Nordea Press release

Copenhagen, Helsinki, Oslo, Stockholm, 24 April 2012

First Quarter Report 2012

High earnings power and further progress in change agenda

CEO Christian Clausen's comment to the report:
"Nordea's strong business momentum continues. We welcomed 22,000 new relationship customers from outside the bank, our new apps more than doubled the number of active mobile bank customers and we strengthened our market-leading position with the largest corporates in the Nordic countries.

Profitability is maintained at a high level, with ROE close to 12%. It is encouraging to see our earnings power despite low interest rates, slow growth and the comprehensive change agenda we are pursuing to build the future bank business model.

Costs are kept under strict control and we have continued to build a stronger capital position and balance sheet. In the quarter, our core tier 1 capital ratio increased by 0.4 %-point to 11.6%."

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

First quarter 2012 vs first quarter 2011 (first quarter 2012 vs fourth quarter 2011):

- Net interest income up 7% (largely unchanged)
- Operating profit up 3% (up 1%)
- Core tier 1 capital ratio increased to 11.6% excluding transition rules from 10.7% (up from 11.2% in the fourth quarter)
- Cost / income ratio unchanged at 50% (up from 49% in the fourth quarter)
- Net loan losses down to 26 basis points from 31 basis points (down from 33 in the fourth quarter)
- Return on equity 11.7%, down from 12.0% in the first quarter 2011 (down from 12.3% in the fourth quarter)

Summary key figures, EURm	Q1 2012	Q4 2011	Ch. %	Q1 2011	Ch. %
Net interest income	1,420	1,427	0	1,324	7
Total operating income	2,531	2,558	-1	2,510	1
Profit before loan losses	1,255	1,292	-3	1,245	1
Net loan losses	-218	-263	-17	-242	-10
Loan loss ratio (ann.), bps	26	33		31	
Operating profit	1,037	1,029	1	1,003	3
Risk-adjusted profit	799	815	-2	771	4
Diluted EPS, EUR	0.19	0.19		0.18	
Return on equity, %	11.7	12.3		12.0	

Currency rates used for DKK, NOK and SEK for the first quarter 2012 are for income statement items 7.44, 7.59 and 8.85 respectively.

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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, more than 1,000 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 OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen.

CEO comment

Nordea's strong business momentum continues. It is encouraging to see our earnings power despite the low interest rate levels, slow economic growth and the comprehensive change agenda that we pursue to create our future bank business model. Our income and profitability are maintained at high levels.

In the first quarter of 2012, we welcomed close to 22,000 new Gold and private banking customers from outside Nordea. Nordea's relationship banking strategy has been further refined during the quarter. Our financial results are the sum of each and every customer meeting we have. By delivering great customer experiences in the branches, in the internet banks and mobile banks, in the service centres and all other contacts with customers, we strengthen customer relations and attract more customers and increase business volumes and income.

There are many examples of how Nordea's employees have supported our customers in making their ambitions possible during the quarter:

- We carried out 455,000 household advisory meetings, providing customers a better overview of their finances and opening new financial opportunities.
- We issued 76,000 new housing loans, enabling families and individuals to buy a new home.
- We introduced new mobile bank features that increased the number of mobile bank customers by more than 100% from last year to close to half a million.
- We supported entrepreneurship in small and mid-sized corporations by 85,000 advisory meetings and EUR 26bn in loans for operations and investments.

In the quarter, we also reinforced our position as market leader in corporate merchant banking in the Nordics. We were the largest provider of syndicated loans, bond financing and financial advice in mergers and acquisitions in the region.

The higher activity and the inflow of customers have led to an increase in our net interest income by 7% and a total income increase of 1% compared to the first quarter last year.

Stable costs and efficient capital use

We have an ambitious change agenda in place. The goal is to minimise the costs from meeting new regulatory demands while ensuring that our customers are not adversely affected and that we continue to build a strong bank. We are currently conducting close to a hundred projects in parallel to ensure efficiency in cost, capital, funding and liquidity.

A core focus is to introduce capital efficient products. We will ensure fair pricing also under the new regulations and cooperate with customers to review their debt and financing structures and enable price-efficient solutions.

The efforts have contributed to an increase in the core tier 1 capital ratio by 0.4 %-points in the quarter to 11.6%.

Nordea has maintained its strong funding position. We have an excellent access to all funding markets, and issued EUR 11.5bn of long-term funding in the first quarter, both senior unsecured and covered bonds as well as lower tier 2 instruments. We maintain our market-based funding strategy at strong terms and did therefore not participate in the LTRO.

Even though all the new regulations are not yet completed, it is clear that Nordea will adjust and meet the requirements. Since Nordea is the only global systemically important bank in the Nordics, we have taken large steps in developing our recovery and resolution plan to comply with future international standards.

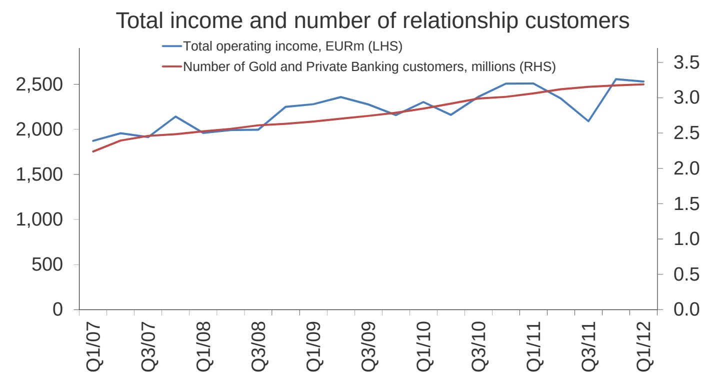
Operating expenses follow the New Normal plan and remain largely unchanged. We are somewhat ahead of plan in our staff reduction programme. Other expenses are kept under strict control ensuring a rapid improvement in cost efficiency.

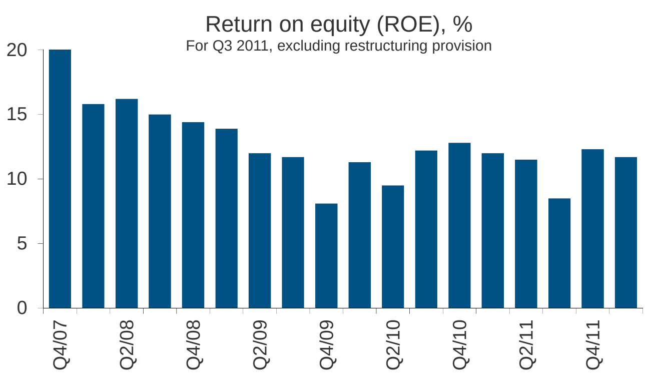
Loan losses declined slightly from last quarter and our credit quality remains solid. There are still two areas where we have special attention – Denmark and shipping. We have good insights in the development and close cooperation with customers facing potential problems.

The continued strong income and improved efficiency has led to a return on equity of close to 12%. The focus of our change agenda is to further increase ROE to reach the financial target of 15% in a normalised macroeconomic environment and at 11% core tier 1 capital ratio.

I am inspired by the response we get from customers and the hard work and motivation our employees put into the construction of our future bank business model. That is a solid foundation for maintaining the strong business momentum going forward.

Christian Clausen
President and Group CEO





Income statement[1]

EURm	Q1 2012	Q4 2011	Change %	Q1 2011	Change %
Net interest income	**1,420**	1,427	0	1,324	7
Net fee and commission income	**596**	588	1	602	-1
Net result from items at fair value	**469**	506	-7	544	-14
Equity method	**23**	15	53	18	28
Other operating income	**23**	22	5	22	5
Total operating income	**2,531**	**2,558**	**-1**	**2,510**	**1**
Staff costs	**-771**	-714	8	-768	0
Other expenses	**-455**	-502	-9	-453	0
Depreciation of tangible and intangible assets	**-50**	-50	0	-44	14
Total operating expenses	**-1,276**	**-1,266**	**1**	**-1,265**	**1**
Profit before loan losses	**1,255**	**1,292**	**-3**	**1,245**	**1**
Net loan losses	**-218**	-263	-17	-242	-10
Operating profit	**1,037**	**1,029**	**1**	**1,003**	**3**
Income tax expense	**-262**	-243	8	-261	0
Net profit for the period	**775**	**786**	**-1**	**742**	**4**

Business volumes, key items[1]

EURbn	31 Mar 2012	31 Dec 2011	Change %	31 Mar 2011	Change %
Loans to the public	**340.8**	337.2	1	322.4	6
Deposits and borrowings from the public	**193.5**	190.1	2	173.3	12
Assets under management	**197.2**	187.4	5	192.0	3
Equity	**26.0**	26.1	-1	24.1	8
Total assets	**694.0**	716.2	-3	562.3	23

Ratios and key figures

	Q1 2012	Q4 2011	Q1 2011
Diluted earnings per share, EUR	**0.19**	0.19	0.18
EPS, rolling 12 months up to period end, EUR	**0.66**	0.65	0.68
Share price[2], EUR	**6.80**	5.98	7.74
Total shareholders' return, %	**17.1**	-5.2	-1.9
Equity per share[2], EUR	**6.43**	6.47	6.01
Potential shares outstanding[2], million	**4,047**	4,047	4,043
Weighted average number of diluted shares, million	**4,027**	4,028	4,026
Return on equity, %	**11.7**	12.3	12.0
Cost/income ratio, %	**50**	49	50
Loan loss ratio, basis points	**26**	33	31
Core Tier 1 capital ratio, excl transition rules[2] %	**11.6**	11.2	10.7
Tier 1 capital ratio, excl transition rules[2] %	**12.6**	12.2	11.7
Total capital ratio, excl transition rules[2] %	**14.2**	13.4	13.5
Core Tier 1 capital ratio[2] %	**9.4**	9.2	9.1
Tier 1 capital ratio[2,3] %	**10.3**	10.1	10.0
Total capital ratio[2,3] %	**11.6**	11.1	11.4
Tier 1 capital[2,3] EURm	**23,039**	22,641	21,335
Risk-weighted assets incl transition rules[2], EURbn	**224**	224	214
Number of employees (full-time equivalents)[2]	**32,557**	33,068	34,138
Risk-adjusted profit, EURm	**799**	815	771
Economic profit, EURm	**348**	420	378
Economic capital[2], EURbn	**18.4**	17.7	17.4
EPS, risk-adjusted, EUR	**0.20**	0.20	0.19
RAROCAR, %	**17.8**	18.4	17.6

[1] For exchange rates used in the consolidation of Nordea Group see Note 1.

[2] End of period.

[3] Including the result for the first three months. According to Swedish FSA rules (excluding the unaudited result for Q1): Tier 1 capital EUR 22,575m (31 Mar 2011: EUR 20,891m), capital base EUR 25,436m (31 Mar 2011: EUR 24,000m), Tier 1 capital ratio 10.1% (31 Mar 2011: 9.8%), total capital ratio 11.4% (31 Mar 2011: 11.2%).

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Macroeconomic and financial market development

The first quarter has been characterised by a stabilisation in the European sovereign debt markets. The driving factors have been the introduction of the 3-year liquidity facility by ECB together with the solution to the private sector participation in the debt restructuring in Greece. In addition, some encouraging signs have been seen in especially US economic data. However, several risk factors persist and the adjustment process in the banking sector to new financial market regulations suggests further challenges for the coming quarters.

Macroeconomic development

The global economic growth picture remains uneven. Improvements have been seen in the US related to a recovery in the labour market. In Asia and especially China concerns have risen regarding the growth outlook and challenges related to a transition towards a more domestically focused economy. Europe remains affected by austerity measures and the continued deleveraging process may limit potential for a growth recovery in the short run.

The Nordic economies are also influenced by the overall economic environment in Europe but continue to benefit from a sounder fiscal situation. However, a slowing growth development has been seen in the quarter for all countries with Denmark having had negative GDP growth. Norway however shows stronger growth and in Finland, domestic demand has been a strong buffer against a setback in export markets.

Financial market development

The developments in financial markets in the first quarter were driven by central bank initiatives and political developments. The 3-year LTRO facility provided funding and liquidity to a number of European banks and the high level of participation led to a general credit spread tightening and a significant reduction in peripheral sovereign bond yields. Furthermore, the solution to the private sector involvement in the Greek debt restructuring has led to containing risks related to a disorderly default. Together these factors have reduced interbank lending rates significantly and supported equity markets that generally have seen a strong first quarter.

European banks continue to adjust to future regulatory requirements by building capital and liquidity buffers and increasing long-term funding. The recent Quantitative Impact Studies by the European Banking Association suggests that this process will be ongoing in coming quarters and this will lead to an overall cost increase for the banking sector as a whole.

The investor demand for AAA-rated assets such as Nordic sovereign debt continues to support very low short-term government yields in all Nordic countries.

Group result and development

First quarter 2012

Income

Total income decreased 1% from the previous quarter to EUR 2,531m.

Net interest income

Net interest income was largely unchanged compared to the previous quarter at EUR 1,420m. Net interest income decreased in business areas, due to one banking day less in the quarter. The net interest margin* was largely unchanged at 1.07% in the first quarter. Lending margins increased while deposit margins declined due to lower interest rates and continued fierce competition in the quarter.

Corporate lending

Corporate lending volumes, excluding reverse repurchase agreements, were up 1% in the first quarter in local currencies.

Household lending

Household lending volumes were largely unchanged in local currencies compared to the previous quarter, with household mortgage lending having increased somewhat.

Corporate and household deposits

Total deposits from the public increased to EUR 193bn, up 2% in local currencies excluding repurchase agreements, with increase mainly in corporate deposits.

Group Corporate Centre

Net interest income increased to EUR 107m compared to EUR 100m in the previous quarter.

Net fee and commission income

Net fee and commission income increased 1% to EUR 596m. Increases were mainly seen in savings-related commissions. Commission expenses for stability fund in Sweden and the deposit guarantee fund in Denmark were EUR 20m, up somewhat from the previous quarter, due to the new deposit guarantee fund system in Denmark.

Savings and asset management commissions

Savings-related commissions increased 7% in the first quarter to EUR 378m, due to higher brokerage, securities issues and corporate finance income as well as higher asset management commissions. Assets under Management (AuM) increased 5% from the fourth quarter to an all-time-high of EUR 197bn, due to a net inflow of EUR 1.2bn in the first quarter and outperformance in the portfolios.

*) 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.

Payment and lending-related commissions
Payment commissions decreased 4% to EUR 212m, due to lower income from cards. Lending-related commissions decreased somewhat to EUR 165m.

Net result from items at fair value
Net result from items at fair value continued to be strong and was EUR 469m. Results from customer-driven business were stable, while total results increased in Capital Markets from the previous quarter.

Capital Markets income in customer business
The customer-driven capital markets activities continued to perform well, with a net fair value result from these areas of EUR 254m, largely unchanged compared to the previous quarter (EUR 251m).

Capital Markets unallocated income
The net fair value result in Capital Markets unallocated income, ie income from managing the risks inherent in customer transactions, increased to EUR 210m compared to EUR 163m in the previous quarter.

Group Functions and eliminations
The net fair value result in Group Corporate Centre was largely unchanged at EUR 15m compared to EUR 18m in the previous quarter. In other Group functions and eliminations, net result from items at fair value was EUR -78m in the first quarter.

Life & Pensions
Net result from items at fair value in Life decreased to EUR 68m in the first quarter. This was lower than in the fourth quarter, but adjusted for non-recurring items in the fourth quarter, the result was unchanged. The financial buffers were 6.2% of technical provisions, or EUR 1.6bn, at the end of the first quarter, an increase of 1.1 %-point compared to the fourth quarter.

Equity method
Income from companies accounted for under the equity method was EUR 23m, compared to EUR 15m in the previous quarter. Income related to the holding in the government export agency Eksportfinans was EUR 17m (EUR 7m).

Other operating income
Other operating income was EUR 23m compared to EUR 22m in the previous quarter.

Expenses
Total expenses amounted to EUR 1,276m, largely unchanged compared to the previous quarter in local currencies. Staff costs increased 7% in local currencies to EUR 771m, mainly due to low pension costs in the fourth quarter. Adjusted for this, staff costs increased 1.7% in the first quarter. Other expenses decreased 10% in local currencies to EUR 455m, due to seasonal effects.

Compared to the first quarter last year, total expenses were largely unchanged in local currencies.

