Copenhagen, Helsinki, Oslo, Stockholm, 29 April 2014

First Quarter Results 2014

CEO Christian Clausen's comments on the results:
"In the beginning of 2014, activity picked up in our corporate advisory business and remains strong in the savings area, leading to an improvement in net fee and commission income of 13%. As we continue to see low lending demand and low interest rates, total income was largely unchanged compared to the first quarter 2013, although up 3% in local currencies. Operating profit increased by 6%, thanks to improved efficiency and better credit quality and the cost/income ratio decreased to 49% (51%). The fully loaded Basel III Common equity tier 1 capital ratio improved by 70 basis points to 14.6%.

In this low-growth environment, we continue to execute on our cost and capital efficiency programmes and capture business opportunities with our customers."

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

First quarter 2014 vs. First quarter 2013 (First quarter 2014 vs. Fourth quarter 2013)[1]:

- Total operating income unchanged, in local currencies +3% (+1%, in local currencies +2%)
- Operating profit +6%, in local currencies +10% (+10%, in local currencies +11%)
- Fully loaded Basel III Common equity tier 1 capital ratio 14.6%, up from 12.1%[1] (up from 13.9%[1])
- Cost/income ratio down to 49% from 51% (down from 52%)
- Loan loss ratio of 18 basis points, down from 23 basis points (down from 21 bps)
- Return on equity 11.4%, up from 11.1% (up from 10.5%)

Summary key figures, continuing operations[2], EURm	Q1 2014	Q4 2013	Ch. %	Q1 2013	Ch. %	Ch. % local curr. Q1/Q4	Q1/Q1
Net interest income	1,362	1,390	-2	1,358	0	-1	5
Total operating income	2,501	2,469	1	2,506	0	2	3
Profit before loan losses	1,264	1,186	7	1,239	2	8	5
Net loan losses	-158	-180	-12	-198	-20	-12	-19
Loan loss ratio (ann.), bps	18	21		23			
Operating profit	1,106	1,006	10	1,041	6	11	10
Risk-adjusted profit	880	821	7	854	3	7	6
Diluted EPS (cont. oper.), EUR	0.21	0.19		0.19			
Diluted EPS (total oper.), EUR	0.21	0.19		0.20			
Return on equity, %	11.4	10.5		11.1			

Exchange rates used for Q1 2014 for income statement items are for DKK 7.46, NOK 8.35 and SEK 8.86, see also Note 1.
[1]) Previously estimated ratios.
[2]) Key figures for continuing operations, following the agreement to divest the Polish banking, financing and life insurance operations.

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CEO comment

The activity level in our corporate advisory operations has picked up in the beginning of 2014 and remains strong in the savings area. However, lending demand is subdued and interest rates remain at very low levels. In this environment we continue to execute on our cost and capital efficiency programmes and capture business opportunities with our customers.

First quarter 2014 report and customer activities

In the beginning of 2014, Nordea has continued to strengthen the position and we benefit from our stability, scale and diversified business model.

In Retail Banking, we have welcomed 93,000 new relationship customers in the past twelve months. In Wholesale Banking, we were the leading bank in Debt Capital Markets and Equity Capital Markets. For Wealth Management, the strong inflow continues with EUR 3.8bn in the first quarter, with positive inflows in all segments. Global Finance has ranked Nordea Best Bank in the Nordics and Best Investment Bank in the Nordics.

Our focus on ancillary income is showing results and we report a 13% increase in net fee and commission income, mainly driven by the corporate advisory and savings areas. As we see sustained low loan demand and interest rates are low, total revenues are largely unchanged, albeit up somewhat in local currencies.

We kept costs unchanged for the 14th consecutive quarter, driven by further efficiency initiatives.

Net loan losses are down by 20%, and in all our business units we have stable or improving credit quality.

Operating profit was up 6%, and the cost/income ratio improved to 49% (51% in the first quarter of 2013).

Cost and capital efficiency initiatives

We have continued to execute on our initial efficiency programme which we launched in the beginning of 2013, and which delivered efficiencies of EUR 45m in the first quarter and a total of EUR 255m. In addition, plans are currently being detailed in all business units on the accelerated cost efficiency programme. We expect to finalise the plans in the second quarter of 2014. The efficiency improvements will be possible by reducing activity-related expenses, adjusting distribution to meet changed customer behaviour, increasing the Product and IT platform efficiency, optimising processes and reducing costs in central functions.

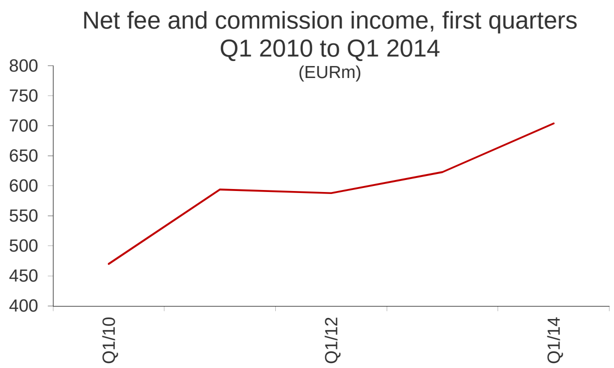
With digitalisation as a key driver, the banking sector and our customers' demands are changing rapidly. As a prerequisite to become more agile and responsive to rapidly changing customer needs, we have embarked on a process of simplification. The process is ongoing in all parts of the bank. We are reviewing our processes, products and IT systems with the aim of reducing complexity and innovating our business model to the benefit of our customers. We will come back with the status of the review in the second quarter 2014 results.

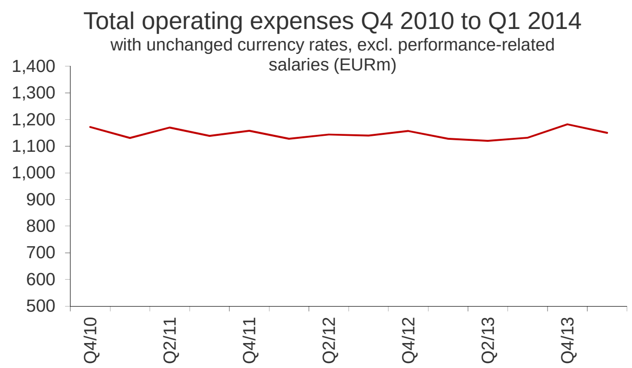
Our capital generation remains strong, the Common equity tier 1 capital increased underlying by EUR 552m to EUR 23,271m. The fully loaded Basel III Common equity tier 1 (CET1) capital ratio improved by 70 basis points to 14.6%. We will maintain our focus on capital efficiency. Approximately half of remaining efficiency initiatives are dependent on regulatory approvals where the time table is more uncertain. Our capital position is one of the strongest in Europe and we will review our capital policy once we obtain regulatory clarification.

On 24 March, Nordea divested its 20.7% stake in Nets Holding A/S. At closing, which is expected to take place in the second quarter of 2014, Nordea will report a capital gain of approximately EUR 360m and a CET1 ratio increase of close to 25 basis points.

On 1 April, Nordea completed the divestment of the Polish bank, life insurance and finance business, which will lead to an increase in CET1 by 25 basis points in the second quarter of 2014.

Christian Clausen
President and Group CEO





Income statement[1]

EURm	Q1 2014	Q4 2013	Change %	Q1 2013	Change %
Net interest income	**1,362**	1,390	-2	1,358	0
Net fee and commission income	**704**	703	0	623	13
Net result from items at fair value	**411**	333	23	444	-7
Equity method	**9**	21	-57	35	-74
Other operating income	**15**	22	-32	46	-67
Total operating income	**2,501**	**2,469**	**1**	**2,506**	**0**
Staff costs	**-756**	-739	2	-754	0
Other expenses	**-426**	-480	-11	-461	-8
Depreciation of tangible and intangible assets	**-55**	-64	-14	-52	6
Total operating expenses	**-1,237**	**-1,283**	**-4**	**-1,267**	**-2**
Profit before loan losses	**1,264**	**1,186**	**7**	**1,239**	**2**
Net loan losses	**-158**	-180	-12	-198	-20
Operating profit	**1,106**	**1,006**	**10**	**1,041**	**6**
Income tax expense	**-266**	-246	8	-258	3
Net profit for period from continuing operations	**840**	**760**	**11**	**783**	**7**
Net profit for the period from discontinued operations, after tax	**-9**	13		13	
Net profit for the period	**831**	**773**	**8**	**796**	**4**

Business volumes, key items[1]

EURbn	31 Mar 2014	31 Dec 2013	Change %	31 Mar 2013	Change %
Loans to the public	**346.4**	342.5	1	355.2	-2
Deposits and borrowings from the public	**203.7**	200.7	1	204.3	0
Assets under management	**238.7**	233.3	2	223.8	7
Equity	**28.2**	29.2	-3	27.4	3
Total assets	**636.4**	630.4	1	662.6	-4

Ratios and key figures

	Q1 2014	Q4 2013	Q1 2013
Diluted earnings per share, EUR - Total operations	**0.21**	0.19	0.20
EPS, rolling 12 months up to period end, EUR	**0.79**	0.77	0.79
Share price[2], EUR	**10.26**	9.78	8.83
Total shareholders' return, %	**10.3**	11.8	23.2
Equity per share[2], EUR	**7.01**	7.27	6.82
Potential shares outstanding[2], million	**4,050**	4,050	4,050
Weighted average number of diluted shares, million	**4,026**	4,020	4,023
Return on equity, % - Continuing operations	**11.4**	10.5	11.1
Cost/income ratio, % - Continuing operations	**49**	52	51
Loan loss ratio, basis points	**18**	21	23
Common Equity Tier 1 capital ratio, %[4]	**14.6**	14.9	13.2
Tier 1 capital ratio[2,3,4], %	**15.6**	15.7	14.0
Total capital ratio[2,3,4], %	**18.4**	18.1	16.5
Tier 1 capital[2,3,4], EURm	**24,847**	24,444	23,619
Risk exposure amount incl transition rules[2], EURbn	**221**	209	218
Number of employees (full-time equivalents) - Cont. Operations[2]	**29,459**	29,429	29,403
Risk-adjusted profit, EURm - Continuing operations	**880**	821	854
Economic profit, EURm - Continuing operations	**286**	224	237
Economic capital[2], EURbn - Total operations	**24.9**	24.4	25.7
Economic capital[2], EURbn - Continuing operations	**24.0**	23.5	24.8
EPS, risk-adjusted, EUR - Continuing operations	**0.21**	0.19	0.19
RAROCAR, % - Continuing operations	**15.0**	13.5	14.1

[1] Income statement lines represent continued operations and have been restated, following the agreement to divest the Polish operations. Discontinued operations separated into one profit line. Balance sheet items are classified as held for sale.

[2] End of period.

[3] Including the result for the first three months. According to CRR: Common Equity Tier 1 capital EUR 22,930m (31 Mar 2013: EUR 21,731m), Tier 1 capital EUR 24,506m (31 Mar 2013: EUR 23,142m), Own Funds EUR 28,968m (31 Mar 2013: EUR 27,361m). Capital Ratios excluding impact of Basel I floor, Common Equity Tier 1 capital ratio 14,4% (31 Mar 2013: 14,0%), Tier 1 capital ratio 15,4% (31 Mar 2013: 14,9%), total capital ratio 18,2% (31 Mar 2013: 17,6%).

[4] The Q4 2013 ratios are reported under the Basel II regulation framework and the Q1 2014 ratios are reported using the Basel III (CRR/CRDIV) framework.

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Macroeconomy and financial markets

The first quarter was characterised by mixed financial markets. Following the strong end to 2013, equities initially fell globally in January, but then regained positive momentum during February and March to end the first quarter slightly above year-end levels. Equities rose 1.3% in the US and 1.7% in Europe, driven by improving economic data. Interest rates fell slightly and have remained low throughout the quarter as falling inflation data in Europe increased investor expectations that ECB could further ease monetary policy. US and German 10-year yields fell 30 basis points and 36 basis points, respectively, in the first quarter. Global growth was reported in line with expectations and showed a continued divergence, with US GDP growth at +2.6%, while the EU economies grew +0.2% in the fourth quarter. Still, the positive trend in peripheral Europe continued with both economic data and government yields showing a robust improvement.

Denmark

In the first quarter, the Danish economy extended the gradual positive trend. While the GDP in the fourth quarter was negative (-0.6%, in line with expectations), the full year growth of +0.5% lifted Denmark out of recession. Still, growth is well below potential, highlighting the slow pace of the economy. Improving exports driven from broader-based improvements globally and particularly in Europe in recent quarters has been highlighted. Likewise, the purchasing manager sentiment survey improved and the trend of gradually increasing house prices continued. Danish equities continued the strong performance from last year in the first quarter with a strong rise (10.4% YTD), while 10-year yields followed global rates, down 36 basis points to 1.6%.

Finland

Finland remains the Nordic country most affected by the subdued Eurozone economy. The GDP in the fourth quarter was less negative than expected (-0.3% vs. -0.5% expected), but in line with the full year of -0.6%, and still highlighted continued recession. Exports indicated slow progress and underscored the strong link to the economic situation in the broader EU. In the first quarter, Finnish equities lagged international markets slightly and only rose 0.2% YTD, while 10-year yields fell 26 basis points to 1.9%.

Norway

The economic picture in Norway was more mixed with some signs of a slowdown from the strong momentum in recent years. Fourth quarter GDP growth was -0.2% (+1.1% full year), with a fall in exports. Also house prices have gradually trended lower (-2.6% in the fourth quarter), but remain at a high level. The solid public finances should however support the economy and balance the impact of a potential slowdown. Norwegian equities in the first quarter also followed the broader market development and rose +1.9% YTD, while 10-year yields recovered more than global rates fell, only 7 basis points to 2.9%.

Sweden

The diverging economic picture in the Nordics also persisted with Sweden as the positive highlight. Fourth quarter GDP growth surprised strongly (+1.7% vs. exp. +0.6%), which also impacted the full-year growth (+3.1%). Similarly, manufacturing and service sector confidence data have indicated solid expansion in recent months. Swedish house prices appeared to stabilise while the consumer price index was lower than expected, showing falling prices compared to the same period last year. Swedish equities and yields followed the global development with equities up 2.4% YTD and 10-year yields down 38 basis points to 2.1% in the first quarter.

Group results and performance

First quarter 2014

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

Net interest income

Net interest income was down 2% compared to the previous quarter to EUR 1,362m, mainly due to two less banking days in the first quarter compared to the previous one. In local currencies, net interest income was down 1%. Net interest income was affected by lower net interest income in Group Corporate Centre and Other and eliminations, while net interest margin* was largely unchanged at 1.08% in the first quarter. Deposit margins were down somewhat while lending margins were up.

Corporate lending
Corporate lending volumes, excluding reverse repurchase agreements, were largely unchanged in local currencies at the end of the first quarter compared to the previous quarter. The average corporate lending volume in the first quarter was down 1% in local currencies compared to in the previous quarter.

Household lending
Household lending volumes were largely unchanged in local currencies compared to the previous quarter.

Corporate and household deposits
Total deposits from the public were EUR 204bn, up 2% in local currencies. In the business areas, deposits were largely unchanged in local currencies excluding repurchase agreements. The average deposit volume in the business areas was up 1% from the previous quarter in local currencies excluding repurchase agreements.

Group Corporate Centre
Net interest income decreased to EUR 91m compared to the strong income of EUR 101m in the previous quarter, mainly due to lower income on interest rate positions.

Net interest income per business area

								Chg local curr	
EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113	Q114 vs Q413	vs Q113
Retail Banking	942	948	953	956	955	-1%	-1%	0%	2%
Wholesale Banking	271	269	290	282	279	1%	-3%	2%	5%
Wealth Management	38	32	32	35	32	19%	19%	19%	21%
Group Corporate Centre	91	101	74	90	73	-10%	25%	n.m	n.m
Other and eliminations	20	40	37	28	19	-50%	5%	n.m	n.m
Total Group	1,362	1,390	1,386	1,391	1,358	-2%	0%	-1%	5%

Change in net interest income (NII)

EURm	Q114 vs Q413	Q114 vs Q113
Margin driven NII	24	65
Lending margin	30	88
Deposit margin	-6	-23
Volume driven NII	3	13
Lending volume	1	12
Deposit volume	2	1
GCC incl. Treasury	-10	18
Daycount	-30	
FX	-12	-62
Other	-3	-29
Total NII change	-28	5

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

Net fee and commission income

Net fee and commission income was unchanged compared to the previous quarter at EUR 704m, with a maintained stable and strong contribution from savings and investments and with an increase in lending-related commissions. Stability fund and deposit fund fees were EUR 35m, largely unchanged from the previous quarter.

Savings and investments commissions

Net fee and commission income from savings and investments decreased 3% in the first quarter to EUR 398m, from the seasonally strong fourth quarter, mainly in custody and issuer services and in life insurance. Fee and commission income increased in brokerage, securities issues and corporate finance. Asset management commissions were unchanged from the seasonally strong fourth quarter. Assets under Management (AuM) increased 2.3% to EUR 238.7bn following a sustained positive net inflow and a positive investment performance.

Payments and cards and lending-related commissions

Payments and cards net fee and commission income was up somewhat to EUR 147m. Lending-related net fee and commission income increased 8% to EUR 179m.

Net fee and commission income per business area

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113	Chg local curr Q114 vs Q413	Chg local curr vs Q113
Retail Banking	280	271	267	265	266	3%	5%	3%	8%
Wholesale Banking	170	146	147	142	125	16%	36%	18%	41%
Wealth Management	262	282	252	253	235	-7%	11%	-7%	14%
Group Corporate Centre	-4	-2	-4	-2	-2	n.m	n.m	n.m	n.m
Other and eliminations	-4	6	-10	6	-1	n.m	n.m	n.m	n.m
Total Group	704	703	652	664	623	0%	13%	0%	16%

Net fee and commission income per category

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113	Chg local curr Q114 vs Q413	Chg local curr vs Q113
Savings and investments, net	398	411	364	383	340	-3%	17%	-3%	20%
Payments and cards, net	147	145	150	143	138	1%	7%	1%	10%
Lending-related, net	179	166	171	176	174	8%	3%	8%	6%
Other commissions, net	15	15	1	-5	4	0%	n.m	7%	n.m
State guarantee fees	-35	-33	-33	-32	-33	n.m	n.m	n.m	n.m
Total Group	704	704	652	664	623	0%	13%	0%	16%

Assets under Management (AuM), volumes and net inflow

EURbn	Q1 2014	Q1 2014 Net inflow	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Nordic Retail funds	43.0	0.9	41.7	41.2	38.8	40.2
Private Banking	79.1	0.6	77.3	74.9	71.9	72.9
Institutional sales	57.3	1.4	54.4	53.0	50.5	50.8
Life & Pensions	59.3	0.9	58.7	57.7	56.6	58.2
Total	**238.7**	**3.8**	**232.1**	**226.8**	**217.8**	**222.1**

Q4, Q3 and Q2 2013 represent continuing operations, following the agreement to divest the Polish operations. Q1 2013 is not restated.

