in excess of related liabilities	-	-190
Other items, net	-45	81
Total regulatory adjustments to Tier 2 capital	-550	-1,193
Tier 2 capital	4,461	3,596
<b>Own funds (net after deduction)<sup>4</sup></b>	<b>30,049</b>	<b>28,040</b>

<sup>1</sup> Shortfall is now deducted 100% CET1, previously 50% T1, 50% T2.

<sup>2</sup> CRD III deducted 50% T1, 50% T2, CRD IV risk weighted with 250%.

<sup>3</sup> Based on conditional FSA approval.

<sup>4</sup> Own Funds adjusted for IRB provision, i.e. adjusted own funds equal EUR 30,393m by 31 Dec 2014.

<sup>5</sup> Terminology in table may differ from table Transitional Own Funds.

**Own Funds excluding profit**

EURm	31 Dec 2014	31 Dec 2013
Common Equity Tier 1 capital, excluding profit	22,270	21,729
Total Own Funds, excluding profit	29,498	26,657

## Note 11, continued

## Minimum capital requirement and REA

	31 Dec 2014 Minimum Capital requirement	31 Dec 2014 REA	31 Dec 2013 Minimum Capital requirement	31 Dec 2013 REA
EURm				
<b>Credit risk</b>	<b>9,522</b>	<b>119,029</b>	<b>10,376</b>	<b>129,705</b>
- of which counterparty credit risk	843	10,535	505	6,312
IRB	8,451	105,637	8,965	112,061
- of which corporate	5,743	71,792	6,787	84,844
- of which advanced	4,048	50,600	-	-
- of which foundation	1,695	21,192	6,787	84,844
- of which institutions	766	9,572	468	5,848
- of which retail	1,755	21,940	1,588	19,848
- of which secured by immovable property collateral	897	11,219	900	11,248
- of which other retail	858	10,721	688	8,600
- of which other	187	2,333	122	1,521
Standardised	1,071	13,392	1,411	17,644
- of which central governments or central banks	57	717	20	258
- of which regional governments or local authorities	17	211	14	170
- of which public sector entities	2	20	3	32
- of which multilateral development banks	-	-	-	-
- of which international organisations	-	-	-	-
- of which institutions	27	338	49	611
- of which corporate	154	1,921	301	3,768
- of which retail	255	3,181	476	5,949
- of which secured by mortgages on immovable properties	222	2,777	386	4,826
- of which in default	12	155	35	449
- of which associated with particularly high risk	53	666	-	-
- of which covered bonds	-	-	-	-
- of which institutions and corporates with a short-term credit assessment	-	-	-	-
- of which collective investments undertakings (CIU)	-	-	2	21
- of which equity	195	2,442	-	-
- of which other items	77	964	125	1,560
<b>Credit Value Adjustment Risk</b>	<b>185</b>	<b>2,308</b>	-	-
<b>Market risk</b>	<b>584</b>	<b>7,296</b>	<b>700</b>	<b>8,753</b>
- of which trading book, Internal Approach	312	3,898	410	5,131
- of which trading book, Standardised Approach	112	1,402	186	2,321
- of which banking book, Standardised Approach	160	1,996	104	1,301
<b>Operational risk</b>	<b>1,347</b>	<b>16,842</b>	<b>1,344</b>	<b>16,796</b>
Standardised	1,347	16,842	1,344	16,796
<b>Sub total</b>	<b>11,638</b>	<b>145,475</b>	<b>12,420</b>	<b>155,254</b>
<b>Adjustment for Basel I floor</b>				
Additional capital requirement according to Basel I floor	5,995	74,938	4,318	53,969
<b>Total</b>	<b>17,633</b>	<b>220,413</b>	<b>16,738</b>	<b>209,223</b>

## Minimum Capital Requirement &amp; Capital Buffers

Percentage	Minimum Capital requirement	Capital Buffers				Capital Buffers total	Total
		CCoB	CCyB	SII	SRB		
Common Equity Tier 1 capital	4.5	2.5	N/A	N/A	N/A	2.5	7.0
Tier 1 capital	6.0	2.5	N/A	N/A	N/A	2.5	8.5
Own funds	8.0	2.5	N/A	N/A	N/A	2.5	10.5
<b>EURm</b>							
Common Equity Tier 1 capital	6,546	3,637	-	-	-	3,637	10,183
Tier 1 capital	8,728	3,637	-	-	-	3,637	12,365
Own funds	11,638	3,637	-	-	-	3,637	15,275

## Common Equity Tier 1 available to meet Capital Buffers

Percentage points of REA	31 Dec 2014
Common Equity Tier 1 capital <sup>1</sup>	11.2

<sup>1</sup> Including profit of the period.