The number of employees (FTEs) at the end of the first quarter decreased 1.5% compared to the end of the previous quarter. Compared to the end of the second quarter 2011, the number of employees (FTEs) has decreased 5%. The cost/income ratio was 50%, up slightly from the previous quarter.

Provisions for performance-related salaries in the first quarter were EUR 74m, compared to EUR 60m in the previous quarter.

Cost efficiency in the New Normal plan
The reduction in staff numbers which was announced last autumn has continued according to plan during the first quarter. The number of employees (FTEs) has been reduced by around 1,600 from the end of the second quarter 2011 and by around 500 compared to the end of the fourth quarter 2011. This has resulted in an annualised gross reduction in the staff expenses of approx. EUR 120m.

In Poland, the present household business model, which has been primarily based on mortgage lending, will be changed to a relationship banking approach similar to the Nordic markets. The physical branch network will be downscaled from the current 193 branches to approximately 135 branches and the number of FTEs is expected to decrease by up to 400, equivalent of 20% of the total workforce at the end of 2011.

Net loan losses
Net loan loss provisions decreased to EUR 218m, including a provision for the Danish guarantee system related to Fjordbank Mors of EUR 8m. Excluding these deposit guarantee-related provisions, the loan loss ratio was 25 basis points (36 basis points in the previous quarter). Collective net provisions were EUR 4m in the first quarter (net reversals of EUR 33m in the fourth quarter).

As expected, provisions for future loan losses in shipping and Denmark remained at elevated levels, whereas in other areas the losses decreased from already moderate levels. The overall credit quality is solid with strongly rated customers and stable rating migration.

Shipping
The tanker market in particular, but also the bulk market has been hit hard due to lower global demand and increased overcapacity which affected freight rates negatively. This has caused further deterioration of collateral values of earlier identified risk customers. The reduced investment appetite for shipping assets and banks' decreased willingness to lend to shipping companies has

made it more difficult to find ways for successful restructurings.

In other shipping segments, the situation is more stable, although markets are not strong. Nordea has necessary work-out resources to handle problem customers and early identification of new potential risk customers.

Denmark

The prolonged difficult economic environment has negatively affected certain overleveraged household, agriculture and SME customers, but signs of improvement can be observed in the economy, such as decreasing unemployment over the past five months and continued export growth. However, the housing market remains weak and house prices have continued to decline somewhat, reflecting increased forced sales and overall cautiousness in private spending and investments. Nevertheless, core fundamentals in Danish economy are still relatively strong with expected GDP growth 2012, strong public financials and low unemployment level.

Overall credit quality is solid also in Denmark. Most corporates are financially strong with a relatively good outlook and the number of household mortgage customers in problems is limited.

Operating profit

Operating profit increased 1% from the previous quarter to EUR 1,037m.

Taxes

The effective tax rate was 25.3%, compared to 23.6% in the previous quarter and 26.0% in first quarter last year.

Net profit

Net profit decreased 1% compared to the previous quarter to EUR 775m, corresponding to a return on equity of 11.7%. Return on equity decreased compared to the previous quarter due to higher effective tax rate and higher average equity in the quarter. Diluted earnings per share were EUR 0.19 (EUR 0.19 in the previous quarter).

Risk-adjusted profit

Risk-adjusted profit decreased to EUR 799m, down 2% from the previous quarter and up 4% compared to the first quarter last year.

The effect from currency fluctuations contributed to an increase in income and expenses of 1 %-point for the first quarter compared to the fourth quarter 2011.

Other information

Credit portfolio

Total lending, excluding reversed repurchase agreements, were EUR 316bn, increased somewhat in local currencies compared to the previous quarter. Overall, the credit quality in the loan portfolio remained solid in the first quarter, with a neutral effect of migration in the portfolio. The impaired loans ratio increased to 147 basis points of total loans, due to higher impaired loans mainly in Denmark and shipping. Total impaired loans gross increased by 11% from the previous quarter, mainly due to technical effects as minor provisions were made to a few exposures where we have impaired the entire exposures. The provisioning ratio decreased compared to the end of the fourth quarter to 46%.

Loan loss ratios and impaired loans

Basis points of loans	Q1 2012	Q4 2011	Q3 11	Q2 11	Q1 11
Loan loss ratios annualised, Group	25[1]	36[1]	16[1]	12[1]	22[1]
of which individual	25	40	24	20	28
of which collective	0	-4	-8	-8	-6
Banking Denmark	64[1]	82[1]	57[1]	35[1]	47[1]
Banking Finland	9	13	11	19	10
Banking Norway	13	22	- [3]	-	19
Banking Sweden	6	13	6	2	-
Banking Poland & Baltic countries	11	58	18	6	-
Corporate & Institutional Banking	4	0	-	-	51
Shipping, Offshore & Oil Services	176	209	76	71	41
Impaired loans ratio gross, Group (bps)[4]	147	131	130	134	140
- performing	61%	57%	62%	64%	55%
- non-performing	39%	43%	38%	36%	45%
Total allowance ratio, Group (bps)	68	63	65	71	74
Provisioning ratio, Group[2] [4]	46%	48%	50%	52%	53%

[1] Loan loss ratios in the table are excluding the provisions related to the Danish deposit guarantee fund. Including these provisions, loan loss ratios are for each quarter 26, 33, 14, 15 and 31 bps respectively in the Group, and 69, 69, 49, 47 and 91 bps respectively in Banking Denmark.
[2] Total allowances in relation to gross impaired loans.
[3] The " – " mark refers to net reversals and recoveries.
[4] The comparative figures for 2011 have been restated to ensure consistency between the periods, see also Note 1 on page 36.

Market risk

Interest-bearing securities were EUR 94bn at the end of the first quarter, of which EUR 25bn in the life insurance operations and the remaining part in the liquidity buffer and trading portfolios. 24% of the portfolio comprises government or municipality bonds and 33% mortgage bonds, when excluding EUR 8bn of pledged securities.

Total Value at Risk (VaR) market risk decreased to EUR 45m in the first quarter compared to the previous quarter, despite increase in interest rate risk and foreign exchange rate risk, due to increased diversification effect between risk categories.

Market risk

EURm	Q1 2012	Q4 2011	Q3 11	Q1 11
Total risk, VaR	45	47	46	94
Interest rate risk, VaR	49	38	48	107
Equity risk, VaR	4	6	2	10
Foreign exchange risk, VaR	14	5	6	8
Credit spread risk, VaR	12	11	15	26
Diversification effect	43%	22%	35%	38%

Balance sheet
Total assets in the balance sheet decreased 3% compared to the end of the previous quarter to EUR 694bn. The decrease relates mainly to lower market value for derivatives, lower amounts of deposits with central banks (included under loans to credit institutions) and lower amounts of interest-bearing securities.

Capital position and risk-weighted assets
The Group's core tier 1 capital ratio, excluding transition rules, was 11.6% at the end of the first quarter and was strengthened by 0.4 %-points from the previous quarter. Improved capital ratios have been achieved by strong profit generation and a decrease in risk-weighted assets (RWA), mainly as a result of IRB approval for the corporate and institutions portfolio in the International Units. This IRB approval affected RWA with a reduction of EUR 3.1bn.

RWA were EUR 182.3bn excluding transition rules, down EUR 2.9bn or 1.6% compared to the previous quarter and 0.3% compared to one year ago.

The core tier 1 ratio excluding transition rules under Basel II was 11.6%. The capital base was EUR 25.9bn and tier 1 capital was EUR 23.0bn.

Capital ratios

%	Q1 2012	Q4 2011	Q3 11	Q1 11
Excluding transition rules:				
Core tier 1 capital ratio	11.6	11.2	11.0	10.7
Tier 1 capital ratio	12.6	12.2	12.1	11.7
Total capital ratio	14.2	13.4	13.5	13.5
Including transition rules:				
Core tier 1 capital ratio	9.4	9.2	9.2	9.1
Tier 1 capital ratio	10.3	10.1	10.0	10.0
Total capital ratio	11.6	11.1	11.2	11.4

Economic Capital (EC) was at the end of the first quarter EUR 18.4bn, up compared the end of the previous quarter.

Nordea's funding and liquidity operations
There was a slight increase in average cost of long-term funding during the first quarter.

Nordea issued approx. EUR 11.5bn of long-term funding in the first quarter, of which approx. EUR 4.6bn represented issuance of Swedish, Norwegian and Finnish covered bonds in the domestic and international markets.

The portion of long-term funding of total funding was at the end of the first quarter approx. 73% (64% at the end of the previous quarter).

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

For short-term liquidity risks, Nordea maintains a measure close to the liquidity coverage ratio (LCR). The liquidity buffer is composed of highly liquid central bank eligible securities with characteristics similar to Basel III/CRD IV-liquid assets and amounted to EUR 60bn at the end of the first quarter (EUR 64bn at the end of 2011).

Nordea share
During the first quarter, the share price of Nordea on the NASDAQ OMX Nordic Exchange appreciated from SEK 53.25 to SEK 60.15. The dividend, equal to approx. SEK 2.30 (EUR 0.26), was excluded from the share price on 23 March 2012.

Annual General Meeting
The AGM on 22 March 2012 decided on a dividend of EUR 0.26 per share.

The AGM approved a Long-Term Incentive Programme (LTIP), LTIP 2012, for up to 400 managers and key employees. To be part of the programme, the participants have to lock in Nordea shares and thereby align their interest and perspectives with the shareholders.

Quarterly development, Group

EURm	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	1,420	1,427	1,379	1,326	1,324
Net fee and commission income	596	588	582	623	602
Net result from items at fair value	469	506	111	356	544
Equity method	23	15	-4	13	18
Other operating income	23	22	23	24	22
Total operating income	**2,531**	**2,558**	**2,091**	**2,342**	**2,510**
General administrative expenses:					
Staff costs	-771	-714	-887	-744	-768
Other expenses	-455	-502	-474	-485	-453
Depreciation of tangible and intangible assets	-50	-50	-52	-46	-44
Total operating expenses	**-1,276**	**-1,266**	**-1,413**	**-1,275**	**-1,265**
Profit before loan losses	**1,255**	**1,292**	**678**	**1,067**	**1,245**
Net loan losses	-218	-263	-112	-118	-242
Operating profit	**1,037**	**1,029**	**566**	**949**	**1,003**
Income tax expense	-262	-243	-160	-249	-261
Net profit for the period	**775**	**786**	**406**	**700**	**742**
Diluted earnings per share (DEPS), EUR	0.19	0.19	0.10	0.18	0.18
DEPS, rolling 12 months up to period end, EUR	0.66	0.65	0.65	0.73	0.68

Business areas

	Nordea Group																	
	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other and Eliminations			Nordea Group		
EURm	Q1 2012	Q4 2011	Chg	Q1 2012	Q4 2011	Chg	Q1 2012	Q4 2011	Chg	Q1 2012	Q4 2011	Chg	Q1 2012	Q4 2011	Chg	Q1 2012	Q4 2011	Chg
Net interest income	971	981	*-1%*	294	306	*-4%*	43	33	*30%*	107	100	*7%*	5	7	*-29%*	1,420	1,427	*0%*
Net fee and commission income	292	273	*7%*	122	113	*8%*	214	225	*-5%*	0	-3	*-100%*	-32	-20	*60%*	596	588	*1%*
Net result from items at fair value	116	107	*8%*	327	289	*13%*	89	101	*-12%*	15	18	*-17%*	-78	-9		469	506	*-7%*
Equity method	5	2	*150%*	0	0		0	0		0	0		18	13	*38%*	23	15	*53%*
Other income	4	8	*-50%*	0	1	*-100%*	6	6	*0%*	1	0		12	7	*71%*	23	22	*5%*
Total operating income	**1,388**	**1,371**	***1%***	**743**	**709**	***5%***	**352**	**365**	***-4%***	**123**	**115**	***7%***	**-75**	**-2**		**2,531**	**2,558**	***-1%***
Staff costs	-332	-313	*6%*	-202	-180	*12%*	-115	-112	*3%*	-18	-12	*50%*	-104	-97	*7%*	-771	-714	*8%*
Other expenses	-410	-438	*-6%*	-22	-43	*-49%*	-73	-77	*-5%*	-18	-15	*20%*	68	71	*-4%*	-455	-502	*-9%*
Depreciations	-23	-26	*-12%*	-8	-5	*60%*	-2	-1	*100%*	0	0		-17	-18	*-6%*	-50	-50	*0%*
Total operating expenses	**-765**	**-777**	***-2%***	**-232**	**-228**	***2%***	**-189**	**-190**	***-1%***	**-36**	**-27**	***33%***	**-54**	**-44**	***23%***	**-1,276**	**-1,266**	***1%***
Net loan losses	-154	-188	*-18%*	-65	-75	*-13%*	-1	0		0	0		2	0		-218	-263	*-17%*
Operating profit	**469**	**406**	***16%***	**446**	**406**	***10%***	**162**	**175**	***-7%***	**87**	**88**	***-1%***	**-127**	**-46**	***176%***	**1,037**	**1,029**	***1%***
Cost/income ratio, %	55	57		31	32		54	52		29	23					50	49	
RAROCAR, %	17	16		23	21		19	29								17.8	18.4	
Economic capital (EC)	8,560	8,449	*1%*	6,192	6,100	*2%*	2,469	1,741	*42%*	541	551	*-2%*	673	859		18,435	17,700	*4%*
Risk-weighted assets (RWA)	91,082	91,500	*0%*	74,421	77,970	*-5%*	3,602	3,072	*17%*	5,718	4,399	*30%*	7,458	8,260		182,281	185,201	*-2%*
Number of employees (FTEs)	18,911	19,309	*-2%*	6,169	6,206	*-1%*	3,600	3,639	*-1%*	424	441	*-4%*				32,557	33,068	*-2%*
Volumes, EURbn:																		
Lending to corporates	91.3	90.2	*1%*	91.1	91.8	*-1%*							3.6	2.2		186.0	184.2	*1%*
Household mortgage lending	121.2	119.9	*1%*	0.4	0.4	*3%*	5.2	4.9	*6%*							126.8	125.2	*1%*
Consumer lending	24.9	24.7	*1%*				3.1	3.1	*0%*							28.0	27.8	*1%*
Total lending	**237.4**	**234.8**	***1%***	**91.5**	**92.2**	***-1%***	**8.3**	**8.0**	***4%***				**3.6**	**2.2**		**340.8**	**337.2**	***1%***
Corporate deposits	44.5	45.5	*-2%*	63.2	59.1	*7%*							1.3	1.7		109.0	106.3	*3%*
Household deposits	73.2	72.6	*1%*	0.2	0.2	*17%*	11.1	11.0	*1%*							84.5	83.8	*1%*
Total deposits	**117.7**	**118.1**	***0%***	**63.4**	**59.3**	***7%***	**11.1**	**11.0**	***1%***				**1.3**	**1.7**		**193.5**	**190.1**	***2%***

