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In accessing the attached base prospectus supplement (the "Supplement") you agree to be bound by the following terms and conditions.

The information contained in the Supplement may be addressed to and/or targeted at persons who are residents of particular countries only as specified in the Base Prospectus (as defined in the Supplement) and is not intended for use, and should not be relied upon, by any person outside those countries. **Prior to relying on the information contained in the Supplement, you must ascertain from the Base Prospectus whether or not you are an intended addressee of, and eligible to view, the information contained therein.**

The Supplement and the Base Prospectus do not constitute, and may not be used in connection with, an offer to sell or the solicitation of an offer to buy securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities law of any such jurisdiction.

The securities described in the Supplement and the Base Prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may include notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, such securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). The securities described in the Supplement and the Base Prospectus will only be (i) offered in offshore transactions to non-U.S. persons in reliance upon Regulation S and (ii) privately placed with qualified institutional buyers (within the meaning of Rule 144A under the Securities Act ("**Rule 144A**")) in reliance upon Rule 144A.

For a more complete description of restrictions on offers and sales of the securities described in the Supplement and the Base Prospectus, see pages i to iv and the sections "*Subscription and Sale*" and "*Notice to Purchasers and Holders of Restricted Notes and Transfer Restrictions*" in the Base Prospectus.

**SUPPLEMENT NO. 5 DATED 31 JANUARY 2013 TO THE BASE PROSPECTUS
DATED 27 APRIL 2012**



NORDEA BANK AB (publ)

(Incorporated with limited liability in the Kingdom of Sweden)

€40,000,000,000

Euro Medium Term Note Programme

This supplement no. 5 (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 27 April 2012, the supplement no. 1 thereto dated 1 June 2012, the supplement no. 2 thereto dated 24 July 2012, the supplement no. 3 dated 26 October 2012 and the supplement no. 4 thereto dated 3 January 2013 (together, the "**Base Prospectus**") prepared by Nordea Bank AB (publ) (the "**Issuer**") with respect to its €40,000,000,000 Euro Medium Term Note Programme (the "**Programme**") and constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and European law pursuant to the Prospectus Directive.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statements in or incorporated by reference into this Supplement and (b) any statement in or incorporated by reference into the Base Prospectus, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted since the publication of the Base Prospectus.

AMENDMENTS TO THE BASE PROSPECTUS

With effect from the date of this Supplement, the information appearing in the Base Prospectus shall be supplemented in the manner described below.

Year-End Report 2012

On 30 January 2013, the Issuer published its fourth quarter and year-end report for the twelve months ending 31 December 2012 (the "**Year-End Report 2012**"). The Year-End Report 2012 contains unaudited consolidated financial statements. By virtue of this Supplement, the unaudited consolidated income statement, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes of the Year-End Report 2012 are set out in the annex hereto, and such annex forms part of this Supplement and the Base Prospectus.

ANNEX

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Nordea Bank AB (publ)

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Income statement

EURm	Note	Q4 2012	Q4 2011	Jan-Dec 2012	Jan-Dec 2011
Operating income					
Interest income		3,004	3,169	12,264	11,955
Interest expense		-1,575	-1,742	-6,512	-6,499
Net interest income		1,429	1,427	5,752	5,456
Fee and commission income		890	771	3,306	3,122
Fee and commission expense		-198	-183	-802	-727
Net fee and commission income	3	692	588	2,504	2,395
Net result from items at fair value	4	444	506	1,784	1,517
Profit from companies accounted for under the equity method		33	15	93	42
Other operating income		32	22	103	91
Total operating income		2,630	2,558	10,236	9,501
Operating expenses					
General administrative expenses:					
Staff costs		-764	-714	-3,048	-3,113
Other expenses	5	-473	-502	-1,860	-1,914
Depreciation, amortisation and impairment charges of tangible and intangible assets		-90	-50	-278	-192
Total operating expenses		-1,327	-1,266	-5,186	-5,219
Profit before loan losses		1,303	1,292	5,050	4,282
Net loan losses	6	-244	-263	-933	-735
Operating profit		1,059	1,029	4,117	3,547
Income tax expense		-217	-243	-991	-913
Net profit for the period		842	786	3,126	2,634
Attributable to:					
Shareholders of Nordea Bank AB (publ)		840	785	3,119	2,627
Non-controlling interests		2	1	7	7
Total		842	786	3,126	2,634
Basic earnings per share, EUR		0.21	0.19	0.78	0.65
Diluted earnings per share, EUR		0.21	0.19	0.78	0.65

