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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.**

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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 offered in offshore transactions to non-U.S. persons in reliance upon Regulation S.

For a more complete description of restrictions on offers and sales of the securities described in the Supplement and the Base Prospectus, see pages iv to vi and the section "*Subscription and Sale*" in the Base Prospectus.

**SUPPLEMENT NO. 1 DATED 30 APRIL 2013 TO THE BASE PROSPECTUS
DATED 16 APRIL 2013**



NORDEA BANK AB (PUBL)

(Incorporated with limited liability in the Kingdom of Sweden)

NORDEA BANK FINLAND PLC

(Incorporated with limited liability in Finland)

€10,000,000,000

Structured Note Programme

This supplement no. 1 (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 16 April 2013 (the "**Base Prospectus**") prepared by Nordea Bank AB (publ) and Nordea Bank Finland Plc (together the "**Issuers**") with respect to their €10,000,000,000 Structured 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.

On 24 April 2013, Nordea Bank AB (publ) published its first quarter results for 2013 (the "**NBAB Q1 Results**"). The NBAB Q1 Results contain unaudited consolidated financial statements. The purpose of this Supplement is to incorporate the unaudited consolidated income statement, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes as set out in the annex hereto, and such annex forms part of this Supplement and the Base Prospectus.

The Issuers accept responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuers (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.

ANNEX

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Nordea Bank AB (publ)

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Income statement

EURm	Note	Q1 2013	Q1 2012	Full year 2012
Operating income				
Interest income		2,768	3,162	12,264
Interest expense		-1,368	-1,742	-6,512
Net interest income		1,400	1,420	5,752
Fee and commission income		857	787	3,306
Fee and commission expense		-225	-191	-802
Net fee and commission income	3	632	596	2,504
Net result from items at fair value	4	444	469	1,784
Profit from companies accounted for under the equity method		35	23	93
Other operating income		47	23	103
Total operating income		2,558	2,531	10,236
Operating expenses				
General administrative expenses:				
Staff costs		-769	-771	-3,048
Other expenses	5	-475	-455	-1,860
Depreciation, amortisation and impairment charges of tangible and intangible assets		-55	-50	-278
Total operating expenses		-1,299	-1,276	-5,186
Profit before loan losses		1,259	1,255	5,050
Net loan losses	6	-199	-218	-933
Operating profit		1,060	1,037	4,117
Income tax expense		-264	-262	-991
Net profit for the period		796	775	3,126
Attributable to:				
Shareholders of Nordea Bank AB (publ)		794	773	3,119
Non-controlling interests		2	2	7
Total		796	775	3,126
Basic earnings per share, EUR		0.20	0.19	0.78
Diluted earnings per share, EUR		0.20	0.19	0.78

Statement of comprehensive income

EURm	Q1 2013	Q1 2012	Full year 2012
Net profit for the period	796	775	3,126
Items that may be reclassified subsequently to income statement			
Currency translation differences during the period	-9	189	409
Hedging of net investments in foreign operations:			
Valuation gains/losses during the period	32	-98	-254
Tax on valuation gains/losses during the period	-7	26	45
Available-for-sale investments: ¹			
Valuation gains/losses during the period	34	59	67
Tax on valuation gains/losses during the period	-9	-15	-17
Cash flow hedges:			
Valuation gains/losses during the period	-2	-47	-188
Tax on valuation gains/losses during the period	0	12	50
Items that may not be reclassified subsequently to the income statement			
Defined benefit plans:			
Remeasurement of defined benefit plans	5	-	362
Tax on remeasurement of defined benefit plans	-2	-	-87
Other comprehensive income, net of tax	42	126	387
Total comprehensive income	838	901	3,513
Attributable to:			
Shareholders of Nordea Bank AB (publ)	836	899	3,506
Non-controlling interests	2	2	7
Total	838	901	3,513

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 Mar 2013	31 Dec 2012	31 Mar 2012
Assets				
Cash and balances with central banks		31,565	36,060	3,346
Loans to central banks	7	7,834	8,005	25,390
Loans to credit institutions	7	11,575	10,569	15,788
Loans to the public	7	355,190	346,251	340,768
Interest-bearing securities		88,817	94,939	85,441
Financial instruments pledged as collateral		8,137	7,970	8,302
Shares		30,859	28,128	22,261
Derivatives	12	97,865	118,789	165,770
Fair value changes of the hedged items in portfolio hedge of interest rate risk		371	-711	-290
Investments in associated undertakings		667	585	584
Intangible assets		3,425	3,425	3,393
Property and equipment		483	474	469
Investment property		3,383	3,408	3,632
Deferred tax assets		248	266	260
Current tax assets		129	78	252
Retirement benefit assets		127	142	107
Other assets		19,300	16,372	15,656
Prepaid expenses and accrued income		2,662	2,559	2,883
Total assets		662,637	677,309	694,012
<i>Of which assets customer bearing the risk</i>		<i>21,864</i>	<i>20,361</i>	<i>17,886</i>
Liabilities				
Deposits by credit institutions		63,083	55,426	58,156
Deposits and borrowings from the public		204,272	200,678	193,488
Liabilities to policyholders		46,731	45,320	42,425
Debt securities in issue		186,069	184,340	170,671
Derivatives	12	93,145	114,203	162,709
Fair value changes of the hedged items in portfolio hedge of interest rate risk		3,152	1,940	1,163
Current tax liabilities		471	391	222
Other liabilities		24,760	33,472	26,283
Accrued expenses and prepaid income		4,498	3,903	4,141
Deferred tax liabilities		971	976	937
Provisions		367	389	424
Retirement benefit obligations		387	469	842
Subordinated liabilities		7,316	7,797	7,065
Total liabilities		635,222	649,304	668,526
Equity				
Non-controlling interests		4	5	85
Share capital		4,050	4,050	4,047
Share premium reserve		1,080	1,080	1,080
Other reserves		382	340	79
Retained earnings		21,899	22,530	20,195
Total equity		27,415	28,005	25,486
Total liabilities and equity		662,637	677,309	694,012
Assets pledged as security for own liabilities		180,006	164,902	156,162
Other assets pledged		4,593	4,367	5,187
Contingent liabilities		21,644	21,157	23,253
Credit commitments ¹		86,254	84,914	89,807
Other commitments		1,164	1,294	1,383

¹ Including unutilised portion of approved overdraft facilities of EUR 45,408m (31 Dec 2012: EUR 45,796m, 31 Mar 2012: EUR 46,722m).