	Nordea Group																	
	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other and Eliminations			Nordea Group		
EURm	Jan-Mar 2012	2011	Chg	Jan-Mar 2012	2011	Chg	Jan-Mar 2012	2011	Chg	Jan-Mar 2012	2011	Chg	Jan-Mar 2012	2011	Chg	Jan-Mar 2012	2011	
Net interest income	971	856	*13%*	294	295	*0%*	43	30	*43%*	107	86	*24%*	5	57	*-91%*	1,420	1,324	*7%*
Net fee and commission income	292	285	*2%*	122	135	*-10%*	214	194	*10%*	0	-3	*-100%*	-32	-9		596	602	*-1%*
Net result from items at fair value	116	98	*18%*	327	306	*7%*	89	93	*-4%*	15	66	*-77%*	-78	-19		469	544	*-14%*
Equity method	5	6	*-17%*	0	0		0	0		1	0		17	12	*42%*	23	18	*28%*
Other income	4	4	*0%*	0	4	*-100%*	6	5	*20%*	0	1	*-100%*	13	8	*63%*	23	22	*5%*
Total operating income	**1,388**	**1,249**	***11%***	**743**	**740**	***0%***	**352**	**322**	***9%***	**123**	**150**	***-18%***	**-75**	**49**		**2,531**	**2,510**	***1%***
Staff costs	-332	-341	*-3%*	-202	-182	*11%*	-115	-119	*-3%*	-18	-18	*0%*	-104	-108	*-4%*	-771	-768	*0%*
Other expenses	-410	-439	*-7%*	-22	-27	*-19%*	-73	-69	*6%*	-18	-28	*-36%*	68	110	*-38%*	-455	-453	*0%*
Depreciations	-23	-22	*5%*	-8	-5	*60%*	-2	-3	*-33%*	0	0		-17	-14	*21%*	-50	-44	*14%*
Total operating expenses	**-765**	**-802**	***-5%***	**-232**	**-214**	***8%***	**-189**	**-192**	***-2%***	**-36**	**-46**	***-22%***	**-54**	**-11**		**-1,276**	**-1,265**	***1%***
Net loan losses	-154	-169	*-9%*	-65	-68	*-4%*	-1	0		0	0		2	-5		-218	-242	*-10%*
Operating profit	**469**	**278**	***69%***	**446**	**458**	***-3%***	**162**	**130**	***25%***	**87**	**104**	***-16%***	**-127**	**33**		**1,037**	**1,003**	***3%***
Cost/income ratio, %	55	64		31	29		54	60		29	31					50	50	
RAROCAR, %	17	11		23	24		19	26								17.8	17.6	
Economic capital (EC)	8,560	8,518	*0%*	6,192	6,008	*3%*	2,469	1,444	*71%*	541	771	*-30%*	673	625		18,435	17,366	*6%*
Risk-weighted assets (RWA)	91,082	91,272	*0%*	74,421	75,283	*-1%*	3,602	2,881	*25%*	5,718	4,162	*37%*	7,458	8,140		182,281	181,738	*0%*
Number of employees (FTEs)	18,911	20,167	*-6%*	6,169	6,433	*-4%*	3,600	3,694	*-3%*	424	462	*-8%*				32,557	34,138	*-5%*
Volumes, EURbn:																		
Lending to corporates	91.3	86.6	*5%*	91.1	85.1	*7%*							3.6	5.6		186.0	177.3	*5%*
Household mortgage lending	121.2	112.6	*8%*	0.4	0.3	*36%*	5.2	4.6	*13%*							126.8	117.5	*8%*
Consumer lending	24.9	24.7	*1%*				3.1	2.9	*7%*							28.0	27.6	*1%*
Total lending	**237.4**	**223.9**	***6%***	**91.5**	**85.4**	***7%***	**8.3**	**7.5**	***11%***				**3.6**	**5.6**		**340.8**	**322.4**	***6%***
Corporate deposits	44.5	42.7	*4%*	63.2	49.8	*27%*							1.3	2.9		109.0	95.4	*14%*
Household deposits	73.2	68.7	*7%*	0.2	0.1	*39%*	11.1	9.1	*22%*							84.5	77.9	*8%*
Total deposits	**117.7**	**111.4**	***6%***	**63.4**	**49.9**	***27%***	**11.1**	**9.1**	***22%***				**1.3**	**2.9**		**193.5**	**173.3**	***12%***

Retail Banking

The business area consists of the retail banking business in the Nordic region, Baltic countries and Poland and includes all parts of the value chain. More than 10 million customers are offered a wide range of products and are served from a total of 1,056 branch loacations and contact centres and the online banking channels.

Business development

Retail Banking continues to adapt to the New Normal. Cost awareness has secured a reduction of total costs with 5% compared to the same period last year. This together with a strong focus on capital efficiency which resulted in largely unchanged RWA, despite lending growth of 6%. In combination with an income growth of 11% from last year, this delivered significant profitability improvement in a continued very low interest rate environment.

The number of Gold and Premium customers amounts to 3.08 million. 21,000 were new customers from outside Nordea during the first quarter. Nordea’s distribution initiatives support the relationship strategy by adapting our offering to changing customer behaviour through branch network transformation as well as continuous development of online and mobile solutions for customers.

Nordea continues to transform its branch network to better reflect today’s customer behaviour and needs. During the first quarter, 186 branch locations were transformed, and a total of 556 branch locations are now operating in the new formats, equalling close to 70% of Nordea’s Nordic branch network. It is planned to reach 100% before the end of 2012.

The number of manual transactions continued to decrease, as customers increasingly use other more convenient solutions for day-to-day banking. In light of this development, Nordea is reviewing the extent of manual cash offering with the aim to concentrate the services to fewer places. During the first quarter, the number of branch locations offering cash services therefore decreased by 80 in the Nordic countries coming from both closure of manual cash in a continuing branch location and closure of branches with manual cash. The number of visits to the mobile bank continues to grow rapidly, supported by development activities such as introducing mobile applications for the Windows 7 mobile platform in all Nordic markets. Several improvements, features and functionalities were launched in the Private Netbank. At the same time the open internet pages have been given an entirely new, intuitive and easy-to-use design which is being rolled out in the Nordic markets during the first and second quarters.

Result

Total income increased by 1% compared to the previous quarter, driven by non-interest income. The net interest income was down by 1%, due to fewer days and lower short-term interest rates, affecting deposit earnings. Compared to last year, total income increased by 11% supported by growth in all major income lines.

The lower demand for corporate as well as household lending continued during the first quarter.

The growth in deposit volumes was slightly higher than the increase of lending, reflecting the somewhat subdued macroeconomic environment. In local currencies, average deposit volumes were up by 5.1% compared to last year and average lending volumes increased by 4.4%, mainly driven by household customers.

The increase in staff costs compared to previous quarter was entirely due to the release of a reserve for profit-sharing in the fourth quarter. Total expenses were down by 2%.

Compared to last year total expenses were down by 5% and number of FTEs was 6% lower.

Excluding the provision to the Danish deposit guarantee fund, net loan losses were down from last quarter in all countries. Provisions to the guarantee fund amounted to EUR 8m related to Fjordbank Mors. The fourth quarter included a reversal of EUR 19m. Excluding this, the loan loss ratio was 25 basis points (37 basis points in the fourth quarter excluding the reversal from the Danish deposit guarantee fund).

Retail Banking total

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	971	981	929	905	856	-1%	13%
Net fee and commission income	292	273	289	282	285	7%	2%
Net result from items at fair value	116	107	108	115	98	8%	18%
Equity method & other income	9	10	6	14	10	-10%	-10%
Total income incl. allocations	**1,388**	**1,371**	**1,332**	**1,316**	**1,249**	**1%**	**11%**
Staff costs	-332	-313	-338	-345	-341	6%	-3%
Total expenses incl. allocations	**-765**	**-777**	**-768**	**-813**	**-802**	**-2%**	**-5%**
Profit before loan losses	**623**	**594**	**564**	**503**	**447**	**5%**	**39%**
Net loan losses	-154	-188	-99	-101	-169	-18%	-9%
Operating profit	**469**	**406**	**465**	**402**	**278**	**16%**	**69%**
Cost/income ratio, %	55	57	58	62	64		
RAROCAR, %	17	16	15	13	11		
Economic capital (EC)	8,560	8,449	8,543	8,563	8,518	1%	0%
Risk-weighted assets (RWA)	91,082	91,500	93,383	92,676	91,272	0%	0%
Number of employees (FTEs)	18,911	19,309	19,869	20,119	20,167	-2%	-6%
Volumes, EURbn:							
Lending to corporates	91.3	90.2	87.9	87.4	86.6	1%	5%
Household mortgage lending	121.2	119.9	116.5	114.7	112.6	1%	8%
Consumer lending	24.9	24.7	24.9	24.6	24.7	1%	1%
Total lending	**237.4**	**234.8**	**229.3**	**226.7**	**223.9**	**1%**	**6%**
Corporate deposits	44.5	45.5	43.3	42.5	42.7	-2%	4%
Household deposits	73.2	72.6	70.8	70.7	68.7	1%	7%
Total deposits	**117.7**	**118.1**	**114.1**	**113.2**	**111.4**	**0%**	**6%**

Banking Denmark

Business development

Despite a still somewhat subdued Danish macroeconomic environment, Banking Denmark maintained high momentum in business activities.

Activities to increase efficiency continued alongside the gradual adjustment to the New Normal regulation. The number of manual transactions at branches continued to decrease reflecting the changes in customer demand and behaviour.

Meeting activity was at an all-time high in the first quarter and the number of externally acquired Gold and Premium customers continued to grow.

Household lending volumes were maintained at a largely unchanged level. Deposits from household customers increased by 1% compared to the previous quarter. The activity level in the housing market was low although somewhat increasing activity is observed around the larger cities as well as in growth areas.

Corporate bank lending has decreased in a market characterised by low investments and low activity. A growing gap between successful and less successful corporates was observed in the Danish market. Still the SME segment and the agricultural sector in general face the largest challenges.

There is a strong focus on efficiency improvements. The transformation of the branch network towards more focused and efficient branch formats continued during the quarter. The number of employees decreased by 2% compared to last quarter.

Result

The positive development in the number of customers and in the activity level was reflected in increased total income in the first quarter. The low interest rate level led to increased mortgage loan refinancing over year-end 2011. This affected net fee and commission income positively in the first quarter. A trend towards increased savings among the household customers also contributed to the positive development in total income.

Total expenses decreased slightly compared to the fourth quarter and the cost/income ratio has improved quarter by quarter over the last year.

Net loan losses increased from the fourth quarter due to provisions regarding Fjordbank Mors. The loan loss ratio was 64 basis points compared to 82 basis points in the fourth quarter, excluding provisions to the Danish Deposit Guarantee Fund.

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	306	308	292	286	279	-1%	10%
Net fee and commission income	55	38	54	56	57	45%	-4%
Net result from items at fair value	35	26	19	30	22	35%	59%
Equity method & other income	6	3	3	3	7	100%	-14%
Total income incl. allocations	**402**	**375**	**368**	**375**	**365**	**7%**	**10%**
Staff costs	-87	-82	-89	-89	-90	6%	-3%
Total expenses incl. allocations	**-207**	**-210**	**-213**	**-233**	**-227**	**-1%**	**-9%**
Profit before loan losses	**195**	**165**	**155**	**142**	**138**	**18%**	**41%**
Net loan losses	-112	-107	-75	-75	-143	5%	-22%
Operating profit	**83**	**58**	**80**	**67**	**-5**	**43%**	
Cost/income ratio, %	52	56	58	62	62		
RAROCAR, %	22	17	14	12	12		
Economic capital (EC)	2,177	2,144	2,300	2,314	2,292	2%	-5%
Risk-weighted assets (RWA)	23,905	24,083	25,643	25,180	25,365	-1%	-6%
Number of employees (FTEs)	4,190	4,265	4,365	4,388	4,402	-2%	-5%
Volumes, EURbn:							
Lending to corporates	23.6	23.6	23.3	23.2	22.5	0%	5%
Household mortgage lending	29.0	28.9	28.3	27.3	26.9	0%	8%
Consumer lending	12.7	12.7	12.8	12.6	12.4	0%	2%
Total lending	**65.3**	**65.2**	**64.4**	**63.1**	**61.8**	**0%**	**6%**
Corporate deposits	7.2	7.4	7.2	7.1	7.3	-3%	-1%
Household deposits	21.8	21.6	21.5	21.5	21.2	1%	3%
Total deposits	**29.0**	**29.0**	**28.7**	**28.6**	**28.5**	**0%**	**2%**

Banking Finland

Business development

Nordea has successfully managed to sustain the advisers' proactivity at a high level throughout the quarters supporting execution of the relationship strategy and improved sales. This was clearly visible in the outcome of the first quarter, not least in the good development for new customer acquisition, despite the weakening demand for mortgages in the market.

Nordea's position on the market for deposits was kept unchanged, supported by successful launches of new deposit products. Campaigns for savings offerings and the strong focus on mass affluent customers impacted sales of other savings products.

Overall positive performance within the corporate branch network continued. Merchant acquiring card services have been launched in the Finnish market and have been well received among corporate customers. Nordea has won a number of significant deals bringing in new business volumes.

Activities related to hedging, especially of interest rate risk, continued to be at a high level during the first part of the year.

Result

The steep decrease in short-term market rates resulted in weakening net interest income from deposits. Earnings on lending showed strong improvement mitigating the effects of weakening deposits income. Improved sales of savings products as well as the high level of hedging activity were driving ancillary income, even though net result from items at fair value decreased somewhat after showing an all-time-high peak in the fourth quarter.

Focus on cost efficiency continued during the quarter and was supported by a decrease in the number of employees.

Net loan losses were EUR 10m, mainly arising from the corporate segment. The loan loss ratio was 9 basis points (13 basis points in the fourth quarter).

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	157	177	181	172	151	-11%	4%
Net fee and commission income	83	80	79	74	77	4%	8%
Net result from items at fair value	22	24	17	19	20	-8%	10%
Equity method & other income	0	5	1	4	0	-100%	
Total income incl. allocations	**262**	**286**	**278**	**269**	**248**	**-8%**	**6%**
Staff costs	-55	-55	-59	-63	-59	0%	-7%
Total expenses incl. allocations	**-160**	**-165**	**-166**	**-171**	**-172**	**-3%**	**-7%**
Profit before loan losses	**102**	**121**	**112**	**98**	**76**	**-16%**	**34%**
Net loan losses	-10	-14	-12	-20	-11	-29%	-9%
Operating profit	**92**	**107**	**100**	**78**	**65**	**-14%**	**42%**
Cost/income ratio, %	61	58	60	64	69		
RAROCAR, %	15	18	16	13	9		
Economic capital (EC)	1,559	1,599	1,582	1,592	1,603	-3%	-3%
Risk-weighted assets (RWA)	15,229	15,811	15,580	16,146	15,696	-4%	-3%
Number of employees (FTEs)	4,096	4,178	4,310	4,424	4,443	-2%	-8%
Volumes, EURbn:							
Lending to corporates	15.1	14.9	14.8	14.6	14.5	1%	4%
Household mortgage lending	24.7	24.6	24.5	24.1	23.6	0%	5%
Consumer lending	5.2	5.2	5.2	5.2	5.1	0%	2%
Total lending	**45.0**	**44.7**	**44.5**	**43.9**	**43.2**	**1%**	**4%**
Corporate deposits	9.5	10.0	10.8	9.8	9.8	-5%	-3%
Household deposits	22.3	22.3	22.0	21.9	21.3	0%	5%
Total deposits	**31.8**	**32.3**	**32.8**	**31.7**	**31.1**	**-2%**	**2%**

Banking Norway

Business development

Business activity in the household segment remained at a high level in the first quarter even though the growth in Gold and Premium customers as well as volumes was slightly lower than previous quarter. More than half of this growth came from externally acquired customers.

During the first quarter the new mobile banking app was launched and was very well received by the customers.

In the Corporate segment the positive business development reflects improved proactivity, further differentiation in risk pricing and increased fee and commission income. Several new initiatives related to RWA optimisation have started.

Nordea agreed to buy the remaining shares (33%) in the residential real estate brokerage company Privatmegleren AS. From the second quarter Privatmegleren AS will be a fully own subsidiary of Nordea.

The number of employees continued to decline ahead of FTE-plans. The decision in the last quarter to close some of the small branches is being implemented according to plan.

Result

Total income increased by 11% from the previous quarter, or by 8% in local currency, due to a strong increase in net interest income and increased fee and commission income in both the household and the corporate segment.

Net interest income has further increased during the quarter mainly due to improved risk pricing. Lending volume growth in local currency was 1.4% from last quarter. Deposit volume in local currency declined 0.5% in the same period, largely due to fluctuations in large corporate deposits.

The RWA reduction in local currency was 1.4% from last quarter, mainly driven by reduced corporate off-balance-sheet exposures.

Total expenses were down 2% from previous quarter in local currency reflecting the increased focus on cost management.

The loan loss ratio was 13 basis points (22 basis points in fourth quarter) partly attributable to collective provisions.