Net result from items at fair value

The net result from items at fair value increased 23% from the previous quarter to EUR 411m, due to higher net result for Group Corporate Centre and in Other and eliminations. Results were largely unchanged for the Capital Markets income for customers in Wholesale Banking and Retail Banking as well as for Capital Markets unallocated income compared to the previous quarter.

Capital Markets income for customers in Wholesale Banking and Retail Banking

The customer-driven capital markets activities generated unchanged income in the customer business compared to the previous quarter, albeit still at subdued levels, due to low corporate activity. The net fair value result for the business units was EUR 194m, compared to EUR 194m in the previous quarter.

Life & Pensions

The net result from items at fair value for Life & Pensions was EUR 46m in the first quarter (EUR 55m).

Capital Markets unallocated income

The net fair value result for Capital Markets unallocated income, ie income from managing the risks inherent in customer transactions, was largely unchanged at EUR 142m compared to EUR 141m in the previous quarter.

Group Functions and Other and eliminations

The net fair value result of Group Corporate Centre increased to EUR 23m compared to EUR -9m in the previous quarter mainly related to interest rate-related items and equities. In Other and eliminations, the net result from items at fair value was EUR 6m in the first quarter (EUR -48m in the fourth quarter).

Net result from items at fair value per area

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Retail Banking	86	79	68	86	93	9%	-8%
Wholesale Banking excl. Other	71	80	71	102	95	-11%	-25%
Wealth Mgmt excl. Life	37	36	23	35	39	3%	-5%
Wholesale Banking Other	142	141	150	150	128	1%	11%
Life & Pensions	46	55	59	49	49	-16%	-6%
Group Corporate Centre	23	-9	35	25	19	n.m	21%
Other and eliminations	6	-49	-60	-31	21	n.m	-71%
Total Group	411	333	346	416	444	23%	-7%

Equity method

Income from companies accounted for under the equity method was EUR 9m, compared to EUR 21m in the previous quarter. Income related to the holding in the Norwegian export agency Eksportfinans was EUR 4m (EUR 15m).

Other operating income

Other operating income was EUR 15m compared to EUR 22m in the previous quarter.

Total income

Total operating income
Total income increased 1% from the previous quarter to EUR 2,501m. In local currencies, the increase was 2%.

Currency fluctuation impact
Currency fluctuations had a reducing effect of 1 %-point on income and a minor effect on expenses for the first quarter compared to the fourth quarter of 2013 and a reducing effect of 3 %-points on income and expenses for the first quarter compared to the first quarter of the previous year. The effect on loan and deposit volumes was approx. zero compared to the previous quarter and -4 %-points compared to one year ago.

Total income per business area

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113	Chg local curr Q114 vs Q413	Chg local curr vs Q113
Retail Banking	1,320	1,316	1,314	1,327	1,350	0%	-2%	1%	1%
Wholesale Banking	655	637	660	673	631	3%	4%	4%	8%
Wealth Management	391	410	373	383	362	-5%	8%	-4%	10%
Group Corporate Centre	111	94	109	118	95	18%	17%	n.m	n.m
Other and eliminations	24	12	-30	-11	68	100%	-65%	n.m	n.m
Total Group	2,501	2,469	2,426	2,490	2,506	1%	0%	2%	3%

Currency fluctuation effects

%-points	Q1/14 vs. Q4/13	Q1/14 vs. Q1/13
Income	-1	-3
Expenses	0	-3
Operating profit	-1	-3
Loan and deposit volumes	0	-4

Total expenses
Total expenses amounted to EUR 1,237m, down 3% from the previous quarter in local currencies, mainly due to seasonality. Staff costs were EUR 756m, up 2% in local currencies. Other expenses were EUR 426m, down 11% in local currencies. Compared to the first quarter last year, total expenses were unchanged in local currencies when excluding performance-related salaries and profit sharing, ie the cost definition for the cost target in the financial plan.

The number of employees (FTEs) at the end of the first quarter was up somewhat compared to at the end of the previous quarter and also compared to the end of the first quarter of 2013, due to the start of insourcing of IT services and due to recruitments within operational risk management. Excluding this, the number of employees (FTEs) was down compared to the previous quarter.

The cost/income ratio was 49%, down from the previous quarter.

Provisions for performance-related salaries in the first quarter were EUR 84m, compared to EUR 81m in the previous quarter.

Cost efficiency
Cost-efficiency measures have proceeded according to plan in the first quarter. An annualised gross reduction in total expenses of EUR 45m has been conducted in the first quarter and EUR 255m from the beginning of 2013.

Total operating expenses

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113	Chg local curr Q114 vs Q413	Chg local curr vs Q113
Staff cost	-756	-739	-732	-753	-754	2%	0%	2%	4%
Other expenses	-426	-480	-441	-453	-461	-11%	-8%	-11%	-4%
Depreciations	-55	-64	-61	-50	-52	-14%	6%	-14%	9%
Total Group	-1,237	-1,283	-1,234	-1,256	-1,267	-4%	-2%	-3%	1%

Total operating expenses per business area

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113	Chg local curr Q114 vs Q413	Chg local curr vs Q113
Retail Banking	-719	-750	-721	-739	-746	-4%	-4%	-4%	0%
Wholesale Banking	-213	-237	-210	-229	-228	-10%	-7%	-9%	-1%
Wealth Management	-195	-218	-187	-193	-192	-11%	2%	-10%	4%
Group Corporate Centre	-67	-85	-63	-67	-61	-21%	10%	n.m	n.m
Other and eliminations	-43	7	-53	-28	-40	n.m	8%	n.m	n.m
Total Group	-1,237	-1,283	-1,234	-1,256	-1,267	-4%	-2%	-3%	1%

Net loan losses

Net loan loss provisions were EUR 158m in the continuing operations and the loan loss ratio was 18 basis points (EUR 180m or 21 basis points in the previous quarter). As expected, provisions for future loan losses in Denmark decreased somewhat from the previous quarter, but remained at elevated levels. In other areas, the losses were relatively stable, with normal volatility between quarters. In the Baltic countries, loan loss provisions increased, mainly due to adjustment of collateral values for one commercial real estate exposure in Latvia.

Collective provisions were reduced by EUR 1m in the first quarter (increase in collective provisions of EUR 8m in the previous quarter).

In Banking Denmark, net loan loss provisions were EUR 67m, 8% lower than the previous quarter (EUR 73m). The loan loss ratio was 42 basis points (45 basis points in the previous quarter).

Denmark

The expectation for the Danish economy is a slightly positive, but fragile, recovery with some uncertainty. The key drivers for creating higher growth in the general economy are private consumption and corporate investments. Some indicators point in a slightly positive direction whereas others are more difficult to interpret. The housing market is stilled mixed with positive developments in and around the larger cities, mainly Copenhagen and Aarhus, while the other regions look more negative. The market is considered fragile and different factors could still influence the development negatively. Loan losses remain at an elevated level, although with a declining trend.

Finland

Even though the economic outlook in Finland has not improved, the credit quality continues to be stable and there are currently no signs of deterioration of the portfolio.

Baltic countries

Domestic consumption, underpinned by rising wages and falling unemployment, has become the main growth driver in the Baltic countries. A recovery in the real estate market will provide further support for domestic consumption and investment growth. The housing market has become more active in Vilnius and Riga and the deleveraging process is coming to an end, although some of the weak customers are still getting weaker. The Baltic economies are more stable than in the pre-crisis period. However, the major threat comes from the slowdown in the Russian economy, including possible effects from the crisis in Ukraine, as Russia is an important export partner for the whole Baltic region.

The increased loan loss provisions in the Baltic countries were mainly due to adjustment of collateral values for one commercial real estate exposure in Latvia, where the occupancy rate has not developed as expected. However, the policy and conditions for real estate financing have been tightened. The loan losses are expected to come down in the coming quarters.

Credit portfolio

Total lending, excluding reversed repurchase agreements, amounted to EUR 306bn, which was up 1% compared to the previous quarter in local currencies. Overall, the credit quality of the loan portfolio remained solid in the first quarter, with a largely stable effect from migration in both the corporate and retail portfolios.

The impaired loans ratio decreased to 171 basis points of total loans (178 basis points). Total impaired loans gross decreased 4% compared to the previous quarter and non-performing impaired loans decreased 9% compared to the previous quarter. The provisioning ratio increased somewhat compared to the end of the fourth quarter to 45% (43%).

Loan loss ratios and impaired loans

Basis points of loans	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Loan loss ratios annualised, Group	18	21	20	22	22
of which individual	18	20	18	24	18
of which collective	0	1	2	-2	4
Banking Denmark	42	45	46	46	47
Banking Finland	6	18	12	7	12
Banking Norway	12	14	7	-11	9
Banking Sweden	4	8	7	11	7
Banking Baltic countries	135	75	-19	33	19
Corporate & Institutional Banking (CIB)	39	34	41	50	34
Shipping, Offshore & Oil Services	-19	4	68	111	122
Impaired loans ratio gross, Group (bps)	171	178	182	185	181
- performing	62%	60%	57%	57%	57%
- non-performing	38%	40%	43%	43%	43%
Total allowance ratio, Group (bps)	76	77	79	79	78
Provisioning ratio, Group[1]	45%	43%	43%	43%	43%

[1] Total allowances in relation to gross impaired loans.

Profit

Operating profit
Operating profit was up 10% for the continuing operations to EUR 1,106m.

Taxes
Income tax expense was EUR 266m for the continuing operations, including the bank tax in Finland of EUR 15m. The effective tax rate was 24.1%, compared to 24.5% in the previous quarter and 24.8% in the first quarter last year.

Net profit
Net profit from the continuing operations increased 11% compared to the previous quarter to EUR 840m, corresponding to a return on equity of 11.4%. Profit from discontinued operations was EUR -9m. Net profit from the total operations was largely unchanged at EUR 831m.

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

Operating profit per business area

								Chg local curr	
EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113	Q114 vs Q413	vs Q113
Retail Banking	477	421	486	493	473	13%	1%	13%	5%
Wholesale Banking	408	364	388	358	335	12%	22%	14%	26%
Wealth Management	196	193	186	186	170	2%	15%	2%	17%
Group Corporate Centre	44	9	46	51	34	n.m	29%	n.m	n.m
Other and eliminations	-19	19	-85	-40	29	n.m	n.m	n.m	n.m
Total Group	1,106	1,006	1,021	1,048	1,041	10%	6%	11%	10%

First quarter 2014 compared to the first quarter last year

Total income was unchanged compared to the first quarter last year and operating profit was up 6% compared to the last year. In local currencies, total income increased 3% from the first quarter last year.

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

Net fee and commission income increased 13% and the net result from items at fair value decreased by 7% compared to the first quarter last year.

Expenses
Total expenses were unchanged compared to the first quarter 2013 in local currencies when excluding performance-related salaries and profit sharing, ie with the cost definition for the cost target in the financial plan. Staff costs were up 2% in local currencies when excluding performance-related salaries and profit sharing.

Net loan losses
Net loan loss provisions decreased to EUR 158m for the continuing operations, corresponding to a loan loss ratio of 18 basis points (23 basis points in the first quarter).

Net profit
Net profit for the continuing operations increased 7% to EUR 840m. Net profit for the total operations increased 4% to EUR 831m.

Currency fluctuation impact
The effect from currency fluctuations was a reducing effect of 3 %-points on income and expenses and approx. -4 %-points on loan and deposit volumes compared to one year ago.

Other information

Capital position and risk exposure amount, REA

The Group's fully loaded Basel III Common equity tier 1 (CET1) capital ratio increased to 14.6% at the end of the first quarter from 13.9% at the end of the fourth quarter, following strong profit generation and the advanced IRB approval for the Nordic corporate portfolio.

Compared to the core tier 1 capital ratio (CT1) according to Basel II at the end of the fourth quarter, the CET1 ratio of 14.6% according to Basel III at the end of the first quarter, was 0.3 %-point lower. This was mainly driven by the implementation of the new Capital Requirement Regulation (CRR), which came into effect 1 January 2014, and which increased the risk exposure amount, REA (previously referred to as risk-weighted assets, RWA). The effect was counteracted mainly by profit generation and the advanced IRB approval for the Nordic corporate portfolio.

The fully loaded Basel III tier 1 capital ratio increased 0.7%-point to 15.6% and the total capital ratio increased 0.6 %-point to 18.4%.

In January 2014, the Swedish Financial Supervisory Authority (FSA), in agreement with the three other Nordic FSAs approved Nordea's application to use the advanced IRB approach for the Group's corporate exposures in the Nordic region. The advanced IRB approach was implemented during the quarter and the impact on the CET1 capital ratio was approximately 0.7 %-point.

REA were EUR 158.9bn, an increase of EUR 3.7bn, or 2.4%, compared to the previous quarter. The implementation of the new CRD IV/CRR increased REA with approx. EUR 9.3bn and the 20% LGD floor for retail mortgage loans in Norway increased REA by approx. EUR 1.0bn. A reduction in REA of EUR 10.0bn has been realised in the quarter, driven by the advanced IRB approval as well as other REA initiatives.

The CET1 capital was EUR 23.3bn, the tier 1 capital was EUR 24.8bn and the own funds were EUR 29.3bn. The capital requirement based on the Basel 1 floor was EUR 17.7bn and the adjusted own funds were EUR 29.5bn.

The CRR leverage ratio was stable at 4.3%.

Economic Capital (EC) was at the end of the first quarter EUR 24.9bn, an increase of EUR 2.1bn from the end of the previous quarter. The increase was mainly driven by the new CRR as Nordea´s Economic Capital framework incorporates the changes in the regulatory capital requirements.

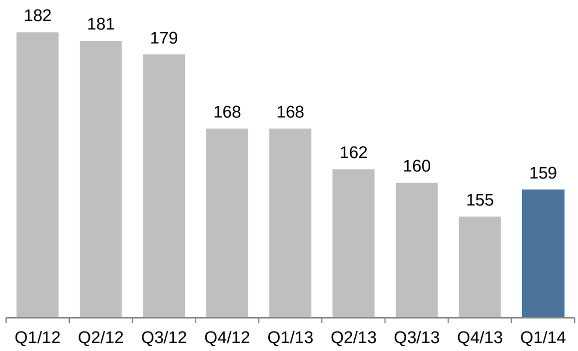
On 21 May 2013, the Swedish FSA announced its decision to introduce a risk weight floor of 15% for Swedish mortgage portfolios. The floor is introduced as a supervisory measure within the Pillar 2 framework and the reported capital ratios under Pillar 1 will thereby be unaffected. Based on an average 5.0% risk weight pursuant to pillar 1 in Nordea's Swedish mortgage portfolio as per 31 March, the Group needs to hold Pillar 2 capital corresponding to a risk exposure amount of EUR 4.3bn. The Swedish CET1 capital requirement of 12% (from 2015) and Swedish FSA's decision mean that Nordea will need to hold CET1 capital under Pillar 2 amounting to approx. EUR 0.5bn for its Swedish mortgage portfolio, which is equivalent to a common equity tier 1 capital ratio impact of approx. 33 basis points.

Capital ratios

%	Q1 2014	Q4 2013	Q3 13	Q2 13	Q1 13
Basel III					
Common equity tier 1 capital ratio	14.6	13.9*			
Tier 1 capital ratio	15.6	14.9*			
Total capital ratio	18.4	17.8*			
Basel II					
Core tier 1 capital ratio		14.9	14.4	14.0	13.2
Tier 1 capital ratio		15.7	15.3	14.8	14.0
Total capital ratio		18.1	17.5	17.4	16.5

* Previously estimated ratios

Risk exposure amount, REA (EURbn), quarterly development



Common equity tier 1 capital ratio, changes in the quarter

*) Assuming 56% payout ratio.

Balance sheet
Total assets in the balance sheet increased 1% compared to the end of the previous quarter to EUR 636bn.

Balance sheet data

EURbn	Q1/14	Q4/13	Q3/13	Q1/13
Loans to credit institutions	11.9	10.7	12.7	11.6
Loans to the public	346.4	342.5	343.2	355.2
Derivatives	69.9	71.0	74.6	88.8
Interest-bearing securities	87.5	87.3	87.0	97.9
Other assets	120.7	118.9	108.3	109.1
Total assets	**636.4**	**630.4**	**625.8**	**662.6**
Deposits from credit	53.0	59.1	49.5	63.1
Deposits from the public	203.7	200.7	200.5	204.3
Debt securities in issue	186.3	185.6	182.9	186.1
Derivatives	64.0	65.9	69.3	93.1
Other liabilities	101.2	89.9	95.0	88.6
Total equity	28.2	29.2	28.6	27.4
Total liabilities and equity	**636.4**	**630.4**	**625.8**	**662.6**

Nordea's funding and liquidity operations
Nordea issued approx. EUR 8.8bn in long-term funding in the first quarter excluding Danish covered bonds, of which approx. EUR 6.1bn represented the issuance of Swedish, Norwegian and Finnish covered bonds in domestic and international markets. In the first quarter, Nordea issued a EUR 1.5bn 5-year fixed rate covered bond and a EUR 1.25bn 7-year senior note. With value date in April, Nordea issued a CHF 5.5-year fixed rate senior note and a USD 2,25bn triple tranche 3- and 5-year senior note in fixed and floating format.

Nordea's liquidity risk management focuses on both short-term liquidity risk and long-term structural liquidity risk. The structural liquidity risk of Nordea is measured and limited through an internal model which conceptually is alike the proposed Net Stable Funding Ratio (NSFR), but it applies internal based assumptions for the stability of assets and liabilities. Nordea has in the past years extended its average maturity of long-term funding, as well as the long-term funding portion of total funding, which at the end of the first quarter was approx. 76% (62% in 2008). Structural liquidity risk in Nordea has decreased compared to the situation a couple of years ago.

In January 2014, the Basel Committee on Banking Supervision issued proposed revisions to the NSFR, and in general the revised definition is an improvement. The revised definition of the NSFR better reflects characteristics of the various balance sheet components as well as mitigates potential cliff effects, but still does not fully reflect the structure of the Nordic savings patterns and mortgage lending market. Even if transparency has increased, Nordea currently finds it premature to apply and disclose the NSFR.

Short-term liquidity risk is measured using several metrics and Liquidity Coverage Ratio (LCR) is one such metric. LCR for the Nordea Group was according to the Swedish FSA's LCR definition 114% at the end of the first quarter. The LCR in EUR was 159% and in USD 127% at the end of the first quarter. With the new suggested Basel definition, the total LCR and the LCRs per currency for the Group would be even higher. The liquidity buffer is composed of highly liquid central bank eligible securities with characteristics similar to Basel III/CRD IV liquid assets and amounted to EUR 61bn at the end of the first quarter (EUR 66bn at the end of the fourth quarter).