Statement of changes in equity

Attributable to shareholders of Nordea Bank AB (publ)										
EURm	Other reserves:							Total	Non-controlling interests	Total equity
	Share capital ¹	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available-for-sale investments	Defined benefit plans	Retained earnings			
Opening balance at 1 Jan 2013	4,050	1,080	24	-15	56	275	22,530	28,000	5	28,005
Total comprehensive income	-	-	16	-2	25	3	794	836	2	838
Share-based payments	-	-	-	-	-	-	5	5	-	5
Dividend for 2012	-	-	-	-	-	-	-1,370	-1,370	-	-1,370
Purchases of own shares ²	-	-	-	-	-	-	-60	-60	-	-60
Other changes	-	-	-	-	-	-	-	-	-3	-3
Closing balance at 31 Mar 2013	4,050	1,080	40	-17	81	278	21,899	27,411	4	27,415

Attributable to shareholders of Nordea Bank AB (publ)										
EURm	Other reserves:							Total	Non-controlling interests	Total equity
	Share capital ¹	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available-for-sale investments	Defined benefit plans	Retained earnings			
Reported opening balance at 1 Jan 2012	4,047	1,080	-176	123	6	-	20,954	26,034	86	26,120
Restatement due to changed accounting policy ⁴	-	-	-	-	-	-	-475	-475	-	-475
Restated opening balance at 1 Jan 2012	4,047	1,080	-176	123	6	-	20,479	25,559	86	25,645
Total comprehensive income	-	-	200	-138	50	275	3,119	3,506	7	3,513
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	24	-15	56	275	22,530	28,000	5	28,005

Attributable to shareholders of Nordea Bank AB (publ)										
EURm	Other reserves:							Total	Non-controlling interests	Total equity
	Share capital ¹	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available-for-sale investments	Defined benefit plans	Retained earnings			
Reported opening balance at 1 Jan 2012	4,047	1,080	-176	123	6	-	20,954	26,034	86	26,120
Restatement due to changed accounting policy ⁴	-	-	-	-	-	-	-475	-475	-	-475
Restated opening balance at 1 Jan 2012	4,047	1,080	-176	123	6	-	20,479	25,559	86	25,645
Total comprehensive income	-	-	117	-35	44	-	773	899	2	901
Share-based payments	-	-	-	-	-	-	1	1	-	1
Dividend for 2011	-	-	-	-	-	-	-1,048	-1,048	-	-1,048
Purchases of own shares ²	-	-	-	-	-	-	-10	-10	-	-10
Other changes	-	-	-	-	-	-	-	-	-3	-3
Closing balance at 31 Mar 2012	4,047	1,080	-59	88	50	-	20,195	25,401	85	25,486

¹ Total shares registered were 4,050 million (31 Dec 2012: 4,050 million, 31 Mar 2012: 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 Mar 2013 were 33.8 million (31 Dec 2012: 26.9 million, 31 Mar 2012: 22.1 million).

³ Refers to the Long Term Incentive Programme (LTIP). LTIP 2012 was hedged by issuing 2,679,168 C-shares, the shares have been bought back and converted to ordinary shares. The total holding of own shares related to LTIP is 20.2 million (31 Dec 2012: 20.3 million, 31 Mar 2012: 18.0 million).

⁴ Related to the amended IAS 19. See Note 1 for more information.

Cash flow statement, condensed

EURm	Jan-Mar 2013	Jan-Mar 2012	Full year 2012
<i>Operating activities</i>			
Operating profit	1,060	1,037	4,117
Adjustments for items not included in cash flow	4,022	1,273	3,178
Income taxes paid	-236	-274	-662
Cash flow from operating activities before changes in operating assets and liabilities	4,846	2,036	6,633
Changes in operating assets and liabilities	-6,318	-3,586	13,121
Cash flow from operating activities	-1,472	-1,550	19,754
<i>Investing activities</i>			
Property and equipment	-30	-27	-114
Intangible assets	-34	-43	-175
Net investments in debt securities, held to maturity	-4	465	1,047
Other financial fixed assets	-13	-	16
Cash flow from investing activities	-81	395	774
<i>Financing activities</i>			
New share issue	-	-	3
Issued/amortised subordinated liabilities	-	750	906
Divestment/repurchase of own shares incl change in trading portfolio	-60	-10	-31
Dividend paid	-1,370	-1,048	-1,048
Cash flow from financing activities	-1,430	-308	-170
Cash flow for the period	-2,983	-1,463	20,358
Cash and cash equivalents at beginning of the period	42,808	22,606	22,606
Translation difference	1,280	-557	-156
Cash and cash equivalents at end of the period	41,105	20,586	42,808
Change	-2,983	-1,463	20,358
Cash and cash equivalents	31 Mar	31 Mar	31 Dec
The following items are included in cash and cash equivalents (EURm):	<u>2013</u>	<u>2012</u>	<u>2012</u>
Cash and balances with central banks	31,565	3,346	36,060
Loans to central banks	7,696	14,983	5,938
Loans to credit institutions, payable on demand	1,842	2,257	810

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 and 2013:2) 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 2012 Annual Report, except for the presentation of defined benefit plans as described below.

The new standard IFRS 13 "Fair Value Measurement" was implemented in the first quarter 2013 but has not had any significant impact on the measurement of assets or liabilities. The additional disclosures required by IFRS 13 on a quarterly basis are presented in Note 9 and Note 10.

IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures" have been amended as regards offsetting of financial assets and financial liabilities. Nordea has implemented these changes in the first quarter 2013 (IAS 32 early adopted). There was no impact from the amendment to IAS 32, while the additional disclosures required by IFRS 7 are presented in Note 11.

IAS 19 "Employee Benefits"

The amended IAS 19 "Employee Benefits" was implemented 1 January 2013. A detailed description of these changes is included in the Annual Report 2012, note G1 "Accounting policies" section 3 "Changes in IFRSs not yet applied by Nordea". The comparative figures on the balance sheet have been restated accordingly and are disclosed in the table below. The impact on the comparative figures in the income statement was not significant and the income statement has therefore not been restated. The impact on the first quarter 2013 was not significant.

At transition 1 January 2013 the negative impact on equity was EUR 211m, after special wage tax and income tax (EUR 280m before income tax), and the core tier 1 capital was reduced by EUR 258m, including the impact from changes in deferred tax assets.

Impact on capital adequacy from new or amended IFRS standards

Two IFRS standards potentially affecting capital adequacy have been adopted by IASB but have not yet been implemented by Nordea.