## Note 11, continued

## Capital ratios

Percentage	31 Dec 2014	31 Dec 2013
Common Equity Tier 1 capital ratio, including profit	15.7	14.9
Tier 1 ratio, including profit	17.6	15.7
Total capital ratio, including profit	20.7	18.1
Common Equity Tier 1 capital ratio, excluding profit	15.3	14.0
Tier 1 ratio, excluding profit	17.2	14.9
Total Capital ratio, excluding profit	20.3	17.2

## Capital ratios including Basel 1 floor

Percentage	31 Dec 2014	31 Dec 2013
Common Equity Tier 1 capital ratio, including profit	10.5	11.0
Tier 1 ratio, including profit	11.8	11.7
Total capital ratio, including profit	13.8	13.4
Common Equity Tier 1 capital ratio, excluding profit	10.3	10.4
Tier 1 ratio, excluding profit	11.5	11.0
Total Capital ratio, excluding profit	13.5	12.7

Leverage ratio<sup>1</sup>

	31 Dec 2014
Tier 1 capital, transitional definition, EURm <sup>2</sup>	25,382
Leverage ratio exposure, EURm	590,759
Leverage ratio, percentage	4.3

<sup>1</sup> Leverage ratio and volumes presented is based on three month average according to local FSA reporting process.

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

## 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 <sup>1</sup>	Of which EAD for off- balance, EURm	Exposure- weighted average risk weight:
Corporate, foundation IRB:	22,623	14,258	43,221	5,177	49.0
- of which rating grades 6	2,125	963	5,802	412	17.8
- of which rating grades 5	5,904	4,926	12,652	1,787	31.9
- of which rating grades 4	10,327	6,332	18,580	2,419	58.0
- of which rating grades 3	2,709	1,282	4,151	370	87.8
- of which rating grades 2	470	225	643	32	151.1
- of which rating grades 1	43	57	86	26	204.6
- of which unrated	453	300	483	90	115.6
- of which defaulted	593	173	824	41	0.0
Corporate, advanced IRB:	106,734	58,905	128,621	25,996	39.3
- of which rating grades 6	10,760	5,160	11,846	2,399	9.9
- of which rating grades 5	22,711	21,196	32,221	9,664	21.9
- of which rating grades 4	48,656	24,038	57,894	10,563	39.5
- of which rating grades 3	16,289	6,229	18,238	2,635	56.4
- of which rating grades 2	2,833	1,008	2,990	404	98.5
- of which rating grades 1	458	59	333	21	113.8
- of which unrated	1,001	667	1,196	309	69.0
- of which defaulted	4,027	548	3,901	1	129.7
Institutions, foundation IRB:	37,916	3,383	47,494	967	20.2
- of which rating grades 6	12,910	933	15,647	458	11.1
- of which rating grades 5	24,306	786	29,942	275	21.6
- of which rating grades 4	510	1,198	1,628	139	62.4
- of which rating grades 3	111	194	166	46	111.2
- of which rating grades 2	51	150	34	23	191.9
- of which rating grades 1	0	10	3	3	247.4
- of which unrated	28	112	74	24	127.8
- of which defaulted	-	-	0	-	0.0
Retail, of which secured by real estate:	128,767	5,358	132,453	3,686	8.5
- of which scoring grades A	81,047	4,300	83,992	2,945	3.3
- of which scoring grades B	28,092	697	28,625	533	7.5
- of which scoring grades C	12,027	230	12,168	140	15.2
- of which scoring grades D	3,887	84	3,936	48	28.7
- of which scoring grades E	1,618	38	1,633	15	57.9
- of which scoring grades F	654	4	656	2	88.7
- of which not scored	36	2	37	1	28.5
- of which defaulted	1,405	3	1,407	2	125.2
Retail, of which other retail:	28,228	12,653	34,987	7,733	30.6
- of which scoring grades A	7,987	6,890	11,934	4,143	8.9
- of which scoring grades B	6,745	2,807	8,294	1,783	19.4
- of which scoring grades C	4,304	1,502	5,033	962	31.7
- of which scoring grades D	3,024	807	3,389	497	38.5
- of which scoring grades E	2,849	305	2,958	178	40.9
- of which scoring grades F	2,237	134	2,226	80	55.6
- of which not scored	62	84	89	26	44.1
- of which defaulted	1,021	123	1,064	64	250.1
Other non credit-obligation assets:	2,689	17	2,343	7	99.6