Funding and liquidity data

	Q1/14	Q4/13	Q3/13	Q1/13
Long-term funding portion	76%	73%	73%	72%
LCR total	114%	117%	134%	130%
LCR EUR	159%	140%	194%	231%
LCR USD	127%	127%	158%	154%

Market risk
Interest-bearing securities were EUR 96bn at the end of the first quarter, of which EUR 21bn were in the life insurance operations and the remainder in the liquidity buffer and trading portfolios. 29% of the portfolio comprises government or municipal bonds and 35% mortgage bonds, when excluding EUR 9bn of pledged securities.

Total market risk measured as Value at Risk decreased by EUR 58m to EUR 90m in the first quarter 2014 compared to the fourth quarter 2013, mainly due to decreased interest rate VaR.

Market risk

EURm	Q114	Q413	Q313	Q213	Q113
Total risk, VaR	90	148	71	84	42
Interest rate risk, VaR	95	153	76	93	50
Equity risk, VaR	5	6	4	4	11
Foreign exchange risk, VaR	18	7	7	6	7
Credit spread risk, VaR	10	18	16	17	20
Diversification effect	29%	20%	31%	31%	53%

2015 plan and simplification
The execution on the initial efficiency programme, which was launched in the beginning of 2013, has continued and has delivered efficiencies of EUR 45m in the first quarter and a total of EUR 255m. In addition, plans are currently being detailed in all business units on the accelerated cost efficiency programme. The plans are expected to be finalised in the second quarter of 2014. The efficiency improvements will be possible by reducing activity-related expenses, adjusting distribution to meet changed customer behaviour, increasing the Product and IT platform efficiency, optimising processes and reducing costs in central functions.

In addition to the efficiency programme, a process of simplification has been embarked upon. This is being done as a prerequisite to become more agile and responsive to rapidly changing customer needs. With digitalisation as a key driver, the banking sector and customer demands are changing at a high pace. The process of simplification is ongoing in all parts of the bank. Nordea is reviewing its processes, products and IT systems with the aim of reducing complexity and innovating its business model to the benefit of the customers. A status of the review will be presented in the second quarter 2014 results.

The focus on capital efficiency will continue. Approximately half of the remaining efficiency initiatives are dependent on regulatory approvals where the time table is more uncertain. The capital position is one of the strongest in Europe and the capital policy will be reviewed once regulatory clarification is obtained.

Polish Financial Supervision Authority approval for sale of Nordea Bank Polska – divestment of the Polish banking, life and financing businesses completed

On 3 March 2014, the Polish Financial Supervision Authority (PFSA) issued a decision stating that there were no grounds for objections against the acquisition as announced on 12 June 2013 by PKO Bank Polski of the shares of Nordea Bank Polska.

The PFSA decision satisfied the last condition precedent for the closing of the transaction. The sale of Nordea Bank Polska was completed on 1 April 2014. The financial effects of the transaction are as previously communicated.

The Polish operations are in the reporting separated as discontinued operations and included only as one line in net profit.

Nordea to divest all shares in Nets Holding A/S

Nordea is divesting its 20.7% stake in Nets Holding A/S (Nets) to a consortium consisting of funds advised by Advent International, ATP and Bain Capital.

Nordea's total proceeds of the divestment will be around DKK 3,500m (approx. EUR 470m) leading to a tax-free capital gain of almost DKK 2,700m (approx. EUR 360m) to be recognised at closing of the transaction. The transaction is expected to positively impact Nordea's common equity tier 1 ratio with close to 25 basis points. In addition, Nordea will receive the dividend for 2013 totalling DKK 103m (approx. EUR 14m).

The transaction is subject to customary regulatory approval and is expected to close in the second quarter of 2014.

Russia and Ukraine – impact of sanctions

Nordea is well prepared for the situation and is complying with applicable sanctions. The current situation has a limited impact since the sanctions are targeted to a limited number of people. Nordea is closely monitoring the situation and preparing in the event of an escalation.

Our ordinary business in Russia is mainly with the largest Russian corporates and our Nordic customers. The lending exposure is just 1.8% of Nordea's total lending, EUR 6.2bn, of which about 70% is in USD.

In Ukraine, Nordea does not have any exposure.

G-SIB systemic importance indicators

The Basel Committee has developed a methodology for assessing the systemic importance of Global Systemically Important Banks (G-SIBs) reflected as 12 indicators.
In accordance with the Basel Committee's standards, banks are expected to publicly disclose information containing the 12 indicators within four months of the financial year end 2013. Nordea will publish this information at www.nordea.com/gsib on 30 April 2014.

Nordea share

In the first quarter, Nordea's share price on the NASDAQ OMX Nordic Exchange appreciated from SEK 86.65 to SEK 91.80.

Annual General Meeting

The AGM on 20 March 2014 decided on a dividend of EUR 0.43 per share, corresponding to a payout ratio of 56% of net profit. Total dividend amounted to EUR 1,734m.

The AGM approved an authorisation for the Board of Directors to decide on repurchase of own shares on a regulated market, or by means of an acquisition offer directed to all shareholders and an authorisation to decide on conveyance of own shares, to be used as payment for or financing of acquisitions of companies or businesses.

The AGM also approved an authorisation of the Board of Directors to decide on issuing of convertible instruments, with or without preferential rights for existing shareholders, to be done on market conditions, and increasing the share capital by a maximum of 10% of the share capital. The purpose of the authorisation is to facilitate a flexible and efficient adjustment of the capital structure to meet new capital requirements and the attaching instruments.

Quarterly development, Group

EURm	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Net interest income	1,362	1,390	1,386	1,391	1,358
Net fee and commission income	704	703	652	664	623
Net result from items at fair value	411	333	346	416	444
Equity method	9	21	14	9	35
Other operating income	15	22	28	10	46
Total operating income	**2,501**	**2,469**	**2,426**	**2,490**	**2,506**
General administrative expenses:					
Staff costs	-756	-739	-732	-753	-754
Other expenses	-426	-480	-441	-453	-461
Depreciation of tangible and intangible assets	-55	-64	-61	-50	-52
Total operating expenses	**-1,237**	**-1,283**	**-1,234**	**-1,256**	**-1,267**
Profit before loan losses	**1,264**	**1,186**	**1,192**	**1,234**	**1,239**
Net loan losses	-158	-180	-171	-186	-198
Operating profit	**1,106**	**1,006**	**1,021**	**1,048**	**1,041**
Income tax expense	-266	-246	-257	-248	-258
Net profit for the period from continuing operations	**840**	**760**	**764**	**800**	**783**
Net profit for the period from discontinued operations, after tax	-9	13	12	-29	13
Net profit for the period	**831**	**773**	**776**	**771**	**796**
Diluted earnings per share (DEPS), EUR - Total operations	0.21	0.19	0.19	0.19	0.20
DEPS, rolling 12 months up to period end, EUR - Total operations	0.78	0.77	0.79	0.77	0.79

Business areas

	Nordea Group - continuing operations																	
	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other and Eliminations			Nordea Group		
EURm	Q1 2014	Q4 2013	Chg	Q1 2014	Q4 2013	Chg	Q1 2014	Q4 2013	Chg	Q1 2014	Q4 2013	Chg	Q1 2014	Q4 2013	Chg	Q1 2014	Q4 2013	Chg
Net interest income	942	948	-1%	271	269	1%	38	32	19%	91	101	-10%	20	40	-50%	1,362	1,390	-2%
Net fee and commission income	280	271	3%	170	146	16%	262	282	-7%	-4	-2		-4	6		704	703	0%
Net result from items at fair value	86	79	9%	213	221	-4%	83	91	-9%	23	-9		6	-49		411	333	23%
Equity method	5	5	0%	0	0		0	0		0	0		4	16	-75%	9	21	-57%
Other income	7	13	-46%	1	1	0%	8	5	60%	1	4	-75%	-2	-1		15	22	-32%
Total operating income	**1,320**	**1,316**	**0%**	**655**	**637**	**3%**	**391**	**410**	**-5%**	**111**	**94**	**18%**	**24**	**12**	**100%**	**2,501**	**2,469**	**1%**
Staff costs	-339	-335	1%	-198	-202	-2%	-120	-130	-8%	-55	-53	4%	-44	-19	132%	-756	-739	2%
Other expenses	-353	-388	-9%	-7	-27	-74%	-73	-87	-16%	-2	-17	-88%	9	39	-77%	-426	-480	-11%
Depreciations	-27	-27	0%	-8	-8	0%	-1	-1	0%	-10	-15	-33%	-9	-13	-31%	-55	-64	-14%
Total operating expenses	**-719**	**-750**	**-4%**	**-213**	**-237**	**-10%**	**-195**	**-218**	**-11%**	**-67**	**-85**	**-21%**	**-43**	**7**		**-1,237**	**-1,283**	**-4%**
Net loan losses	-124	-145	-14%	-34	-36	-6%	0	1	-100%	0	0		0	0		-158	-180	-12%
Operating profit	**477**	**421**	**13%**	**408**	**364**	**12%**	**196**	**193**	**2%**	**44**	**9**		**-19**	**19**		**1,106**	**1,006**	**10%**
Cost/income ratio, %	55	57		33	37		50	53		60	90					49	52	
RAROCAR, %	14	13		15	13		29	27								15	14	
Economic capital (EC)	11,566	11,627	-1%	8,566	8,441	1%	2,116	2,019	5%	913	552	65%	877	868		24,038	23,507	2%
Risk exposure amount (REA)	74,769	75,911	-2%	59,307	59,023	0%	4,827	2,827	71%	6,566	4,849	35%	13,435	12,644		158,904	155,254	2%
Number of employees (FTEs)	17,265	17,313	0%	6,048	6,048	0%	3,490	3,452	1%	1,768	1,699	4%	889	917		29,459	29,429	0%
Volumes, EURbn:																		
Lending to corporates	82.7	82.1	1%	96.5	96.5	0%							8.5	5.8		187.7	184.4	2%
Household mortgage lending	124.9	124.0	1%	0.5	0.5	0%	6.0	5.9	2%							131.4	130.4	1%
Consumer lending	24.0	24.4	-2%				3.3	3.3	0%							27.3	27.7	-1%
Total lending	**231.6**	**230.5**	**0%**	**97.0**	**97.0**	**0%**	**9.3**	**9.2**	**1%**				**8.5**	**5.8**		**346.4**	**342.5**	**1%**
Corporate deposits	44.1	45.1	-2%	70.7	66.5	6%							3.8	2.9		118.6	114.5	4%
Household deposits	73.8	74.7	-1%	0.2	0.2	0%	11.1	11.3	-2%							85.1	86.2	-1%
Total deposits	**117.9**	**119.8**	**-2%**	**70.9**	**66.7**	**6%**	**11.1**	**11.3**	**-2%**				**3.8**	**2.9**		**203.7**	**200.7**	**1%**

	Nordea Group - continuing operations																	
	Retail Banking			Wholesale Banking			Wealth Management			Group Corporate Centre			Group Functions, Other and Eliminations			Nordea Group		
	Jan-Mar			Jan-Mar			Jan-Mar			Jan-Mar			Jan-Mar			Jan-Mar		
EURm	2014	2013	Chg	2014	2013	Chg	2014	2013	Chg	2014	2013	Chg	2014	2013	Chg	2014	2013	Chg
Net interest income	942	955	-1%	271	279	-3%	38	32	19%	91	73	25%	20	19	5%	1,362	1,358	0%
Net fee and commission income	280	266	5%	170	125	36%	262	235	11%	-4	-2		-4	-1		704	623	13%
Net result from items at fair value	86	93	-8%	213	223	-4%	83	88	-6%	23	19	21%	6	21	-71%	411	444	-7%
Equity method	5	9	-44%	0	0		0	7	-100%	0	-1	-100%	4	20	-80%	9	35	-74%
Other income	7	27	-74%	1	4	-75%	8	0		1	6	-83%	-2	9		15	46	-67%
Total operating income	**1,320**	**1,350**	**-2%**	**655**	**631**	**4%**	**391**	**362**	**8%**	**111**	**95**	**17%**	**24**	**68**	**-65%**	**2,501**	**2,506**	**0%**
Staff costs	-339	-345	-2%	-198	-198	0%	-120	-119	1%	-55	-52	6%	-44	-40	10%	-756	-754	0%
Other expenses	-353	-376	-6%	-7	-20	-65%	-73	-72	1%	-2	-1	100%	9	8	13%	-426	-461	-8%
Depreciations	-27	-25	8%	-8	-10	-20%	-1	-1	0%	-10	-8	25%	-9	-8	13%	-55	-52	6%
Total operating expenses	**-719**	**-746**	**-4%**	**-213**	**-228**	**-7%**	**-195**	**-192**	**2%**	**-67**	**-61**	**10%**	**-43**	**-40**	**8%**	**-1,237**	**-1,267**	**-2%**
Net loan losses	-124	-131	-5%	-34	-68	-50%	0	0		0	0		0	1		-158	-198	-20%
Operating profit	**477**	**473**	**1%**	**408**	**335**	**22%**	**196**	**170**	**15%**	**44**	**34**	**29%**	**-19**	**29**		**1,106**	**1,041**	**6%**
Cost/income ratio, %	55	55		33	36		50	53		60	64					49	51	
RAROCAR, %	14	13		15	13		29	24								15	14	
Economic capital (EC)	11,566	12,004	-4%	8,566	9,068	-6%	2,116	2,237	-5%	913	587	56%	877	854		24,038	24,750	-3%
Risk exposure amount (REA)	74,769	81,284	-8%	59,307	64,882	-9%	4,827	3,161	53%	6,566	4,623	42%	13,435	14,377		158,904	168,327	-6%
Number of employees (FTEs)	17,265	17,381	-1%	6,048	6,036	0%	3,490	3,447	1%	1,768	1,631	8%	889	908		29,459	29,403	0%
Volumes, EURbn:																		
Lending to corporates	82.7	85.4	-3%	96.5	97.1	-1%							8.5	7.1		187.7	189.6	-1%
Household mortgage lending	124.9	124.5	0%	0.5	0.4	25%	6.0	5.7	5%							131.4	130.6	1%
Consumer lending	24.0	25.2	-5%				3.3	3.2	3%							27.3	28.4	-4%
Total lending	**231.6**	**235.1**	**-1%**	**97.0**	**97.5**	**-1%**	**9.3**	**8.9**	**4%**				**8.5**	**7.1**		**346.4**	**348.6**	**-1%**
Corporate deposits	44.1	44.3	0%	70.7	64.6	9%							3.8	4.5		118.6	113.4	5%
Household deposits	73.8	76.2	-3%	0.2	0.2	0%	11.1	11.2	-1%							85.1	87.6	-3%
Total deposits	**117.9**	**120.5**	**-2%**	**70.9**	**64.8**	**9%**	**11.1**	**11.2**	**-1%**				**3.8**	**4.5**		**203.7**	**201.0**	**1%**

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

Retail Banking

The business area consists of the retail banking business in the Nordic region and the Baltic countries and includes all parts of the value chain except the Nordic Private Banking segment. Approx. 10 million customers are offered a wide range of products. Customers are served from a total of 803 branch locations and contact centres as well as through the online banking channels.

Business development

Despite the subdued macroeconomic development, the activity level remained at a high level in Retail Banking in the first quarter, both in terms of business activity and focus on maintaining flat costs and an efficient use of capital. Customer meetings surpassed 500,000 which was reflected in a high inflow of externally acquired customers, 23,900, leading to a total of 3.11 million Gold and Premium customers. Corporate lending volumes increased by 1% from the previous quarter despite the low demand in the market. Many corporates are also profitable with strong balance sheets and are thereby able to fund investments without external financing. Retail Banking has a strong commitment to deliver on the accelerated cost programme. In the quarter, costs declined compared to the previous quarter and was unchanged compared to one year ago which, in combination with a strict capital use, delivered a solid increase in profitability.

In recent years, Nordea's relationship bank offering has developed from a primarily branch-centric approach to a wide-ranged multichannel set-up with convenient self-service solutions and easy access to competent advice. This transformation continues by ensuring an even more consistent and personalised customer experience wherever and whenever the customer chooses to interact with Nordea.

Nordea is further developing the set-up of analytical Customer Relationship Management. Based on the customer's behaviour and personal finances, Nordea's automated processes provide the customer with personalised information and offers. Business rules ensure that a message is only shown in an appropriate context where it is relevant and valuable for the customer. The set-up is dynamically coordinated across the different channels to ensure that Nordea instantly knows how the customer has responded to different messages and offers.

To support the multi-channel offering, the advisory capacity in the Contact Centres is constantly increased. Customers in all Nordic countries can now book remote meetings with advisers in the Contact Centres using shared screens, also beyond branch opening hours. This is a flexible and convenient solution especially for customers who want fast or even instant access to advice. The remote meetings are highly appreciated by the customers.

Chat is another way to increase the range of customer contact and improve our ability to solve customers' needs immediately. This has been available in Norway since December and there has been a sustained decrease in the number of incoming e-mails in the same period.

In Denmark, Nordea has introduced a convenient online on-boarding process for new customers An app helps customers through all steps and Contact Centre support is available if needed. The process is naturally fully compliant with Know Your Customer regulation. An equivalent online process has been introduced in Norway. These solutions have been a good way to welcome many new customers.

Result

Total income was unchanged from the previous quarter, but up 1% in local currencies. Lending margins had a positive effect on net interest income while falling market interest rates in Sweden lowered income from deposits. This, in combination with a fewer number of days in the first quarter, led to a slight decrease in net interest income. Compared to the first quarter last year, net interest income increased by 2% in local currencies, despite one-off items of EUR 23m in 2013.

The development in net fee and commission income was strong and it increased by 9% in local currencies from the first quarter last year, driven by both Savings commissions and a growing Card business.

Expenses were down 4% from the previous quarter, driven by non-staff related costs and decreased slightly in local currencies compared to the same period last year.

Risk exposure amount (REA) were impacted by the approval of advanced IRB as well as of continued execution of capital efficiency initiatives and decreased by 2% in the first quarter.

Credit quality

Net loan losses decreased from the previous quarter and were down in all Nordic countries. However, in the Baltic countries loan loss provisions increased mainly due to one commercial real estate exposure in Latvia, where the occupancy rate has not developed as expected. The loan loss ratio was 22 basis points (25 basis points in the fourth quarter).

Banking Denmark

Banking Denmark maintained solid business momentum in the first quarter. 7,000 externally acquired Gold and Premium customers and 37 segment large corporate customers were welcomed. Despite generally more positive indicators both household and corporate customers remained cautious. REA increased by 10% from the fourth quarter following the implementation of the advanced IRB approach, Economic Capital was similarly affected. Banking Denmark has further planned and prepared for the accelerated cost plan. Staff costs and the number of employees continued downwards.

Banking Finland

Income growth in the first quarter was well diversified, driven by the corporate banking business, sales of investment funds and life & pension products as well as an increase in short-term market rates. Among SMEs, Nordea gained high-rated corporate lending deals during the quarter, resulting in a positive volume development and hedging income, while volatility in some currencies kept up the FX trading income. The loan loss ratio ended at 6 basis points, reflecting the continued modest risk level. Costs excluding seasonal effects remained flat.