IFRS 9 "Financial Instruments" (Phase I) is not expected to have a significant impact on Nordea's income statement and balance sheet as the mixed measurement model will be maintained. No significant reclassifications between fair value and amortised cost or impact on the capital adequacy are expected, but this is naturally dependent on the financial instruments on Nordea's balance sheet at transition. It is furthermore expected that changes will be made to the standard before the standard becomes effective.

Nordea's current assessment is that no additional entities that significantly affect Nordea's income statement, balance sheet or equity will have to be consolidated when IFRS 10 "Consolidated Financial Statements" is implemented, although some uncertainty still remains around some mutual funds. If the funds have to be consolidated it will not affect the income statement, but it will have an impact on Nordea's balance sheet and if those entities hold Nordea shares that will have to be eliminated in the Nordea Group there will be an impact on equity. It is not expected that the new standards will have a significant impact on the capital adequacy.

	31 Dec 2012		31 Mar 2012		1 Jan 2012	
EURm	New policy	Old policy	New policy	Old policy	New policy	Old policy
Net retirement benefit obligations	327	47	735	101	732	102
Net deferred tax liabilities	710	779	677	833	694	849
Other reserves ¹	340	76	79	82	-47	-47
Retained earnings	22,530	23,005	20,195	20,670	20,479	20,954

¹Impact through "Other comprehensive income". The direct impact from defined benefit plans was EUR 275m at 31 December 2012, which is slightly offset by FX translation differences of EUR 11m arising during the year.

Exchange rates

	Jan-Mar 2013	Jan-Dec 2012	Jan-Mar 2012
EUR 1 = SEK			
Income statement (average)	8.4955	8.7052	8.8534
Balance sheet (at end of period)	8.3553	8.5820	8.8455
EUR 1 = DKK			
Income statement (average)	7.4589	7.4438	7.4350
Balance sheet (at end of period)	7.4553	7.4610	7.4399
EUR 1 = NOK			
Income statement (average)	7.4323	7.4758	7.5874
Balance sheet (at end of period)	7.5120	7.3483	7.6040
EUR 1 = PLN			
Income statement (average)	4.1551	4.1836	4.2326
Balance sheet (at end of period)	4.1804	4.0740	4.1522
EUR 1 = RUB			
Income statement (average)	40.1528	39.9253	39.5678
Balance sheet (at end of period)	39.7617	40.3295	39.2950

Note 2 Segment reporting

	Operating segments														Total Group Jan-Mar	
	Retail Banking				Wholesale Banking		Group Corporate Centre		Other Operating segments ¹		Total operating segments		Recon- ciliation			
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		
Total operating income, EURm	1,501	1,493	627	749	94	116	290	292	2,512	2,650	46	-119	2,558	2,531		
- of which internal transactions ² , EURm	-446	-596	-82	-111	503	714	25	-7	0	0	-	-	-	-		
Operating profit, EURm	552	525	332	450	49	80	136	108	1,069	1,163	-9	-126	1,060	1,037		
Loans to the public ³ , EURbn	229	228	61	66	-	-	9	8	299	302	56	39	355	341		
Deposits and borrowings from the public ³ , EURbn	113	111	44	47	-	-	11	11	168	169	36	24	204	193		

¹ Including the main business area Wealth Management.

² 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.

³ 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

	Retail Banking												Retail Banking Jan-Mar					
	Retail Banking Nordic ¹				Retail Banking Poland				Retail Banking Baltic countries ²						Retail Banking Other ³			
	Jan-Mar				Jan-Mar				Jan-Mar						Jan-Mar			
	2013		2012		2013		2012		2013		2012		2013		2012			
	2013		2012		2013		2012		2013		2012		2013		2012			
Total operating income, EURm	1,438	1,437	52	64	40	57	-29	-65	1,501	1,493	-446	-596	1,501	1,493	-446	-596		
- of which internal transactions, EURm	-384	-529	-8	-10	-11	-12	-43	-45	-446	-596	-446	-596	-446	-596	-446	-596		
Operating profit, EURm	562	542	21	31	16	34	-47	-82	552	525	552	525	552	525	552	525		
Loans to the public, EURbn	214	214	7	7	8	7	0	0	229	228	229	228	229	228	229	228		
Deposits and borrowings from the public, EURbn	107	105	3	3	3	3	0	0	113	111	113	111	113	111	113	111		

	Corporate & Institutional Banking		Shipping, Offshore & Oil Services		Nordea Bank Russia		Capital Markets unallocated		Wholesale Banking Other ⁴		Wholesale Banking	
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Total operating income, EURm	388	445	92	99	66	52	97	188	-16	-35	627	749
- of which internal transactions, EURm	-56	-84	-22	-27	-11	-13	29	22	-22	-9	-82	-111
Operating profit, EURm	228	319	33	21	47	27	47	122	-23	-39	332	450
Loans to the public, EURbn	42	46	13	14	6	6	-	-	-	-	61	66
Deposits and borrowings from the public, EURbn	39	40	4	5	1	2	-	-	-	-	44	47

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.

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	
	2013	2012	2013	2012	2013	2012
	2013	2012	2013	2012	2013	2012
Total Operating segments	1,069	1,163	299	302	168	169
Group functions ¹	-42	-41	-	-	-	-
Unallocated items	34	-73	54	43	35	26
Differences in accounting policies ²	-1	-12	2	-4	1	-2
Total	1,060	1,037	355	341	204	193

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.

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 area" in this report are that the information to 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 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

	Q1	Q4	Q1	Jan-Dec
EURm	2013	2012	2012	2012
Asset management commissions	232	231	200	832
Life insurance	90	95	68	301
Brokerage, securities issues and corporate finance	65	75	77	289
Custody and issuer services	21	31	21	117
Deposits	12	15	12	54
Total savings and investments	420	447	378	1,593
Payments	101	107	103	416
Cards	119	130	109	487
Total payment and cards	220	237	212	903
Lending	124	115	108	463
Guarantees and documentary payments	55	59	57	225
Total lending related commissions	179	174	165	688
Other commission income	38	32	32	122
Fee and commission income	857	890	787	3,306
Savings and investments	-76	-63	-66	-276
Payments	-22	-25	-22	-92
Cards	-58	-63	-56	-238
State guarantee fees	-33	-19	-20	-89
Other commission expenses	-36	-28	-27	-107
Fee and commission expenses	-225	-198	-191	-802
Net fee and commission income	632	692	596	2,504