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

<sup>1</sup> 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 <sup>1</sup>	958	77	1,113	89	-	-	2,071	166
Equity risk	286	23	277	22	-	-	563	45
Foreign exchange risk	334	27	-	-	1,996	160	2,330	187
Commodity risk	-	-	12	1	-	-	12	1
Settlement risk	-	-	0	0	0	0	0	0
Diversification effect	-633	-51	-	-	-	-	-633	-51
Stressed Value-at-Risk	1,849	148	-	-	-	-	1,849	148
Incremental Risk Measure	636	51	-	-	-	-	636	51
Comprehensive Risk Measure	468	37	-	-	-	-	468	37
<b>Total</b>	<b>3,898</b>	<b>312</b>	<b>1,402</b>	<b>112</b>	<b>1,996</b>	<b>160</b>	<b>7,296</b>	<b>584</b>

<sup>1</sup> 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	Q4	Jan-Dec	Jan-Dec
	2014	2013	2014	2013
Net interest income	0	37	28	154
Net fee and commission income	0	12	0	38
Other operating income	7	4	21	7
<b>Total operating income</b>	<b>7</b>	<b>53</b>	<b>49</b>	<b>199</b>
Total operating expenses	-7	-28	-53	-118
Net loan losses	0	-7	-5	-26
<b>Operating profit</b>	<b>0</b>	<b>18</b>	<b>-9</b>	<b>55</b>
Income tax expense	0	-5	-1	-13
<b>Net profit for the period from discontinued</b>	<b>0</b>	<b>13</b>	<b>-10</b>	<b>42</b>
Net result for the period recognised on the measurement at fair value	-	-	-19	1
Transaction and transition cost (including cost to sell)	-	-	-10	-34
<b>Net profit for the period from discontinued operations after measurement at fair value less cost to sell</b>	<b>0</b>	<b>13</b>	<b>-39</b>	<b>9</b>

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

**Balance sheet - Condensed**

EURm	31 Dec	31 Dec
	2014	2013
<b>Assets</b>		
Loans to the public	-	6,144
Interest-bearing securities	-	1,534
Shares	-	385
Total other assets	-	832
<b>Total assets held for sale</b>	<b>-</b>	<b>8,895</b>
<b>Liabilities</b>		
Deposits by credit institutions	-	78
Deposits and borrowings from the public	-	3,384
Liabilities to policyholders	-	625
Total other liabilities	-	111
<b>Total liabilities held for sale</b>	<b>-</b>	<b>4,198</b>

Discontinued operations and assets/liabilities held for sale relate to Nordea's earlier announced decision to divest its Polish banking, financing and life insurance operations, including Nordea Bank Polska S.A., Nordea Finance Polska S.A. and Nordea Polska Towarzystwo Ubezpieczen na Zycie S.A., to PKO Bank Polski. All regulatory approvals were received and the transaction closed during the second quarter 2014, when also the operations were derecognised. As from the third quarter only the IT services still performed by Nordea are classified as discontinued 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 and life insurance risk. For further information on risk composition, see the Annual Report.

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

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

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

## Business definitions

### *Return on equity*

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

### *Total shareholders return (TSR)*

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

### *Risk-adjusted profit*

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

### *Tier 1 capital*

The 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 relative to Economic capital.

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

## Nordea Bank AB (publ)

### Accounting policies

The financial statements for the parent company, Nordea Bank AB (publ), are prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54, 2013:2, 2013:24 and 2014:18). This means that the parent company applies International Financial Reporting Standards (IFRS) as endorsed by the EU Commission to the extent possible within the framework of Swedish accounting legislation and considering the close tie between financial reporting and taxation.

The disclosures in this interim report follow the interim reporting requirements in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54, 2013:2, 2013:24 and 2014:18). More information can be found in the Group's interim report.

### Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2013 Annual Report.