Banking Norway

In local currency total income increased by 8% from the same quarter last year. This was mainly driven by higher margins and increased lending volumes. Several efficiency initiatives have been identified and will be implemented in the coming quarters. Furthermore, the organisation was adjusted in the first quarter to better meet customer demands. The implementation of Advanced IRB reduced REA and improved RAROCAR.

Banking Sweden

Banking Sweden continued to grow total business volumes with its relationship customers, not least in the household sector, in which the number of Gold customers increased by 9,500 in the first quarter. Total income in local currency increased by 2% from the previous quarter, driven by ancillary income. Compared to the same quarter in 2013, which included one-off items of EUR 23m, income was down 5%.

Banking Baltic countries

Net interest income increased 3% compared to the previous quarter and 9% compared to the first quarter of the last year driven by growth in lending margins. Commission income was mainly affected by the euro introduction in Latvia. A 5% reduction of expenses was achieved compared to the first quarter of the previous year as a result of efficiency measures in the Baltic organisation. The increase in loan losses was mainly due to adjustment of collateral values for one commercial real estate exposure in Latvia, where the occupancy rate has not developed as expected. However, the policy and conditions for real estate financing have been tightened. The loan losses are expected to come down in the coming quarters.

Retail Banking total — **Chg local curr.**

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	Q113	Q114 vs Q413	Q113
Net interest income	942	948	953	956	955	-1%	-1%	0%	2%
Net fee and commission income	280	271	267	265	266	3%	5%	3%	8%
Net result from items at fair valu	86	79	68	86	93	9%	-8%	9%	-4%
Equity method & other income	12	18	26	20	36	-33%	-67%	-33%	-66%
Total income incl. allocations	**1,320**	**1,316**	**1,314**	**1,327**	**1,350**	**0%**	**-2%**	**1%**	**1%**
Staff costs	-339	-335	-340	-345	-345	1%	-2%	1%	1%
Other exp. excl. depreciations	-353	-388	-355	-369	-376	-9%	-6%	-9%	-3%
Total expenses incl. allocatio	**-719**	**-750**	**-721**	**-739**	**-746**	**-4%**	**-4%**	**-4%**	**0%**
Profit before loan losses	**601**	**566**	**593**	**588**	**604**	**6%**	**0%**	**6%**	**3%**
Net loan losses	-124	-145	-107	-95	-131	-14%	-5%	-13%	-2%
Operating profit	**477**	**421**	**486**	**493**	**473**	**13%**	**1%**	**13%**	**5%**
Cost/income ratio, %	55	57	55	56	55				
RAROCAR, %	13.8	12.7	13.2	13.0	13.2				
Economic capital (EC)	11,566	11,627	12,012	11,994	12,004	-1%	-4%	0%	1%
Risk exposure amount (REA)	74,769	75,911	77,623	78,468	81,284	-2%	-8%	-2%	-4%
Number of employees (FTEs)	17,265	17,313	17,418	17,324	17,381	0%	-1%		
Volumes, EURbn:									
Lending to corporates	82.7	82.1	83.0	82.8	85.4	1%	-3%	1%	1%
Household mortgage lending	124.9	124.0	124.1	122.7	124.5	1%	0%	1%	5%
Consumer lending	24.0	24.4	24.9	25.0	25.2	-2%	-5%	-2%	-3%
Total lending	**231.6**	**230.5**	**232.0**	**230.5**	**235.1**	**0%**	**-1%**	**0%**	**2%**
Corporate deposits	44.1	45.1	43.4	43.4	44.3	-2%	0%	-2%	4%
Household deposits	73.8	74.7	74.9	75.9	76.2	-1%	-3%	-1%	0%
Total deposits	**117.9**	**119.8**	**118.3**	**119.3**	**120.5**	**-2%**	**-2%**	**-2%**	**2%**

Income and cost restated within and between business areas following changed allocations

Economic capital (EC) restated

Banking Denmark

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Net interest income	306	309	310	308	314	-1%	-3%
Net fee and commission income	54	44	38	45	40	23%	35%
Net result from items at fair value	29	18	11	12	33	61%	-12%
Equity method & other income	3	6	7	9	11	-50%	-73%
Total income incl. allocations	**392**	**377**	**366**	**374**	**398**	**4%**	**-2%**
Staff costs	-74	-75	-76	-75	-75	-1%	-1%
Other exp. excl. depreciations	-128	-126	-124	-129	-127	2%	1%
Total expenses incl. allocations	**-206**	**-205**	**-203**	**-208**	**-206**	**0%**	**0%**
Profit before loan losses	**186**	**172**	**163**	**166**	**192**	**8%**	**-3%**
Net loan losses	-67	-73	-74	-77	-86	-8%	-22%
Operating profit	**119**	**99**	**89**	**89**	**106**	**20%**	**12%**
Cost/income ratio, %	53	54	56	56	52		
RAROCAR, %	14	13	12	12	14		
Economic capital (EC)	3,614	3,298	3,416	3,330	3,418	10%	6%
Risk exposure amount (REA)	24,913	22,613	22,996	23,244	24,081	10%	3%
Number of employees (FTEs)	3,367	3,411	3,464	3,509	3,523	-1%	-4%
Volumes, EURbn:							
Lending to corporates	21.7	21.9	22.0	22.0	22.0	-1%	-1%
Household mortgage lending	31.0	30.9	30.8	30.5	30.3	0%	2%
Consumer lending	11.6	11.9	12.0	12.1	12.2	-3%	-5%
Total lending	**64.3**	**64.7**	**64.8**	**64.6**	**64.5**	**-1%**	**0%**
Corporate deposits	9.2	9.1	8.8	8.6	8.5	1%	8%
Household deposits	23.0	23.2	23.0	23.4	23.2	-1%	-1%
Total deposits	**32.2**	**32.3**	**31.8**	**32.0**	**31.7**	**0%**	**2%**

Cost restated within and between business areas following changed allocations
Economic capital (EC) restated

Banking Finland

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Net interest income	184	179	173	163	144	3%	28%
Net fee and commission income	94	92	90	85	87	2%	8%
Net result from items at fair value	23	22	16	26	20	5%	15%
Equity method & other income	0	1	4	1	8	-100%	-100%
Total income incl. allocations	**301**	**294**	**283**	**275**	**259**	**2%**	**16%**
Staff costs	-58	-57	-59	-55	-57	2%	2%
Other exp. excl. depreciations	-101	-108	-101	-97	-102	-6%	-1%
Total expenses incl. allocations	**-161**	**-166**	**-162**	**-154**	**-160**	**-3%**	**1%**
Profit before loan losses	**140**	**128**	**121**	**121**	**99**	**9%**	**41%**
Net loan losses	-7	-22	-14	-8	-13	-68%	-46%
Operating profit	**133**	**106**	**107**	**113**	**86**	**25%**	**55%**
Cost/income ratio, %	54	57	57	56	62		
RAROCAR, %	19	17	16	16	13		
Economic capital (EC)	2,002	2,016	2,048	2,055	2,036	-1%	-2%
Risk exposure amount (REA)	13,375	14,237	14,057	14,223	13,962	-6%	-4%
Number of employees (FTEs)	3,923	3,949	3,946	3,986	3,981	-1%	-1%
Volumes, EURbn:							
Lending to corporates	15.0	14.7	14.5	14.3	14.2	2%	6%
Household mortgage lending	27.0	26.9	26.7	26.5	26.2	0%	3%
Consumer lending	6.3	6.3	6.3	6.2	6.2	0%	2%
Total lending	**48.3**	**47.9**	**47.5**	**47.0**	**46.6**	**1%**	**4%**
Corporate deposits	9.3	9.7	9.3	9.2	9.1	-4%	2%
Household deposits	21.4	21.6	21.8	22.3	22.3	-1%	-4%
Total deposits	**30.7**	**31.3**	**31.1**	**31.5**	**31.4**	**-2%**	**-2%**

Cost restated within and between business areas following changed allocations
Economic capital (EC) restated

Banking Norway **Chg local curr.**

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	Q114 vs Q113	Chg local curr. Q114 vs Q413	Chg local curr. Q114 vs Q113
Net interest income	198	200	210	210	199	-1%	-1%	-1%	12%
Net fee and commission income	37	40	42	41	41	-8%	-10%	-8%	0%
Net result from items at fair value	14	18	18	22	17	-22%	-18%	-18%	-7%
Equity method & other income	0	1	1	2	2	-100%	-100%	-100%	-100%
Total income incl. allocations	**249**	**259**	**271**	**275**	**259**	**-4%**	**-4%**	**-4%**	**8%**
Staff costs	-38	-38	-38	-40	-41	0%	-7%	3%	6%
Other exp. excl. depreciations	-71	-74	-74	-77	-80	-4%	-11%	-3%	0%
Total expenses incl. allocations	**-110**	**-114**	**-113**	**-119**	**-122**	**-4%**	**-10%**	**-2%**	**1%**
Profit before loan losses	**139**	**145**	**158**	**156**	**137**	**-4%**	**1%**	**-5%**	**14%**
Net loan losses	-14	-16	-8	13	-11	-13%	27%	-7%	40%
Operating profit	**125**	**129**	**150**	**169**	**126**	**-3%**	**-1%**	**-5%**	**12%**
Cost/income ratio, %	44	44	42	43	47				
RAROCAR, %	15	15	16	15	13				
Economic capital (EC)	2,440	2,617	2,779	2,754	2,878	-7%	-15%	-8%	-7%
Risk exposure amount (REA)	16,622	17,951	18,611	18,896	19,877	-7%	-16%	-9%	-8%
Number of employees (FTEs)	1,425	1,405	1,419	1,407	1,405	1%	1%		
Volumes, EURbn:									
Lending to corporates	19.5	19.1	19.7	19.9	20.9	2%	-7%	1%	3%
Household mortgage lending	25.0	24.4	25.0	25.6	26.7	2%	-6%	1%	3%
Consumer lending	0.8	0.7	0.7	0.8	0.7	14%	14%	0%	17%
Total lending	**45.3**	**44.2**	**45.4**	**46.3**	**48.3**	**2%**	**-6%**	**1%**	**3%**
Corporate deposits	10.4	10.4	10.5	11.1	11.4	0%	-9%	-1%	1%
Household deposits	8.1	7.9	8.0	8.6	8.5	3%	-5%	0%	5%
Total deposits	**18.5**	**18.3**	**18.5**	**19.7**	**19.9**	**1%**	**-7%**	**-1%**	**3%**

Income and cost restated within and between business areas following changed allocations

Economic capital (EC) restated

Banking Sweden **Chg local curr.**

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	Q114 vs Q113	Chg local curr. Q114 vs Q413	Chg local curr. Q114 vs Q113
Net interest income	253	251	252	265	286	1%	-12%	0%	-8%
Net fee and commission income	95	90	91	87	92	6%	3%	7%	8%
Net result from items at fair value	25	24	25	26	26	4%	-4%	4%	0%
Equity method & other income	1	1	6	1	5	0%	-80%	0%	-75%
Total income incl. allocations	**374**	**366**	**374**	**379**	**409**	**2%**	**-9%**	**2%**	**-5%**
Staff costs	-73	-70	-71	-73	-76	4%	-4%	4%	1%
Other exp. excl. depreciations	-136	-144	-142	-146	-145	-6%	-6%	-6%	-2%
Total expenses incl. allocations	**-213**	**-220**	**-217**	**-224**	**-225**	**-3%**	**-5%**	**-3%**	**-1%**
Profit before loan losses	**161**	**146**	**157**	**155**	**184**	**10%**	**-13%**	**10%**	**-9%**
Net loan losses	-6	-13	-11	-18	-11	-54%	-45%	-54%	-45%
Operating profit	**155**	**133**	**146**	**137**	**173**	**17%**	**-10%**	**17%**	**-7%**
Cost/income ratio, %	57	60	58	59	55				
RAROCAR, %	16	14	15	15	19				
Economic capital (EC)	2,752	2,886	3,004	2,977	2,682	-5%	3%	-4%	10%
Risk exposure amount (REA)	14,663	16,039	16,651	16,700	17,866	-9%	-18%	-8%	-12%
Number of employees (FTEs)	3,264	3,250	3,291	3,263	3,315	0%	-2%		
Volumes, EURbn:									
Lending to corporates	20.6	20.8	21.4	21.1	22.7	-1%	-9%	0%	-2%
Household mortgage lending	39.4	39.2	39.0	37.6	38.7	1%	2%	2%	9%
Consumer lending	5.0	5.2	5.6	5.5	5.8	-4%	-14%	-4%	-9%
Total lending	**65.0**	**65.2**	**66.0**	**64.2**	**67.2**	**0%**	**-3%**	**1%**	**4%**
Corporate deposits	12.3	13.2	12.2	12.1	13.0	-7%	-5%	-6%	1%
Household deposits	20.4	21.0	21.1	20.8	21.4	-3%	-5%	-1%	3%
Total deposits	**32.7**	**34.2**	**33.3**	**32.9**	**34.4**	**-4%**	**-5%**	**-3%**	**2%**

Income and cost restated within and between business areas following changed allocations

Economic capital (EC) restated

Banking Baltic countries

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Net interest income	35	34	33	33	32	3%	9%
Net fee and commission income	7	12	11	11	10	-42%	-30%
Net result from items at fair value	-3	-1	-1	-1	-1		
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**39**	**45**	**43**	**43**	**41**	**-13%**	**-5%**
Staff costs	-5	-6	-6	-6	-6	-17%	-17%
Other exp. excl. depreciations	-13	-17	-16	-15	-14	-24%	-7%
Total expenses incl. allocations	**-19**	**-23**	**-21**	**-22**	**-20**	**-17%**	**-5%**
Profit before loan losses	**20**	**22**	**22**	**21**	**21**	**-9%**	**-5%**
Net loan losses	-29	-15	4	-7	-4	93%	
Operating profit	**-9**	**7**	**26**	**14**	**17**		
Cost/income ratio, %	49	51	49	51	49		
RAROCAR, %	7	7	7	6	5		
Economic capital (EC)	745	737	752	789	899	1%	-17%
Risk exposure amount (REA)	5,195	5,071	5,307	5,404	5,498	2%	-6%
Number of employees (FTEs)	729	728	753	771	799	0%	-9%
Volumes, EURbn:							
Lending to corporates	5.8	5.7	5.6	5.7	5.7	2%	2%
Household lending	2.8	2.8	2.8	2.8	2.9	0%	-3%
Total lending	**8.6**	**8.5**	**8.4**	**8.5**	**8.6**	**1%**	**0%**
Corporate deposits	2.7	2.8	2.6	2.4	2.3	-4%	17%
Household deposits	1.0	0.9	0.9	0.9	0.8	11%	25%
Total deposits	**3.7**	**3.7**	**3.5**	**3.3**	**3.1**	**0%**	**19%**

Income and cost restated within and between business areas following changed allocations

Economic capital (EC) restated

Retail Banking Other

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Net interest income	-34	-25	-25	-23	-20		
Net fee and commission income	-7	-7	-5	-4	-4		
Net result from items at fair value	-2	-2	-1	1	-2		
Equity method & other income	8	9	8	7	10	-11%	-20%
Total income incl. allocations	**-35**	**-25**	**-23**	**-19**	**-16**		
Staff costs	-91	-89	-90	-96	-90	2%	1%
Other exp. excl. depreciations	96	81	102	95	92	19%	4%
Total expenses incl. allocations	**-10**	**-22**	**-5**	**-12**	**-13**	**-55%**	**-23%**
Profit before loan losses	**-45**	**-47**	**-28**	**-31**	**-29**		
Net loan losses	-1	-6	-4	2	-6	-83%	-83%
Operating profit	**-46**	**-53**	**-32**	**-29**	**-35**		
Economic capital (EC)	13	73	13	89	91	-82%	-86%
Number of employees (FTEs)	4,557	4,570	4,545	4,388	4,358	0%	5%

Income and cost restated within and between business areas following changed allocations

Economic capital (EC) restated

Wholesale Banking

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

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

Wholesale Banking focuses on increasing returns through continuous improvements and strict resource management. Effective business selection and a strengthened customer service model support income development and capital allocation. Approval of the Advanced Internal Rating-Based approach had a positive impact on REA in the first quarter and supports future capital optimisation.

Business development

Wholesale Banking maintained its strong market position. The subdued economic environment and strong competition continued to affect customer activity.

The strengthened customer coverage in Wholesale Banking supports cross-selling and increasing ancillary income, with Nordea taking on larger and broader roles in prioritised transactions. Nordea's value-added approach and favourable market conditions supported its leading position in event-driven business, with Nordea playing a key role in several major capital market transactions.

Nordea received a number of awards in the first quarter. The strength of Nordea's transaction services was evidenced by Treasury Management International's award of 'Best Cash Management Bank 2013 in the Nordics. Nordea was further awarded 'Best Investment Bank' and 'Best Debt Bank' in the Nordic region by Global Finance.

Banking

Corporate customer activity was moderate in the first quarter. Daily business was relatively stable with somewhat higher margins and a stable transaction flow. The loan-to-bond shift continued to affect lending activities.

Institutional customer activity remained subdued with weak demand for risk management products.

Customer activity in Shipping, Offshore & Oil Services was moderate with solid activity in the bond origination market.

In Russia, customer activity was solid. There was no direct effect on business in the first quarter from the political tension between Russia and the EU/US. Nordea is closely monitoring the situation, and measures to ensure asset protection and business continuity are in place.

Capital markets

While interest rates were low and competition tough, the results in the secondary fixed income and foreign exchange markets remained strong. Demand for credit products improved compared to the first quarter 2013, but customer activity for risk management products was still affected by the market conditions.

Loan capital market activities strengthened with an increasing activity level towards the end of the quarter. Primary fixed income activities improved, supported by investor liquidity. The positive sentiment was noted in the high-yield sector as investors continued to search for yield. ECM activity further increased for placings and IPOs. Nordic M&A activity picked up with notable public transactions.

Markets Equities continued to increase market shares and ratings from customers. The large number of primary transactions further strengthened Nordea's position as a top Nordic equity house. The newly established UK unit further advanced Nordea's placing power.

Credit quality

Net loan losses decreased to EUR 34m. The loan loss ratio was 14 basis points (15 basis points in the previous quarter). Conditions in the shipping industry further improved.

Result

Total income was EUR 655m, an increase of 3% from the previous quarter. Total expenses decreased by 10% from the previous quarter and decreased by 7% compared to the first quarter of the prior year.

Continued strict resource management resulted in stable REA and a competitive cost/income ratio.

Operating profit increased to EUR 408m, up 12% from the fourth quarter. The business area RAROCAR amounted to 15%.

Corporate & Institutional Banking

Total income was up 2% from the previous quarter driven by strong commission income. The event-driven business improved within both the equity and fixed income areas. Daily business was moderate with stable transaction flows and reduced hedging activity. Lending volumes were virtually unchanged and competition intensified further, especially from local banks. Institutional customer activity varied between the countries with hedging activities below 2013 levels.