Statement of comprehensive income

EURm	Q4 2012	Q4 2011	Jan-Dec 2012	Jan-Dec 2011
Net profit for the period	842	786	3,126	2,634
Items that may be reclassified subsequently to income statement				
Currency translation differences during the period	-44	229	420	-28
Currency hedging of net investments in foreign operations	21	-113	-254	0
Tax on currency hedging of net investments in foreign operations	-27	30	45	0
Available-for-sale investments: ¹				
Valuation gains/losses during the period	-3	10	67	5
Tax on valuation gains/losses during the period	1	-2	-17	-1
Cash flow hedges:				
Valuation gains/losses during the period	-39	166	-188	166
Tax on valuation gains/losses during the period	11	-43	50	-43
Other comprehensive income, net of tax	-80	277	123	99
Total comprehensive income	762	1,063	3,249	2,733
Attributable to:				
Shareholders of Nordea Bank AB (publ)	760	1,062	3,242	2,726
Non-controlling interests	2	1	7	7
Total	762	1,063	3,249	2,733

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

Balance sheet

EURm	Note	31 Dec 2012	31 Dec 2011
Assets			
Cash and balances with central banks		36,060	3,765
Loans to central banks	7	8,005	40,615
Loans to credit institutions	7	10,569	11,250
Loans to the public	7	346,251	337,203
Interest-bearing securities		94,939	92,373
Financial instruments pledged as collateral		7,970	8,373
Shares		28,128	20,167
Derivatives	10	118,789	171,943
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-711	-215
Investments in associated undertakings		585	591
Intangible assets		3,425	3,321
Property and equipment		474	469
Investment property		3,408	3,644
Deferred tax assets		218	169
Current tax assets		78	185
Retirement benefit assets		301	223
Other assets		16,372	19,425
Prepaid expenses and accrued income		2,559	2,703
Total assets		677,420	716,204
<i>Of which assets customer bearing the risk</i>		<i>20,361</i>	<i>16,170</i>
Liabilities			
Deposits by credit institutions		55,426	55,316
Deposits and borrowings from the public		200,678	190,092
Liabilities to policyholders		45,320	40,715
Debt securities in issue		184,340	179,950
Derivatives	10	114,203	167,390
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,940	1,274
Current tax liabilities		391	154
Other liabilities		33,472	43,368
Accrued expenses and prepaid income		3,903	3,496
Deferred tax liabilities		997	1,018
Provisions		389	483
Retirement benefit obligations		348	325
Subordinated liabilities		7,797	6,503
Total liabilities		649,204	690,084
Equity			
Non-controlling interests		5	86
Share capital		4,050	4,047
Share premium reserve		1,080	1,080
Other reserves		76	-47
Retained earnings		23,005	20,954
Total equity		28,216	26,120
Total liabilities and equity		677,420	716,204
Assets pledged as security for own liabilities		164,902	146,894
Other assets pledged		4,367	6,090
Contingent liabilities		21,157	24,468
Credit commitments ¹		84,914	85,319
Other commitments		1,294	1,651

¹ Including unutilised portion of approved overdraft facilities of EUR 45,796m (31 Dec 2011: EUR 47,607m).

Statement of changes in equity

Attributable to shareholders of Nordea Bank AB (publ)									
EURm	Share capital ¹	Share premium reserve	Translation of foreign operations	Other reserves:		Retained earnings	Total	Non-controlling interests	Total equity
				Cash flow hedges	Available-for-sale investments				
Opening balance at 1 Jan 2012	4,047	1,080	-176	123	6	20,954	26,034	86	26,120
Total comprehensive income	-	-	211	-138	50	3,119	3,242	7	3,249
Issued C-shares ³	3	-	-	-	-	-	3	-	3
Repurchase of C-shares ³	-	-	-	-	-	-3	-3	-	-3
Share-based payments	-	-	-	-	-	14	14	-	14
Dividend for 2011	-	-	-	-	-	-1,048	-1,048	-	-1,048
Purchases of own shares ²	-	-	-	-	-	-31	-31	-	-31
Change in non-controlling interests	-	-	-	-	-	-	-	-84	-84
Other changes	-	-	-	-	-	-	-	-4	-4
Closing balance at 31 Dec 2012	4,050	1,080	35	-15	56	23,005	28,211	5	28,216

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

¹ Total shares registered were 4,050 million (31 Dec 2011: 4,047 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 Dec 2012 were 26.9 million (31 Dec 2011: 20.7 million).