The Swedish Financial Supervisory Authority has issued amendments to FFFS 2008:25 in FFFS 2013:24 and

2014:18. The new requirement in FFFS 2013:24 for disclosing maturity information was early adopted as from 1 January 2013. FFFS 2014:18 was implemented during the third quarter 2014 and changed the capital adequacy disclosures (presented in Note 1 "Capital adequacy"). Other amendments in FFFS 2013:24 have been adopted as from 1 January 2014 but have not had any significant impact on Nordea.

The Swedish Financial Supervisory Authority has amended the accounting recommendation for legal entities RFR 2 by issuing "RFR 2 Accounting for Legal Entities – January 2014". Those amendments were implemented by the parent company 1 January 2014, as a consequence of applying FFFS 2008:25, but have not had any significant impact on the parent company's financial statements.

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 2014	Q4 2013	Jan-Dec 2014	Jan-Dec 2013
<b>Operating income</b>				
<i>Interest income</i>	445	500	1,942	2,140
<i>Interest expense</i>	-292	-357	-1,293	-1,499
Net interest income	153	143	649	641
<i>Fee and commission income</i>	283	344	1,093	1,259
<i>Fee and commission expense</i>	-74	-67	-273	-250
Net fee and commission income	209	277	820	1,009
Net result from items at fair value	72	54	186	131
Dividends	1,982	1,527	2,333	1,827
Other operating income	224	198	975	674
<b>Total operating income</b>	<b>2,640</b>	<b>2,199</b>	<b>4,963</b>	<b>4,282</b>
<b>Operating expenses</b>				
General administrative expenses:				
Staff costs	-270	-245	-1,070	-982
Other expenses	-240	-303	-904	-1,018
Depreciation, amortisation and impairment charges of tangible and intangible assets	-32	-35	-261	-109
<b>Total operating expenses</b>	<b>-542</b>	<b>-583</b>	<b>-2,235</b>	<b>-2,109</b>
<b>Profit before loan losses</b>	<b>2,098</b>	<b>1,616</b>	<b>2,728</b>	<b>2,173</b>
Net loan losses	-38	-68	-98	-124
Impairment of securities held as financial non-current assets	-15	-4	-15	-4
<b>Operating profit</b>	<b>2,045</b>	<b>1,544</b>	<b>2,615</b>	<b>2,045</b>
Appropriations	-1	102	-1	102
Income tax expense	-177	-134	-189	-192
<b>Net profit for the period</b>	<b>1,867</b>	<b>1,512</b>	<b>2,425</b>	<b>1,955</b>

## Nordea Bank AB (publ)

### Balance sheet

EURm	31 Dec 2014	31 Dec 2013
<b>Assets</b>		
Cash and balances with central banks	931	45
Treasury bills	5,035	4,953
Loans to credit institutions	86,704	80,917
Loans to the public	39,809	34,155
Interest-bearing securities	11,321	11,128
Financial instruments pledged as collateral	43	737
Shares	6,061	5,351
Derivatives	5,981	4,219
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1	-11
Investments in group undertakings	16,986	17,723
Investments in associated undertakings	7	7
Intangible assets	758	729
Properties and equipment	119	118
Deferred tax assets	14	28
Current tax assets	50	0
Other assets	3,727	2,533
Prepaid expenses and accrued income	884	1,291
<b>Total assets</b>	<b>178,431</b>	<b>163,923</b>
<b>Liabilities</b>		
Deposits by credit institutions	27,452	17,500
Deposits and borrowings from the public	49,367	47,531
Debt securities in issue	63,280	62,961
Derivatives	4,653	3,627
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,368	715
Current tax liabilities	4	11
Other liabilities	2,895	4,173
Accrued expenses and prepaid income	642	1,150
Deferred tax liabilities	0	10
Provisions	206	184
Retirement benefit obligations	171	166
Subordinated liabilities	7,728	5,971
<b>Total liabilities</b>	<b>157,766</b>	<b>143,999</b>
<b>Untaxed reserves</b>	<b>4</b>	<b>3</b>
<b>Equity</b>		
Share capital	4,050	4,050
Share premium reserve	1,080	1,080
Other reserves	-5	-2
Retained earnings	15,536	14,793
<b>Total equity</b>	<b>20,661</b>	<b>19,921</b>
<b>Total liabilities and equity</b>	<b>178,431</b>	<b>163,923</b>
Assets pledged as security for own liabilities	3,946	2,454
Other assets pledged	9,238	7,033
Contingent liabilities	71,103	70,385
Credit commitments <sup>1</sup>	23,824	26,713

<sup>1</sup> Including unutilised portion of approved overdraft facilities of EUR 14,114m (31 Dec 2013: EUR 12,845m).