Shipping, Offshore & Oil Services
Total income increased by 12% compared to the previous quarter, mainly driven by strong commission income and result from items at fair value. Compared to the same quarter last year, income was up by 2% mainly due to repricing and moderate business activity. An increase in loan margins compared to the first quarter last year has more than compensated for a reduction in loan volumes.

Banking Russia
Total income was down 3% compared to the previous quarter due to the result from items at fair value. Interest income was stable at a high level. Business volumes developed favourably at the beginning of the year, and margins showed a gradual increase. Expenses decreased significantly, due to currency movements and technical changes. Profit before loan losses was strong, up 14% from previous quarter. Loan losses were marginal.

Wholesale Banking other (including Capital Markets unallocated)
Wholesale Banking other total income was up 4% from the previous quarter. Wholesale Banking other is the residual result not allocated to customer units. This includes the unallocated income from Capital Markets, Transaction Products, International Units and the IT divisions. It also includes the additional liquidity premium for the funding cost of long-term lending and deposits in Wholesale Banking. Optimisation of the business takes place in the relevant customer and product units.

Wholesale Banking **Chg local curr.**

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	Q114 vs Q113	Chg local curr. Q114 vs Q413	Chg local curr. Q114 vs Q113
Net interest income	271	269	290	282	279	1%	-3%	2%	5%
Net fee and commission income	170	146	147	142	125	16%	36%	18%	41%
Net result from items at fair value	213	221	221	252	223	-4%	-4%	-2%	-4%
Equity method & other income	1	1	2	-3	4	0%	-75%		
Total income incl. allocations	**655**	**637**	**660**	**673**	**631**	**3%**	**4%**	**4%**	**8%**
Staff costs	-198	-202	-185	-204	-198	-2%	0%	-1%	5%
Other exp. excl. depreciations	-7	-27	-17	-16	-20	-74%	-65%	-66%	-53%
Total expenses incl. allocations	**-213**	**-237**	**-210**	**-229**	**-228**	**-10%**	**-7%**	**-9%**	**-1%**
Profit before loan losses	**442**	**400**	**450**	**444**	**403**	**11%**	**10%**	**12%**	**14%**
Net loan losses	-34	-36	-62	-86	-68	-6%	-50%	-9%	-49%
Operating profit	**408**	**364**	**388**	**358**	**335**	**12%**	**22%**	**14%**	**26%**
Cost/income ratio, %	33	37	32	34	36				
RAROCAR, %	15	13	15	14	13				
Economic capital (EC)	8,566	8,441	8,515	8,771	9,068	1%	-6%		
Risk exposure amount (REA)	59,307	59,023	61,303	62,633	64,882	0%	-9%		
Number of employees (FTEs)	6,048	6,048	6,029	5,941	6,036	0%	0%		
Volumes, EURbn:									
Lending to corporates	96.5	96.5	95.9	94.2	97.1	0%	-1%		
Lending to households	0.5	0.5	0.5	0.4	0.4	0%	25%		
Total lending	**97.0**	**97.0**	**96.4**	**94.6**	**97.5**	**0%**	**-1%**	**0%**	**3%**
Corporate deposits	70.7	66.5	67.2	60.7	64.6	6%	9%		
Household deposits	0.2	0.2	0.2	0.2	0.2	0%	0%		
Total deposits	**70.9**	**66.7**	**67.4**	**60.9**	**64.8**	**6%**	**9%**	**6%**	**13%**

Historical numbers have been restated following changes in the allocation principles

Economic capital (EC) restated

Corporate & Institutional Banking

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Net interest income	169	179	176	173	166	-6%	2%
Net fee and commission income	163	134	126	139	113	22%	44%
Net result from items at fair value	59	72	61	91	80	-18%	-26%
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**391**	**385**	**363**	**403**	**359**	**2%**	**9%**
Staff costs	-11	-9	-9	-10	-10	22%	10%
Other exp. excl. depreciations	-97	-96	-95	-96	-97	1%	0%
Total expenses incl. allocations	**-108**	**-105**	**-104**	**-106**	**-107**	**3%**	**1%**
Profit before loan losses	**283**	**280**	**259**	**297**	**252**	**1%**	**12%**
Net loan losses	-38	-37	-41	-50	-45	3%	-16%
Operating profit	**245**	**243**	**218**	**247**	**207**	**1%**	**18%**
Cost/income ratio, %	28	27	29	26	30		
RAROCAR, %	18	16	14	16	13		
Economic capital (EC)	4,450	4,913	5,079	5,221	5,366	-9%	-17%
Risk exposure amount (REA)	31,283	34,816	35,888	36,752	38,355	-10%	-18%
Number of employees (FTEs)	205	169	169	165	166	21%	23%
Volumes, EURbn:							
Total lending	39.0	39.1	40.5	40.3	43.0	0%	-9%
Total deposits	35.8	33.6	34.9	35.0	36.9	7%	-3%

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

Economic capital (EC) restated

Shipping, Offshore & Oil Services

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Net interest income	66	65	69	67	66	2%	0%
Net fee and commission income	16	12	15	14	14	33%	14%
Net result from items at fair value	11	6	7	8	11	83%	0%
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**93**	**83**	**91**	**89**	**91**	**12%**	**2%**
Staff costs	-5	-6	-6	-5	-7	-17%	-29%
Other exp. excl. depreciations	-11	-10	-10	-9	-11	10%	0%
Total expenses incl. allocations	**-16**	**-16**	**-16**	**-14**	**-18**	**0%**	**-11%**
Profit before loan losses	**77**	**67**	**75**	**75**	**73**	**15%**	**5%**
Net loan losses	5	-1	-20	-34	-40		
Operating profit	**82**	**66**	**55**	**41**	**33**	**24%**	**148%**
Cost/income ratio, %	17	19	18	16	20		
RAROCAR, %	19	14	15	14	13		
Economic capital (EC)	1,162	1,314	1,349	1,437	1,609	-12%	-28%
Risk exposure amount (REA)	8,457	9,065	9,052	9,444	10,173	-7%	-17%
Number of employees (FTEs)	84	87	86	84	88	-3%	-5%
Volumes, EURbn:							
Total lending	10.7	11.4	11.8	12.2	13.1	-6%	-18%
Total deposits	4.1	4.3	3.7	3.5	3.7	-5%	11%

Economic capital (EC) restated

Banking Russia

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Net interest income	60	60	58	55	61	0%	-2%
Net fee and commission income	3	4	4	3	3	-25%	0%
Net result from items at fair value	1	2	3	3	4	-50%	-75%
Equity method & other income	0	0	0	0	0		
Total income incl. allocations	**64**	**66**	**65**	**61**	**68**	**-3%**	**-6%**
Staff costs	-15	-18	-17	-14	-19	-17%	-21%
Other exp. excl. depreciations	-6	-9	-8	-7	-7	-33%	-14%
Total expenses incl. allocations	**-22**	**-29**	**-27**	**-22**	**-28**	**-24%**	**-21%**
Profit before loan losses	**42**	**37**	**38**	**39**	**40**	**14%**	**5%**
Net loan losses	-1	-1	0	-1	9	0%	
Operating profit	**41**	**36**	**38**	**38**	**49**	**14%**	**-16%**
Cost/income ratio, %	34	44	42	36	41		
RAROCAR, %	25	23	22	23	24		
Economic capital (EC)	493	475	496	499	487	4%	1%
Risk exposure amount (REA)	3,332	3,372	5,948	5,877	5,962	-1%	-44%
Number of employees (FTEs)	1,399	1,405	1,402	1,385	1,439	0%	-3%
Volumes, EURbn:							
Lending to corporates	5.7	5.8	6.0	6.1	6.0	-2%	-5%
Lending to households	0.5	0.5	0.5	0.4	0.4	0%	25%
Total lending	**6.2**	**6.3**	**6.5**	**6.5**	**6.4**	**-2%**	**-3%**
Corporate deposits	1.3	1.7	1.7	1.8	1.3	-24%	0%
Household deposits	0.2	0.2	0.2	0.2	0.2	0%	0%
Total deposits	**1.5**	**1.9**	**1.9**	**2.0**	**1.5**	**-21%**	**0%**

Economic capital (EC) restated

Wholesale Banking Other

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Net interest income	-24	-35	-13	-13	-14		
Net fee and commission income	-12	-4	2	-14	-5		
Net result from items at fair value	142	141	150	150	128	1%	11%
Equity method & other income	1	1	2	-3	4	0%	-75%
Total income incl. allocations	**107**	**103**	**141**	**120**	**113**	**4%**	**-5%**
Staff costs	-167	-169	-153	-175	-162	-1%	3%
Other exp. excl. depreciations	107	88	96	96	95	22%	13%
Total expenses incl. allocations	**-67**	**-87**	**-63**	**-87**	**-75**	**-23%**	**-11%**
Profit before loan losses	**40**	**16**	**78**	**33**	**38**	**150%**	**5%**
Net loan losses	0	3	-1	-1	8	-100%	-100%
Operating profit	**40**	**19**	**77**	**32**	**46**	**111%**	**-13%**
Economic capital (EC)	2,461	1,739	1,591	1,614	1,606	42%	53%
Risk exposure amount (REA)	16,235	11,770	10,415	10,560	10,392	38%	56%
Number of employees (FTEs)	4,360	4,387	4,372	4,307	4,343	-1%	0%
Volumes, EURbn:							
Total lending	41.1	40.2	37.6	35.6	35.0		
Total deposits	29.5	26.9	26.9	20.4	22.7		

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

Economic capital (EC) restated

Wealth Management

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

Business development

Nordea's Assets under Management (AuM) increased to EUR 238.7bn, up EUR 6.6bn or 3% from the previous quarter and 7% from the same quarter last year. The increase in AuM was due to a positive market appreciation of EUR 2.8bn, and net inflow of EUR 3.8bn ending the quarter with AuM at an all-time high.

The quarter was driven by strong business momentum. All businesses contributed positively to the quarter's inflow.

In Nordic Private Banking as well as in International Private Banking, demand for discretionary management solutions was very strong in the first quarter, and an all-time-high inflow into these solutions was registered. This development is in line with the Private Banking value proposition, as these solutions can be easily integrated into customers' wealth planning strategies, they are subject to rigorous risk management and imply less of an administrative burden for customers.

The Private Banking customer base was at the end of the first quarter just over 109,000. Private Banking continues to focus on customer acquisition, and further improving customer satisfaction. Net inflow in Private Banking amounted to EUR 0.6bn, due to factors including a strong flow from newly acquired customers.

Asset Management maintains its strong momentum in sales and revenues, and is positively affected by the strong 2013 net sales figures that resulted in Nordea being ranked fourth largest in European fund sales by Morningstar.

The positive trend from 2013, with high net flows into the Nordic retail funds, continued in the first quarter, for which net inflow was EUR 0.9bn.

Net flow from institutional clients and Global Fund Distribution was EUR 1.4bn. The institutional segment had positive net flows from winning important mandates internationally and a strong development in value of AuM from the Nordic institutional market. Global Fund Distribution posted strong and well-diversified net inflows of EUR 0.7bn in the quarter, maintaining the positive momentum of 2013.

Nordea has drawn benefits from new EU legislations that enable a fund company to manage and market funds across borders and merged Nordea's four Nordic fund companies into one Nordic fund company, domiciled in Finland with branches in Sweden, Norway and Denmark. Asset Management has been approved by the government of China as Qualified Foreign Institutional Investor, and is thus allowed to invest directly into A-shares traded on the Shanghai and Shenzhen stock exchanges.

Investment performance was satisfactory in the first quarter with 69% of AuM weighted portfolios outperforming benchmarks. The 3-year performance is strong with 68% of all AuM weighted portfolios outperforming benchmarks.

Life & Pensions' gross written premiums reached a quarterly all-time-high level at EUR 2,064m in the first quarter, which is 11% higher than in the fourth quarter. The strong sales are primarily driven by solid sales momentum for market return products in the Nordea Bank channel. In the first quarter, market return products accounted for 87% of total gross written premiums, which is an increase of 5%-points compared to the same quarter in 2013.

Assets in market return products continued to increase and compared to the same quarter last year, the share of total AuM has increased by 4 %-points. As a result of the continuously increasing share of capital-light products in relation to total AuM, the Solvency I ratio increased by 7%-points in the first quarter, ending at 180.

Result

First quarter income was EUR 391m, down 5% from the seasonally strong fourth quarter and up 8% from the same quarter last year. The decrease from last quarter is mainly due to annual performance fees in the Asset Management business in the fourth quarter.

Costs decreased 11% compared to the previous quarter and increased 2% from the same quarter last year, and as a consequence of successful cost management and stronger underlying business momentum, operating profit was EUR 196m, up 2% from the previous quarter and up 15% from the same quarter last year.

Private Banking
Total income for the first quarter was EUR 138m, in line with the same period in 2013. The income level was supported by stronger net interest income as a result of increased lending margins as well as high ancillary income. Combined with a continuous strict cost focus, operating profit ended at EUR 50m.

Asset Management
Asset Management income was EUR 136m in the first quarter, up 24% from the same quarter last year and down 9% from the previous quarter. The decrease from the previous quarter was due to annual performance fees in the fourth quarter. The increase from same quarter last year was mainly the result of an increase in AuM due to positive net inflow and investment performance. Operating profit was EUR 81m, up 47% compared to the first quarter last year.

Life & Pensions
Operating profit in the first quarter amounted to EUR 68m, down 1% compared to the fourth quarter, due to seasonal effects. Income was up 3% and costs down 6% in the first quarter 2014 compared to the first quarter 2013, due to continued strong AuM growth in market return product combined with initiatives supporting cost efficiency.

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

Wealth Management — **Chg local curr.**

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113	Chg local curr. Q114 vs Q413	Chg local curr. vs Q113
Net interest income	38	32	32	35	32	19%	19%	19%	21%
Net fee and commission income	262	282	252	253	235	-7%	11%	-7%	14%
Net result from items at fair value	83	91	82	84	88	-9%	-6%	-7%	-3%
Equity method & other income	8	5	7	11	7	60%	14%	38%	2%
Total income incl. allocations	**391**	**410**	**373**	**383**	**362**	**-5%**	**8%**	**-4%**	**10%**
Staff costs	-120	-130	-115	-118	-119	-8%	1%	-7%	3%
Other exp. excl. depreciations	-73	-87	-70	-74	-72	-16%	1%	-15%	6%
Total expenses incl. allocations	**-195**	**-218**	**-187**	**-193**	**-192**	**-11%**	**2%**	**-10%**	**4%**
Profit before loan losses	**196**	**192**	**186**	**190**	**170**	**2%**	**15%**	**3%**	**18%**
Net loan losses	0	1	0	-4	0	-100%			
Operating profit	**196**	**193**	**186**	**186**	**170**	**2%**	**15%**	**2%**	**17%**
Cost/income ratio, %	50	53	50	50	53				
RAROCAR, %	29	27	25	26	24				
Economic capital (EC)	2,116	2,019	2,270	2,223	2,237	5%	-5%		
Risk exposure amount (REA)	4,827	2,827	2,818	2,812	3,161	71%	53%		
Number of employees (FTEs)	3,490	3,452	3,480	3,439	3,447	1%	1%		
Volumes, EURbn:									
AuM	238.7	232.1	226.8	217.8	222.1	3%	7%		
Total lending	9.3	9.2	9.0	8.9	8.9	1%	4%		
Total deposits	11.1	11.3	11.2	11.1	11.2	-2%	-1%		

Income and cost restated within and between business areas following changed allocations
Economic capital (EC) restated

Assets under Management (AuM), volumes and net inflow

EURbn	Q1 2014	Q1 2014 Net inflow	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Nordic Retail funds	43.0	0.9	41.7	41.2	38.8	40.2
Private Banking	79.1	0.6	77.3	74.9	71.9	72.9
Institutional sales	57.3	1.4	54.4	53.0	50.5	50.8
Life & Pensions	59.3	0.9	58.7	57.7	56.6	58.2
Total	**238.7**	**3.8**	**232.1**	**226.8**	**217.8**	**222.1**

Q4, Q3 and Q2 2013 represent continuing operations, following the agreement to divest the Polish operations.
Q1 2013 is not restated.

Private Banking

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Net interest income	38	32	32	35	31	19%	23%
Net fee and commission income	64	74	66	73	65	-14%	-2%
Net result from items at fair value	35	35	22	35	41	0%	-15%
Equity method & other income	1	0	0	1	1		0%
Total income incl. allocations	**138**	**141**	**120**	**144**	**138**	**-2%**	**0%**
Staff costs	-42	-45	-41	-42	-42	-7%	0%
Other exp. excl. depreciations	-45	-46	-43	-44	-43	-2%	5%
Total expenses incl. allocations	**-88**	**-92**	**-86**	**-87**	**-87**	**-4%**	**1%**
Profit before loan losses	**50**	**49**	**34**	**57**	**51**	**2%**	**-2%**
Net loan losses	0	0	0	-4	1		-100%
Operating profit	**50**	**49**	**34**	**53**	**52**	**2%**	**-4%**
Cost/income ratio, %	64	65	72	60	63		
RAROCAR, %	36	38	26	42	41		
Economic capital (EC)	428	379	383	392	410	13%	4%
Risk exposure amount (REA)	2,736	2,497	2,501	2,497	2,883	10%	-5%
Number of employees (FTEs)	1,226	1,216	1,220	1,207	1,220	1%	0%
Volumes, EURbn:							
AuM	79.1	77.3	74.9	71.9	72.9	2%	9%
Household mortgage lending	6.0	5.9	5.8	5.7	5.7	2%	5%
Consumer lending	3.3	3.3	3.2	3.2	3.2	0%	3%
Total lending	**9.3**	**9.2**	**9.0**	**8.9**	**8.9**	**1%**	**4%**
Household deposits	11.1	11.3	11.2	11.1	11.2	-2%	-1%
Total deposits	**11.1**	**11.3**	**11.2**	**11.1**	**11.2**	**-2%**	**-1%**

Income and cost restated within and between business areas following changed allocations
Economic capital (EC) restated

Asset Management

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Net interest income	0	0	0	0	0		
Net fee and commission income	132	148	124	119	110	-11%	20%
Net result from items at fair value	2	1	0	0	-2	100%	
Equity method & other income	2	1	2	5	2	100%	0%
Total income incl. allocations	**136**	**150**	**126**	**124**	**110**	**-9%**	**24%**
Staff costs	-30	-31	-26	-27	-30	-3%	0%
Other exp. excl. depreciations	-25	-31	-25	-27	-25	-19%	0%
Total expenses incl. allocations	**-55**	**-63**	**-51**	**-54**	**-55**	**-13%**	**0%**
Profit before loan losses	**81**	**87**	**75**	**70**	**55**	**-7%**	**47%**
Net loan losses	0	0	0	0	0		
Operating profit	**81**	**87**	**75**	**70**	**55**	**-7%**	**47%**
Cost/income ratio, %	40	42	40	44	50		
Income, spread (basis points)	36	41	36	36	32		
Economic capital (EC)	108	107	118	124	159	1%	-32%
Risk exposure amount (REA)	297	330	317	315	278	-10%	7%
AuM, EURbn	152.8	146.2	142.7	136.3	138.4	5%	10%
Number of employees (FTEs)	572	564	556	560	559	1%	2%