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	205	183	169	159	160	12%	28%
Net fee and commission income	45	44	44	41	38	2%	18%
Net result from items at fair value	22	18	26	20	16	22%	38%
Equity method & other income	1	1	0	0	0	0%	
Total income incl. allocations	**273**	**246**	**239**	**220**	**214**	**11%**	**28%**
Staff costs	-39	-35	-38	-37	-39	11%	0%
Total expenses incl. allocations	**-120**	**-119**	**-122**	**-120**	**-126**	**1%**	**-5%**
Profit before loan losses	**153**	**127**	**117**	**100**	**88**	**20%**	**74%**
Net loan losses	-15	-24	5	1	-21	-38%	-29%
Operating profit	**138**	**103**	**122**	**101**	**67**	**34%**	**106%**
Cost/income ratio, %	44	48	51	55	59		
RAROCAR, %	18	14	13	10	9		
Economic capital (EC)	2,078	2,039	2,022	2,021	1,989	2%	4%
Risk-weighted assets (RWA)	22,137	22,016	22,298	22,505	21,670	1%	2%
Number of employees (FTEs)	1,412	1,428	1,515	1,531	1,507	-1%	-6%
Volumes, EURbn:							
Lending to corporates	21.2	20.2	19.4	19.5	19.0	5%	12%
Household mortgage lending	25.8	25.2	24.4	24.3	23.3	2%	11%
Consumer lending	0.9	0.7	0.8	0.8	0.9	29%	0%
Total lending	**47.9**	**46.1**	**44.6**	**44.6**	**43.2**	**4%**	**11%**
Corporate deposits	12.1	12.2	11.6	12.0	11.7	-1%	3%
Household deposits	7.8	7.7	7.5	7.7	7.0	1%	11%
Total deposits	**19.9**	**19.9**	**19.1**	**19.7**	**18.7**	**0%**	**6%**

FX fluctuation impacted income and expenses by 3% Q1/Q4 (4% Q1/Q1). FX fluctuations impacted balance sheet by 2% Q1/Q4 (3% Q1/Q1).

Banking Sweden

Business development

Banking Sweden delivered a solid result in the first quarter, despite seasonally lower market activity compared to the fourth quarter.

As for the whole market, the growth rate for Household mortgage volumes has declined considerably since mid-2011 and previous periods. Deposit volumes were stable. The customer demand for investment products is starting to recover after the turbulent market conditions of mid-2011, which is reflected in growing savings commissions compared to the previous quarter.

Following the uncertain macro environment, both domestic and international, the business demand among corporates remained low during the first quarter. Activity with relationship customers was nonetheless maintained at a high level.

The transformation of the branch network continued with an increasing share of branches solely focusing on advisory towards household or corporate customers. Supported by this development, the number of employees decreased by 3% compared with the fourth quarter and 8% compared to the same quarter last year.

Result

Total income was up by 3% compared to the fourth quarter. Despite the effect of decreasing market interest rates and fewer days in the quarter, net interest income grew during the first quarter. Net fee and commission income and net result from items at fair value showed mixed development; income from payment and savings business increased while income from capital market products levelled out in the less turbulent capital market environment in the first quarter compared with previous quarters.

Total expenses increased slightly compared to the previous quarter but were 6% below the same period last year.

The emphasis on improving efficiency continued, leading to fewer employees and staff costs compared to the same quarter last year. This, together with the income development, led to improving cost/income ratio and RAROCAR compared to last year.

Net loan losses remained modest and the loan loss ratio was 6 basis points in the first quarter (13 basis points in the fourth quarter).

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	286	285	264	254	237	0%	21%
Net fee and commission income	100	90	99	98	98	11%	2%
Net result from items at fair value	29	29	28	33	29	0%	0%
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**415**	**404**	**391**	**385**	**364**	**3%**	**14%**
Staff costs	-72	-68	-72	-74	-75	6%	-4%
Total expenses incl. allocations	**-218**	**-209**	**-205**	**-222**	**-232**	**4%**	**-6%**
Profit before loan losses	**197**	**195**	**186**	**163**	**132**	**1%**	**49%**
Net loan losses	-9	-21	-9	-3	7	-57%	
Operating profit	**188**	**174**	**177**	**160**	**139**	**8%**	**35%**
Cost/income ratio, %	53	52	52	58	64		
RAROCAR, %	29	29	29	25	19		
Economic capital (EC)	1,874	1,792	1,743	1,699	1,690	5%	11%
Risk-weighted assets (RWA)	16,708	16,710	17,311	16,214	16,403	0%	2%
Number of employees (FTEs)	3,397	3,505	3,596	3,641	3,701	-3%	-8%
Volumes, EURbn:							
Lending to corporates	23.0	23.0	22.1	22.1	22.9	0%	0%
Household mortgage lending	34.8	34.3	32.7	32.6	32.9	1%	6%
Consumer lending	5.1	5.2	5.2	5.2	5.3	-2%	-4%
Total lending	**62.9**	**62.5**	**60.0**	**59.9**	**61.1**	**1%**	**3%**
Corporate deposits	12.5	12.7	11.3	11.2	11.5	-2%	9%
Household deposits	19.2	19.1	18.1	17.9	17.7	1%	8%
Total deposits	**31.7**	**31.8**	**29.4**	**29.1**	**29.2**	**0%**	**9%**

FX fluctuation impacted income and expenses by 3% Q1/Q4 (0% Q1/Q1). FX fluctuations impacted balance sheet by 1% Q1/Q4 (1% Q1/Q1).

Banking Poland & Baltic countries

Business development

Overall business has developed well in the region during the first quarter. Growth in Poland remains strong ahead of the Euro 2012 football championship and especially in Estonia business volumes have started to pick up after the severe financial crisis in the Baltic countries in 2008-2009.

Baltic countries

The business outlook in the Baltic countries is stable. There have been no significant new non-performing corporate customers during the past 12 months. Especially in Estonia the recovery has been noticeable also in new business activity in the first quarter. In Lithuania and Latvia new lending is still lower than repayment of existing loans and the number of non-performing loans in the household portfolio remains at the same level as in 2011.

Deposit volumes increased compared to the fourth quarter in both the corporate and household segments. Corporate lending volumes and prices increased while household lending volumes were unchanged.

Following a steady increase in Nordea’s lending market share over the past few years the growth in lending in the first quarter has been in line with the markets. The aim in the near future is to continue to grow at this pace and to ensure that the lending prices reflect the full cost of capital, funding and liquidity. In household mortgage lending there has already been a noticeable increase in new mortgage loan customer rates while pricing competition for deposits continued to be fierce.

Following the formation of the Retail Banking Business Area in mid-2011, the organisational set-up in the Baltic countries has been aligned with the Nordic countries in the first quarter. The relationship banking strategy, with increased focus on serving the needs of the Gold customers through customer-centric and more specialised branches as well as online channels, will be rolled out in the Baltic countries during the second and the third quarter.

Poland

In Poland, the present household business model, which primarily has been based on mortgage lending, will be changed to a relationship banking approach similar to the Nordic markets. In a New normal environment there will be a stronger focus on cost and capital efficiency and on the affluent and the mass-affluent customers who require a broader set of financial services and personal advice. Increased focus on savings and investments products, as well as online channels, will ensure a competitive customer offering.

In order to better match the increased focus on affluent segments and to adapt to changes in customer behaviour, the physical branch network and the staff composition will be adjusted. By enabling most daily banking services to be conducted through online channels and by consolidating advisory services to fewer locations with a critical mass of qualified staff, the physical branch network will be downscaled from the current 193 branches to approximately 135 branches. The number of FTEs is expected to decrease by up to 400, equivalent to 20% of the total staff at the end of 2011.

In the corporate business, the applied business model has been very similar to the one used for serving large corporates in the Nordic countries. This model, based on close relationships with a number of selected customers, has proven to be very successful in the Polish market and will continue to form the basis of the corporate business.

Result

Total income decreased by 7% compared to the previous quarter due to lower capital markets income. Net interest income showed an upward trend. Total expenses remained stable compared to the previous quarter. Operating profit increased by 19% supported by clearly lower net loan losses. The number of employees (FTEs) decreased by 105 in the first quarter as the operations were adapted to the new business model.

Net loan losses were EUR 4m in the first quarter, with increased provisions related to the household portfolio provisions.

Banking Baltic countries

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	38	37	39	37	35	3%	9%
Net fee and commission income	10	13	10	8	10	-23%	0%
Net result from items at fair value	-1	2	1	-1	2		
Equity method & other income	1	0	1	4	0		
Total income incl. allocations	**48**	**52**	**51**	**48**	**47**	**-8%**	**2%**
Staff costs	-8	-7	-8	-8	-8	14%	0%
Total expenses incl. allocations	**-19**	**-18**	**-22**	**-21**	**-20**	**6%**	**-5%**
Profit before loan losses	**29**	**34**	**29**	**27**	**27**	**-15%**	**7%**
Net loan losses	-1	-12	-3	-1	5	-92%	
Operating profit	**28**	**22**	**26**	**26**	**32**	**27%**	**-13%**
Cost/income ratio, %	40	35	43	44	43		
RAROCAR, %	13	17	13	11	13		
Economic capital (EC)	453	456	454	500	522	-1%	-13%
Risk-weighted assets (RWA)	6,859	6,912	6,801	7,022	6,961	-1%	-1%
Number of employees (FTEs)	1,088	1,093	1,155	1,195	1,201	0%	-9%
Volumes, EURbn:							
Lending to corporates	5.4	5.3	5.2	5.2	4.9	2%	10%
Household lending	3.0	3.0	3.0	2.9	2.9	0%	3%
Total lending	**8.4**	**8.3**	**8.2**	**8.1**	**7.8**	**1%**	**8%**
Corporate deposits	1.6	1.5	1.3	1.2	1.1	7%	45%
Household deposits	0.8	0.7	0.6	0.6	0.6	14%	33%
Total deposits	**2.4**	**2.2**	**1.9**	**1.8**	**1.7**	**9%**	**41%**

Banking Poland

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	39	38	32	37	34	3%	15%
Net fee and commission income	8	9	10	8	8	-11%	0%
Net result from items at fair value	8	11	16	12	11	-27%	-27%
Equity method & other income	0	1	1	1	0	-100%	
Total income incl. allocations	**55**	**59**	**59**	**58**	**53**	**-7%**	**4%**
Staff costs	-12	-12	-13	-13	-13	0%	-8%
Total expenses incl. allocations	**-29**	**-31**	**-29**	**-30**	**-29**	**-6%**	**0%**
Profit before loan losses	**26**	**28**	**30**	**28**	**24**	**-7%**	**8%**
Net loan losses	-3	-7	-3	-1	-3	-57%	0%
Operating profit	**23**	**21**	**27**	**27**	**21**	**10%**	**10%**
Cost/income ratio, %	53	53	49	52	55		
RAROCAR, %	14	15	15	15	13		
Economic capital (EC)	419	419	443	437	421	0%	0%
Risk-weighted assets (RWA)	6,243	5,968	5,751	5,609	5,178	5%	21%
Number of employees (FTEs)	1,900	2,000	2,037	1,998	1,982	-5%	-4%
Volumes, EURbn:							
Lending to corporates	2.4	2.4	2.1	2.1	2.0	0%	20%
Household lending	4.3	4.1	4.0	3.8	3.4	5%	26%
Total lending	**6.7**	**6.5**	**6.1**	**5.9**	**5.4**	**3%**	**24%**
Corporate deposits	1.6	1.7	1.2	1.3	1.2	-6%	33%
Household deposits	1.2	1.1	1.0	1.0	1.0	9%	20%
Total deposits	**2.8**	**2.8**	**2.2**	**2.3**	**2.2**	**0%**	**27%**

Retail Banking other

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

Result

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

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	-60	-47	-48	-40	-40	28%	50%
Net fee and commission income	-9	-1	-7	-3	-3		
Net result from items at fair value	1	-3	1	2	-2		
Equity method & other income	1	0	0	2	3		-67%
Total income incl. allocations	**-67**	**-51**	**-54**	**-39**	**-42**	**31%**	**60%**
Staff costs	-59	-54	-59	-61	-57	9%	4%
Total expenses incl. allocations	**-12**	**-25**	**-11**	**-16**	**4**	**-52%**	
Profit before loan losses	**-79**	**-76**	**-65**	**-55**	**-38**	**4%**	**108%**
Net loan losses	-4	-3	-2	-2	-3	33%	33%
Operating profit	**-83**	**-79**	**-67**	**-57**	**-41**	**5%**	**102%**
Economic capital (EC)	0	0	0	0	0		
Number of employees (FTEs)	2,828	2,840	2,891	2,942	2,931	0%	-4%

Wholesale Banking

Nordea Wholesale Banking is the largest Nordic provider of banking and other financial solutions to corporate and institutional customers.

Business development

Wholesale Banking benefitted from the increased stability in the financial markets. Customers remained somewhat cautious but the number of event-driven transactions from corporates increased.

The business area result increased compared to the previous quarter and declined marginally compared to the first quarter of 2011, with capital markets income as the main driver.

Wholesale Banking further improved its operational efficiency and resource management. Despite the increasing income, the total cost level was largely unchanged compared to the fourth quarter and the published staff reductions progressed as planned. Risk-weighted assets decreased, reflecting ongoing efficiency initiatives, and the organisation is continuously adapting to the new regulatory demands related to capital and liquidity.

Banking

Customer activity was characterised by solid daily business and an increasing number of event-driven transactions. Financial institutions activity was strong while the customer activity was moderate in the Shipping segment.

All customer divisions work actively to provide customers with attractive financing based on capital efficient products, eg by leveraging Nordea's strong access to loan syndication and alternative funding sources such as bond markets. Increasing investor interest for debt products in the primary bond market enabled Nordea to leverage these strengths and assist customers in securing funding on attractive terms.

Capital markets

The result from capital markets activities improved compared to the already strong fourth quarter.

Customer activity in the large Foreign Exchange and Fixed Income areas was strong with several large transactions. Income was further supported by a strong result from trading and risk management activities.

Primary bond issue activity was strong and Nordea successfully managed a large number of transactions for both corporates and financial institutions. In the syndicated loan markets, customer activity was solid within both the corporate and leveraged finance segments.

Customer activity in the secondary equity product area further increased as a consequence of improved economic outlook and higher risk appetite. Despite a generally subdued market, Corporate Finance announced a number of new M&A transactions, reflecting the continued development of Nordea's capabilities in this area.

Result

The first quarter operating profit was EUR 446m, 10% above last quarter. The improvement was driven by a large increase in net results from items at fair value, mainly related to the strong result in Capital Markets. Net loan losses decreased by 13%.

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	294	306	307	301	295	-4%	0%
Net fee and commission income	122	113	135	162	135	8%	-10%
Net result from items at fair value	327	289	51	175	306	13%	7%
Equity method & other income	0	1	-1	1	4	-100%	-100%
Total income incl. allocations	**743**	**709**	**492**	**639**	**740**	**5%**	**0%**
Staff costs	-202	-180	-166	-188	-182	12%	11%
Total expenses incl. allocations	**-232**	**-228**	**-180**	**-217**	**-214**	**2%**	**8%**
Profit before loan losses	**511**	**481**	**312**	**422**	**526**	**6%**	**-3%**
Net loan losses	-65	-75	-16	-14	-68	-13%	-4%
Operating profit	**446**	**406**	**296**	**408**	**458**	**10%**	**-3%**
Cost/income ratio, %	31	32	37	34	29		
RAROCAR, %	23	21	13	19	24		
Economic capital (EC)	6,192	6,100	6,037	5,845	6,008	2%	3%
Risk-weighted assets (RWA)	74,421	77,970	75,691	73,963	75,283	-5%	-1%
Number of employees (FTEs)	6,169	6,206	6,371	6,475	6,433	-1%	-4%
Volumes, EURbn:							
Total lending	91.5	92.2	91.3	87.8	85.4	-1%	7%
Total deposits	63.4	59.3	57.4	56.6	49.9	7%	27%

Corporate & Institutional Banking

Corporate & Institutional Banking (CIB) comprises the customer units serving the largest corporate and institutional customers in Nordea.

Business development

The business activity in the CIB divisions held up well with stable income and slightly falling costs. Income was positively affected by the containment of the sovereign debt crisis and the resulting fall in financial market uncertainty.

The corporate customer activity was stable during the quarter, supported by a combination of daily business and an increasing number of event-driven transactions. The business momentum in the corporate bond and M&A areas increased due to improved market risk appetite and a number of mandates were closed during the quarter.

Institutional clients had strong activity within the capital markets area, mostly driven by bond issues and risk management products.

The increase in lending spreads continued during the quarter. However, competition for business with the largest corporate customers was intense as global banks re-entered the Nordic market. Lending volumes were stable compared to the fourth quarter.

Deposit volumes increased by 10%, partially as a result of Nordea's strong credit ratings.

The continued focus on the relationship-driven business enabled Nordea to strengthen its position as the leading wholesale banking provider to large corporates and financial institutions in the Nordic region. CIB maintained the strong positions in Denmark, Finland and Norway while further strengthening its position in Sweden as verified by both internal and external customer surveys. The strong customer relationship forms the basis for the continued focus on increasing ancillary business.

Result

Operating profit for the quarter was EUR 314m, at par with the previous quarter and significantly above the first quarter of 2011. Total income was stable and net fee and commission income increased due to the higher number of event-driven transactions.