**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<sup>5</sup>**

EURm	31 Dec 2014	31 Dec 2013
Calculation of own funds		
Equity in the consolidated situation	20,661	19,923
Proposed/actual dividend	-2,501	-1,734
Common Equity Tier 1 capital before regulatory adjustments	18,160	18,189
Deferred tax assets	-	-28
Intangible assets	-758	-729
IRB provisions shortfall (-) <sup>1</sup>	-	-81
Deduction for investments in credit institutions (50%) <sup>2</sup>	-	-
Pension assets in excess of related liabilities <sup>3</sup>	-	-
Other items, net	-238	-
Total regulatory adjustments to Common Equity Tier 1 capital	-996	-838
<b>Common Equity Tier 1 capital (net after deduction)</b>	<b>17,164</b>	<b>17,351</b>
Additional Tier 1 capital before regulatory adjustments	2,800	1,949
Total regulatory adjustments to Additional Tier 1 capital	-32	0
Additional Tier 1 capital	2,768	1,949
<b>Tier 1 capital (net after deduction)</b>	<b>19,932</b>	<b>19,299</b>
Tier 2 capital before regulatory adjustments	4,731	4,143
IRB provisions excess (+)/shortfall (-) <sup>1</sup>	55	-81
Deduction for investments in credit institutions (50%) <sup>2</sup>	-	-
Deductions for investments in insurance companies	-505	-
Pension assets in excess of related liabilities	-	-
Other items, net	-45	-
Total regulatory adjustments to Tier 2 capital	-495	-81
Tier 2 capital	4,236	4,061
<b>Own funds (net after deduction)<sup>4, 6</sup></b>	<b>24,168</b>	<b>23,361</b>

<sup>1</sup> Shortfall is now deducted 100% CET1, previously 50% T1, 50% T2.

<sup>2</sup> CRD III deducted 50% T1, 50% T2, CRD IV risk weighted with 250%.

<sup>3</sup> Based on conditional FSA approval.

<sup>4</sup> Own Funds adjusted for IRB provision, i.e. Basel I Own funds EUR 24,113m by 31 Dec 2014.

<sup>5</sup> Terminology in table may differ from table Transitional Own Funds.

**Own Funds excluding profit**

EURm	31 Dec 2014	31 Dec 2013
Common Equity Tier 1 capital, excluding profit and dividend	17,258	17,131
Total Own Funds, excluding profit and dividend	24,262	23,141



## Note 1, continued

## Minimum capital requirement and REA

EURm	31 Dec	31 Dec	31 Dec	31 Dec
	2014	2014	2013	2013
	Minimum Capital requirement	REA	Minimum Capital requirement	REA
<b>Credit risk</b>	<b>5,759</b>	<b>71,986</b>	<b>6,296</b>	<b>78,700</b>
- of which counterparty, credit risk	100	1,249	65	809
IRB	2,674	33,429	3,428	42,854
- of which corporate	2,130	26,622	3,100	38,749
- of which advanced	1,461	18,257	-	-
- of which foundation	669	8,365	3,100	38,749
- of which institutions	302	3,777	105	1,318
- of which retail	148	1,854	180	2,254
- of which secured by immovable property collateral	7	86	12	153
- of which other retail	141	1,768	168	2,101
- of which other	94	1,176	43	533
Standardised	3,085	38,557	2,868	35,846
- of which central governments or central banks	14	174	2	26
- of which regional governments or local authorities	1	8	-	-
- of which public sector entities	-	-	-	-
- of which multilateral development banks	-	-	-	-
- of which international organisations	-	-	-	-
- of which institutions	1,319	16,481	1,291	16,126
- of which corporate	57	718	53	664
- of which retail	28	345	0	1
- of which secured by mortgages on immovable properties	202	2,530	101	1,258
- of which in default	5	60	0	1
- of which associated with particularly high risk	-	-	-	-
- of which covered bonds	0	0	0	6
- of which institutions and corporates with a short-term credit assessment	-	-	-	-
- of which collective investments undertakings (CIU)	-	-	-	-
- of which equity	1,451	18,139	-	-
- of which other items	8	102	1,421	17,764
<b>Credit Value Adjustment Risk</b>	<b>14</b>	<b>172</b>	<b>-</b>	<b>-</b>
<b>Market risk</b>	<b>218</b>	<b>2,724</b>	<b>128</b>	<b>1,596</b>
- of which trading book, Internal Approach	42	524	34	429
- of which trading book, Standardised Approach	2	26	5	59
- of which banking book, Standardised Approach	174	2,174	89	1,108
<b>Operational risk</b>	<b>322</b>	<b>4,028</b>	<b>250</b>	<b>3,121</b>
Standardised	322	4,028	250	3,121
<b>Sub total</b>	<b>6,313</b>	<b>78,910</b>	<b>6,674</b>	<b>83,417</b>
<b>Adjustment for Basel I floor</b>				
Additional capital requirement according to Basel I floor	-	-	-	-
<b>Total</b>	<b>6,313</b>	<b>78,910</b>	<b>6,674</b>	<b>83,417</b>