Economic capital (EC) and AuM restated

Life & Pensions

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Net interest income	0	0	0	0	0		
Net fee and commission income	66	61	63	62	61	8%	8%
Net result from items at fair value	46	55	59	49	49	-16%	-6%
Equity method & other income	5	4	5	4	4	25%	25%
Total income incl. allocations	**117**	**120**	**127**	**115**	**114**	**-3%**	**3%**
Staff costs	-29	-34	-31	-29	-30	-15%	-3%
Other exp. excl. depreciations	-20	-17	-20	-21	-22	18%	-9%
Total expenses incl. allocations	**-49**	**-51**	**-51**	**-50**	**-52**	**-4%**	**-6%**
Profit before loan losses	**68**	**69**	**76**	**65**	**62**	**-1%**	**10%**
Net loan losses	0	0	0	0	0		
Operating profit	**68**	**69**	**76**	**65**	**62**	**-1%**	**10%**
Cost/income ratio, %	42	43	40	43	46		
Return on Equity YtD, %	14	13	12	12	11		
Equity	1,565	1,518	1,754	1,693	1,652	3%	-5%
AuM, EURbn	53.6	53.3	52.1	51.0	52.0	1%	3%
Premiums	2,064	1,867	1,419	1,579	1,779	11%	16%
Risk exposure amount (REA)	1,794						
Number of employees (FTEs)	1,118	1,130	1,157	1,147	1,149	-1%	-3%
Profit drivers							
Profit Traditional products	17	26	18	16	18	-35%	-6%
Profit Market Return products	35	24	40	36	33	46%	6%
Profit Risk products	16	21	18	13	12	-24%	33%
Total product result	**68**	**71**	**76**	**65**	**63**	**-4%**	**8%**
Return on Shareholder equity, other profits and group adj.	0	-2	0	0	-1	-100%	-100%
Operating profit	**68**	**69**	**76**	**65**	**62**	**-1%**	**10%**

Wealth Management Other

EURm	Q114	Q413	Q313	Q213	Q113	Q114 vs Q413	vs Q113
Net interest income	0	0	0	0	1		
Net fee and commission income	0	-1	-1	-1	-1		
Net result from items at fair value	0	0	1	0	0		
Equity method & other income	0	0	0	1	0		
Total income incl. allocations	**0**	**-1**	**0**	**0**	**0**		
Staff costs	-19	-20	-17	-20	-17	-5%	12%
Other exp. excl. depreciations	17	7	18	18	18	143%	-6%
Total expenses incl. allocations	**-3**	**-12**	**1**	**-2**	**2**	**-75%**	
Profit before loan losses	**-3**	**-13**	**1**	**-2**	**2**		
Net loan losses	0	1	0	0	-1	-100%	-100%
Operating profit	**-3**	**-12**	**1**	**-2**	**1**		
Economic capital (EC)	15	15	15	14	16	0%	-6%
Number of employees (FTEs)	573	542	547	525	519	6%	10%

Income and cost restated within and between business areas following changed allocations
Economic capital (EC) restated

Group Functions and other

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

Group Corporate Centre

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

At the end of the first quarter, the proportion of long-term funding of total funding was approx. 76%, up from 73% at the end of the fourth quarter.

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

Short-term liquidity risk is measured using several metrics and Liquidity Coverage Ratio is one of the metrics. LCR was for the Nordea Group 114% at the end of the first quarter. The LCR in EUR was 159% and in USD 127% at the end of the first quarter, with the definition in accordance with the Swedish FSA's LCR requirement. With the new suggested Basel definition, the total LCR and the LCRs per currency for the Group would be even higher. The liquidity buffer comprises highly liquid, primarily Nordic government and covered bonds which are all central bank eligible securities with characteristics similar to Basel III/CRD IV. The liquidity buffer amounted to EUR 61bn at the end of the first quarter (EUR 66bn at the end of the fourth quarter).

The outstanding volume of short-term debt was at the end of the first quarter EUR 47bn.

Nordea issued approx. EUR 8.8bn of long-term funding in the first quarter excluding Danish covered bonds, of which approx. EUR 6.1bn represented the issuance of Swedish, Norwegian and Finnish covered bonds in the domestic and international markets.

In the first quarter, Nordea issued a EUR 1.5bn 5-year fixed rate covered bond and a EUR 1,25bn 7-year senior note. With value date in April Nordea issued a CHF 5.5-year fixed rate senior note and a USD 2.25bn triple-tranche 3- and 5-year senior note in fixed and floating format.

The market risk on Group Treasury's interest-rate positions, calculated as average VaR, was EUR 88m in the first quarter. The risk related to equities, calculated as VaR, was EUR 2m and the risk related to credit spreads (VaR) was EUR 3m. Interest rate risk and equity risk increased while the credit spread risk decreased compared to the fourth quarter.

Result

Total operating income was EUR 111m in the first quarter. Net interest income decreased to EUR 91m in the first quarter compared to EUR 101m in the previous quarter, mainly due to interest rate positions. The net result from items at fair value increased to EUR 23m compared to EUR -9m in the fourth quarter, mainly related to interest rate-related items and equities. Operating profit was EUR 44m.

	Group Corporate Centre					Group functions, Other & Eliminations				
EURm	Q114	Q413	Q313	Q213	Q113	Q114	Q413	Q313	Q213	Q113
Net interest income	91	101	74	90	73	20	40	37	28	19
Net fee and commission income	-4	-2	-4	-2	-2	-4	6	-10	6	-1
Net result from items at fair value	23	-9	35	25	19	6	-49	-60	-31	21
Equity method & other income	1	4	4	5	5	2	15	3	-14	29
Total operating income	**111**	**94**	**109**	**118**	**95**	**24**	**12**	**-30**	**-11**	**68**
Staff costs	-55	-53	-51	-59	-52	-44	-19	-41	-27	-40
Other exp. excl. depreciations	-2	-17	-2	1	-1	-46	39	3	5	8
Total operating expenses	**-67**	**-85**	**-63**	**-67**	**-61**	**-43**	**7**	**-53**	**-28**	**-40**
Net loan losses	0	0	0	0	0	0	0	-2	-1	1
Operating profit	**44**	**9**	**46**	**51**	**34**	**-19**	**19**	**-85**	**-40**	**29**
Economic capital (EC)	913	552	612	593	587	877	868	868	896	854
Risk exposure amount (REA)	6,566	4,849	4,500	4,409	4,623	13,435	12,644	13,343	13,309	14,377
Number of employees (FTEs)	1,768	1,699	1,663	1,628	1,631	889	911	911	923	908

Income and cost restated within and between business areas following changed allocations

Economic capital (EC) restated

Income statement

EURm	Note	Q1 2014	Q1 2013	Full year 2013
Operating income				
Interest income		*2,528*	*2,693*	*10,604*
Interest expense		*-1,166*	*-1,335*	*-5,079*
Net interest income		1,362	1,358	5,525
Fee and commission income		*931*	*845*	*3,574*
Fee and commission expense		*-227*	*-222*	*-932*
Net fee and commission income	3	704	623	2,642
Net result from items at fair value	4	411	444	1,539
Profit from companies accounted for under the equity method		9	35	79
Other operating income		15	46	106
Total operating income		**2,501**	**2,506**	**9,891**
Operating expenses				
General administrative expenses:				
Staff costs		-756	-754	-2,978
Other expenses	5	-426	-461	-1,835
Depreciation, amortisation and impairment charges of tangible and intangible assets		-55	-52	-227
Total operating expenses		**-1,237**	**-1,267**	**-5,040**
Profit before loan losses		**1,264**	**1,239**	**4,851**
Net loan losses	6	-158	-198	-735
Operating profit		**1,106**	**1,041**	**4,116**
Income tax expense		-266	-258	-1,009
Net profit for the period from continuing operations		**840**	**783**	**3,107**
Net profit for the period from discontinued operations, after tax	12	-9	13	9
Net profit for the period		**831**	**796**	**3,116**
Attributable to:				
Shareholders of Nordea Bank AB (publ)		831	794	3,116
Non-controlling interests		-	2	-
Total		**831**	**796**	**3,116**
Basic earnings per share, EUR - Total operations		0.21	0.20	0.77
Diluted earnings per share, EUR - Total operations		0.21	0.20	0.77

Statement of comprehensive income

EURm	Q1 2014	Q1 2013	Full year 2013
Net profit for the period	**831**	**796**	**3,116**
Items that may be reclassified subsequently to the income statement			
Currency translation differences during the period	-30	-6	-999
Hedging of net investments in foreign operations:			
Valuation gains/losses during the period	-14	32	464
Tax on valuation gains/losses during the period	3	-7	-102
Available for sale investments:[1]			
Valuation gains/losses during the period	11	34	31
Tax on valuation gains/losses during the period	-3	-9	-6
Cash flow hedges:			
Valuation gains/losses during the period	-31	-2	-2
Tax on valuation gains/losses during the period	6	0	-1
Items that may not be reclassified subsequently to the income statement			
Defined benefit plans:			
Remeasurement of defined benefit plans	-57	-	155
Tax on remeasurement of defined benefit plans	11	-	-39
Other comprehensive income, net of tax[2]	**-104**	**42**	**-499**
Total comprehensive income	**727**	**838**	**2,617**
Attributable to:			
Shareholders of Nordea Bank AB (publ)	727	836	2,617
Non-controlling interests	-	2	-
Total	**727**	**838**	**2,617**

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

[2] Of which EUR 2m (EUR -10m) related to discontinued operations.

Balance sheet

EURm	Note	31 Mar 2014	31 Dec 2013	31 Mar 2013
Assets				
Cash and balances with central banks		32,553	33,529	31,565
Loans to central banks	7	8,771	11,769	7,834
Loans to credit institutions	7	11,872	10,743	11,575
Loans to the public	7	346,384	342,451	355,190
Interest-bearing securities		87,457	87,314	88,817
Financial instruments pledged as collateral		8,643	9,575	8,137
Shares		34,184	33,271	30,859
Derivatives		69,909	70,992	97,865
Fair value changes of the hedged items in portfolio hedge of interest rate risk		203	203	371
Investments in associated undertakings		518	630	667
Intangible assets		3,259	3,246	3,425
Property and equipment		474	431	483
Investment property		3,585	3,524	3,383
Deferred tax assets		78	62	248
Current tax assets		171	31	129
Retirement benefit assets		321	321	127
Other assets		16,701	11,064	19,300
Prepaid expenses and accrued income		2,493	2,383	2,662
Assets held for sale	12	8,822	8,895	-
Total assets		**636,398**	**630,434**	**662,637**
Of which assets customer bearing the risk		*25,945*	*24,912*	*21,864*
Liabilities				
Deposits by credit institutions		53,039	59,090	63,083
Deposits and borrowings from the public		203,688	200,743	204,272
Liabilities to policyholders		48,933	47,226	46,731
Debt securities in issue		186,342	185,602	186,069
Derivatives		64,015	65,924	93,145
Fair value changes of the hedged items in portfolio hedge of interest rate risk		2,181	1,734	3,152
Current tax liabilities		407	303	471
Other liabilities		33,416	24,737	24,760
Accrued expenses and prepaid income		4,079	3,677	4,498
Deferred tax liabilities		913	935	971
Provisions		173	177	367
Retirement benefit obligations		379	334	387
Subordinated liabilities		6,554	6,545	7,316
Liabilities held for sale	12	4,042	4,198	-
Total liabilities		**608,161**	**601,225**	**635,222**
Equity				
Non-controlling interests		2	2	4
Share capital		4,050	4,050	4,050
Share premium reserve		1,080	1,080	1,080
Other reserves		-263	-159	382
Retained earnings		23,368	24,236	21,899
Total equity		**28,237**	**29,209**	**27,415**
Total liabilities and equity		**636,398**	**630,434**	**662,637**
Assets pledged as security for own liabilities		178,048	174,418	174,946
Other assets pledged		9,492	7,467	11,153
Contingent liabilities		20,282	20,870	21,644
Credit commitments[1]		78,807	78,332	86,254
Other commitments		1,359	1,267	1,164

[1] Including unutilised portion of approved overdraft facilities of EUR 43,929m (31 Dec 2013: EUR 44,053, 31 Mar 2013: EUR 45,408m).

Statement of changes in equity

	Attributable to shareholders of Nordea Bank AB (publ)									
			Other reserves:							
EURm	Share capital[1]	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans	Retained earnings	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 Jan 2014	**4,050**	**1,080**	**-613**	**-18**	**81**	**391**	**24,236**	**29,207**	**2**	**29,209**
Total comprehensive income	-	-	-41	-25	8	-46	831	727	-	727
Share-based payments[3]	-	-	-	-	-	-	8	8	-	8
Dividend for 2013	-	-	-	-	-	-	-1,734	-1,734	-	-1,734
Disposal of own shares[2]	-	-	-	-	-	-	27	27	-	27
Balance at 31 Mar 2014	**4,050**	**1,080**	**-654**	**-43**	**89**	**345**	**23,368**	**28,235**	**2**	**28,237**

	Attributable to shareholders of Nordea Bank AB (publ)									
			Other reserves:							
EURm	Share capital[1]	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans	Retained earnings	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 Jan 2013	**4,050**	**1,080**	**24**	**-15**	**56**	**275**	**22,530**	**28,000**	**5**	**28,005**
Total comprehensive income	-	-	-637	-3	25	116	3,116	2,617	-	2,617
Share-based payments[3]	-	-	-	-	-	-	17	17	-	17
Dividend for 2012	-	-	-	-	-	-	-1,370	-1,370	-	-1,370
Purchases of own shares[2]	-	-	-	-	-	-	-57	-57	-	-57
Other changes	-	-	-	-	-	-	-	-	-3	-3
Balance at 31 Dec 2013	**4,050**	**1,080**	**-613**	**-18**	**81**	**391**	**24,236**	**29,207**	**2**	**29,209**

	Attributable to shareholders of Nordea Bank AB (publ)									
			Other reserves:							
EURm	Share capital[1]	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans	Retained earnings	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 Jan 2013	**4,050**	**1,080**	**24**	**-15**	**56**	**275**	**22,530**	**28,000**	**5**	**28,005**
Total comprehensive income	-	-	19	-2	25	-	794	836	2	838
Share-based payments[3]	-	-	-	-	-	-	5	5	-	5
Dividend for 2012	-	-	-	-	-	-	-1,370	-1,370	-	-1,370
Purchases of own shares[2]	-	-	-	-	-	-	-60	-60	-	-60
Other changes	-	-	-	-	-	-	-	-	-3	-3
Balance at 31 Mar 2013	**4,050**	**1,080**	**43**	**-17**	**81**	**275**	**21,899**	**27,411**	**4**	**27,415**

[1] Total shares registered were 4,050 million (31 Dec 2013: 4,050 million, 31 Mar 2013: 4,050 million).
[2] Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares at 31 Mar 2014 were 28.1 million (31 Dec 2013: 31.8 million, 31 Mar 2013: 33.8 million).
[3] The total holding of own shares related to Long Term Incentive Programme (LTIP) is 18.3 million (31 Dec 2013: 18.3 million, 31 Mar 2013: 20.2 million).

Cash flow statement, condensed - Total operations

EURm	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Operating activities			
Operating profit	1,106	1,041	4,116
Profit for the period from discontinued operations, after tax	-9	13	9
Adjustments for items not included in cash flow	2,143	4,028	4,492
Income taxes paid	-330	-236	-1,010
Cash flow from operating activities before changes in operating assets and liabilities	2,910	4,846	7,607
Changes in operating assets and liabilities	-4,533	-6,318	-1,292
Cash flow from operating activities	-1,623	-1,472	6,315
Investing activities			
Property and equipment	-63	-30	-120
Intangible assets	-68	-34	-228
Net investments in debt securities, held to maturity	-36	-4	930
Other financial fixed assets	-1	-13	-10
Cash flow from investing activities	-168	-81	572
Financing activities			
Issued/amortised subordinated liabilities	-	-	-500
Divestment/repurchase of own shares incl change in trading portfolio	27	-60	-57
Dividend paid	-1,734	-1,370	-1,370
Cash flow from financing activities	-1,707	-1,430	-1,927
Cash flow for the period	**-3,498**	**-2,983**	**4,960**
Cash and cash equivalents at beginning of the period	**45,670**	**42,808**	**42,808**
Translation difference	-45	1,280	-2,098
Cash and cash equivalents at end of the period	**42,127**	**41,105**	**45,670**
Change	**-3,498**	**-2,983**	**4,960**

Cash and cash equivalents	31 Mar	31 Mar	31 Dec
The following items are included in cash and cash equivalents (EURm):	2014	2013	2013
Cash and balances with central banks	32,553	31,280	33,529
Loans to central banks	7,536	7,696	9,313
Loans to credit institutions	1,833	1,821	2,290
Assets held for sale	205	307	538

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

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

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

Notes to the financial statements

Note 1 Accounting policies

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of such standards by the International Financial Reporting Standards Interpretations Committee (IFRS IC), as endorsed by the EU Commission. In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the recommendation RFR 1 "Supplementary Accounting Rules for Groups" and UFR statements issued by the Swedish Financial Reporting Board as well as the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54, 2013:2 and 2013:24) have also been applied.

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

Changed accounting policies and presentation

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

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

The Swedish Financial Supervisory Authority has issued amendments to FFFS 2008:25 in FFFS 2013:24 and the Swedish Financial Reporting Board has issued amendments to RFR 1 "Supplementary Accounting Rules for Groups". These amendments are effective as from 1 January 2014 but have not had any significant impact on Nordea.

Forward starting bonds

The presentation of forward starting bonds was changed in the fourth quarter 2013. The impact on the comparative figures for the first quarter 2014 was not significant and the comparative figures have consequently not been restated.

Impact on capital adequacy from new or amended IFRS standards

IFRS 9 "Financial Instruments" covering classification and measurement (Phase I) and general hedging (Phase III) has been adopted by the IASB but has not yet been implemented by Nordea.

The changes in classification and measurement (Phase I) are not expected to have a significant impact on Nordea's income statement or balance sheet as the mixed measurement model will be maintained. Significant reclassifications between fair value and amortised cost or impact on the capital adequacy or large exposures are not expected, but this is naturally dependent on the financial instruments on Nordea's balance sheet at transition and the outcome of the final standard. It is expected that changes will be made to the standard before the standard becomes effective.