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	202	204	198	195	188	-1%	7%
Net fee and commission income	125	119	131	155	136	5%	-8%
Net result from items at fair value	112	117	96	107	105	-4%	7%
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**439**	**440**	**425**	**457**	**429**	**0%**	**2%**
Staff costs	-9	-10	-9	-10	-10	-10%	-10%
Total expenses incl. allocations	**-121**	**-123**	**-118**	**-115**	**-119**	**-2%**	**2%**
Profit before loan losses	**318**	**317**	**307**	**342**	**310**	**0%**	**3%**
Net loan losses	-4	0	15	10	-55		-93%
Operating profit	**314**	**317**	**322**	**352**	**255**	**-1%**	**23%**
Cost/income ratio, %	28	28	28	25	28		
RAROCAR, %	22	21	19	23	20		
Economic capital (EC)	3,992	3,929	4,203	4,045	4,142	2%	-4%
Risk-weighted assets (RWA)	48,296	50,614	52,037	50,368	51,821	-5%	-7%
Number of employees (FTEs)	216	212	213	219	222	2%	-3%
Volumes, EURbn:							
Total lending	46.2	45.5	43.7	44.7	43.5	1%	6%
Total deposits	40.8	37.0	34.0	32.6	32.2	10%	27%

Shipping, Offshore & Oil Services

Shipping, Offshore & Oil Services (SOO) is the customer unit responsible for serving customers in the shipping, offshore, oil services, cruise and ferries industries worldwide. Nordea is a leading bank to the global shipping and offshore sector with strong brand recognition and a world-leading loan syndication franchise.

Business development

Customer activity was moderate during the quarter. The bond origination activity was strong while only a few syndicated loan transactions were closed. New lending transactions were executed on conservative terms.

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

Credit quality

Loan losses remained elevated due to challenging conditions in certain shipping segments. The tanker, dry cargo and containership markets remained weak which led to pressure on vessel values. However, the resulting loan losses were 15% lower than in the previous quarter despite the difficult business cycle. The approach to the shipping industry remained unchanged with new business on conservative terms.

Result

Operating profit was EUR 20m, down 13% from the previous quarter and down 72% from the first quarter 2011. The loan loss ratio was 176 basis points compared to 209 basis points in the fourth quarter.

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	80	84	85	77	78	-5%	3%
Net fee and commission income	15	23	16	26	16	-35%	-6%
Net result from items at fair value	2	3	10	7	8	-33%	-75%
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**97**	**110**	**111**	**110**	**102**	**-12%**	**-5%**
Staff costs	-7	-6	-6	-6	-6	17%	17%
Total expenses incl. allocations	**-17**	**-16**	**-17**	**-16**	**-16**	**6%**	**6%**
Profit before loan losses	**80**	**94**	**94**	**94**	**86**	**-15%**	**-7%**
Net loan losses	-60	-71	-26	-24	-14	-15%	
Operating profit	**20**	**23**	**68**	**70**	**72**	**-13%**	**-72%**
Cost/income ratio, %	18	15	15	15	16		
RAROCAR, %	23	27	29	29	23		
Economic capital (EC)	954	933	913	873	987	2%	-3%
Risk-weighted assets (RWA)	11,543	12,408	11,920	12,436	12,551	-7%	-8%
Number of employees (FTEs)	92	96	96	98	93	-4%	-1%
Volumes, EURbn:							
Total lending	13.6	13.6	13.4	12.8	13.2	0%	3%
Total deposits	4.5	4.7	4.8	4.6	4.8	-4%	-6%

Banking Russia

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

Business development

Business volumes were more or less unchanged in the first quarter, with a slow start followed by a recovery towards the end of the quarter.

The Russian economy continues to develop positively. The Russian Economic Development Ministry forecasts the GDP growth to be 3.7% in 2012. Both inflation and unemployment are at a low level.

Net loan losses were negligible in the first quarter, compared to EUR 5m in the previous quarter. Gross impaired loans amounted to EUR 72m or 113 basis points of total loans, down from 139 basis points in the previous quarter.

Result

Profitability remained at a high level in the first quarter. Total income decreased 8% compared to the previous quarter, but increased by 12% compared to the first quarter last year. Costs were down 4% compared to the previous quarter, at the same level as the first quarter last year. Operating profit was up 3% from the previous quarter and up 23% year-on-year. The total number of employees (FTEs) declined 4% compared to the previous quarter and down 13% compared to the same quarter last year.

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	50	53	46	43	46	-6%	9%
Net fee and commission income	5	3	3	4	4	67%	25%
Net result from items at fair value	3	6	3	3	2	-50%	50%
Equity method & other income	0	1	0	0	0	-100%	
Total income incl. allocations	**58**	**63**	**52**	**50**	**52**	**-8%**	**12%**
Staff costs	-17	-15	-14	-12	-17	13%	0%
Total expenses incl. allocations	**-26**	**-27**	**-22**	**-23**	**-26**	**-4%**	**0%**
Profit before loan losses	**32**	**36**	**30**	**27**	**26**	**-11%**	**23%**
Net loan losses	0	-5	-3	0	0	-100%	
Operating profit	**32**	**31**	**27**	**27**	**26**	**3%**	**23%**
Cost/income ratio, %	45	43	43	46	51		
RAROCAR, %	27	26	22	20	19		
Economic capital (EC)	328	358	362	347	356	-8%	-8%
Risk-weighted assets (RWA)	6,288	6,270	6,745	5,540	5,783	0%	9%
Number of employees (FTEs)	1,485	1,547	1,615	1,695	1,704	-4%	-13%
Volumes, EURbn:							
Lending to corporates	6.2	6.1	5.2	4.1	4.2	2%	48%
Lending to households	0.4	0.4	0.3	0.3	0.3	3%	36%
Total lending	**6.6**	**6.5**	**5.5**	**4.4**	**4.5**	**2%**	**47%**
Corporate deposits	2.7	2.4	1.5	1.6	0.9	11%	196%
Household deposits	0.2	0.2	0.1	0.1	0.1	17%	39%
Total deposits	**2.9**	**2.6**	**1.7**	**1.7**	**1.0**	**12%**	**176%**

Wholesale Banking other
(including Capital Markets unallocated)

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

Result

The Wholesale Banking other result further improved compared to the previous quarter. This was driven by strong trading and risk management income in Capital Markets.

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	-38	-35	-22	-14	-17	9%	124%
Net fee and commission income	-23	-32	-15	-23	-21	-28%	10%
Net result from items at fair value	210	163	-58	58	191	29%	10%
Equity method & other income	0	0	-1	1	4		-100%
Total income incl. allocations	**149**	**96**	**-96**	**22**	**157**	**55%**	**-5%**
Staff costs	-169	-149	-137	-160	-149	13%	13%
Total expenses incl. allocations	**-68**	**-62**	**-23**	**-63**	**-53**	**10%**	**28%**
Profit before loan losses	**81**	**34**	**-119**	**-41**	**104**	**138%**	**-22%**
Net loan losses	-1	1	-2	0	1		
Operating profit	**80**	**35**	**-121**	**-41**	**105**	**129%**	**-24%**
Economic capital (EC)	918	880	559	580	523	4%	76%
Risk-weighted assets (RWA)	8,294	8,678	4,989	5,619	5,128	-4%	62%
Number of employees (FTEs)	4,376	4,351	4,447	4,463	4,414	1%	-1%
Volumes, EURbn:							
Total lending volumes	25.1	26.6	28.6	25.9	24.2		
Total deposits volumes	15.2	15.0	17.0	17.6	11.8		

Volumes refers to Repo transactions within Capital Markets.

Wealth Management

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

Business development

Financial markets continued to recover in the first quarter and Nordea's Assets under Management (AuM) increased to an all-time-high of EUR 197.2bn, up EUR 9.8bn or 5% from the fourth quarter last year. Net inflow of EUR 1.2bn, positive market development as well as value added investment performance contributed to the increase in AuM.

Main contributors to the first quarter's net inflow were Private Banking with a net inflow of EUR 0.5bn, and Nordic Retail Funds with a net inflow of EUR 0.5bn indicating that the investment fund redemption trend was put to an end. Institutional sales reported a net outflow of EUR 0.1bn, underlying though, Global Fund Distribution successfully upheld its growth momentum with a net inflow of EUR 0.6bn.

In general, a considerable increase in risk appetite of household customers was noted in the first quarter, as customers started to substitute their savings deposits with investment funds.

Result

Wealth Management income was EUR 352m in the first quarter, up 9% from the same quarter last year and down 4% from the previous quarter. When excluding periodically recurring performance fees of the fourth quarter and fees recognised in Life & Pensions in the fourth quarter relating to the period January to September 2011, income was up 9% from the previous quarter.

The underlying quarterly increase in income is primarily attributable to the strong increase in AuM during the first quarter, but also positively affected by increasing margins due to a shift in asset mix towards higher margin products and a general higher level of customer-driven investment activities. As a result of successful cost management, operating profit was EUR 162m, up 25% from the same quarter last year and down 7% from the previous quarter, in full due to the periodically recurring performance fees in the fourth quarter.

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	43	33	33	34	30	30%	43%
Net fee and commission income	214	225	192	220	194	-5%	10%
Net result from items at fair value	89	101	38	76	93	-12%	-4%
Equity method & other income	6	6	8	1	5	0%	20%
Total income incl. allocations	**352**	**365**	**271**	**331**	**322**	**-4%**	**9%**
Staff costs	-115	-112	-110	-111	-119	3%	-3%
Total expenses incl. allocations	**-189**	**-190**	**-184**	**-181**	**-192**	**-1%**	**-2%**
Profit before loan losses	**163**	**175**	**87**	**150**	**130**	**-7%**	**25%**
Net loan losses	-1	0	0	0	0		
Operating profit	**162**	**175**	**87**	**150**	**130**	**-7%**	**25%**
Cost/income ratio, %	54	52	68	55	60		
RAROCAR, %	19	29	15	27	26		
Economic capital (EC)	2,469	1,741	1,586	1,564	1,444	42%	71%
Risk-weighted assets (RWA)	3,602	3,072	3,025	2,997	2,881	17%	25%
Number of employees (FTEs)	3,600	3,639	3,666	3,670	3,694	-1%	-3%
Volumes, EURbn:							
AuM, EURbn	197.2	187.4	177.9	191.1	192.0	5%	3%
Total lending volumes	8.3	8.0	7.7	7.8	7.5	4%	11%
Total deposits volumes	11.1	11.0	10.3	9.8	9.1	1%	22%

Assets under Management (AuM), volumes and net inflow

EURbn	Q112	net inflow, Q1	Q411	Q311	Q211	Q111
Nordic Retail funds	33.0	0.5	31.1	29.9	33.4	35.5
Private Banking	64.6	0.5	61.0	58.0	65.3	66.8
Institutional sales	46.8	-0.1	44.9	41.9	42.7	40.8
Life & Pensions	52.8	0.3	50.4	48.1	49.7	48.9
Total	**197.2**	**1.2**	**187.4**	**177.9**	**191.1**	**192.0**

Private Banking

Nordea Private Banking provides full-scale investment advice, wealth planning, credit, tax and estate planning services to wealthy individuals. Customers are served from 80 branches in the Nordic countries as well as from offices in Luxembourg and Zürich

Business development

Private Banking generated a net inflow of EUR 0.5bn in the first quarter, primarily driven by inflow from international private banking customers. Private Banking AuM was EUR 64.6bn at the end of the first quarter, up EUR 3.6bn or 6% from the fourth quarter last year. The increase in AuM was primarily a result of asset appreciation.

The number of Private Banking customers continues to increase. In the first quarter, the customer base increased by 1,045, up 1% from the previous quarter.

The productivity enhancement programme in our private banking offices continued in the first quarter and will remain a high priority activity throughout 2012. The ambition is to increase the capacity for acquiring new profitable customers and increase business with current customers by carrying out local lean activities. Adding to this are the efforts of transferring smaller private banking customers to Retail Banking as part of the programme in the Nordic offices.

In the first quarter, International Private Banking launched the first of a series of initiatives, which will reduce risk weighted assets and improve capital efficiency throughout 2012. As of beginning of 2012 lower risk weight have been applied to qualifying residential mortgage loans.

Result

Income was EUR 130m in the first quarter, up 9% from the same quarter last year and 12% from the previous quarter. This strong development was due to increasing AuM and increasing income margins following a general higher level of customer-driven investment activities. Operating profit was EUR 47m, up 34% from the same quarter last year and 57% from the previous quarter, not least as a result of several cost-efficiency measures.

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	38	30	29	31	28	27%	36%
Net fee and commission income	71	61	57	65	69	16%	3%
Net result from items at fair value	18	21	25	24	21	-14%	-14%
Equity method & other income	3	4	4	1	1		
Total income incl. allocations	**130**	**116**	**115**	**121**	**119**	**12%**	**9%**
Staff costs	-44	-43	-40	-39	-41	2%	7%
Total expenses incl. allocations	**-82**	**-86**	**-79**	**-71**	**-84**	**-5%**	**-2%**
Profit before loan losses	**48**	**30**	**36**	**50**	**35**	**60%**	**37%**
Net loan losses	-1	0	0	0	0		
Operating profit	**47**	**30**	**36**	**50**	**35**	**57%**	**34%**
Cost/income ratio, %	63	74	69	59	71		
RAROCAR, %	36	20	26	42	29		
Economic capital (EC)	374	391	351	320	307	-4%	22%
Risk-weighted assets (RWA)	3,602	3,072	3,025	2,997	2,881	17%	25%
Number of employees (FTEs)	1,301	1,303	1,302	1,289	1,281	0%	2%
Volumes, EURbn:							
AuM, EURbn	64.6	61.0	58.0	65.3	66.8	6%	-3%
Household mortgage lending	5.2	4.9	4.7	4.7	4.6	6%	13%
Consumer lending	3.1	3.1	3.0	3.1	2.9	0%	7%
Total lending	**8.3**	**8.0**	**7.7**	**7.8**	**7.5**	**4%**	**11%**
Household deposits	11.1	11.0	10.3	9.8	9.1	1%	22%
Total deposits	**11.1**	**11.0**	**10.3**	**9.8**	**9.1**	**1%**	**22%**

Asset Management

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

Business development

Nordea's first quarter investment performance was strong; 87% of composites outperformed benchmarks. In general, fixed-income composites continued to show very positive performance, whereas a few equity composites experienced difficulties in the quarter. Particularly defensive equity products did not keep up with first quarter’s improving equity markets, this should, however, be noted in the context of significant outperformance in 2011. Also on a long-term horizon (36 months) Nordea’s relative investment performance continues to be very strong with 91% of the investment composites outperforming benchmarks.

Nordea Asset Management continuously launches new products and reengineers the existing to stay competitive and deliver value adding performance. During the first quarter several new products were launched: new fixed income products targeted the European markets: “European Covered Bond” and “Low CDS”, and a new “European Cross Credit fund” the first ever dedicated product offering for the “premium segment” in Finland. This new Premium fund family consist of three funds. Furthermore, distribution of several recently launched Luxembourg-based funds was expanded to the Nordic countries.

A strong net inflow of EUR 0.5bn was reported in the Nordic retail funds. This reflects the positive market sentiment: customers risk appetite was increasing; savings deposits were substituted with investment funds products and more specifically the interest in equity fund products returned.

Upon 12 consecutive quarters with a positive net inflow, institutional sales, which is the sum of institutional asset management and Global Fund Distribution reported a net outflow of EUR 0.1bn. Institutional asset management reported a net outflow of EUR 0.7bn in the first quarter. Outflow was a result of the loss of a few mandates in the Nordic region and concentrated to low margin fixed-income products; hence income value of flow remained positive. Net inflow from international mandates continued to be positive. On the other hand, the strong growth momentum in Global Fund Distribution was upheld with a net inflow of EUR 0.6bn reaching an all-time-high AuM of EUR 7.3bn. Nordic fixed-income products – which to a wide extent are used as Euro diversification – continued to attract assets during the first quarter, but also the US credit bond funds (High Yield and Corporate Bond) attracted strong inflows, reflecting the return to more risky assets in the fixed-income area. Finally, the improved stability of the financial markets increased investors’ interest in equity products.