## Minimum Capital Requirement &amp; Capital Buffers

Percentage	Minimum Capital requirement	Capital Buffers				Capital Buffers total	Total
		CCoB	CCyB	SII	SRB		
Common Equity Tier 1 capital	4.5	2.5	N/A	N/A	N/A	2.5	7.0
Tier 1 capital	6.0	2.5	N/A	N/A	N/A	2.5	8.5
Own funds	8.0	2.5	N/A	N/A	N/A	2.5	10.5
<b>EURm</b>							
Common Equity Tier 1 capital	3,551	1,973	-	-	-	1,973	5,524
Tier 1 capital	4,735	1,973	-	-	-	1,973	6,707
Own funds	6,313	1,973	-	-	-	1,973	8,286

## Common Equity Tier 1 available to meet Capital Buffers

Percentage points of REA	31 Dec 2014
Common Equity Tier 1 capital <sup>1</sup>	17.3

<sup>1</sup> Including profit of the period.

## Note 1, continued

## Capital ratios

Percentage	31 Dec 2014	31 Dec 2013
Common Equity Tier 1 capital ratio, including profit	21.8	20.8
Tier 1 ratio, including profit	25.3	23.1
Total Capital ratio, including profit	30.6	28.0
Common Equity Tier 1 capital ratio, excluding profit and dividend	21.9	20.5
Tier 1 ratio, excluding profit and dividend	25.4	22.9
Total Capital ratio, excluding profit and dividend	30.7	27.7

## Capital ratios including Basel I floor

Percentage	31 Dec 2014	31 Dec 2013
Common Equity Tier 1 capital ratio, including profit	21.8	20.8
Tier 1 ratio, including profit	25.3	23.1
Total Capital ratio, including profit	30.6	28.0
Common Equity Tier 1 capital ratio, excluding profit and dividend	21.9	20.5
Tier 1 ratio, excluding profit and dividend	25.4	22.9
Total Capital ratio, excluding profit and dividend	30.7	27.7

Leverage ratio<sup>1</sup>

	31 Dec 2014	31 Dec 2013
Tier 1 capital, transitional definition, EURm <sup>2</sup>		20,047
Leverage ratio exposure, EURm		225,148
Leverage ratio, percentage		8.9

<sup>1</sup> Leverage ratio and volumes presented is based on three month average according to local FSA reporting process.