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

Exchange rates

	Jan-Mar 2014	Jan-Dec 2013	Jan-Mar 2013
EUR 1 = SEK			
Income statement (average)	8.8598	8.6524	8.4955
Balance sheet (at end of period)	8.9483	8.8591	8.3553
EUR 1 = DKK			
Income statement (average)	7.4624	7.4579	7.4589
Balance sheet (at end of period)	7.4659	7.4593	7.4553
EUR 1 = NOK			
Income statement (average)	8.3495	7.8091	7.4323
Balance sheet (at end of period)	8.2550	8.3630	7.5120
EUR 1 = PLN			
Income statement (average)	4.1855	4.1969	4.1551
Balance sheet (at end of period)	4.1719	4.1543	4.1804
EUR 1 = RUB			
Income statement (average)	48.0351	42.3269	40.1528
Balance sheet (at end of period)	48.7800	45.3246	39.7617

Note 2 Segment reporting

Jan-Mar 2014	Retail Banking	Whole-sale Banking	Wealth Manage-ment	Group Corporate Centre	Other operating segments	Total operating segments	Recon-ciliation	**Total Group**
	Operating segments							
Total operating income, EURm	1,431	659	389	111	5	2,595	-94	**2,501**
- of which internal transactions[1], EURm	-397	-68	5	438	22	0	-	**-**
Operating profit, EURm	549	411	193	45	2	1,200	-94	**1,106**
Loans to the public[2], EURbn	220	57	9	-	-	286	60	**346**
Deposits and borrowings from the public[2], EURbn	108	41	11	-	-	160	44	**204**
Jan-Mar 2013								
Total operating income, EURm	1,409	609	354	88	24	2,484	22	**2,506**
- of which internal transactions[1], EURm	-410	-76	7	471	8	0	-	**-**
Operating profit, EURm	520	325	170	32	21	1,068	-27	**1,041**
Loans to the public[2], EURbn	215	58	9	-	-	282	73	**355**
Deposits and borrowings from the public[2], EURbn	106	42	11	-	-	159	45	**204**

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

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

Breakdown of Retail Banking, Wholesale Banking and Wealth Management

	Retail Banking Nordic[1] Jan-Mar		Retail Banking Baltic countries[2] Jan-Mar		Retail Banking Other[3] Jan-Mar		**Retail Banking Jan-Mar**	
	2014	2013	2014	2013	2014	2013	**2014**	**2013**
Total operating income, EURm	1,424	1,384	39	40	-32	-15	**1,431**	**1,409**
- of which internal transactions, EURm	-345	-370	-12	-11	-40	-29	**-397**	**-410**
Operating profit, EURm	603	536	-10	16	-44	-32	**549**	**520**
Loans to the public, EURbn	213	207	7	8	-	-	**220**	**215**
Deposits and borrowings from the public, EURbn	104	103	4	3	-	-	**108**	**106**

	Corporate & Institutional Banking Jan-Mar		Shipping, Offshore & Oil Services Jan-Mar		Nordea Bank Russia Jan-Mar		Capital Markets unallocated Jan-Mar		Wholesale Banking Other[4] Jan-Mar		**Wholesale Banking Jan-Mar**	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	**2014**	**2013**
Total operating income, EURm	390	346	93	85	67	61	113	97	-4	20	**659**	**609**
- of which internal transactions, EURm	-40	-55	-17	-21	-9	-11	23	29	-25	-18	**-68**	**-76**
Operating profit, EURm	244	201	84	29	41	45	60	46	-18	4	**411**	**325**
Loans to the public, EURbn	39	40	11	12	7	6	-	-	-	-	**57**	**58**
Deposits and borrowings from the public, EURbn	36	37	4	4	1	1	-	-	-	-	**41**	**42**

	Private Banking Jan-Mar		Asset Management Jan-Mar		Life & Pension unallocated Jan-Mar		Wealth Management Other[5] Jan-Mar		**Wealth Management Jan-Mar**	
	2014	2013	2014	2013	2014	2013	2014	2013	**2014**	**2013**
Total operating income, EURm	200	184	136	108	115	108	-62	-46	**389**	**354**
- of which internal transactions, EURm	4	5	0	0	0	0	1	2	**5**	**7**
Operating profit, EURm	97	86	81	53	66	58	-51	-27	**193**	**170**
Loans to the public, EURbn	9	9	-	-	-	-	-	-	**9**	**9**
Deposits and borrowings from the public, EURbn	11	11	-	-	-	-	-	-	**11**	**11**

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

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

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

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

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

Note 2, continued

Reconciliation between total operating segments and financial statements

	Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	Jan-Mar		31 Mar		31 Mar	
	2014	2013	2014	2013	2014	2013
Total operating segments	1,200	1,068	286	282	160	159
Group functions[1]	-33	-31	-	-	-	-
Unallocated items	12	40	60	53	44	35
Differences in accounting policies[2]	-73	-36	0	20	0	10
Total	**1,106**	**1,041**	**346**	**355**	**204**	**204**

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

[2] Impact from plan exchange rates used in the segment reporting. As from Q1 2014 the allocation principles has changed, which in addition leads to a difference between the measurement of the operating profit in the “Total operating segments” and the “Total Group”. Comparative figures have been restated accordingly.

Measurement of operating segments' performance

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

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

Note 3 Net fee and commission income

EURm	Q1 2014	Q4 2013	Q1 2013	Full year 2013
Asset management commissions	273	273	232	1,000
Life insurance	91	101	84	350
Brokerage, securities issues and corporate finance	85	80	65	296
Custody and issuer services	22	38	22	124
Deposits	9	13	12	50
Total savings and investments	480	505	415	1,820
Payments	103	110	100	417
Cards	123	127	117	508
Total payment and cards	226	237	217	925
Lending	137	124	123	510
Guarantees and documentary payments	46	51	54	187
Total lending related commissions	183	175	177	697
Other commission income	42	32	36	132
Fee and commission income	**931**	**949**	**845**	**3,574**
Savings and investments	-82	-94	-75	-322
Payments	-21	-23	-22	-90
Cards	-58	-69	-57	-259
State guarantee fees	-35	-33	-33	-132
Other commission expenses	-31	-27	-35	-129
Fee and commission expenses	**-227**	**-246**	**-222**	**-932**
Net fee and commission income	**704**	**703**	**623**	**2,642**

Note 4 Net result from items at fair value

EURm	Q1 2014	Q4 2013	Q1 2013	Full year 2013
Shares/participations and other share-related instruments	55	879	951	2,630
Interest-bearing securities and other interest-related instruments	955	397	41	238
Other financial instruments	25	-74	131	90
Foreign exchange gains/losses	-101	157	290	876
Investment properties	161	40	23	145
Change in technical provisions[1], Life insurance	-551	-876	-689	-1,519
Change in collective bonus potential, Life insurance	-154	-216	-321	-978
Insurance risk income, Life insurance	51	49	51	202
Insurance risk expense, Life insurance	-30	-23	-33	-145
Total	**411**	**333**	**444**	**1,539**

Of which Life insurance

EURm	Q1 2014	Q4 2013	Q1 2013	Full year 2013
Shares/participations and other share-related instruments	55	849	939	2,418
Interest-bearing securities and other interest-related instruments	519	208	121	30
Other financial instruments	0	0	0	0
Foreign exchange gains/losses	-5	27	-42	66
Investment properties	163	39	24	144
Change in technical provisions[1], Life insurance	-551	-876	-689	-1,519
Change in collective bonus potential, Life insurance	-154	-216	-321	-978
Insurance risk income, Life insurance	51	49	51	202
Insurance risk expense, Life insurance	-30	-23	-33	-145
Total	**48**	**57**	**50**	**218**

[1] Premium income amounts to EUR 601m for Q1 2014 (Q4 2013: EUR 531m, Q1 2013: EUR 697m, Jan-Dec 2013: EUR 2,278m).

Note 5 Other expenses

EURm	Q1 2014	Q4 2013	Q1 2013	Full year 2013
Information technology	-144	-200	-143	-671
Marketing and representation	-28	-32	-29	-116
Postage, transportation, telephone and office expenses	-50	-44	-55	-192
Rents, premises and real estate	-87	-90	-95	-373
Other	-117	-114	-139	-483
Total	**-426**	**-480**	**-461**	**-1,835**

Note 6 Net loan losses

EURm	Q1 2014	Q4 2013	Q1 2013	Full year 2013
Loan losses divided by class				
Loans to credit institutions	0	1	0	1
Loans to the public	-152	-173	-213	-748
- of which provisions	-269	-288	-310	-1,131
- of which write-offs	-158	-227	-142	-709
- of which allowances used to cover write-offs	126	172	111	508
- of which reversals	132	149	108	508
- of which recoveries	17	21	20	76
Off-balance sheet items	-6	-8	15	12
Total	**-158**	**-180**	**-198**	**-735**

Key ratios

	Q1 2014	Q4 2013	Q1 2013	Full year 2013
Loan loss ratio, basis points	18	21	23	21
- of which individual	18	20	19	20
- of which collective	0	1	4	1

Note 7 Loans and impairment

	Total		
EURm	31 Mar 2014	31 Dec 2013	31 Mar 2013
Loans, not impaired	363,538	361,218	370,714
Impaired loans	6,317	6,564	6,827
- Performing	3,908	3,909	3,906
- Non-performing	2,409	2,655	2,921
Loans before allowances	**369,855**	**367,782**	**377,541**
Allowances for individually assessed impaired loans	-2,407	-2,397	-2,494
- Performing	-1,391	-1,372	-1,375
- Non-performing	-1,016	-1,025	-1,119
Allowances for collectively assessed impaired loans	-421	-422	-448
Allowances	**-2,828**	**-2,819**	**-2,942**
Loans, carrying amount	**367,027**	**364,963**	**374,599**

	Central banks and credit institutions			The public		
EURm	31 Mar 2014	31 Dec 2013	31 Mar 2013	31 Mar 2014	31 Dec 2013	31 Mar 2013
Loans, not impaired	20,646	22,515	19,413	342,892	338,703	351,301
Impaired loans	24	24	24	6,293	6,540	6,803
- Performing	-	-	-	3,908	3,909	3,906
- Non-performing	24	24	24	2,385	2,631	2,897
Loans before allowances	**20,670**	**22,539**	**19,437**	**349,185**	**345,243**	**358,104**
Allowances for individually assessed impaired loans	-24	-24	-24	-2,383	-2,373	-2,470
- Performing	-	-	-	-1,391	-1,372	-1,375
- Non-performing	-24	-24	-24	-992	-1,001	-1,095
Allowances for collectively assessed impaired loans	-3	-3	-4	-418	-419	-444
Allowances	**-27**	**-27**	**-28**	**-2,801**	**-2,792**	**-2,914**
Loans, carrying amount	**20,643**	**22,512**	**19,409**	**346,384**	**342,451**	**355,190**

Allowances and provisions

EURm	31 Mar 2014	31 Dec 2013	31 Mar 2013
Allowances for items on the balance sheet	-2,828	-2,819	-2,942
Provisions for off balance sheet items	-67	-61	-72
Total allowances and provisions	**-2,895**	**-2,880**	**-3,014**

Key ratios

	31 Mar 2014	31 Dec 2013	31 Mar 2013
Impairment rate, gross, basis points	171	178	181
Impairment rate, net, basis points	106	113	115
Total allowance rate, basis points	76	77	78
Allowances in relation to impaired loans, %	38	37	37
Total allowances in relation to impaired loans, %	45	43	43
Non-performing, not impaired, EURm	360	418	471

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	32,553	-	-	-	-	-	32,553
Loans to central banks	7,958	-	813	-	-	-	8,771
Loans to credit institutions	4,201	-	7,383	288	-	-	11,872
Loans to the public	250,540	-	40,808	55,036	-	-	346,384
Interest-bearing securities	0	5,405	35,442	19,757	-	26,853	87,457
Financial instruments pledged as collateral	-	-	8,643	-	-	-	8,643
Shares	-	-	7,313	26,868	-	3	34,184
Derivatives	-	-	67,868	-	2,041	-	69,909
Fair value changes of the hedged items in portfolio hedge of interest rate risk	203	-	-	-	-	-	203
Other assets	8,939	-	-	6,465	-	-	15,404
Prepaid expenses and accrued income	1,868	-	73	-	-	-	1,941
Total 31 Mar 2014	**306,262**	**5,405**	**168,343**	**108,414**	**2,041**	**26,856**	**617,321**
Total 31 Dec 2013[1]	304,996	5,359	166,073	105,551	1,947	28,006	611,932

EURm	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	23,595	2,684	-	26,760	53,039
Deposits and borrowings from the public	29,549	11,300	-	162,839	203,688
Liabilities to policyholders, investment contracts	-	14,784	-	-	14,784
Debt securities in issue	8,309	37,349	-	140,684	186,342
Derivatives	62,758	-	1,257	-	64,015
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	2,181	2,181
Other liabilities	13,091	6,221	-	12,062	31,374
Accrued expenses and prepaid income	14	333	-	2,220	2,567
Subordinated liabilities	-	-	-	6,554	6,554
Total 31 Mar 2014	**137,316**	**72,671**	**1,257**	**353,300**	**564,544**
Total 31 Dec 2013[1]	132,375	68,001	1,336	356,619	558,331

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

Note 9 Fair value of financial assets and liabilities

	31 Mar 2014		31 Dec 2013	
EURm	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and balances with central banks	32,553	32,553	33,529	33,529
Loans	367,230	367,230	365,166	365,166
Interest-bearing securities	87,457	87,471	87,314	87,439
Financial instruments pledged as collateral	8,643	8,643	9,575	9,575
Shares	34,184	34,184	33,271	33,271
Derivatives	69,909	69,909	70,992	70,992
Other assets	15,404	15,404	10,179	10,179
Prepaid expenses and accrued income	1,941	1,941	1,906	1,906
Total	**617,321**	**617,335**	**611,932**	**612,057**
Financial liabilities				
Deposits and debt instruments	451,804	453,738	453,714	455,368
Liabilities to policyholders	14,784	14,784	13,737	13,737
Derivatives	64,015	64,015	65,924	65,924
Other liabilities	31,374	31,374	22,610	22,610
Accrued expenses and prepaid income	2,567	2,567	2,346	2,346
Total	**564,544**	**566,478**	**558,331**	**559,985**

The determination of fair value is described in the Annual report 2013, Note G42 "Assets and liabilities at fair value".

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

Categorisation into the fair value hierarchy

EURm	Quoted prices in active markets for the same instrument (Level 1)	*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 at fair value on the balance sheet[1]							
Loans to central banks	-	-	813	-	-	-	813
Loans to credit institutions	32	-	7,639	-	-	-	7,671
Loans to the public	-	-	95,844	-	-	-	95,844
Interest-bearing securities[2]	55,336	*11,316*	34,898	*6,973*	399	*94*	90,633
Shares[3]	29,043	*20,458*	1,335	*1,333*	3,868	*2,873*	34,246
Derivatives	174	*90*	68,308	-	1,427	-	69,909
Other assets	-	-	6,465	-	-	-	6,465
Prepaid expenses and accrued income	-	-	73	-	-	-	73
Total 31 Mar 2014	**84,585**	**31,864**	**215,375**	**8,306**	**5,694**	**2,967**	**305,654**
Total 31 Dec 2013	87,475	*30,764*	208,347	*8,362*	5,755	*2,946*	301,577
Liabilities at fair value on the balance sheet[1]							
Deposits by credit institutions	-	-	26,279	*1,209*	-	-	26,279
Deposits and borrowings from the public	-	-	40,849	-	-	-	40,849
Liabilities to policyholders	-	-	14,784	*14,784*	-	-	14,784
Debt securities in issue	37,349	-	8,309	-	-	-	45,658
Derivatives	68	-	62,073	-	1,874	-	64,015
Other liabilities	11,513	-	7,799	-	-	-	19,312
Accrued expenses and prepaid income	-	-	347	-	-	-	347
Total 31 Mar 2014	**48,930**	**-**	**160,440**	**15,993**	**1,874**	**-**	**211,244**
Total 31 Dec 2013	44,095	-	156,217	*14,905*	1,400	-	201,712

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

[2] Of which EUR 8,581m relates to the balance sheet item Financial instruments pledged as collateral.

[3] Of which EUR 62m relates to the balance sheet item Financial instruments pledged as collateral.

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

For information about valuation techniques and inputs used in the fair value measurement, see the Annual report 2013, Note G42 "Assets and liabilities at fair value".

Transfers between Level 1 and 2

During the period, Nordea transferred interest-bearing securities (including such financial instruments pledged as collateral) of EUR 337m from Level 1 to Level 2 and EUR 3,356m from Level 2 to Level 1 of the fair value hierarchy. Nordea also tranferred shares of EUR 312m and other liabilities of EUR 28m from Level 2 to Level 1. The reason for the transfers from Level 1 to Level 2 was that the instruments ceased to be actively traded during the period and fair values have now been obtained using valuation techniques with observable market inputs. The reason for the transfer from Level 2 to Level 1 was that the instruments have again been actively traded during the period and reliable quoted prices are obtained in the market. Transfers between levels are considered to have occurred at the end of the reporting period.

Note 10, continued

Movements in Level 3

EURm	1 Jan	Realised	Fair value gains/losses recognised in the income statement during the year: Unrealised	Purchases / Issues	Sales	Settlements	Transfers out of Level 3	Translation differences	31 Mar
Intererest-bearing securities	478	13	-78	36	-41	-9	-	-	399
- of which Life	*104*	*5*	*1*	*20*	*-36*	*0*	-	-	*94*
Shares	3,841	128	-9	172	-239	-1	-24	-	3,868
- of which Life	*2,842*	*93*	*0*	*161*	*-199*	*0*	*-24*	-	*2,873*
Derivatives (net)	37	42	-484	-	-	-42	-	-	-447
Other liabilities	1	-	-	-	-1	-	-	-	-
Total 2014	**4,357**	**183**	**-571**	**208**	**-281**	**-52**	**-24**	**-**	**3,820**
Total 2013	4,824	184	-25	176	-377	-129	-	22	4,675

Unrealised gains and losses relate to those assets and liabilities held at the end of the reporting period. During the period Nordea transferred shares of EUR 24m from Level 3 to Level 2. The reason for the transfer from Level 3 to Level 2 was that observable market data became available. Transfers between levels are considered to have occurred at the end of the reporting period. Fair value gains and losses in the income statement during the period are included in "Net result from items at fair value". Assets and liabilities related to derivatives are presented net.

The valuation processes for fair value measurements in Level 3

For information about valuation processes for fair value measurement in level 3, see the Annual report 2013 Note G42 "Assets and liabilities at fair value".

Deferred day 1 profit

The transaction price for financial instruments in some cases differs from the fair value at initial recognition measured using a valuation model, mainly due to that the transaction price is not established in an active market. If there are significant unobservable inputs used in the valuation technique (Level 3), the financial instrument is recognised at the transaction price and any difference between the transaction price and fair value at initial recognition measured using a valuation model (Day 1 profit) is deferred. For more information see, the Annual report 2013 Note G1 "Accounting policies". The table below shows the aggregate difference yet to be recognised in the income statement at the beginning and end of the period and a reconciliation of how this aggregated difference has changed during the period (movement of deferred Day 1 profit).