Result

Total income in the first quarter was EUR 105m, up 9% from the same quarter last year and in line with the fourth quarter, however up 13% when excluding the periodically recurring performance fees of the fourth quarter. This increase in income was mainly a result of the significant increase in AuM, but also positively affected by an increasing income margin following a changed asset mix in favour of equities and retail funds. Measures of increasing cost efficiency paid of; operating profit was EUR 52m, up 30% from the same quarter last year and 2% from the fourth quarter.

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	1	1	1	1	1	0%	0%
Net fee and commission income	102	106	90	95	93	-4%	10%
Net result from items at fair value	2	-3	-3	0	1		100%
Equity method & other income	0	1	1	1	1	-100%	-100%
Total income incl. allocations	**105**	**105**	**89**	**97**	**96**	**0%**	**9%**
Staff costs	-24	-25	-25	-27	-30	-4%	-20%
Total expenses incl. allocations	**-53**	**-54**	**-51**	**-57**	**-56**	**-2%**	**-5%**
Profit before loan losses	**52**	**51**	**38**	**40**	**40**	**2%**	**30%**
Net loan losses	0	0	0	0	0		
Operating profit	**52**	**51**	**38**	**40**	**40**	**2%**	**30%**
Cost/income ratio, %	50	51	57	59	58		
Income, spread (basis points)	35	37	32	34	34		
Economic capital (EC)	82	59	65	66	65	39%	26%
AuM, EURbn	122.2	116.3	110.0	115.1	113.5	5%	8%
Number of employees (FTEs)	573	567	572	573	572	1%	0%

Life & Pensions

Life & Pensions serves Nordea's customers with pension, endowment and risk products tailor-made for bank distribution in the Nordic countries, Poland, the Baltic countries, the Isle of Man and Luxembourg. For the Danish, Norwegian and Polish markets, sales are also conducted through Life & Pensions' own sales force which operates independently of Nordea branches, as well as tied agents and insurance brokers.

Business development

Gross written premiums amounted to EUR 1,540m in the first quarter, up 18% compared to the fourth quarter in 2011. Sales via the Nordea bank channel accounted for 57% of the total premiums in the first quarter.

Life & Pensions' strategic focus to shift the product portfolio towards capital-efficient products continued in the first quarter. Effects were that 69% of total premiums were channeled into unit-linked, premium guarantee traditional or pure risk products. Accordingly, first quarter's net inflow mix was EUR 0.6bn in unit-linked products and EUR 0.3bn in premium guarantee products, while an outflow of EUR 0.6bn in traditional business was recorded as a result of customer migration.

Financial buffers in the traditional portfolios increased EUR 0.3bn during the first quarter to EUR 1.6bn corresponding to 6.2% of technical provision, up 1.1 %-points from the end of the fourth quarter 2011. The total average investment return in the traditional portfolios was 2.8**%** in the first quarter, reflecting the strong asset and liability management efforts on managing the buffers in a turbulent financial environment.

Result

The first quarter's operating profit was strong at EUR 57m and EUR 7m higher than the first quarter 2011. The result was lower than in the fourth quarter, but adjusted for non-recurring items in the fourth quarter, the result was unchanged.

Unit-linked and pure risk products continued to increase in importance as main profit generators. In the first quarter Unit-linked and risk products contributed with 65% of total underlying operating profit.

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	0	0	0	0	0		
Net fee and commission income	41	58	46	59	31	-29%	32%
Net result from items at fair value	68	83	15	52	71	-18%	-4%
Equity method & other income	2	1	3	-3	0	100%	
Total income incl. allocations	**111**	**142**	**64**	**108**	**102**	**-22%**	**9%**
Staff costs	-33	-29	-32	-30	-34	14%	-3%
Total expenses incl. allocations	**-54**	**-50**	**-54**	**-53**	**-52**	**8%**	**4%**
Profit before loan losses	**57**	**92**	**10**	**55**	**50**	**-38%**	**14%**
Net loan losses	0	0	0	0	0		
Operating profit	**57**	**92**	**10**	**55**	**50**	**-38%**	**14%**
Cost/income ratio, %	48	35	84	49	51		
RAROCAR, %	10	22	2	10	10		
Economic capital (EC)	2,010	1,291	1,173	1,179	1,071	56%	88%
AuM, EURbn	47.6	45.5	43.4	44.7	43.9	5%	8%
Premiums	1,540	1,301	1,196	1,671	1,738	18%	-11%
Number of employees (FTEs)	1,311	1,334	1,351	1,361	1,399	-2%	-6%
Profit drivers							
Profit Traditional products	13	53	-52	19	19	-75%	-32%
Profit New Traditional products	1	-2	1	0	1		0%
Profit Unit Linked products	23	22	17	19	17	5%	35%
Profit Risk products	14	10	20	13	12	40%	17%
Total product result	**51**	**83**	**-14**	**51**	**49**	**-39%**	**4%**
Return on Shareholder equity, other profits and group adj.	6	9	24	4	1	-33%	
Operating profit	**57**	**92**	**10**	**55**	**50**	**-38%**	**14%**

Wealth Management other

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

EURm	Q112	Q411	Q311	Q211	Q111	Ch. Q112/Q411	Q112/Q111
Net interest income	4	2	3	2	1	100%	
Net fee and commission income	0	0	-1	1	1		-100%
Net result from items at fair value	1	0	1	0	0		
Equity method & other income	1	0	0	2	3		-67%
Total income incl. allocations	**6**	**2**	**3**	**5**	**5**		**20%**
Staff costs	-14	-15	-13	-15	-14	-7%	0%
Total expenses incl. allocations	**0**	**0**	**0**	**0**	**0**		
Profit before loan losses	**6**	**2**	**3**	**5**	**5**		**20%**
Net loan losses	0	0	0	0	0		
Operating profit	**6**	**2**	**3**	**5**	**5**		**20%**
Economic capital (EC)	3	0	-3	-1	1		
Number of employees (FTEs)	415	435	441	447	442	-5%	-6%

Group Functions and Other

Together with the results in the business areas, the results of the Group functions and Other add up to the reported result in 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 and Eliminations include the Transfer account centre, through which funding costs are allocated to business areas, as well as Group Operations and other Group Functions.

Group Corporate Centre

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

The average cost for long-term funding increased slightly during the first quarter.

The proportion of long-term funding of total funding was at the end of the first quarter approx. 73%, up from 64% at the end of the fourth quarter.

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

For short-term liquidity risks, Nordea uses a measure close to the liquidity coverage ratio (LCR). The liquidity buffer is composed of highly liquid central-bank-eligible securities with characteristics similar to Basel III/CRD IV-liquid assets and amounted to EUR 60bn at the end of the first quarter (EUR 64bn at the end of 2011). During the first quarter, due to several factors, Nordea was able to considerably lengthen the maturity structure of its short-term issuance at attractive levels. Furthermore, due to Nordea's strong liquidity position, the actual volume of outstanding short-term debt decreased from EUR 67bn at year-end 2011 to EUR 44bn by the end of the first quarter.

Nordea issued approx. EUR 11.5bn of long-term funding in the first quarter, of which approx. EUR 4.6bn represented issuance of Swedish, Norwegian and Finnish covered bonds in the domestic and international markets.

The average price risk on Group Treasury's interest-rate positions, calculated as VaR, was EUR 37m during the first quarter. The risk related to equities, calculated as VaR, was EUR 5m and the risk related to credit spreads (VaR) was EUR 6m. Both interest rate risk, credit spread risk and equity risk was largely unchanged compared to the fourth quarter.

Result

Total operating income was EUR 123m in the first quarter. Net interest income was largely unchanged at EUR 107m in the first quarter compared to EUR 100m in the previous quarter. Net result on items at fair value was also largely unchanged at EUR 15m compared to EUR 18m in the fourth quarter. Operating profit was EUR 87m.

	Group Corporate Centre					Ch.		**Group functions, Other & Eliminations**					Ch.	
EURm	Q112	Q411	Q311	Q211	Q111	Q112/Q411	Q112/Q111	Q112	Q411	Q311	Q211	Q111	Q112/Q411	Q112/Q111
Net interest income	107	100	105	76	86	7%	24%	5	7	5	10	57	-29%	-91%
Net fee and commission income	0	-3	-3	-3	-3	-100%	-100%	-32	-20	-31	-38	-9	60%	
Net result from items at fair value	15	18	-86	3	66	-17%	-77%	-78	-9	0	-13	-19		
Other income	1	0	1	0	1		0%	30	20	5	21	20	50%	50%
Total operating income	**123**	**115**	**17**	**76**	**150**	**7%**	**-18%**	**-75**	**-2**	**-21**	**-20**	**49**		
Staff costs	-18	-12	-17	-13	-18	50%	0%	-104	-97	-256	-87	-108	7%	-4%
Total operating expenses	**-36**	**-27**	**-45**	**-43**	**-46**	**33%**	**-22%**	**-54**	**-44**	**-236**	**-21**	**-11**	**23%**	
Net loan losses	0	0	0	0	0			2	0	3	-3	-5		
Operating profit	**87**	**88**	**-28**	**33**	**104**	**-1%**	**-16%**	**-127**	**-46**	**-254**	**-44**	**33**	**176%**	
Economic capital (EC)	541	551	558	690	771	-2%	-30%	673	859	731	640	625	-22%	8%
Risk-weighted assets (RWA)	5,718	4,399	3,950	2,809	4,162	30%	37%	7,458	8,260	6,923	7,415	8,140	-10%	-8%
Number of employees (FTEs)	424	441	455	457	462	-4%	-8%							

Customer segments

Corporate customer segments and financial institutions, key figures

	Corporate & Institutional Banking			Large corporate customers (Nordic)			Other corporate customers (Nordic)			Poland & Baltic corporate customers		
	Q1 12	Q4 11	Q1 11	Q1 12	Q4 11	Q1 11	Q1 12	Q4 11	Q1 11	Q1 12	Q4 11	Q1 11
Number of customer '000 (EOP)	12	12	12	29	28	26				96	94	87
Income, EURm	**439**	**440**	**429**	**370**	**351**	**313**	**246**	**238**	**231**	**49**	**54**	**46**
Volumes, EURbn												
Lending	46.2	45.5	43.5	57.3	56.5	54.1	26.2	26.0	25.6	7.9	7.8	6.9
Deposit	40.8	37.0	32.2	20.8	20.0	19.2	20.5	22.3	21.2	3.3	3.2	2.3

	Russian corporate customers			Shipping customers			Corporate and financial institutions Total		
	Q1 12	Q4 11	Q1 11	Q1 12	Q4 11	Q1 11	Q1 12	Q4 11	Q1 11
Number of customer '000 (EOP)	6	6	6	2	2	2			
Income, EURm	**44**	**45**	**36**	**97**	**110**	**101**	**1,245**	**1,238**	**1,156**
Volumes, EURbn									
Lending	6.2	6.1	4.2	13.6	13.6	13.2	157.3	155.5	147.5
Deposit	2.7	2.4	0.9	4.5	4.7	4.8	92.6	89.7	80.7

Household customer segments, key figures

	Private Banking			Gold customers (Nordic)			Other household customers (Nordic)			Poland & Baltic household customers		
	Q1 12	Q4 11	Q1 11	Q1 12	Q4 11	Q1 11	Q1 12	Q4 11	Q1 11	Q1 12	Q4 11	Q1 11
Number of customer '000 (EOP)	104	103	102	2,931	2,918	2,840				939	925	848
Of which Gold+Private Banking										149	150	130
Income, EURm	**161**	**143**	**150**	**647**	**608**	**530**	**183**	**183**	**175**	**44**	**50**	**46**
Volumes, EURbn												
Lending	8.3	7.9	7.8	129.9	128.4	121.8	8.9	9.1	9.2	7.2	7.1	6.3
Deposit	11.1	11.0	9.2	54.8	54.4	50.8	16.4	16.4	16.3	2.0	1.8	1.6
Assets under Management	64.6	61.0	66.8									

	Russian household customers			Household customers Total		
	Q1 12	Q4 11	Q1 11	Q1 12	Q4 11	Q1 11
Number of customer '000 (EOP)	61	62	55			
Of which Gold+Private Banking				3,184	3,171	3,072
Income, EURm	**4**	**5**	**4**	**1,039**	**989**	**905**
Volumes, EURbn						
Lending	0.4	0.4	0.3	154.7	152.9	145.4
Deposit	0.2	0.2	0.1	84.5	83.8	78.1

Income statement

EURm	Note	Q1 2012	Q1 2011	Full year 2011
Operating income				
Interest income		*3,162*	*2,746*	*11,955*
Interest expense		*-1,742*	*-1,422*	*-6,499*
Net interest income		1,420	1,324	5,456
Fee and commission income		*787*	*788*	*3,122*
Fee and commission expense		*-191*	*-186*	*-727*
Net fee and commission income	3	596	602	2,395
Net result from items at fair value	4	469	544	1,517
Profit from companies accounted for under the equity method		23	18	42
Other operating income		23	22	91
Total operating income		**2,531**	**2,510**	**9,501**
Operating expenses				
General administrative expenses:				
Staff costs		-771	-768	-3,113
Other expenses	5	-455	-453	-1,914
Depreciation, amortisation and impairment charges of tangible and intangible assets		-50	-44	-192
Total operating expenses		**-1,276**	**-1,265**	**-5,219**
Profit before loan losses		**1,255**	**1,245**	**4,282**
Net loan losses	6	-218	-242	-735
Operating profit		**1,037**	**1,003**	**3,547**
Income tax expense		-262	-261	-913
Net profit for the period		**775**	**742**	**2,634**
Attributable to:				
Shareholders of Nordea Bank AB (publ)		773	740	2,627
Non-controlling interests		2	2	7
Total		**775**	**742**	**2,634**
Basic earnings per share, EUR		0.19	0.18	0.65
Diluted earnings per share, EUR		0.19	0.18	0.65

Statement of comprehensive income

EURm	Q1 2012	Q1 2011	Full year 2011
Net profit for the period	**775**	**742**	**2,634**
Currency translation differences during the period	192	-9	-28
Currency hedging of net investments in foreign operations	-98	-3	0
Tax on currency hedging of net investments in foreign operations	26	1	0
Available-for-sale investments:			
Valuation gains/losses during the period	59	4	5
Tax on valuation gains/losses during the period	-15	-1	-1
Cash flow hedges:			
Valuation gains/losses during the period	-47	-	166
Tax on valuation gains/losses during the period	12	-	-43
Other comprehensive income, net of tax	**129**	**-8**	**99**
Total comprehensive income	**904**	**734**	**2,733**
Attributable to:			
Shareholders of Nordea Bank AB (publ)	902	732	2,726
Non-controlling interests	2	2	7
Total	**904**	**734**	**2,733**

Balance sheet

EURm	Note	31 Mar 2012	31 Dec 2011	31 Mar 2011
Assets				
Cash and balances with central banks		3,346	3,765	3,248
Loans to credit institutions	7	41,178	51,865	22,456
Loans to the public	7	340,768	337,203	322,414
Interest-bearing securities		85,441	92,373	78,853
Financial instruments pledged as collateral		8,302	8,373	11,345
Shares		22,261	20,167	18,236
Derivatives	10	165,770	171,943	81,749
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-290	-215	1,172
Investments in associated undertakings		584	591	577
Intangible assets		3,393	3,321	3,272
Property and equipment		469	469	455
Investment property		3,632	3,644	3,579
Deferred tax assets		178	169	280
Current tax assets		252	185	274
Retirement benefit assets		225	223	189
Other assets		15,656	19,425	11,831
Prepaid expenses and accrued income		2,883	2,703	2,405
Total assets		**694,048**	**716,204**	**562,335**
Of which assets customer bearing the risk		*17,886*	*16,170*	*15,734*
Liabilities				
Deposits by credit institutions		58,156	55,316	46,985
Deposits and borrowings from the public		193,488	190,092	173,262
Liabilities to policyholders		42,425	40,715	39,486
Debt securities in issue		170,671	179,950	150,119
Derivatives	10	162,709	167,390	82,498
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,163	1,274	358
Current tax liabilities		222	154	381
Other liabilities		26,283	43,368	33,057
Accrued expenses and prepaid income		4,141	3,496	3,607
Deferred tax liabilities		1,011	1,018	871
Provisions		424	483	434
Retirement benefit obligations		326	325	304
Subordinated liabilities		7,065	6,503	6,865
Total liabilities		**668,084**	**690,084**	**538,227**
Equity				
Non-controlling interests		85	86	83
Share capital		4,047	4,047	4,043
Share premium reserve		1,080	1,080	1,073
Other reserves		82	-47	-154
Retained earnings		20,670	20,954	19,063
Total equity		**25,964**	**26,120**	**24,108**
Total liabilities and equity		**694,048**	**716,204**	**562,335**
Assets pledged as security for own liabilities[1]		156,162	146,894	160,769
Other assets pledged		5,187	6,090	6,428
Contingent liabilities		23,253	24,468	23,357
Credit commitments[2]		89,807	85,319	86,017
Other commitments		1,383	1,651	3,864

[1] Includes, as from the second quarter 2011, only assets on Nordea's balance sheet. Comparative figures have been restated accordingly.