³ Refers to the Long Term Incentive Programme (LTIP). LTIP 2012 was hedged by issuing 2,679,168 C-shares (LTIP 2011: 4,730,000), the shares have been bought back and converted to ordinary shares. The total holding of own shares related to LTIP is 20.3 million (31 Dec 2011: 18.2 million).

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

Cash flow statement, condensed

EURm	Jan-Dec 2012	Jan-Dec 2011
<i>Operating activities</i>		
Operating profit	4,117	3,547
Adjustments for items not included in cash flow	3,178	537
Income taxes paid	-662	-981
Cash flow from operating activities before changes in operating assets and liabilities	6,633	3,103
Changes in operating assets and liabilities	13,121	627
Cash flow from operating activities	19,754	3,730
<i>Investing activities</i>		
Property and equipment	-114	-123
Intangible assets	-175	-191
Net investments in debt securities, held to maturity	1,047	7,876
Other financial fixed assets	16	3
Cash flow from investing activities	774	7,565
<i>Financing activities</i>		
New share issue	3	4
Issued/amortised subordinated liabilities	906	-1,341
Divestment/repurchase of own shares incl change in trading portfolio	-31	-4
Dividend paid	-1,048	-1,168
Cash flow from financing activities	-170	-2,509
Cash flow for the year	20,358	8,786
Cash and cash equivalents at beginning of the year	22,606	13,706
Translation difference	-156	114
Cash and cash equivalents at end of the year	42,808	22,606
Change	20,358	8,786
 Cash and cash equivalents	 31 Dec	 31 Dec
The following items are included in cash and cash equivalents (EURm):	<u>2012</u>	<u>2011</u>
Cash and balances with central banks	36,060	3,765
Loans to central banks	5,938	17,328
Loans to credit institutions, payable on demand	810	1,513

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

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

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

Notes to the financial statements

Note 1 Accounting policies

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

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

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2011 Annual Report, except for the categorisation of commissions within "Net fee and commission income" (Note 3), the definition of impaired loans in "Loans and impairment" (Note 7) and the presentation of loans to central banks and treasury bills on the balance sheet.

The changes to Note 3 and Note 7 are further described below. The balance sheet lines Treasury bills and Interest-bearing securities have been combined and are reported as Interest-bearing securities as from the first quarter 2012. Loans to central banks have been separated from loans to credit institutions and are reported on a new line on the balance sheet as from the second quarter 2012. The comparative figures have been restated accordingly.

Definition of impaired loans

The definition of impaired loans was changed in the first quarter 2012 and the disclosure includes all loans that have, as a consequence of identified loss events, been written down either individually, for individually significant loans, or as part of a portfolio, for individually insignificant loans. The income

statement and balance sheet are unaffected by this change. The comparative figures have been restated accordingly and are disclosed in the below table.

EURm	31 Dec 2011	
	New policy	Old policy
Impaired loans	5,125	5,438
- Performing	2,946	3,287
- Non-performing	2,179	2,151

Categorisation of commissions

The categorisation of commissions within "Net fee and commission income" was in the first quarter 2012 improved by merging similar types of commissions. Commissions received for securities issues, corporate finance activities and issuer services were reclassified from "Payments" and "Other commission income" to the renamed lines "Brokerage, securities issues and corporate finance" and "Custody and issuer services". The comparable figures have been restated accordingly and are disclosed in the below table.

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

Exchange rates

	Jan-Dec 2012	Jan-Dec 2011
EUR 1 = SEK		
Income statement (average)	8.7052	9.0293
Balance sheet (at end of period)	8.5820	8.9120
EUR 1 = DKK		
Income statement (average)	7.4438	7.4506
Balance sheet (at end of period)	7.4610	7.4342
EUR 1 = NOK		
Income statement (average)	7.4758	7.7946
Balance sheet (at end of period)	7.3483	7.7540
EUR 1 = PLN		
Income statement (average)	4.1836	4.1203
Balance sheet (at end of period)	4.0740	4.4580
EUR 1 = RUB		
Income statement (average)	39.9253	40.8809
Balance sheet (at end of period)	40.3295	41.7650