Note 4 Net result from items at fair value

	Q1	Q4	Q1	Jan-Dec
EURm	2013	2012	2012	2012
Shares/participations and other share-related instruments	952	314	1,243	1,657
Interest-bearing securities and other interest-related instruments	38	675	79	2,638
Other financial instruments	133	90	50	484
Foreign exchange gains/losses	294	54	277	253
Investment properties	23	20	30	135
Change in technical provisions ¹ , Life insurance	-694	-626	-985	-2,935
Change in collective bonus potential, Life insurance	-321	-125	-238	-544
Insurance risk income, Life insurance	53	49	45	188
Insurance risk expense, Life insurance	-34	-7	-32	-92
Total	444	444	469	1,784

Of which Life insurance

	Q1	Q4	Q1	Jan-Dec
EURm	2013	2012	2012	2012
Shares/participations and other share-related instruments	940	263	1,230	1,245
Interest-bearing securities and other interest-related instruments	124	479	-48	2,243
Other financial instruments	1	0	0	0
Foreign exchange gains/losses	-42	52	56	41
Investment properties	24	22	30	136
Change in technical provisions ¹ , Life insurance	-694	-626	-985	-2,935
Change in collective bonus potential, Life insurance	-321	-125	-238	-544
Insurance risk income, Life insurance	53	49	45	188
Insurance risk expense, Life insurance	-34	-7	-32	-92
Total	51	107	58	282

¹ Premium income amounts to EUR 697m for Q1 2013 (Q4 2012: EUR 754m, Q1 2012: EUR 736m, Jan-Dec 2012: EUR 2,601m).

Note 5 Other expenses

	Q1	Q4	Q1	Jan-Dec
EURm	2013	2012	2012	2012
Information technology	-147	-174	-158	-639
Marketing and representation	-29	-37	-23	-121
Postage, transportation, telephone and office expenses	-55	-55	-59	-224
Rents, premises and real estate expenses	-101	-98	-104	-421
Other	-143	-109	-111	-455
Total	-475	-473	-455	-1,860

Note 6 Net loan losses

	Q1	Q4	Q1	Jan-Dec
EURm	2013	2012	2012	2012
Loan losses divided by class				
Loans to credit institutions	0	0	0	-1
Loans to the public	-214	-267	-204	-939
- of which provisions	-314	-357	-298	-1,438
- of which write-offs	-143	-236	-107	-643
- of which allowances used for covering write-offs	112	185	72	453
- of which reversals	111	114	112	611
- of which recoveries	20	27	17	78
Off-balance sheet items	15	23	-14	7
Total	-199	-244	-218	-933

Key ratios

	Q1	Q4	Q1	Jan-Dec
	2013	2012	2012	2012
Loan loss ratio, basis points	23	29	26	28
- of which individual	19	31	26	31
- of which collective	4	-2	0	-3

Note 7 Loans and impairment

	Total		
	31 Mar 2013	31 Dec 2012	31 Mar 2012
EURm			
Loans, not impaired	370,714	360,768	378,874
Impaired loans	6,827	6,905	5,668
- Performing	3,906	4,023	3,473
- Non-performing	2,921	2,882	2,195
Loans before allowances	377,541	367,673	384,542
Allowances for individually assessed impaired loans	-2,494	-2,400	-2,034
- Performing	-1,375	-1,332	-1,191
- Non-performing	-1,119	-1,068	-843
Allowances for collectively assessed impaired loans	-448	-448	-562
Allowances	-2,942	-2,848	-2,596
Loans, carrying amount	374,599	364,825	381,946

	Central banks and credit institutions			The public		
	31 Mar 2013	31 Dec 2012	31 Mar 2012	31 Mar 2013	31 Dec 2012	31 Mar 2012
EURm						
Loans, not impaired	19,413	18,578	41,173	351,301	342,190	337,701
Impaired loans	24	24	34	6,803	6,881	5,634
- Performing	-	-	9	3,906	4,023	3,464
- Non-performing	24	24	25	2,897	2,858	2,170
Loans before allowances	19,437	18,602	41,207	358,104	349,071	343,335
Allowances for individually assessed impaired loans	-24	-24	-26	-2,470	-2,376	-2,008
- Performing	-	-	-1	-1,375	-1,332	-1,190
- Non-performing	-24	-24	-25	-1,095	-1,044	-818
Allowances for collectively assessed impaired loans	-4	-4	-3	-444	-444	-559
Allowances	-28	-28	-29	-2,914	-2,820	-2,567
Loans, carrying amount	19,409	18,574	41,178	355,190	346,251	340,768

Allowances and provisions

	31 Mar 2013	31 Dec 2012	31 Mar 2012
EURm			
Allowances for items in the balance sheet	-2,942	-2,848	-2,596
Provisions for off balance sheet items	-72	-84	-107
Total allowances and provisions	-3,014	-2,932	-2,703

Key ratios

	31 Mar 2013	31 Dec 2012	31 Mar 2012
Impairment rate, gross, basis points	181	188	147
Impairment rate, net, basis points	115	123	95
Total allowance rate, basis points	78	77	68
Allowances in relation to impaired loans, %	37	35	36
Total allowances in relation to impaired loans, %	43	41	46
Non-performing, not impaired, EURm	471	614	402

Note 8 Classification of financial instruments

Note 6 – Classification of financial instruments

				Designated at fair value through	Derivatives		
EURm	Loans and receivables	Held to maturity	Held for trading	profit or loss	used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	31,565	-	-	-	-	-	31,565
Loans to central banks	7,697	-	137	-	-	-	7,834
Loans to credit institutions	4,268	-	6,050	1,257	-	-	11,575
Loans to the public	267,489	-	34,427	53,274	-	-	355,190
Interest-bearing securities	728	6,555	37,604	20,687	-	23,243	88,817
Financial instruments pledged as collateral	-	-	8,137	-	-	-	8,137
Shares	-	-	9,735	21,117	-	7	30,859
Derivatives	-	-	94,924	-	2,941	-	97,865
Fair value changes of the hedged items in portfolio hedge of interest rate risk	371	-	-	-	-	-	371
Other assets	11,278	-	-	6,964	-	-	18,242
Prepaid expenses and accrued income	2,191	-	24	-	-	-	2,215
Total 31 Mar 2013	325,587	6,555	191,038	103,299	2,941	23,250	652,670
Total 31 Dec 2012	322,861	6,497	205,788	101,875	3,083	27,374	667,478
Total 31 Mar 2012	312,496	7,159	249,258	96,096	2,360	17,322	684,691