[2] Including unutilised portion of approved overdraft facilities of EUR 46,722m (31 Dec 2011: 47,607m, 31 Mar 2011: EUR 45,795m).

Statement of changes in equity

EURm	Share capital[1]	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available-for-sale investments	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to shareholders of Nordea Bank AB (publ)		Other reserves:						
Opening balance at 1 Jan 2012	**4,047**	**1,080**	**-176**	**123**	**6**	**20,954**	**26,034**	**86**	**26,120**
Total comprehensive income	-	-	120	-35	44	773	902	2	904
Share-based payments	-	-	-	-	-	1	1	-	1
Dividend for 2011	-	-	-	-	-	-1,048	-1,048	-	-1,048
Purchases of own shares[2]	-	-	-	-	-	-10	-10	-	-10
Other changes	-	-	-	-	-	-	-	-3	-3
Closing balance at 31 Mar 2012	**4,047**	**1,080**	**-56**	**88**	**50**	**20,670**	**25,879**	**85**	**25,964**

EURm	Share capital[1]	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available-for-sale investments	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to shareholders of Nordea Bank AB (publ)		Other reserves:						
Opening balance at 1 Jan 2011	**4,043**	**1,065**	**-148**	**-**	**2**	**19,492**	**24,454**	**84**	**24,538**
Total comprehensive income	-	-	-28	123	4	2,627	2,726	7	2,733
Issued C-shares[3]	4	-	-	-	-	-	4	-	4
Repurchase of C-shares[3]	-	-	-	-	-	-4	-4	-	-4
Share-based payments	-	-	-	-	-	11	11	-	11
Dividend for 2010	-	-	-	-	-	-1,168	-1,168	-	-1,168
Purchases of own shares[2]	-	-	-	-	-	-4	-4	-	-4
Other changes	-	15[4]	-	-	-	-	15	-5	10
Closing balance at 31 Dec 2011	**4,047**	**1,080**	**-176**	**123**	**6**	**20,954**	**26,034**	**86**	**26,120**

EURm	Share capital[1]	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available-for-sale investments	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to shareholders of Nordea Bank AB (publ)		Other reserves:						
Opening balance at 1 Jan 2011	**4,043**	**1,065**	**-148**	**-**	**2**	**19,492**	**24,454**	**84**	**24,538**
Total comprehensive income	-	-	-11	-	3	740	732	2	734
Share-based payments	-	-	-	-	-	3	3	-	3
Dividend for 2010	-	-	-	-	-	-1,168	-1,168	-	-1,168
Purchases of own shares[2]	-	-	-	-	-	-4	-4	-	-4
Other changes	-	8[4]	-	-	-	-	8	-3	5
Closing balance at 31 Mar 2011	**4,043**	**1,073**	**-159**	**-**	**5**	**19,063**	**24,025**	**83**	**24,108**

[1] Total shares registered were 4,047 million (31 Dec 2011: 4,047 million, 31 Mar 2011: 4,043 million).

[2] Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares at 31 Mar 2012 were 22.1 million (31 Dec 2011: 20.7 million, 31 Mar 2011: 17.3 million).

[3] Refers to the Long Term Incentive Programme (LTIP). LTIP 2011 was hedged by issuing 4,730,000 C-shares, the shares have been bought back and converted to ordinary shares. The total holding of own shares related to LTIP is 18.0 million (31 Dec 2011: 18.2 million, 31 Mar 2011: 15.3 million)

[4] In connection to the rights issue in 2009 an assessment was made on the VAT Nordea would have to pay on the transaction costs. This assessment has been changed in 2011 based on a new tax case law.

Cash flow statement

EURm	Jan-Mar 2012	Jan-Mar 2011	Full year 2011
Operating activities			
Operating profit	1,037	1,003	3,547
Adjustments for items not included in cash flow	1,273	137	608
Income taxes paid	-274	-431	-981
Cash flow from operating activities before changes in operating assets and liabilities	2,036	709	3,174
Changes in operating assets and liabilities	-3,586	-11,756	627
Cash flow from operating activities	-1,550	-11,047	3,801
Investing activities			
Property and equipment	-27	-26	-123
Intangible assets	-43	-70	-191
Net investments in debt securities, held to maturity	465	5,787	7,876
Other financial fixed assets	-	-17	-68
Cash flow from investing activities	395	5,674	7,494
Financing activities			
New share issue	-	-	4
Issued/amortised subordinated liabilities	750	-579	-1,341
Divestment/repurchase of own shares incl change in trading portfolio	-10	-4	-4
Dividend paid	-1,048	-1,168	-1,168
Cash flow from financing activities	-308	-1,751	-2,509
Cash flow for the period	**-1,463**	**-7,124**	**8,786**
Cash and cash equivalents at beginning of the period	**22,606**	**13,706**	**13,706**
Translation difference	-557	12	114
Cash and cash equivalents at end of the period	**20,586**	**6,594**	**22,606**
Change	**-1,463**	**-7,124**	**8,786**

Cash and cash equivalents	31 Mar	31 Mar	31 Dec
The following items are included in cash and cash equivalents (EURm):	2012	2011	2011
Cash and balances with central banks	3,346	3,248	3,765
Loans to credit institutions, payable on demand	17,240	3,346	18,841

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

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

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

Notes to the financial statements

Note 1 Accounting policies

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of such standards by the International Financial Reporting Standards Interpretations Committee (IFRS IC), as endorsed by the EU Commission. In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the recommendation RFR 1 "Supplementary Accounting Rules for Groups" and UFR statements issued by the Swedish Financial Reporting Board as well as the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11 and 2011:54) 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 2011 Annual Report, except for the categorisation of commissions within "Net fee and commission income" (Note 3) and the definition of impaired loans in "Loans and impairment" (Note 7). These changes are further described below.

The recognition of repurchase and reverse repurchase agreements was furthermore changed in Q3 2011. The comparative figures for Q1 2011 have been restated accordingly and the impact is disclosed in the below table.

	31 Mar 2011	
EURm	New policy	Old policy
Reverse repurchase agreements		
Loans to credit institutions	22,456	26,284
Loans to the public	322,414	330,536
Other liabilities	33,057	45,007
Repurchase agreements		
Deposits by credit institutions	46,985	50,235
Deposits and borrowings from the public	173,262	182,344
Other assets	11,831	24,163

Definition of impaired loans

The definition of impaired loans has been changed and includes all loans that have, as a consequence of identified loss events, been written down either individually, for individually significant loans, or as part of a portfolio, for individually insignificant loans. The comparative figures have been restated accordingly and are disclosed in the below table.

	31 Dec 2011		31 Mar 2011	
EURm	New policy	Old policy	New policy	Old policy
Impaired loans	5,125	5,438	4,820	5,075
- Performing	2,946	3,287	2,641	2,938
- Non-performing	2,179	2,151	2,179	2,137

Categorisation of commissions

The categorisation of commissions within "Net fee and commission income" has been improved by merging similar types of commissions. Commissions received for securities issues, corporate finance activities and issuer services have been reclassified from "Payments" and "Other commission income" to the renamed lines "Brokerage, securities issues and corporate finance" and "Custody and issuer services". The comparable figures have been restated accordingly and are disclosed in the below table.

	Q4 2011		Q1 2011		Jan-Dec 2011	
EURm	New policy	Old policy	New policy	Old policy	New policy	Old policy
Brokerage, securities issues and corporate finance	59	48	73	58	266	200
Custody and issuer services	31	25	20	16	115	90
Payments	105	110	97	103	399	421
Other commission income	30	42	38	51	141	210

Exchange rates

EUR 1 = SEK	Jan-Mar 2012	Jan-Dec 2011	Jan-Mar 2011
Income statement (average)	8.8534	9.0293	8.8684
Balance sheet (at end of period)	8.8455	8.9120	8.9329
EUR 1 = DKK			
Income statement (average)	7.4350	7.4506	7.4549
Balance sheet (at end of period)	7.4399	7.4342	7.4567
EUR 1 = NOK			
Income statement (average)	7.5874	7.7946	7.8261
Balance sheet (at end of period)	7.6040	7.7540	7.8330
EUR 1 = PLN			
Income statement (average)	4.2326	4.1203	3.9466
Balance sheet (at end of period)	4.1522	4.4580	4.0106
EUR 1 = RUB			
Income statement (average)	39.5678	40.8809	40.0090
Balance sheet (at end of period)	39.2950	41.7650	40.2850

Note 2 Segment reporting

	Operating segments													
	Retail Banking		Wholesale Banking		Group Corporate Centre		Other Operating segments[1]		Total operating segments		Recon-ciliation		**Total Group**	
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		**Jan-Mar**	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	**2012**	**2011**
Total operating income, EURm	1,445	1,318	735	738	123	150	298	318	2,601	2,524	-70	-14	**2,531**	**2,510**
Operating profit, EURm	496	305	443	457	88	105	123	151	1,150	1,018	-113	-15	**1,037**	**1,003**
Loans to the public[2], EURbn	223	214	64	59	-	-	7	6	294	279	47	43	**341**	**322**
Deposits and borrowings from the public[2], EURbn	108	103	46	39	-	-	8	7	162	149	31	24	**193**	**173**

[1] Including the main business area Wealth Management.
[2] The volumes are only disclosed separate for operating segments if separately reported to the Chief Operating Decision Maker.

Break-down of Retail Banking and Wholesale Banking

	Total operating income, EURm		Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	Jan-Mar		Jan-Mar		31 Mar		31 Mar	
	2012	2011	2012	2011	2012	2011	2012	2011
Retail Banking Nordic[1]	1,410	1,268	530	308	209	202	103	99
Retail Banking Poland & Baltic countries[1]	99	93	43	35	14	12	5	4
Retail Banking Other[2]	-64	-43	-77	-38	-	-	-	-
Retail Banking	**1,445**	**1,318**	**496**	**305**	**223**	**214**	**108**	**103**
Corporate & Institutional Banking	434	428	310	253	45	42	39	33
Shipping, Offshore & Oil Services	95	102	19	72	13	13	5	5
Nordea Bank Russia	50	47	26	22	6	4	2	1
Capital Markets unallocated	190	173	125	124	-	-	-	-
Wholesale Banking Other[3]	-34	-12	-37	-14	-	-	-	-
Wholesale Banking	**735**	**738**	**443**	**457**	**64**	**59**	**46**	**39**

[1] Retail Banking Nordic includes banking operations in Denmark, Finland, Norway and Sweden, while Retail Banking Poland & Baltic countries includes banking operations in Estonia, Latvia, Lithuania, and Poland.
[2] Retail Banking Other includes the support areas Development & Projects, Distribution, Segments, Products and IT within the main business area Retail Banking.
[3] Wholesale Banking Other includes the area International Units and the support areas Transaction Products, Segment CIB and IT within the main business area Wholesale Banking.

Reconciliation between total operating segments and financial statements

	Operating profit, Jan-Mar		Loans to the public, EURbn 31 Mar		Deposits and borrowings 31 Mar	
	2012	2011	2012	2011	2012	2011
Total Operating segments	1,150	1,018	294	279	162	149
Group functions[1]	-18	-6	-	-	-	-
Unallocated items	-104	-11	40	35	14	15
Differences in accounting policies[2]	9	2	7	8	17	9
Total	**1,037**	**1,003**	**341**	**322**	**193**	**173**

[1] Consists of Group Risk Management, Group Internal Audit, Group Identity & Communications, Group Human Resources, Board of Directors and Executive Management.
[2] Impact from plan rates used in the segment reporting.

Measurement of operating segments' performance

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

Internally developed and bought software have previously been expensed as incurred in the operating segments but capitalised, as required by IAS 38, in the group's balance sheet. As from the first quarter 2012 internally developed and bought software are capitalised directly in the operating segments. Comparative information has been restated accordingly.

Changes in basis of segmentation

Compared with the 2011 Annual Report there have been no changes in the basis of segmentation.

Financial results are presented for the two main business areas Retail Banking and Wholesale Banking, with further breakdown on operating segments, and the operating segment Group Corporate Centre. Other operating segments below the quantitative thresholds in IFRS 8 are included in Other operating segments. Group functions and eliminations as well as the result that is not fully allocated to any of the operating segments, are shown separately as reconciling items.

Note 3 Net fee and commission income

EURm	Q1 2012	Q4 2011	Q1 2011	Jan-Dec 2011
Asset management commissions	200	181	202	754
Life insurance	68	72	82	306
Brokerage, securities issues and corporate finance	77	59	73	266
Custody and issuer services	21	31	20	115
Deposits	12	11	11	44
Total savings and investments	378	354	388	1,485
Payments	103	105	97	399
Cards	109	116	100	446
Total payment and cards	212	221	197	845
Lending	108	111	110	437
Guarantees and documentary payments	57	55	55	214
Total lending related commissions	165	166	165	651
Other commission income	32	30	38	141
Fee and commission income	**787**	**771**	**788**	**3,122**
Savings and investments	-66	-46	-69	-245
Payments	-22	-24	-19	-87
Cards	-56	-63	-48	-219
State guarantee fees	-20	-17	-13	-55
Other commission expenses	-27	-33	-37	-121
Fee and commission expenses	**-191**	**-183**	**-186**	**-727**
Net fee and commission income	**596**	**588**	**602**	**2,395**

Note 4 Net result from items at fair value

EURm	Q1 2012	Q4 2011	Q1 2011	Jan-Dec 2011
Shares/participations and other share-related instruments	1,243	1,696	59	-518
Interest-bearing securities and other interest-related instruments	79	-174	369	1,452
Other financial instruments	50	24	-22	163
Foreign exchange gains/losses	277	2	149	546
Investment properties	30	18	45	158
Change in technical provisions[1], Life insurance	-985	-909	76	-937
Change in collective bonus potential, Life insurance	-238	-162	-141	607
Insurance risk income, Life insurance	45	46	61	217
Insurance risk expense, Life insurance	-32	-35	-52	-171
Total	**469**	**506**	**544**	**1,517**

Of which Life insurance

EURm	Q1 2012	Q4 2011	Q1 2011	Jan-Dec 2011
Shares/participations and other share-related instruments	1,230	1,632	5	-629
Interest-bearing securities and other interest-related instruments	-48	-428	-55	959
Other financial instruments	0	2	-1	0
Foreign exchange gains/losses	56	-91	110	-23
Investment properties	30	17	45	156
Change in technical provisions[1], Life insurance	-985	-909	76	-937
Change in collective bonus potential, Life insurance	-238	-162	-141	607
Insurance risk income, Life insurance	45	46	61	217
Insurance risk expense, Life insurance	-32	-35	-52	-171
Total	**58**	**72**	**48**	**179**

[1] Premium income amounts to EUR 736m for Q1 2012 (Q4 2011: EUR 622m, Q1 2011: EUR 667m, Jan-Dec 2011: EUR 2,544m).