Note 2 Segment reporting

	Operating segments													
	Retail Banking		Wholesale Banking		Group Corporate Centre		Other Operating segments ¹		Total operating segments		Recon- ciliation		Total Group	
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Total operating income, EURm	5,776	5,540	2,745	2,588	480	359	1,228	1,129	10,229	9,616	7	-115	10,236	9,501
Operating profit, EURm	1,955	1,636	1,524	1,571	320	197	464	448	4,263	3,852	-146	-305	4,117	3,547
Loans to the public ² , EURbn	225	218	64	62	-	-	8	8	297	288	49	49	346	337
Deposits and borrowings from the public ² , EURbn	109	105	46	39	-	-	10	10	165	154	36	36	201	190

¹ Including the main business area Wealth Management.

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

Break-down of Retail Banking and Wholesale Banking

	Total operating income, EURm		Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	Jan-Dec		Jan-Dec		31 Dec		31 Dec	
	2012	2011	2012	2011	2012	2011	2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011
Retail Banking Nordic ¹	5,712	5,378	2,185	1,754	211	205	104	101
Retail Banking Poland & Baltic countries ¹	409	404	158	141	14	13	5	4
Retail Banking Other ²	-345	-242	-388	-259	-	-	-	-
Retail Banking	5,776	5,540	1,955	1,636	225	218	109	105
Corporate & Institutional Banking	1,745	1,740	1,200	1,232	45	44	39	33
Shipping, Offshore & Oil Services	407	439	108	237	13	13	5	5
Nordea Bank Russia	222	199	114	96	6	5	2	1
Capital Markets unallocated	544	277	304	94	-	-	-	-
Wholesale Banking Other ³	-173	-67	-202	-88	-	-	-	-
Wholesale Banking	2,745	2,588	1,524	1,571	64	62	46	39

¹ Retail Banking Nordic includes banking operations in Denmark, Finland, Norway and Sweden, while Retail Banking Poland & Baltic countries includes banking operations in Estonia, Latvia, Lithuania, and Poland.

² Retail Banking Other includes the support areas Development & Projects, Distribution, Segments, Products and IT within the main business area Retail Banking.

³ Wholesale Banking Other includes the area International Units and the support areas Transaction Products, Segment CIB and IT within the main business area Wholesale Banking.

Reconciliation between total operating segments and financial statements

	Operating profit, Jan-Dec		Loans to the public, EURbn		Deposits and borrowings	
	2012	2011	2012	2011	2012	2011
Total Operating segments	4,263	3,852	297	288	165	154
Group functions ¹	-117	-236	-	-	-	-
Unallocated items	-83	-67	45	39	20	17
Differences in accounting policies ²	54	-2	4	10	16	19
Total	4,117	3,547	346	337	201	190

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

² Impact from plan rates used in the segment reporting.

Measurement of operating segments' performance

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

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

Changes in basis of segmentation

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

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

Note 3 Net fee and commission income

EURm	Q4 2012	Q3 2012	Q4 2011	Jan-Dec 2012	Jan-Dec 2011
Asset management commissions	231	203	181	832	754
Life insurance	95	69	72	301	306
Brokerage, securities issues and corporate finance	75	73	59	289	266
Custody and issuer services	31	22	31	117	115
Deposits	15	13	11	54	44
Total savings and investments	447	380	354	1,593	1,485
Payments	107	102	105	416	399
Cards	130	122	116	487	446
Total payment and cards	237	224	221	903	845
Lending	115	122	111	463	437
Guarantees and documentary payments	59	55	55	225	214
Total lending related commissions	174	177	166	688	651
Other commission income	32	31	30	122	141
Fee and commission income	890	812	771	3,306	3,122
Savings and investments	-63	-77	-46	-276	-245
Payments	-25	-22	-24	-92	-87
Cards	-63	-56	-63	-238	-219
State guarantee fees	-19	-26	-17	-89	-55
Other commission expenses	-28	-26	-33	-107	-121
Fee and commission expenses	-198	-207	-183	-802	-727
Net fee and commission income	692	605	588	2,504	2,395