				Designated at fair value through	Derivatives	Other	
EURm		Held for trading		profit or loss	used for hedging	financial liabilities	Total
Financial liabilities							
Deposits by credit institutions		21,317		2,403	-	39,363	63,083
Deposits and borrowings from the public		23,078		7,894	-	173,300	204,272
Liabilities to policyholders, investment contracts		-		13,048	-	-	13,048
Debt securities in issue		7,630		34,214	-	144,225	186,069
Derivatives		92,031		-	1,114	-	93,145
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-		-	-	3,152	3,152
Other liabilities		8,524		5,440	-	8,319	22,283
Accrued expenses and prepaid income		33		304	-	2,719	3,056
Subordinated liabilities		-		-	-	7,316	7,316
Total 31 Mar 2013		152,613		63,303	1,114	378,394	595,424
Total 31 Dec 2012		161,149		59,578	1,001	388,365	610,093
Total 31 Mar 2012		212,716		56,595	653	363,410	633,374

Note 9 Fair value of financial assets and liabilities

EURm	31 Mar 2013	
	Carrying amount	Fair value
Financial assets		
Cash and balances with central banks	31,565	31,565
Loans to central banks	7,834	7,834
Loans to credit institutions	11,575	11,575
Loans to the public	355,190	356,084
Interest-bearing securities	88,817	88,893
Financial instruments pledged as collateral	8,137	8,137
Shares	30,859	30,859
Derivatives	97,865	97,865
Fair value changes of the hedged items in portfolio hedge of interest rate risk	371	371
Other assets	18,242	18,242
Prepaid expenses and accrued income	2,215	2,215
Total	652,670	653,640
Financial liabilities		
Deposits by credit institutions	63,083	63,080
Deposits and borrowings from the public	204,272	204,245
Liabilities to policyholders	13,048	13,048
Debt securities in issue	186,069	185,241
Derivatives	93,145	93,145
Fair value changes of the hedged items in portfolio hedge of interest rate risk	3,152	3,152
Other liabilities	22,283	22,283
Accrued expenses and prepaid income	3,056	3,056
Subordinated liabilities	7,316	7,330
Total	595,424	594,580

The determination of fair value is described in the Annual report 2012, Note G42 "Assets and liabilities at fair value".

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

31 Mar 2013, EURm	Quoted prices in active markets for the same instrument (Level 1)	<i>Of which Life</i>	Valuation technique using observable data (Level 2)	<i>Of which Life</i>	Valuation technique using non-observable data (Level 3)	<i>Of which Life</i>	Total
Financial assets¹							
Loans to central banks	-	-	137	-	-	-	137
Loans to credit institutions	-	-	7,307	-	-	-	7,307
Loans to the public	-	-	87,701	-	-	-	87,701
Interest-bearing securities ²	63,767	14,787	24,811	5,182	1,087	718	89,665
Shares ³	27,515	18,749	-	-	3,350	2,301	30,865
Derivatives	120	55	95,768	1	1,977	-	97,865
Other assets	-	-	6,964	-	-	-	6,964
Prepaid expenses and accrued income	-	-	24	-	-	-	24
Financial liabilities¹							
Deposits by credit institutions	-	-	23,720	-	-	-	23,720
Deposits and borrowings from the public	-	-	30,972	-	-	-	30,972
Liabilities to policyholders	-	-	13,048	13,048	-	-	13,048
Debt securities in issue	34,214	-	7,630	-	-	-	41,844
Derivatives	76	18	91,330	135	1,739	-	93,145
Other liabilities	5,900	-	8,063	-	1	-	13,964
Accrued expenses and prepaid income	-	-	337	-	-	-	337

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

² Of which EUR 8,131m relates to the balance sheet item Financial instruments pledged as collateral.

³ Of which EUR 6m relates to the balance sheet item Financial instruments pledged as collateral.

Measurement of offsetting positions

Financial assets and liabilities with offsetting positions in market risk or credit risk are measured on the basis of the price that would be received to sell the net asset exposed for that particular risk or paid to transfer the net liability exposed for that particular risk. For more information about valuation techniques and inputs used in the fair value measurement, see the Annual report 2012, Note G42 "Asset and liabilities at fair value".

Transfers between Level 1 and 2

During the period, Nordea transferred interest bearing securities (including financial instruments pledged as collateral) of EUR 2,332m from Level 1 to Level 2 and EUR 7,695m from Level 2 to Level 1 of the fair value hierarchy. 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

31 Mar 2013, EURm	1 Jan 2013	Fair value gains/losses recognised in the income statement during the year			Purchases	Sales	Settlements	Translation differences	31 Mar 2013
		Realised	Unrealised						
Interest-bearing securities	1,118	19	2		76	-122	-6	-	1,087
- of which Life	719	18	5		54	-73	-5	-	718
Shares	3,374	61	67		100	-255	-19	22	3,350
- of which Life	2,210	58	54		58	-61	-19	1	2,301
Derivatives (net)	332	104	-94		-	-	-104	-	238

Unrealised gains and losses relates to those assets and liabilities held at the end of the reporting period. There have been no transfers in or out of Level 3. Fair value gains and losses in the income statement during the year 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

Valuation principles in Nordea are determined in and approved by the Group Valuation Committee (GVC). GVC issues guiding policies to the business units on how to establish a robust valuation process and minimise the valuation uncertainty. The GVC also serves as escalation point.

The valuation process in Nordea consists of several steps. The first step is the initial end of day (EOD) marking of mid-prices. The mid-prices are either fixed by front office or received from external sources. The second step is the control part, which is performed by independent control units. The cornerstone in the control is the independent price verification (IPV). The IPV test comprises verification of the correctness of prices and other parameters used in the net present value (NPV) calculation, the adequacy of the valuation models, including an assessment of whether to use quoted prices or valuation models, and the reliability of the assumptions and parameters used in the fair value adjustments (FVA) covering mainly liquidity (bid/offer spread) and credit adjustments.

The verification of the correctness of prices and other parameters is carried out daily. Third-party information, such as broker quotes and pricing services, is used as benchmark data in the verification. The quality of the benchmark data is assessed on a regular basis. This quality assessment is used in the measurement of the valuation uncertainty.

The FVAs and the deferrals of day 1 P/L on level 3 trades are calculated and reported on a monthly basis. The actual assessment of instruments in the fair value hierarchy is performed on a continuous basis.