Note 5 Other expenses

EURm	Q1 2012	Q4 2011	Q1 2011	Jan-Dec 2011
Information technology	-158	-163	-149	-647
Marketing and entertainment	-23	-40	-29	-131
Postage, transportation, telephone and office expenses	-59	-61	-59	-232
Rents, premises and real estate expenses	-104	-103	-109	-444
Other	-111	-135	-107	-460
Total	**-455**	**-502**	**-453**	**-1,914**

Note 6 Net loan losses

EURm	Q1 2012	Q4 2011	Q1 2011	Jan-Dec 2011
Loan losses divided by class				
Loans to credit institutions	0	0	1	2
Loans to the public	-204	-278	-167	-659
- of which provisions	-298	-380	-285	-1,154
- of which write-offs	-107	-235	-133	-800
- of which allowances used for covering write-offs	72	180	108	625
- of which reversals	112	131	129	596
- of which recoveries	17	26	14	74
Off-balance sheet items	-14	15	-76	-78
Total	**-218**	**-263**	**-242**	**-735**

Key ratios

	Q1 2012	Q4 2011	Q1 2011	Jan-Dec 2011
Loan loss ratio, basis points	26	33	31	23
- of which individual	26	37	37	30
- of which collective	0	-4	-6	-7

Note 7 Loans and impairment[1]

EURm	Total 31 Mar 2012	31 Dec 2011	31 Mar 2011
Loans, not impaired	378,874	386,414	342,625
Impaired loans	5,668	5,125	4,820
- Performing	3,473	2,946	2,641
- Non-performing	2,195	2,179	2,179
Loans before allowances	**384,542**	**391,539**	**347,445**
Allowances for individually assessed impaired loans	-2,034	-1,892	-1,842
- Performing	-1,191	-1,080	-958
- Non-performing	-843	-812	-884
Allowances for collectively assessed impaired loans	-562	-579	-733
Allowances	**-2,596**	**-2,471**	**-2,575**
Loans, carrying amount	**381,946**	**389,068**	**344,870**

	Credit institutions			The public		
EURm	31 Mar 2012	31 Dec 2011	31 Mar 2011	31 Mar 2012	31 Dec 2011	31 Mar 2011
Loans, not impaired	41,173	51,860	22,449	337,701	334,554	320,176
Impaired loans	34	33	35	5,634	5,092	4,785
- Performing	9	9	10	3,464	2,937	2,631
- Non-performing	25	24	25	2,170	2,155	2,154
Loans before allowances	**41,207**	**51,893**	**22,484**	**343,335**	**339,646**	**324,961**
Allowances for individually assessed impaired loans	-26	-26	-26	-2,008	-1,866	-1,816
- Performing	-1	-	-	-1,190	-1,080	-958
- Non-performing	-25	-26	-26	-818	-786	-858
Allowances for collectively assessed impaired loans	-3	-2	-2	-559	-577	-731
Allowances	**-29**	**-28**	**-28**	**-2,567**	**-2,443**	**-2,547**
Loans, carrying amount	**41,178**	**51,865**	**22,456**	**340,768**	**337,203**	**322,414**

Allowances and provisions

EURm	31 Mar 2012	31 Dec 2011	31 Mar 2011
Allowances for items in the balance sheet	-2,596	-2,471	-2,575
Provisions for off balance sheet items	-107	-93	-160
Total allowances and provisions	**-2,703**	**-2,564**	**-2,735**

Key ratios

	31 Mar 2012	31 Dec 2011	31 Mar 2011
Impairment rate, gross, basis points	147	131	139
Impairment rate, net, basis points	95	83	86
Total allowance rate, basis points	68	63	74
Allowances in relation to impaired loans, %	36	37	38
Total allowances in relation to impaired loans, %	46	48	53
Non-performing, not impaired, EURm	402	405	336

[1] The comparative figures for 31 March and 31 December 2011 regarding impaired loans have been restated to ensure consistency between the periods.

Note 8 Classification of financial instruments

EURm	Loans and receivables	Held to maturity	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	3,346	-	-	-	-	-	3,346
Loans to credit institutions	29,810	-	8,217	3,151	-	-	41,178
Loans to the public	267,486	-	24,108	49,174	-	-	340,768
Interest-bearing securities	641	7,159	39,440	20,889	-	17,312	85,441
Financial instruments pledged as collateral	-	-	8,302	-	-	-	8,302
Shares	-	-	5,623	16,628	-	10	22,261
Derivatives	-	-	163,410	-	2,360	-	165,770
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-290	-	-	-	-	-	-290
Other assets	9,423	-	-	6,211	-	-	15,634
Prepaid expenses and accrued income	2,080	-	158	43	-	-	2,281
Total 31 Mar 2012	**312,496**	**7,159**	**249,258**	**96,096**	**2,360**	**17,322**	**684,691**
Total 31 Dec 2011	325,920	7,893	254,586	96,451	2,541	19,814	707,205
Total 31 Mar 2011	287,827	10,263	186,848	86,456	534	5,731	577,659

EURm	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	21,235	1,664	-	35,257	58,156
Deposits and borrowings from the public	14,264	6,659	-	172,565	193,488
Liabilities to policyholders, investment contracts	-	10,966	-	-	10,966
Debt securities in issue	6,404	32,287	-	131,980	170,671
Derivatives	162,056	-	653	-	162,709
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	1,163	1,163
Other liabilities	8,757	4,490	-	12,982	26,229
Accrued expenses and prepaid income	-	529	-	2,398	2,927
Subordinated liabilities	-	-	-	7,065	7,065
Total 31 Mar 2012	**212,716**	**56,595**	**653**	**363,410**	**633,374**
Total 31 Dec 2011	213,415	61,836	627	380,582	656,460
Total 31 Mar 2011	141,144	56,090	923	331,510	529,667

Note 9 Financial instruments

Determination of fair value from quoted market prices or valuation techniques

31 Mar 2012, EURm	Quoted prices in active markets for same instrument (Level 1)	*Of which Life*	Valuation technique using observable data (Level 2)	*Of which Life*	Valuation technique using non-observable data (Level 3)	*Of which Life*	Total
Assets							
Loans to credit institutions	49	-	11,319	-	-	-	11,368
Loans to the public	-	-	73,282	-	-	-	73,282
Debt securities[1]	60,400	*14,315*	24,336	*5,813*	1,207	*762*	85,943
Shares[2]	17,965	*13,205*	4	*0*	4,292	*3,317*	22,261
Derivatives	274	*24*	164,528	*14*	968	-	165,770
Other assets	-	-	6,211	-	-	-	6,211
Prepaid expenses and accrued income	-	-	201	-	-	-	201
Liabilities							
Deposits by credit institutions	-	-	22,899	-	-	-	22,899
Deposits and borrowings from the public	-	-	20,923	-	-	-	20,923
Liabilities to policyholders	-	-	10,966	*10,966*	-	-	10,966
Debt securities in issue	32,287	-	6,404	-	-	-	38,691
Derivatives	113	*0*	161,241	*1*	1,355	-	162,709
Other liabilities	4,237	-	9,010	-	-	-	13,247
Accrued expenses and prepaid income	-	-	529	-	-	-	529

[1] Of which EUR 77,641m relates to Interest-bearing securities (the portion held at fair value in Note 8). EUR 8,302m relates to the balance sheet item Financial instruments pledged as collateral.

[2] EUR 0m relates to the balance sheet item Financial instruments pledged as collateral.

Note 10 Derivatives

Fair value	31 Mar 2012		31 Dec 2011		31 Mar 2011	
EURm	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives	149,458	146,069	149,336	146,540	62,736	61,122
Equity derivatives	686	849	638	688	814	968
Foreign exchange derivatives	10,871	12,831	16,527	16,535	15,629	17,261
Credit derivatives	1,003	1,000	1,483	1,493	890	912
Commodity derivatives	1,356	1,294	1,376	1,296	1,119	1,097
Other derivatives	36	13	42	211	27	215
Total	**163,410**	**162,056**	**169,402**	**166,763**	**81,215**	**81,575**
Derivatives used for hedging						
Interest rate derivatives	1,840	484	1,941	493	399	527
Equity derivatives	-	-	-	-	0	0
Foreign exchange derivatives	520	169	600	134	135	396
Total	**2,360**	**653**	**2,541**	**627**	**534**	**923**
Total fair value						
Interest rate derivatives	151,298	146,553	151,277	147,033	63,135	61,649
Equity derivatives	686	849	638	688	814	968
Foreign exchange derivatives	11,391	13,000	17,127	16,669	15,764	17,657
Credit derivatives	1,003	1,000	1,483	1,493	890	912
Commodity derivatives	1,356	1,294	1,376	1,296	1,119	1,097
Other derivatives	36	13	42	211	27	215
Total	**165,770**	**162,709**	**171,943**	**167,390**	**81,749**	**82,498**

Nominal amount	31 Mar	31 Dec	31 Mar
EURm	2012	2011	2011
Derivatives held for trading			
Interest rate derivatives	5,991,798	5,701,729	5,196,987
Equity derivatives	21,790	17,144	23,092
Foreign exchange derivatives	959,786	954,193	883,913
Credit derivatives	67,742	61,889	55,475
Commodity derivatives	14,295	16,547	21,691
Other derivatives	2,346	2,170	2,196
Total	**7,057,757**	**6,753,672**	**6,183,354**
Derivatives used for hedging			
Interest rate derivatives	43,897	60,103	46,624
Equity derivatives	-	-	0
Foreign exchange derivatives	2,835	10,505	4,997
Total	**46,732**	**70,608**	**51,621**
Total nominal amount			
Interest rate derivatives	6,035,695	5,761,832	5,243,611
Equity derivatives	21,790	17,144	23,092
Foreign exchange derivatives	962,621	964,698	888,910
Credit derivatives	67,742	61,889	55,475
Commodity derivatives	14,295	16,547	21,691
Other derivatives	2,346	2,170	2,196
Total	**7,104,489**	**6,824,280**	**6,234,975**

Note 11 Capital adequacy

Capital Base

EURm	31 Mar 2012	31 Dec 2011	31 Mar 2011
Core Tier 1 capital	21,080	20,677	19,408
Tier 1 capital	23,039	22,641	21,335
Total capital base	25,900	24,838	24,444

Capital requirement

EURm	31 Mar 2012 Capital requirement	31 Mar 2012 RWA	31 Dec 2011 Capital requirement	31 Dec 2011 RWA	31 Mar 2011 Capital requirement	31 Mar 2011 RWA
Credit risk	**12,622**	**157,776**	**12,929**	**161,604**	**12,897**	**161,216**
IRB	10,412	130,156	9,895	123,686	9,981	124,762
- of which corporate	7,384	92,299	6,936	86,696	7,117	88,967
- of which institutions	981	12,266	897	11,215	782	9,768
- of which retail	1,943	24,285	1,949	24,367	1,955	24,438
- of which other	104	1,306	113	1,408	127	1,589
Standardised	2,210	27,620	3,034	37,918	2,916	36,454
- of which sovereign	41	514	43	536	35	444
- of which retail	789	9,857	795	9,934	767	9,588
- of which other	1,380	17,249	2,196	27,448	2,114	26,422
Market risk[1]	**662**	**8,276**	**652**	**8,144**	**406**	**5,070**
- of which trading book, Internal Approach	420	5,250	390	4,875	124	1,551
- of which trading book, Standardised Approach	175	2,189	206	2,571	207	2,581
- of which banking book, Standardised Approach	67	837	56	698	75	938
Operational risk	**1,298**	**16,229**	**1,236**	**15,452**	**1,236**	**15,452**
Standardised	1,298	16,229	1,236	15,452	1,236	15,452
Sub total	**14,582**	**182,281**	**14,817**	**185,200**	**14,539**	**181,738**
Adjustment for transition rules						
Additional capital requirement according to transition rules	3,312	41,390	3,087	38,591	2,565	32,067
Total	**17,894**	**223,671**	**17,904**	**223,791**	**17,104**	**213,805**

Capital ratio

	31 Mar 2012	31 Dec 2011	31 Mar 2011
Core Tier I ratio, %, incl profit	9.4	9.2	9.1
Tier I ratio, %, incl profit	10.3	10.1	10.0
Capital ratio, %, incl profit	11.6	11.1	11.4

Analysis of capital requirements

Exposure class, 31 Mar 2012	Average risk weight (%)	Capital requirement (EURm)
Corporate	53%	7,384
Institutions	18%	981
Retail IRB	15%	1,943
Sovereign	1%	41
Other	73%	2,273
Total credit risk		**12,622**

[1] Note that the comparison figures for Q1 2011 are not restated with respect to CRD III.

Note 12 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 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 is considered likely to have any significant adverse effect on the Group or its financial position in the next six months.

Business definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Nordea Bank AB (publ)

Accounting policies

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

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2011 Annual Report, except for the categorisation of commissions within "Net fee and commission income" and the definition of impaired loans. More information on the categorisation of commissions and the definition of impaired loans can be found in Note 1 for the Group.

Income statement

EURm	Q1 2012	Q1 2011	Jan-Dec 2011
Operating income			
Interest income	*715*	*558*	*2,626*
Interest expense	*-520*	*-416*	*-1,946*
Net interest income	195	142	680
Fee and commission income	*194*	*182*	*777*
Fee and commission expense	*-57*	*-47*	*-217*
Net fee and commission income	137	135	560
Net result from items at fair value	57	136	234
Dividends	283	122	1,534
Other operating income	30	32	122
Total operating income	**702**	**567**	**3,130**
Operating expenses			
General administrative expenses:			
Staff costs	-210	-199	-823
Other expenses	-136	-144	-561
Depreciation, amortisation and impairment charges of tangible and intangible assets	-21	-27	-112
Total operating expenses	**-367**	**-370**	**-1,496**
Profit before loan losses	**335**	**197**	**1,634**
Net loan losses	-9	-1	-20
Impairment of securities held as financial non-current assets	0	-	-9
Operating profit	**326**	**196**	**1,605**
Appropriations	-	-	1
Income tax expense	-15	-8	-114
Net profit for the period	**311**	**188**	**1,492**

Nordea Bank AB (publ)
Balance sheet

EURm	31 Mar 2012	31 Dec 2011	31 Mar 2011
Assets			
Cash and balances with central banks	156	152	177
Treasury bills	3,987	3,730	3,709
Loans to credit institutions	58,689	59,379	47,899
Loans to the public	35,934	36,421	34,903
Interest-bearing securities	12,285	14,584	14,540
Financial instruments pledged as collateral	1,286	1,237	4,795
Shares	1,265	1,135	712
Derivatives	4,290	4,339	2,338
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-620	-632	913
Investments in group undertakings	16,712	16,713	16,608
Investments in associated undertakings	5	5	4
Intangible assets	660	658	662
Property and equipment	85	81	79
Deferred tax assets	18	26	7
Current tax assets	40	12	25
Other assets	985	2,262	859
Prepaid expenses and accrued income	1,290	1,279	1,139
Total assets	**137,067**	**141,381**	**129,369**
Liabilities			
Deposits by credit institutions	14,352	22,441	23,306
Deposits and borrowings from the public	47,397	44,389	39,871
Debt securities in issue	45,013	45,367	36,166
Derivatives	2,979	3,014	2,309
Fair value changes of the hedged items in portfolio hedge of interest rate risk	139	147	646
Current tax liabilities	0	71	0
Other liabilities	2,911	1,776	4,196
Accrued expenses and prepaid income	1,047	851	877
Deferred tax liabilities	3	2	0
Provisions	44	90	42
Retirement benefit obligations	156	153	151
Subordinated liabilities	6,819	6,154	6,273
Total liabilities	**120,860**	**124,455**	**113,837**
Untaxed reserves	**5**	**5**	**6**
Equity			
Share capital	4,047	4,047	4,043
Share premium reserve	1,080	1,080	1,073
Other reserves	9	-13	1
Retained earnings	11,066	11,807	10,409
Total equity	**16,202**	**16,921**	**15,526**
Total liabilities and equity	**137,067**	**141,381**	**129,369**
Assets pledged as security for own liabilities	3,558	3,530	6,168
Other assets pledged	6,293	7,264	7,514
Contingent liabilities	24,698	24,720	22,814
Credit commitments[1]	25,076	25,098	28,233
Other commitments	-	-	1,464

[1] Including unutilised portion of approved overdraft facilities of EUR 11,946m (31 Dec 2011: 12,259m, 31 Mar 2011: 12,367m).

For further information:

- A press and analyst conference with management will be arranged on 24 April at 09.30 CET, at Regeringsgatan 59, Stockholm.
- An international telephone conference for analysts with management will be arranged on 24 April at 15.30 CET. (Please dial +44 20 7784 1036, confirmation code 4158737#, latest ten minutes in advance.) The telephone conference can be monitored live on www.nordea.com. An indexed on-demand version will also be available on www.nordea.com. A replay will also be available through 1 May, by dialling +44 20 7111 1244, access code 4158737#.
- An analyst and investor presentation will be arranged in London on 25 April at 10.30 GMT at 10 Aldermanbury, London EC2V 7RF. To attend, please contact Amy Youlden by e-mail: amy.r.youlden@jpmorgan.com, phone number +44 20 7134 9138.
- This quarterly report, an investor presentation and a fact book are available on www.nordea.com.

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Financial calendar

18 July 2012 – second quarter report 2012
24 October 2012 – third quarter report 2012

Stockholm 24 April 2012

Christian Clausen
President and Group CEO

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

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

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

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

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