Note 4 Net result from items at fair value

EURm	Q4 2012	Q3 2012	Q4 2011	Jan-Dec 2012	Jan-Dec 2011
Shares/participations and other share-related instruments	314	93	1,696	1,657	-518
Interest-bearing securities and other interest-related instruments	675	1,416	-174	2,638	1,452
Other financial instruments	90	137	24	484	163
Foreign exchange gains/losses	54	-23	2	253	546
Investment properties	20	44	18	135	158
Change in technical provisions ¹ , Life insurance	-626	-1,252	-909	-2,935	-937
Change in collective bonus potential, Life insurance	-125	-56	-162	-544	607
Insurance risk income, Life insurance	49	48	46	188	217
Insurance risk expense, Life insurance	-7	-30	-35	-92	-171
Total	444	377	506	1,784	1,517

Of which Life insurance

EURm	Q4 2012	Q3 2012	Q4 2011	Jan-Dec 2012	Jan-Dec 2011
Shares/participations and other share-related instruments	263	24	1,632	1,245	-629
Interest-bearing securities and other interest-related instruments	479	1,233	-428	2,243	959
Other financial instruments	0	0	2	0	0
Foreign exchange gains/losses	52	46	-91	41	-23
Investment properties	22	44	17	136	156
Change in technical provisions ¹ , Life insurance	-626	-1,252	-909	-2,935	-937
Change in collective bonus potential, Life insurance	-125	-56	-162	-544	607
Insurance risk income, Life insurance	49	48	46	188	217
Insurance risk expense, Life insurance	-7	-30	-35	-92	-171
Total	107	57	72	282	179

¹ Premium income amounts to EUR 754m for Q4 2012 and EUR 2,601m for Jan-Dec 2012 (Q3 2012: EUR 522m, Q4 2011: EUR 622m, Jan-Dec 2011: EUR 2,544m).

Note 5 Other expenses

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
EURm	2012	2012	2011	2012	2011
Information technology	-174	-156	-163	-639	-647
Marketing and representation	-37	-24	-40	-121	-131
Postage, transportation, telephone and office expenses	-55	-53	-61	-224	-232
Rents, premises and real estate expenses	-98	-117	-103	-421	-444
Other	-109	-117	-135	-455	-460
Total	-473	-467	-502	-1,860	-1,914

Note 6 Net loan losses

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
EURm	2012	2012	2011	2012	2011
Loan losses divided by class					
Loans to credit institutions	0	-1	0	-1	2
Loans to the public	-267	-251	-278	-939	-659
- of which provisions	-357	-364	-380	-1,438	-1,154
- of which write-offs	-236	-158	-235	-643	-800
- of which allowances used for covering write-offs	185	106	180	453	625
- of which reversals	114	150	131	611	596
- of which recoveries	27	15	26	78	74
Off-balance sheet items	23	-2	15	7	-78
Total	-244	-254	-263	-933	-735

Key ratios

	Q4	Q3	Q4	Jan-Dec	Jan-Dec
	2012	2012	2011	2012	2011
Loan loss ratio, basis points	29	30	33	28	23
- of which individual	31	29	37	31	30
- of which collective	-2	1	-4	-3	-7

Note 7 Loans and impairment¹

EURm	Total		
	31 Dec 2012	30 Sep 2012	31 Dec 2011
Loans, not impaired	360,768	372,922	386,414
Impaired loans	6,905	6,856	5,125
- Performing	4,023	4,004	2,946
- Non-performing	2,882	2,852	2,179
Loans before allowances	367,673	379,778	391,539
Allowances for individually assessed impaired loans	-2,400	-2,348	-1,892
- Performing	-1,332	-1,322	-1,080
- Non-performing	-1,068	-1,026	-812
Allowances for collectively assessed impaired loans	-448	-464	-579
Allowances	-2,848	-2,812	-2,471
Loans, carrying amount	364,825	376,966	389,068

EURm	Central banks and credit institutions			The public		
	31 Dec 2012	30 Sep 2012	31 Dec 2011	31 Dec 2012	30 Sep 2012	31 Dec 2011
Loans, not impaired	18,578	23,816	51,860	342,190	349,106	334,554
Impaired loans	24	32	33	6,881	6,824	5,092
- Performing	-	8	9	4,023	3,996	2,937
- Non-performing	24	24	24	2,858	2,828	2,155
Loans before allowances	18,602	23,848	51,893	349,071	355,930	339,646
Allowances for individually assessed impaired loans	-24	-26	-26	-2,376	-2,322	-1,866
- Performing	-	-2	-	-1,332	-1,320	-1,080
- Non-performing	-24	-24	-26	-1,044	-1,002	-786
Allowances for collectively assessed impaired loans	-4	-4	-2	-444	-460	-577
Allowances	-28	-30	-28	-2,820	-2,782	-2,443
Loans, carrying amount	18,574	23,818	51,865	346,251	353,148	337,203