Deferred day 1 profit - Derivatives, net

EURm	2014	2013
Opening balance at 1 Jan	38	24
Deferred profit on new transactions	4	19
Recognised in the income statement during the period	-5	-3
Closing balance at 31 Mar	**37**	**40**

Note 10, continued

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

EURm	Fair value	*Of which Life*[1]	Valuation techniques	Unobservable input	Range of fair value[4]
Interest-bearing securities					
Mortgage and other credit institutions[2]	285	*8*	Discounted cash flows	Credit spread	-12/12
Corporates	106	*86*	Discounted cash flows	Credit spread	-6/6
Other	8	-	-	-	-1/1
Total 31 Mar 2014	**399**	***94***			**-19/19**
Total 31 Dec 2013	478	*104*			-25/25
Shares					
Private equity funds	2,250	*1,732*	Net asset value[3]		
Hedge funds	438	*162*	Net asset value[3]		
Credit funds	526	*425*	Net asset value/market consensus[3]		
Other funds	470	*436*	Net asset value/Fund prices[3]		
Other	184	*118*	-		
Total 31 Mar 2014	**3,868**	***2,873***			**-382/382**
Total 31 Dec 2013	3,841	*2,842*			-381/381
Derivatives, net					
Interest rate derivatives	196	-	Option model	Correlations Volatilities	-5/6
Equity derivatives	-194	-	Option model	Correlations Volatilities Dividend	-19/11
Foreign exchange derivatives	-320	-	Option model	Correlations Volatilities	+/-0
Credit derivatives	-137	-	Credit derivative model	Correlations Recovery rates	-8/9
Other	8	-	Option model	Correlations Volatilities	+/-0
Total 31 Mar 2014	**-447**	***-***			**-32/26**
Total 31 Dec 2013	37	-			-31/25

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

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

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

[4] The column "Range of fair value" shows the sensitivity of Level 3 financial instruments to changes in key asumptions. For more information see the Annual Report 2013, Note G42 "Assets and liabilities at fair value".

Note 11 Capital adequacy

Summary of items included in own funds

EURm	31 Mar 2014	31 Dec 2013	31 Mar 2013
Calculation of own funds			
Equity[1]	27,402	28,429	26,498
Proposed/actual dividend	-434	-1,734	-318
Deferred tax assets	-	-68	-233
Intangible assets	-3,015	-2,987	-3,093
IRB provisions shortfall (-)[2]	-209	-369	-478
Deduction for investments in credit institutions (50%)[3]	-	-99	-105
Pension assets in excess of related liabilities[4]	-164	-	-
Other items, net	-309	-60	-63
Common Equity Tier 1 capital (net after deduction)	**23,271**	**23,112**	**22,208**
Additional Tier 1 instruments	1,576	1,949	2,028
Deductions for investments in insurance companies	-	-616	-617
Tier 1 capital (net after deduction)	**24,847**	**24,445**	**23,619**
Tier 2 instruments	**4,978**	**4,789**	**5,436**
IRB provisions excess (+)/shortfall (-)[2]	-	-369	-478
Deduction for investments in credit institutions (50%)[3]	-	-99	-105
Deductions for investments in insurance companies	-516	-616	-617
Pension assets in excess of related liabilities	-	-190	-99
Other items, net	-	80	81
Own funds (net after deduction)[5]	**29,309**	**28,040**	**27,837**

[1] Equity has been restated to include NLP deduction for Q4 2013 and Q1 2013.

[2] Shortfall is now deducted 100% CET1, previously 50% T1, 50% T2.

[3] CRD III deducted 50% T1, 50% T2, CRD IV risk weighted with 250%.

[4] Based on conditional FSA approval.

[5] Own Funds adjusted for IRB provision, i.e. adjusted own funds equal EUR 29,518m by 31 Mars 2014.

EURm	31 Mar 2014 Minimum Capital requirement	31 Mar 2014 REA	31 Dec 2013 Minimum Capital requirement	31 Dec 2013 REA	31 Mar 2013 Minimum Capital requirement	31 Mar 2013 REA
Credit risk	**10,228**	**127,850**	**10,376**	**129,705**	**11,587**	**144,847**
IRB	8,551	106,878	8,965	112,061	9,725	121,573
- of which corporate	6,178	77,222	6,787	84,844	7,376	92,211
- of which advanced	4,636	57,948	-	-	-	-
- of which foundation	1,542	19,274	6,787	84,844	7,376	92,211
- of which institutions	607	7,586	468	5,848	554	6,922
- of which retail	1,651	20,637	1,588	19,848	1,679	20,992
- of which other	115	1,433	122	1,521	116	1,448
Standardised	1,677	20,972	1,411	17,644	1,862	23,274
- of which sovereign	69	869	34	428	36	448
- of which retail	835	10,436	862	10,776	853	10,664
- of which other	773	9,667	515	6,440	973	12,162
Credit Value Adjustment Risk	**302**	**3,775**	-	-	-	-
Market risk	**809**	**10,113**	**700**	**8,753**	**535**	**6,684**
- of which trading book, Internal Approach	477	5,963	410	5,131	311	3,890
- of which trading book, Standardised Approach	174	2,173	186	2,321	143	1,788
- of which banking book, Standardised Approach	158	1,977	104	1,301	81	1,006
Operational risk	**1,373**	**17,166**	**1,344**	**16,796**	**1,344**	**16,796**
Standardised	1,373	17,166	1,344	16,796	1,344	16,796
Sub total	**12,712**	**158,904**	**12,420**	**155,254**	**13,466**	**168,327**
Adjustment for Basel I floor						
Additional capital requirement	5,003	62,536	4,318	53,969	3,938	49,225
Total	**17,715**	**221,440**	**16,738**	**209,223**	**17,404**	**217,552**

Note 11, continued

Minimum Capital Requirment & Buffers

Percentage	Minimum Capital requirement	Buffers CCB	CCCB	SIFI	SRB	Total
Common Equity Tier 1 capital	4.5	N/A	N/A	N/A	N/A	4.5
Tier 1 capital	6.0	N/A	N/A	N/A	N/A	6.0
Own funds	8.0	N/A	N/A	N/A	N/A	8.0
EURm						
Common Equity Tier 1 capital	7,151					7,151
Tier 1 capital	9,534					9,534
Own funds	12,712					12,712

Capital ratios

Percentage	31 Mar 2014	31 Dec 2013	31 Mar 2013
Common Equity Tier 1 capital ratio, incl profit	14.6	14.9	13.2
Tier 1 ratio, incl profit	15.6	15.7	14.0
Total capital ratio, incl profit	18.4	18.1	16.5

Note 12 Discontinued operations and disposal groups held for sale

EURm	Q1 2014	Q1 2013	Full year 2013
Net interest income	27	42	154
Net fee and commission income	2	9	38
Other operating income	5	1	7
Total operating income	**34**	**52**	**199**
Total operating expenses	-35	-32	-118
Net loan losses	-7	-1	-26
Operating profit	**-8**	**19**	**55**
Income tax expense	-1	-6	-13
Net profit for the period from discontinued	**-9**	**13**	**42**
Net result for the period recognised on the measurement at fair value	-	-	1
Transaction and transition cost (including cost to sell)[1]	-	-	-34
Net profit for the period from discontinued operations after measurement at fair value less cost to sell	**-9**	**13**	**9**

[1] Income tax of EUR 9m deducted.

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

Balance sheet - Condensed[1]

EURm	31 Mar 2014
Assets	
Loans to the public	6,035
Interest-bearing securities	1,826
Shares	401
Investment in associated undertakings	102
Total other assets	458
Total assets held for sale	**8,822**
Liabilities	
Deposits by credit institutions	61
Deposits and borrowings from the public	3,223
Liabilities to policyholders	604
Total other liabilities	154
Total liabilities held for sale	**4,042**

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

Discontinued operations and assets/liabilities held for sale relate to Nordea's earlier announced decision to divest its Polish banking, financing and life insurance operations, including Nordea Bank Polska S.A., Nordea Finance Polska S.A. and Nordea Polska Towarzystwo Ubezpieczen na Zycie S.A., to PKO Bank Polski. All regulatory approvals have been received and the transaction will be closed during the second quarter 2014. The disposal group is excluded from Note 2 "Segment reporting" as this is not part of the reporting to the Chief Operating Decision Maker (CODM). The majority of the business was previously reported in the Retail Banking Poland segment. The impact from discontinued operations on other comprehensive income can be found in the statement of comprehensive income.

As from the first quarter 2014 “Assets held for sale” also includes the investment in the associated undertaking Nets Holding A/S. The reclassification follows Nordea’s earlier announced divestment of its 20.7% stake and is dependent on regulatory approvals. The sale is expected to be closed during the second quarter 2014. As from the reclassification to “Assets held for sale” the investment is held at the lower of fair value and carrying amount. The gain amounts to approximately EUR 360m and will be recognised at closing.

Note 13 Risks and uncertainties

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

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

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

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

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

Business definitions

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

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

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

Tier 1 capital
The 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 Common equity tier 1 capital constitutes the Tier 1 capital excluding hybrid capital loans.

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

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

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

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

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

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

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

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

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

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

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

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

Nordea Bank AB (publ)

Accounting policies

The financial statements for the parent company, Nordea Bank AB (publ), are prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and IFRS with the amendments and exceptions following the recommendation RFR 2 “Accounting for Legal Entities” issued by the Swedish Financial Reporting Board and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54, 2013:2 and 2013:24). Under RFR 2, the parent company shall apply all standards and interpretations issued by the IASB and IFRS IC to the extent possible within the framework of Swedish accounting legislation and considering the close tie between financial reporting and taxation. The recommendation sets out the exceptions and amendments compared to IFRS.

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

Changed accounting policies and presentation

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

The Swedish Financial Supervisory Authority has issued amendments to FFFS 2008:25 in FFFS 2013:24 and the Swedish Financial Reporting Board has issued amendments to RFR 2 ”Accounting for Legal Entities”. The new requirement in FFFS 2013:24 for disclosing maturity information was early adopted as from 1 January 2013. All other amendments have been adopted as from 1 January 2014 but have not had any significant impact on Nordea.

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

Assets and liabilities held for sale

As mentioned in Note 1 and Note 14 for the Group, Nordea has divested its Polish operations. Assets held for sale in Nordea Bank AB amount to EUR 793m as of the first quarter but are not reclassified on the balance sheet.

Nordea Bank AB (publ)

Income statement

EURm	Q1 2014	Q1 2013	Full year 2013
Operating income			
Interest income	*494*	*566*	*2,140*
Interest expense	*-346*	*-391*	*-1,499*
Net interest income	148	175	641
Fee and commission income	*287*	*355*	*1,259*
Fee and commission expense	*-62*	*-53*	*-250*
Net fee and commission income	225	302	1,009
Net result from items at fair value	56	29	131
Dividends	350	300	1,827
Other operating income	145	157	674
Total operating income	**924**	**963**	**4,282**
Operating expenses			
General administrative expenses:			
Staff costs	-252	-250	-982
Other expenses	-224	-224	-1,018
Depreciation, amortisation and impairment charges of tangible and intangible assets	-31	-24	-109
Total operating expenses	**-507**	**-498**	**-2,109**
Profit before loan losses	**417**	**465**	**2,173**
Net loan losses	-27	-25	-124
Impairment of securities held as financial non-current assets	-	-	-4
Operating profit	**390**	**440**	**2,045**
Appropriations	-	-	102
Income tax expense	-10	-34	-192
Net profit for the period	**380**	**406**	**1,955**

Nordea Bank AB (publ)

Balance sheet

EURm	31 Mar 2014	31 Dec 2013	31 Mar 2013
Assets			
Cash and balances with central banks	27	45	108
Treasury bills	5,159	4,953	4,130
Loans to credit institutions	82,904	80,917	70,393
Loans to the public	33,936	34,155	37,811
Interest-bearing securities	11,970	11,128	11,973
Financial instruments pledged as collateral	703	737	914
Shares	4,674	5,351	4,926
Derivatives	4,294	4,219	5,577
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-13	-11	5
Investments in group undertakings	17,737	17,723	17,662
Investments in associated undertakings	7	7	8
Intangible assets	760	729	681
Property and equipment	145	118	126
Deferred tax assets	17	28	22
Current tax assets	79	0	49
Other assets	1,599	2,533	1,131
Prepaid expenses and accrued income	1,261	1,291	1,326
Total assets	**165,259**	**163,923**	**156,842**
Liabilities			
Deposits by credit institutions	25,307	17,500	23,987
Deposits and borrowings from the public	46,027	47,531	50,203
Debt securities in issue	61,603	62,961	46,735
Derivatives	3,563	3,627	5,455
Fair value changes of the hedged items in portfolio hedge of interest rate risk	889	715	1,485
Current tax liabilities	0	11	3
Other liabilities	1,834	4,173	2,008
Accrued expenses and prepaid income	1,106	1,150	1,390
Deferred tax liabilities	0	10	11
Provisions	193	184	159
Retirement benefit obligations	167	166	185
Subordinated liabilities	5,977	5,971	6,721
Total liabilities	**146,666**	**143,999**	**138,342**
Untaxed reserves	**3**	**3**	**111**
Equity			
Share capital	4,050	4,050	4,050
Share premium reserve	1,080	1,080	1,080
Other reserves	-2	-2	11
Retained earnings	13,462	14,793	13,248
Total equity	**18,590**	**19,921**	**18,389**
Total liabilities and equity	**165,259**	**163,923**	**156,842**
Assets pledged as security for own liabilities	2,656	2,454	4,081
Other assets pledged	7,314	7,033	6,427
Contingent liabilities	70,938	70,385	87,049
Credit commitments[1]	23,518	26,713	26,561

[1] Including unutilised portion of approved overdraft facilities of EUR 12,991m (31 Dec 2013: EUR 12,845m, 31 Mar 2013: EUR 12,210m).

Note 1 Capital adequacy

Summary of items included in own funds

EURm	31 Mar 2014	31 Dec 2013	31 Mar 2013
Calculation of own funds			
Equity	18,210	19,923	18,289
Proposed/actual dividend	-	-1,734	-318
Deferred tax assets	-	-28	-22
Intangible assets	-760	-729	-680
IRB provisions shortfall (-)[1]	-5	-81	-54
Deduction for investments in credit institutions (50%)[2]	-	-	-
Pension assets in excess of related liabilities[3]	-	-	-
Other items, net	-103	-	-
Common Equity Tier 1 capital (net after deduction)	**17,342**	**17,351**	**17,215**
Additional Tier 1 instruments	1,576	1,949	2,028
Deductions for investments in insurance companies	-	-	-
Tier 1 capital (net after deduction)	**18,918**	**19,300**	**19,243**
Tier 2 instruments	**4,108**	**4,143**	**4,766**
IRB provisions excess (+)/shortfall (-)[1]	-	-81	-54
Deduction for investments in credit institutions (50%)[2]	-	-	-
Deductions for investments in insurance companies	-515	-	-
Pension assets in excess of related liabilities	-	-	-
Other items, net	-	-	-
Own funds (net after deduction)[4]	**22,511**	**23,362**	**23,955**

[1] Shortfall is now deducted 100% CET1, previously 50% T1, 50% T2.

[2] CRD III deducted 50% T1, 50% T2, CRD IV risk weighted with 250%.

[3] Based on conditional FSA approval.

[4] Own Funds adjusted for IRB provision, i.e. adjusted own funds EUR 22,516m.

EURm	31 Mar 2014 Minimum Capital requirement	31 Mar 2014 REA	31 Dec 2013 Minimum Capital requirement	31 Dec 2013 REA	31 Mar 2013 Minimum Capital requirement	31 Mar 2013 REA
Credit risk	**5,606**	**70,068**	**6,296**	**78,700**	**7,427**	**92,838**
IRB	2,607	32,588	3,428	42,854	4,630	57,878
- of which corporate	2,270	28,379	3,100	38,749	4,256	53,203
- of which advanced	1,678	20,973	-	-	-	-
- of which foundation	592	7,406	3,100	38,749	4,256	53,203
- of which institutions	132	1,646	105	1,318	146	1,829
- of which retail	173	2,158	180	2,254	198	2,473
- of which other	32	405	43	533	30	373
Standardised	2,999	37,480	2,868	35,846	2,797	34,960
- of which sovereign	6	70	2	26	2	27
- of which retail	99	1,236	101	1,258	105	1,314
- of which other	2,894	36,174	2,765	34,562	2,690	33,619
Credit Value Adjustment Risk	**16**	**204**	**-**	**-**	**-**	**-**
Market risk	**223**	**2,793**	**128**	**1,596**	**98**	**1,227**
- of which trading book, Internal Approach	43	536	34	429	28	347
- of which trading book, Standardised Approach	6	77	5	59	8	97
- of which banking book, Standardised Approach	174	2,180	89	1,108	62	783
Operational risk	**297**	**3,710**	**250**	**3,121**	**250**	**3,121**
Standardised	297	3,710	250	3,121	250	3,121
Sub total	**6,142**	**76,775**	**6,674**	**83,417**	**7,775**	**97,186**
Adjustment for Basel I floor						
Additional capital requirement	-	-	-	-	-	-
Total	**6,142**	**76,775**	**6,674**	**83,417**	**7,775**	**97,186**

Note 1, continued

Minimum Capital Requirment & Buffers

Percentage	Minimum Capital requirement	Buffers CCB	CCCB	SIFI	SRB	Total
Common Equity Tier 1 capital	**4.5**	N/A	N/A	N/A	N/A	**4.5**
Tier 1 capital	**6.0**	N/A	N/A	N/A	N/A	**6.0**
Own funds	**8.0**	N/A	N/A	N/A	N/A	**8.0**
EURm						
Common Equity Tier 1 capital	3,455					**3,455**
Tier 1 capital	4,606					**4,606**
Own funds	6,142					**6,142**

Capital ratios

Percentage	31 Mar 2014	31 Dec 2013	31 Mar 2013
Common Equity Tier 1 capital ratio, %[1]	22.6	20.8	17.7
Tier I ratio, %[1]	24.6	23.1	19.8
Total Capital ratio, %[1]	29.3	28.0	24.6

[1] The Own funds I CRD IV figures and the Capital ratios for the 31 March 2014 and the 31 March 2013 are excluding unaudited result for the first months each year (according to CRR).

For further information:

- A press conference with management will be held on 29 April at 9.00 CET, at Regeringsgatan 59, Stockholm.
- An international telephone conference for analysts with management will be held on 29 April at 14.30 CET. Please dial +44 20 3427 1924, confirmation code 5621611#, no later than ten minutes in advance. The telephone conference can be viewed live on www.nordea.com. An indexed on-demand version will also be available on www.nordea.com. A replay will be available through 6 May, by dialling +44 20 3427 0598, access code 5621611#.
- An analyst and investor presentation will be held in London on 30 April at 12.30 local time at City Place House, 55 Basinghall Street, 8th floor, London EC2V 5NB. To attend, please contact Marie Ealding, Nordea Markets, marie.ealding@nordea.com
- This quarterly report, an investor presentation and a fact book are available on www.nordea.com.

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Financial calendar

17 July 2014 – Second quarter results 2014 (silent period starts 7 July 2014)
22 October 2014 – Third quarter results 2014 (silent period starts 7 October 2014)

Stockholm 29 April 2014

Christian Clausen
President and Group CEO

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

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

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

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

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