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

## 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 <sup>1</sup>	Of which EAD for off- balance, EURm	Exposure- weighted average risk weight:
Corporate, foundation IRB:	5,172	11,619	16,040	10,890	52.2
- of which rating grades 6	1,660	335	1,976	315	19.7
- of which rating grades 5	1,417	3,243	4,383	2,946	33.7
- of which rating grades 4	1,444	6,411	7,539	6,083	59.8
- of which rating grades 3	302	1,303	1,508	1,249	96.6
- of which rating grades 2	92	216	284	194	163.7
- of which rating grades 1	3	29	31	28	221.0
- of which unrated	2	2	4	1	121.3
- of which defaulted	251	81	315	74	0.0
Corporate, advanced IRB:	20,770	33,353	42,752	22,725	42.7
- of which rating grades 6	726	2,085	1,713	1,069	12.9
- of which rating grades 5	4,867	10,914	11,625	6,833	23.7
- of which rating grades 4	10,887	14,542	20,990	10,535	43.0
- of which rating grades 3	3,442	4,239	6,913	3,478	64.2
- of which rating grades 2	451	521	806	470	115.7
- of which rating grades 1	21	33	54	33	130.3
- of which unrated	160	879	397	267	89.6
- of which defaulted	216	139	254	39	174.7
Institutions, foundation IRB:	15,352	829	16,985	373	22.2
- of which rating grades 6	6,661	247	7,421	59	9.8
- of which rating grades 5	8,382	204	8,997	73	29.2
- of which rating grades 4	235	336	498	234	68.6
- of which rating grades 3	64	38	60	5	103.0
- of which rating grades 2	3	-	1	-	176.6
- of which rating grades 1	-	-	-	-	-
- of which unrated	6	4	10	3	136.6
- of which defaulted	-	-	0	-	0.0
Retail, of which secured by real estate:	831	271	1,018	187	8.5
- of which scoring grades A	330	124	416	86	3.0
- of which scoring grades B	279	84	337	58	6.8
- of which scoring grades C	155	48	188	33	13.0
- of which scoring grades D	54	14	63	10	23.7
- of which scoring grades E	-	-	-	-	-
- of which scoring grades F	3	0	3	0	63.3
- of which not scored	1	0	1	0	22.2
- of which defaulted	9	0	9	0	95.6
Retail, of which other retail:	3,573	2,692	5,354	1,783	33.0
- of which scoring grades A	1,063	1,425	2,021	958	10.8
- of which scoring grades B	1,189	646	1,618	430	23.0
- of which scoring grades C	677	368	912	236	37.0
- of which scoring grades D	294	178	405	111	47.9
- of which scoring grades E	154	47	184	29	54.1
- of which scoring grades F	83	14	92	9	78.9
- of which not scored	7	5	10	3	55.8
- of which defaulted	106	9	112	6	417.5
Other non credit-obligation assets:	1,148	0	1,148	0	102.4

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

<sup>1</sup> 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 <sup>1</sup>	2	0	0	0	-	-	2	0
Equity risk	130	10	26	2	-	-	156	12
Foreign exchange risk	25	2	-	-	2,174	174	2,199	176
Commodity risk	-	-	0	0	-	-	0	0
Settlement risk	-	-	0	0	-	-	0	0
Diversification effect	-2	0	-	-	-	-	-2	0
Stressed Value-at-Risk	369	30	-	-	-	-	369	30
Incremental Risk Measure	0	0	-	-	-	-	0	0
Comprehensive Risk Measure	0	0	-	-	-	-	0	0
<b>Total</b>	<b>524</b>	<b>42</b>	<b>26</b>	<b>2</b>	<b>2,174</b>	<b>174</b>	<b>2,724</b>	<b>218</b>

<sup>1</sup> 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 28 January at 9.30 CET, at Smålandsgatan 17, Stockholm.
- An international telephone conference for analysts with management will be held on 28 January at 14.30 CET. Please dial +44 20 3427 1913, confirmation code 1399312#, no later than ten minutes in advance. The telephone conference can be viewed live on [www.nordea.com](http://www.nordea.com). An indexed on-demand version will also be available on [www.nordea.com](http://www.nordea.com). A replay will be available through until 4 February, by dialling +44 20 3427 0598, access code 1399312#.
- An analyst and investor presentation will be held in London on 29 January at 12.30 local time at The Langham, 1c Portland Place, Regent Street, London W1B 1JA. To attend, please contact Kar Fun Ho at Morgan Stanley via e-mail: [KarFun.Ho@morganstanley.com](mailto:KarFun.Ho@morganstanley.com)
- This quarterly report, an investor presentation and a fact book are available on [www.nordea.com](http://www.nordea.com).
- Nordea Bank AB (publ)'s Annual Report 2014 and the Capital and Risk Management report (Pillar III) 2014 will be published on [www.nordea.com](http://www.nordea.com) during week 7 (the week starting 9 February). In week 9, the printed Annual Report will be available.

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**Financial calendar**

29 April 2015 – First quarter results 2015 (silent period starts 7 April 2015)  
16 July 2015 – Second quarter results 2015 (silent period starts 7 July 2015)  
21 October 2015 – Third quarter results 2015 (silent period starts 7 October 2015)

Stockholm 28 January 2015

Christian Clausen  
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) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels. This report does not imply that Nordea has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

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