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

31 Mar 2013, EURm	Fair value	Valuation techniques	Unobservable input	Range of fair value
Derivatives				
Interest rate derivatives	267	Option model	Correlations Volatilities	-5/5
Equity derivatives	-7	Option model	Correlations Volatilities Dividend	-15/8
Foreign exchange derivatives	31	Option model	Correlations Volatilities	+/-0
Credit derivatives	-56	Credit derivat model	Correlations Recovery rates	-6/8
Other	3	Option model	Correlations Volatilities	+/-0
Total	238			-26/21

The valuation of derivatives relies on a number of assumptions and modelling choices. For instruments categorised as level 3 these assumptions lead to uncertainty about the valuation. To account for this a range of different modelling approaches are applied to determine an uncertainty interval around the reported fair value. The different approaches applied target various aspects of derivatives pricing. Two common components of derivative valuation models are volatility of underlying risk factors and correlation between the relevant risk factors. Each of these is addressed by applying different assumptions to input and/or the choice of modelling approach. Besides these common factors a number of asset class specific factors are addressed. These include equity dividend expectations, recovery assumptions for credit derivatives and inflation expectations. The above table shows for each class of derivatives the reasonable ranges around fair value for level 3 products. The fair values are presented as the net of assets and liabilities.

Note 10, continued

31 Mar 2013, EURm	Fair value	Of which <i>Life</i> ²	Valuation techniques	Unobservable input	Range of fair value
Shares					
Private equity fund investments	2,545	2,023	Net asset value ¹	-	-
Other fund investments	643	225	Net asset value ¹	-	-
Other	162	53	-	-	-
Total	3,350	2,301			
Interest-bearing securities					
Hedge funds	283	283	Net asset value ¹	-	-
Structured Credit Funds	430	430	Net asset value ¹ / market consensus	-	-
Other bond investments ³	329	-	Discounted cash flow	Credit spread	-17/17
Other	45	5	-	-	-
Total	1,087	718			-17/17

¹ The fair values are based on prices and net assets 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. The dominant measurement methodology, used by the suppliers/custodians, is consistent with the International Private Equity and Venture Capital Valuation (IPEV) guidelines issued by the EVCA (European Venture Capital Association). Less than 15% of the private equity fund investment are internally adjusted/valued based the IPEV guidelines. These carrying amounts are in a range of -100% to +13% compared to the values received from suppliers/custodians.

² Investment in financial instruments is a major part of the life insurance business, acquired to fulfill the obligations behind the insurance- and investment contracts. The gains or losses on these instruments are almost exclusively allocated to policyholders and do consistently not affect Nordea's equity.

³ Of which EUR 155m is priced at a credit spread (the difference between the discount rate and LIBOR) of 1.45% and a reasonable change of this credit spread would not affect the fair value due to callability features.

Sensitivity analysis of Level 3 financial instruments

Sensitivity analysis of EUCO financial instruments			
31 Mar 2013, EURm	Carrying amount	Effect of reasonably possible alternative assumptions	
		Favourable	Unfavourable
Assets			
Interest-bearing securities	1,087	62	-62
- of which Life	718	42	-42
Shares	3,350	335	-335
- of which Life	2,301	251	-251
Derivatives (net)	238	21	-26

The method used to calculate the sensitivities is described in the Annual report 2012, Note G42 "Assets and liabilities at fair value".

Deferred Day 1 profit

31 Mar 2013, EURm	Derivatives (net)
Opening balance at 1 Jan 2013	24
Deferred profit on new transactions	19
Recognised in the income statement during the year	-3
Closing balance at 31 Mar 2013	40

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. In such cases valuation models are applied to estimate the exit price and if significant unobservable parameters are used such instruments are categorised as level 3 instruments and any day-1 profit is deferred. If exit prices are available in active markets for the same instrument such prices are used. For more information see the annual report 2012, Note G1 "Accounting policies".

Note 11 Financial instruments set off on balance or subject to netting agreements

31 Mar 2013, EURm	Gross recognised financial assets ¹	Gross recognised financial liabilities set off on the balance sheet	Net carrying amount on the balance sheet ²	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral received	Cash collateral received	
Assets							
Derivatives	166,934	-70,851	96,083	-79,049	-	-7,523	9,511
Reverse repurchase agreements	40,212	-	40,212	-19,994	-19,315	-	903
Securities borrowing agreements	4,400	-	4,400	-	-4,400	-	0
Other	1	-1	0	-	-	-	0
Total	211,547	-70,852	140,695	-99,043	-23,715	-7,523	10,414

31 Mar 2013, EURm	Gross recognised financial liabilities ¹	Gross recognised financial assets set off on the balance sheet	Net carrying amount on the balance sheet ²	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral pledged	Cash collateral pledged	
Liabilities							
Derivatives	161,791	-70,851	90,940	-79,049	-	-6,440	5,451
Repurchase agreements	46,266	-	46,266	-19,994	-25,675	-	597
Securities lending agreements	59	-	59	-	-59	-	0
Other	47	-1	46	-	-	-	46
Total	208,163	-70,852	137,311	-99,043	-25,734	-6,440	6,094

¹ All amounts are measured at fair value.

² Reverse repurchase agreements and Securities borrowing agreements are on the balance sheet classified as Loans to central banks, Loans to credit institutions or Loans to the public. Repurchase agreements and Securities lending agreements are on the balance sheet classified as Deposits by credit institution or as Deposits and borrowings from the public.

31 Mar 2012, EURm	Gross recognised financial assets ¹	Gross recognised financial liabilities set off on the balance sheet	Net carrying amount on the balance sheet ²	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral received	Cash collateral received	
Assets							
Derivatives	163,243	-	163,243	-149,929	-	-5,805	7,509
Reverse repurchase agreements	30,908	-	30,908	-11,411	-19,153	-	344
Securities borrowing agreements	207	-	207	-	-207	-	0
Other	4	-4	0	-	-	-	0
Total	194,362	-4	194,358	-161,340	-19,360	-5,805	7,853

31 Mar 2012, EURm	Gross recognised financial liabilities ¹	Gross recognised financial assets set off on the balance sheet	Net carrying amount on the balance sheet ²	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral pledged	Cash collateral pledged	
Liabilities							
Derivatives	159,196	-	159,196	-149,929	-	-4,856	4,411
Repurchase agreements	34,944	-	34,944	-11,411	-23,362	-	171
Securities lending agreements	82	-	82	-	-	-	82
Other	4	-4	0	-	-	-	0
Total	194,226	-4	194,222	-161,340	-23,362	-4,856	4,664

¹ All amounts are measured at fair value.

² Reverse repurchase agreements and Securities borrowing agreements are on the balance sheet classified as Loans to central banks, Loans to credit institutions or Loans to the public. Repurchase agreements and Securities lending agreements are on the balance sheet classified as Deposits by credit institution or as Deposits and borrowings from the public.