Allowances and provisions

EURm	31 Dec 2012	30 Sep 2012	31 Dec 2011
Allowances for items in the balance sheet	-2,848	-2,812	-2,471
Provisions for off balance sheet items	-84	-109	-93
Total allowances and provisions	-2,932	-2,921	-2,564

Key ratios

	31 Dec 2012	30 Sep 2012	31 Dec 2011
Impairment rate, gross, basis points	188	181	131
Impairment rate, net, basis points	123	119	83
Total allowance rate, basis points	77	74	63
Allowances in relation to impaired loans, %	35	34	37
Total allowances in relation to impaired loans, %	41	41	48
Non-performing, not impaired, EURm ¹	614	644	307

¹ The comparative figures for 2011 regarding impaired loans and non-performing, not impaired loans have been restated to ensure consistency between the periods.

Note 8 Classification of financial instruments

EURm	Loans and receivables	Held to maturity	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	36,060	-	-	-	-	-	36,060
Loans to central banks and credit institutions	10,118	-	7,481	975	-	-	18,574
Loans to the public	266,996	-	26,120	53,135	-	-	346,251
Interest-bearing securities	755	6,497	39,561	20,762	-	27,364	94,939
Financial instruments pledged as collateral	-	-	7,970	-	-	-	7,970
Shares	-	-	8,950	19,168	-	10	28,128
Derivatives	-	-	115,706	-	3,083	-	118,789
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-711	-	-	-	-	-	-711
Other assets	7,560	-	-	7,810	-	-	15,370
Prepaid expenses and accrued income	2,083	-	0	25	-	-	2,108
Total 31 Dec 2012	322,861	6,497	205,788	101,875	3,083	27,374	667,478
Total 31 Dec 2011	325,920	7,893	254,586	96,451	2,541	19,814	707,205

EURm	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	17,320	2,538	-	35,568	55,426
Deposits and borrowings from the public	16,919	7,381	-	176,378	200,678
Liabilities to policyholders, investment contracts	-	12,106	-	-	12,106
Debt securities in issue	7,572	31,296	-	145,472	184,340
Derivatives	113,202	-	1,001	-	114,203
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	1,940	1,940
Other liabilities	6,136	5,787	-	19,107	31,030
Accrued expenses and prepaid income	-	470	-	2,103	2,573
Subordinated liabilities	-	-	-	7,797	7,797
Total 31 Dec 2012	161,149	59,578	1,001	388,365	610,093
Total 31 Dec 2011	213,415	61,836	627	380,582	656,460

Note 9 Financial instruments

Determination of fair value from quoted market prices or valuation techniques

	Quoted prices in active markets for same instrument	<i>Of which</i>	Valuation technique using observable data	<i>Of which</i>	Valuation technique using non-observable data	<i>Of which</i>	Total
31 Dec 2012, EURm	(Level 1)	<i>Life</i>	(Level 2)	<i>Life</i>	(Level 3)	<i>Life</i>	
Assets							
Loans to central banks and credit institutions	34	-	8,422	-	-	-	8,456
Loans to the public	-	-	79,255	-	-	-	79,255
Debt securities ¹	60,593	16,768	33,940	5,558	1,118	719	95,651
Shares ²	24,760	16,886	-	-	3,374	2,210	28,134
Derivatives	175	156	116,698	78	1,916	-	118,789
Other assets	-	-	7,810	-	-	-	7,810
Prepaid expenses and accrued income	-	-	25	-	-	-	25
Liabilities							
Deposits by credit institutions	-	-	19,858	-	-	-	19,858
Deposits and borrowings from the public	-	-	24,300	-	-	-	24,300
Liabilities to policyholders	-	-	12,106	12,106	-	-	12,106
Debt securities in issue	31,296	-	7,572	-	-	-	38,868
Derivatives	53	-	112,566	-	1,584	-	114,203
Other liabilities	4,873	-	7,050	-	-	-	11,923
Accrued expenses and prepaid income	-	-	470	-	-	-	470

¹ Of which EUR 87,687m relates to Interest-bearing securities (the portion held at fair value in Note 8). EUR 7,964m relates to the balance sheet item Financial instruments pledged as collateral.