Enforceable master netting arrangements and similar agreements

The fact that financial instruments are being accounted for on a gross basis on the balance sheet, would not imply that the financial instruments are not subject to master netting agreements or similar arrangements. Generally financial instruments (derivatives, repos and securities lending transactions), would be subject to master netting agreements, and as a consequence Nordea would be allowed to benefit from netting both in the ordinary course of business and in the case of default towards its counter parties, in any calculations involving counterparty credit risk. The reason why the netted exposures are not reflected under assets and liabilities on the balance sheet, would in most instances depend on the limited application of net settlement of financial transactions.

Note 12 Derivatives

Fair value EURm	31 Mar 2013		31 Dec 2012		31 Mar 2012	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives	79,401	73,854	102,558	97,014	149,458	146,069
Equity derivatives	688	1,965	623	568	686	849
Foreign exchange derivatives	13,766	15,054	11,300	14,450	10,871	12,831
Credit derivatives	662	707	637	655	1,003	1,000
Commodity derivatives	378	344	528	487	1,356	1,294
Other derivatives	29	107	60	28	36	13
Total	94,924	92,031	115,706	113,202	163,410	162,056
Derivatives used for hedging						
Interest rate derivatives	2,506	559	2,281	594	1,840	484
Foreign exchange derivatives	435	555	802	407	520	169
Total	2,941	1,114	3,083	1,001	2,360	653
Total fair value						
Interest rate derivatives	81,907	74,413	104,839	97,608	151,298	146,553
Equity derivatives	688	1,965	623	568	686	849
Foreign exchange derivatives	14,201	15,609	12,102	14,857	11,391	13,000
Credit derivatives	662	707	637	655	1,003	1,000
Commodity derivatives	378	344	528	487	1,356	1,294
Other derivatives	29	107	60	28	36	13
Total	97,865	93,145	118,789	114,203	165,770	162,709
Nominal amount						
EURm			31 Mar 2013	31 Dec 2012	31 Mar 2012	
Derivatives held for trading						
Interest rate derivatives			5,410,487	5,622,598	5,991,798	
Equity derivatives			18,385	17,811	21,790	
Foreign exchange derivatives			922,683	910,396	959,786	
Credit derivatives			51,072	47,052	67,742	
Commodity derivatives			6,129	7,817	14,295	
Other derivatives			2,279	2,583	2,346	
Total			6,411,035	6,608,257	7,057,757	
Derivatives used for hedging						
Interest rate derivatives			101,764	59,858	43,897	
Foreign exchange derivatives			10,063	8,871	2,835	
Total			111,827	68,729	46,732	
Total nominal amount						
Interest rate derivatives			5,512,251	5,682,456	6,035,695	
Equity derivatives			18,385	17,811	21,790	
Foreign exchange derivatives			932,746	919,267	962,621	
Credit derivatives			51,072	47,052	67,742	
Commodity derivatives			6,129	7,817	14,295	
Other derivatives			2,279	2,583	2,346	
Total			6,522,862	6,676,986	7,104,489	

Note 13 Capital adequacy

The capital base figures for 2012 have not been restated due to the implementation of IAS 19 Employee Benefits.

Capital Base

	31 Mar 2013	31 Dec 2012	31 Mar 2012
EURm			
Core Tier 1 capital	22,208	21,961	21,080
Tier 1 capital	23,619	23,953	23,039
Total capital base	27,837	27,274	25,900

Capital requirement

	31 Mar 2013 Capital requirement	31 Mar 2013 RWA	31 Dec 2012 Capital requirement	31 Dec 2012 RWA	31 Mar 2012 Capital requirement	31 Mar 2012 RWA
EURm						
Credit risk	11,587	144,847	11,627	145,340	12,622	157,776
IRB	9,725	121,573	9,764	122,050	10,412	130,156
- of which corporate	7,376	92,211	7,244	90,561	7,384	92,299
- of which institutions	554	6,922	671	8,384	981	12,266
- of which retail	1,679	20,992	1,737	21,710	1,943	24,285
- of which other	116	1,448	112	1,395	104	1,306
Standardised	1,862	23,274	1,863	23,290	2,210	27,620
- of which sovereign	36	448	34	426	41	514
- of which retail	853	10,664	860	10,752	789	9,857
- of which other	973	12,162	969	12,112	1,380	17,249
Market risk	535	6,684	506	6,323	662	8,276
- of which trading book, Internal Approach	311	3,890	312	3,897	420	5,250
- of which trading book, Standardised Approach	143	1,788	138	1,727	175	2,189
- of which banking book, Standardised Approach	81	1,006	56	699	67	837
Operational risk	1,344	16,796	1,298	16,229	1,298	16,229
Standardised	1,344	16,796	1,298	16,229	1,298	16,229
Sub total	13,466	168,327	13,431	167,892	14,582	182,281
Adjustment for transition rules						
Additional capital requirement according to transition rules	3,938	49,225	3,731	46,631	3,312	41,390
Total	17,404	217,552	17,162	214,523	17,894	223,671

Capital ratio

	31 Mar 2013	31 Dec 2012	31 Mar 2012
Core Tier I ratio, %, incl profit	10.2	10.2	9.4
Tier I ratio, %, incl profit	10.9	11.2	10.3
Total capital ratio, %, incl profit	12.8	12.7	11.6

Analysis of capital requirements

	Average risk weight (%)	Capital requirement (EURm)
Exposure class, 31 Mar 2013		
Corporate	52%	7,376
Institutions	15%	554
Retail IRB	13%	1,679
Sovereign	1%	36
Other	72%	1,942
Total credit risk		11,587

Note 14 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 are 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 Core tier 1 capital constitutes the Tier 1 capital excluding hybrid capital loans.

Tier 1 capital ratio

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

Loan loss ratio

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

Impairment rate, gross

Individually assessed impaired loans before allowances divided by total loans before allowances.

Impairment rate, net

Individually assessed impaired loans after allowances divided by total loans before allowances.

Total allowance rate

Total allowances divided by total loans before allowances.

Allowances in relation to impaired loans

Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

Total allowances in relation to impaired loans (provisioning ratio)

Total allowances divided by total impaired loans before allowances.

Non-performing, not impaired

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

Expected losses

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

Economic capital

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

RAROCAR

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

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

Nordea Bank AB (publ)

Accounting policies

The financial statements for the parent company, Nordea Bank AB (publ), are prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and IFRS with the amendments and exceptions following the recommendation RFR 2 "Accounting for Legal Entities" issued by the Swedish Financial Reporting Board and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54 and 2013:2). 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 and 2013:2). 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 2012 Annual Report. The new standard IFRS 13 "Fair Value Measurement" and the amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures" as regards offsetting of financial assets and liabilities have been implemented in the first quarter 2013, but have not had any significant impact on the financial statements. More information on the new and amended standards can be found in Note 1 for the Group.

Income statement

EURm	Q1 2013	Q1 2012	Jan-Dec 2012
Operating income			
<i>Interest income</i>	566	715	2,656
<i>Interest expense</i>	-391	-520	-1,932
Net interest income	175	195	724
<i>Fee and commission income</i>	355	194	853
<i>Fee and commission expense</i>	-53	-57	-230
Net fee and commission income	302	137	623
Net result from items at fair value	29	57	189
Dividends	300	283	3,554
Other operating income	157	30	501
Total operating income	963	702	5,591
Operating expenses			
General administrative expenses:			
Staff costs	-250	-210	-938
Other expenses	-224	-136	-842
Depreciation, amortisation and impairment charges of tangible and intangible assets	-24	-21	-105
Total operating expenses	-498	-367	-1,885
Profit before loan losses	465	335	3,706
Net loan losses	-25	-9	-19
Impairment of securities held as financial non-current assets	-	0	-15
Operating profit	440	326	3,672
Appropriations	-	-	-103
Income tax expense	-34	-15	-95
Net profit for the period	406	311	3,474

Nordea Bank AB (publ)

Balance sheet

EURm	31 Mar 2013	31 Dec 2012	31 Mar 2012
Assets			
Cash and balances with central banks	108	180	156
Treasury bills	4,130	5,092	3,987
Loans to credit institutions	70,393	68,006	58,689
Loans to the public	37,811	36,214	35,934
Interest-bearing securities	11,973	11,594	12,285
Financial instruments pledged as collateral	914	104	1,286
Shares	4,926	4,742	1,265
Derivatives	5,577	5,852	4,290
Fair value changes of the hedged items in portfolio hedge of interest rate risk	5	-1,157	-620
Investments in group undertakings	17,662	17,659	16,712
Investments in associated undertakings	8	8	5
Intangible assets	681	670	660
Property and equipment	126	121	85
Deferred tax assets	22	19	18
Current tax assets	49	41	40
Other assets	1,131	1,713	985
Prepaid expenses and accrued income	1,326	1,272	1,290
Total assets	156,842	152,130	137,067
Liabilities			
Deposits by credit institutions	23,987	19,342	14,352
Deposits and borrowings from the public	50,203	50,263	47,397
Debt securities in issue	46,735	48,285	45,013
Derivatives	5,455	4,166	2,979
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,485	16	139
Current tax liabilities	3	3	0
Other liabilities	2,008	1,635	2,911
Accrued expenses and prepaid income	1,390	1,468	1,047
Deferred tax liabilities	11	8	3
Provisions	159	148	44
Retirement benefit obligations	185	182	156
Subordinated liabilities	6,721	7,131	6,819
Total liabilities	138,342	132,647	120,860
Untaxed reserves	111	108	5
Equity			
Share capital	4,050	4,050	4,047
Share premium reserve	1,080	1,080	1,080
Other reserves	11	12	9
Retained earnings	13,248	14,233	11,066
Total equity	18,389	19,375	16,202
Total liabilities and equity	156,842	152,130	137,067
Assets pledged as security for own liabilities	4,081	4,230	3,558
Other assets pledged	6,427	6,225	6,293
Contingent liabilities	87,049	86,292	24,698
Credit commitments ¹	26,561	26,270	25,076

¹ Including unutilised portion of approved overdraft facilities of EUR 12,210m (31 Dec 2012: EUR 12,952m, 31 Mar 2012: EUR 11,946m).

Note 1 Capital adequacy**Capital Base**

	31 Mar 2013	31 Dec 2012	31 Mar 2012
EURm			
Core Tier 1 capital ¹	17,215	17,252	15,180
Tier 1 capital ¹	19,243	19,244	17,140
Total capital base ¹	23,955	23,898	21,047

Capital requirement

	31 Mar 2013 Capital requirement	31 Mar 2013 RWA	31 Dec 2012 Capital requirement	31 Dec 2012 RWA	31 Mar 2012 Capital requirement	31 Mar 2012 RWA
EURm						
Credit risk²	7,427	92,838	7,494	93,670	4,465	55,808
IRB	4,630	57,878	4,752	59,394	2,145	26,807
- of which corporate	4,256	53,203	4,404	55,051	1,754	21,925
- of which institutions	146	1,829	140	1,751	188	2,350
- of which retail	198	2,473	188	2,345	190	2,375
- of which other	30	373	20	247	13	157
Standardised	2,797	34,960	2,742	34,276	2,320	29,001
- of which retail	105	1,314	106	1,327	-	-
- of which sovereign	2	27	2	21	0	0
- of which other	2,690	33,619	2,634	32,928	2,320	29,001
Market risk	98	1,227	123	1,539	93	1,157
- of which trading book, Internal Approach	28	347	39	484	15	186
- of which trading book, Standardised Approach	8	97	20	246	9	113
- of which banking book, Standardised Approach	62	783	64	809	69	858
Operational risk	250	3,121	219	2,739	219	2,739
Standardised	250	3,121	219	2,739	219	2,739
Sub total	7,775	97,186	7,836	97,948	4,777	59,704
Adjustment for transition rules						
Additional capital requirement according to transition rules	-	-	-	-	-	-
Total	7,775	97,186	7,836	97,948	4,777	59,704

Capital ratio

	31 Mar 2013	31 Dec 2012	31 Mar 2012
EURm			
Core Tier I ratio, % ¹	17.7	17.6	25.4
Tier I ratio, % ¹	19.8	19.6	28.7
Total capital ratio, % ¹	24.6	24.4	35.3

Analysis of capital requirements

Exposure class, 31 Mar 2013	Average risk weight (%)	Capital requirement (EURm)
Corporate	59%	4,256
Institutions	12%	146
Retail IRB	35%	198
Sovereign	0%	2
Other	35%	2,825
Total credit risk		7,427

¹ The Capital Base figures and the Capital ratios for the 31 March 2013 and the 31 March 2012 are excluding unaudited result for the first three months each year (according to Swedish FSA rules).

² The increase in credit risk during the last quarter 2012 is related to the guarantee between Nordea Bank AB (publ) and Nordea Bank Finland Plc where Nordea Bank AB (publ) guarantees the majority of the exposures in the exposure class IRB corporate in Nordea Bank Finland Plc. The RWA effect of the guarantee in Nordea Bank AB (publ) by 31 Dec 2012 was approx. EUR 34bn.