² EUR 6m relates to the balance sheet item Financial instruments pledged as collateral.

Note 10 Derivatives

Fair value EURm	31 Dec 2012		31 Dec 2011	
	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading				
Interest rate derivatives	102,558	97,014	149,336	146,540
Equity derivatives	623	568	638	688
Foreign exchange derivatives	11,300	14,450	16,527	16,535
Credit derivatives	637	655	1,483	1,493
Commodity derivatives	528	487	1,376	1,296
Other derivatives	60	28	42	211
Total	115,706	113,202	169,402	166,763
Derivatives used for hedging				
Interest rate derivatives	2,281	594	1,941	493
Equity derivatives	-	-	-	-
Foreign exchange derivatives	802	407	600	134
Total	3,083	1,001	2,541	627
Total fair value				
Interest rate derivatives	104,839	97,608	151,277	147,033
Equity derivatives	623	568	638	688
Foreign exchange derivatives	12,102	14,857	17,127	16,669
Credit derivatives	637	655	1,483	1,493
Commodity derivatives	528	487	1,376	1,296
Other derivatives	60	28	42	211
Total	118,789	114,203	171,943	167,390
Nominal amount			31 Dec	31 Dec
EURm			2012	2011
Derivatives held for trading				
Interest rate derivatives			5,622,598	5,701,729
Equity derivatives			17,811	17,144
Foreign exchange derivatives			910,396	954,193
Credit derivatives			47,052	61,889
Commodity derivatives			7,817	16,547
Other derivatives			2,583	2,170
Total			6,608,257	6,753,672
Derivatives used for hedging				
Interest rate derivatives			59,858	60,103
Equity derivatives			-	-
Foreign exchange derivatives			8,871	10,505
Total			68,729	70,608
Total nominal amount				
Interest rate derivatives			5,682,456	5,761,832
Equity derivatives			17,811	17,144
Foreign exchange derivatives			919,267	964,698
Credit derivatives			47,052	61,889
Commodity derivatives			7,817	16,547
Other derivatives			2,583	2,170
Total			6,676,986	6,824,280

Note 11 Capital adequacy

Capital Base

	31 Dec 2012	31 Dec 2011
EURm		
Core Tier 1 capital	21,961	20,677
Tier 1 capital	23,953	22,641
Total capital base	27,274	24,838

Capital requirement

	31 Dec 2012 Capital requirement	31 Dec 2012 RWA requirement	31 Dec 2011 Capital requirement	31 Dec 2011 RWA
EURm				
Credit risk	11,627	145,340	12,929	161,604
IRB	9,764	122,050	9,895	123,686
- of which corporate	7,244	90,561	6,936	86,696
- of which institutions	671	8,384	897	11,215
- of which retail	1,737	21,710	1,949	24,367
- of which other	112	1,395	113	1,408
Standardised	1,863	23,290	3,034	37,918
- of which sovereign	34	426	43	536
- of which retail	860	10,752	795	9,934
- of which other	969	12,112	2,196	27,448
Market risk	506	6,323	652	8,144
- of which trading book, Internal Approach	312	3,897	390	4,875
- of which trading book, Standardised Approach	138	1,727	206	2,571
- of which banking book, Standardised Approach	56	699	56	698
Operational risk	1,298	16,229	1,236	15,452
Standardised	1,298	16,229	1,236	15,452
Sub total	13,431	167,892	14,817	185,200
Adjustment for transition rules				
Additional capital requirement according to transition rules	3,731	46,631	3,087	38,591
Total	17,162	214,523	17,904	223,791

Capital ratio

	31 Dec 2012	31 Dec 2011
Core Tier I ratio, %, incl profit	10.2	9.2
Tier I ratio, %, incl profit	11.2	10.1
Total capital ratio, %, incl profit	12.7	11.1

Analysis of capital requirements

Exposure class, 31 Dec 2012	Average risk weight (%)	Capital requirement (EURm)
Corporate	52%	7,244
Institutions	13%	671
Retail IRB	14%	1,737
Sovereign	1%	34
Other	73%	1,941
Total credit risk		11,627

Note 12 Risks and uncertainties

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

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

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

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

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