

# Nordea



## Q3 Financial Report 2019

# Third Quarter Results 2019

## CEO Frank Vang-Jensen's comments on the results:

"In the third quarter, both net interest and net commission income increased from higher business volumes. Net fair value decreased following significant interest rate movements during the summer. Total revenues are down 2% in local currencies. Our Q3 operating loss of EUR 421m includes several one-off items totalling EUR 1.3bn, comprising of an impairment charge for IT intangibles of EUR 735m, a restructuring provision of EUR 204m, an expense related to sale of Luminor shares of EUR 75m, and finally, additional loan loss provisions of EUR 282m.

In my new role as CEO, I have led a strategic review of the Bank and we have developed a new business plan to ensure stronger financial results meeting new financial targets. Our new plan will significantly improve Nordea's operating performance through strengthened customer focus and improved operational efficiency as well as cost reductions and income growth initiatives. For 2020, we expect to reach a cost base of below EUR 4.7bn with planned continued net cost reductions beyond 2020.

Nordea's new financial targets for 2022 are

- A return on equity above 10%
- A cost to income ratio of 50%

Our new capital policy stipulates a management buffer of 150-200 bps above the regulatory CET1 requirement and a dividend pay-out ratio of 60-70%, both starting from 2020. We will continuously assess the opportunity to use share buy-backs as a tool to distribute excess capital. For 2019, Nordea targets a dividend of EUR 0.4 per share.

While I have been at Nordea since 2017, in my short time as CEO I have had the opportunity to meet many more colleagues from different parts of the bank. I am impressed by our employees' expertise, passion to serve our customers and shared determination to improve our business results. I am convinced that strong customer focus combined with enhanced operational efficiency will enable us to deliver on our targets and new strategy, and to significantly improve Nordea's financial performance."

(For further viewpoints, see the CEO comment on page 2)

## Summary key figures

	Q3 2019	Q2 2019	Chg %	Local curr. %	Q3 2018	Chg %	Local curr. %	Jan-Sep 2019	Jan-Sep 2018	Chg %	Local curr. %
<b>EURm</b>											
Net interest income	1,083	1,071	1	2	1,123	-4	-1	3,210	3,349	-4	-2
Total operating income	2,085	2,141	-3	-2	2,097	-1	1	6,341	7,053	-10	-9
Total operating income <sup>1</sup>	2,085	2,141	-3	-2	2,097	-1	1	6,341	6,569	-3	-2
Total operating expense	-2,175	-1,180	84	84	-1,136	91	93	-4,807	-3,662	31	33
Total operating expense <sup>2</sup>	-1,161	-1,180	-2	-1	-1,136	2	3	-3,698	-3,662	1	2
Profit before loan losses	-90	961	-109	-109	961	-109	-109	1,534	3,391	-55	-54
Net loan losses	-331	-61	443	439	-44	652	642	-434	-143	203	204
Net loan losses <sup>3</sup>	-49	-61	-20	-19	-44	11	11	-152	-143	6	7
Operating profit	-421	900	-147	-146	917	-146	-146	1,100	3,248	-66	-66
Adj. Operating profit <sup>1,2,4</sup>	823	848	-3		875	-6		2,542	2,805	-9	
Diluted earnings per share, EUR	-0.08	0.17			0.18			0.19	0.64		
Common Equity Tier 1 capital ratio, % <sup>5,6</sup>	15.4	14.8			20.3			15.4	20.3		
Cost/income ratio, %	104	55			54			76	52		
Cost/income ratio, <sup>1,2</sup> %	56	55			54			58	56		
Loan loss ratio, basis points	55	10			8			24	8		
ROE, %	-4.4	9.1			9.2			3.4	10.9		
ROE, <sup>1,2,7</sup> %	8.4	8.5			8.8			8.3	9.1		

Exchange rates used for Q3 2019 for income statement items are for DKK 7.4644, NOK 9.7720 and SEK 10.5660.

<sup>1</sup> Excl. Items affecting comparability in Q1 2018: EUR 135m gain from valuation model update in Denmark, EUR 105m after tax, Q2 2018: tax free gain related to divestment of shares in UC EUR 87m and tax free gain related to the sale of Nordea Liv & Pension Denmark EUR 262m.

<sup>2</sup> Excl. Items affecting comparability in Q1 2019: EUR 95m non-deductible expense related to provision for ongoing AML-related matters.

In Q3 2019: EUR 735m expense related to impairment of capitalised IT systems, EUR 559m after tax, EUR 204m expense related to restructuring, EUR 155m after tax, EUR 75m non-deductible expense related to sale of Luminor.

<sup>3</sup> Excl. Items affecting comparability in Q3 2019: EUR 282m loss related to loan loss provisions due to model updates and dialogue with the ECB reflecting a more subdued outlook in certain sectors, EUR 214m after tax.

<sup>4</sup> Adjusted for resolution fees before tax: In Q3 2019 EUR -52m, In Q2 2019 EUR -52m, in Q3 2018 EUR -42m, in Jan-Sep 2019 EUR 51m and in Jan-Sep 2018 EUR 42m (amortised on a straight-line basis).

<sup>5</sup> Including profit for the period adjusted by accrued dividend.

<sup>6</sup> The capital ratios for 2018 have not been restated due to the changed recognition and presentation of resolution fees (see Note 1 for more information).

<sup>7</sup> Adjusted for resolution fees after tax: In Q3 2019 EUR -40m, In Q2 2019 EUR -40m, in Q3 2018 EUR -32m, in Jan-Sep 2019 EUR 39m and in Jan-Sep 2018 EUR 32m (amortised on a straight-line basis).

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We build strong and close relationships through our engagement with customers and society. Whenever people strive to reach their goals and realise their dreams, we are there to provide relevant financial solutions. We are the leading bank in the Nordic region. The Nordea share is listed on the Nasdaq Helsinki, Nasdaq Copenhagen and Nasdaq Stockholm exchanges. Read more about us on [nordea.com](http://nordea.com).

# CEO comment

In the third quarter, higher business volumes drove increases in both net interest and net commission income. Net fair value decreased following significant interest rate movements during the summer. Total revenues are down 2% in local currencies.

## Third quarter compared to the previous quarter in local currencies

**Net interest income** increased 2% to EUR 1,083m. Volumes had a positive effect in the quarter following increased activities, while blended margins were neutral. Although the margin trend improved in the third quarter, market conditions remain challenging. Average business lending volumes increased by approximately 1%.

**Net fee and commission income** increased by 2%, despite seasonally lower activities in corporate advisory services. Asset management fees were largely unchanged, while lending, payment and card fees improved.

**Net results from items at fair value** decreased 27%, driven by challenging market conditions following the interest rate movement during the summer and seasonally low customer activity.

**Costs\*** decreased 1% excluding one-offs and increased 84% including one-offs. Excluding one-offs, staff costs decreased 1%, while other costs decreased 4%.

We are reporting an expense related to sale of Luminor shares of EUR 75m. An impairment charge of EUR 735m is reported, largely due to the new business plan, which also leads to a restructuring provision of EUR 204m.

The cost to income\* ratio was unchanged at 58% excluding one-offs and increased to 107% including one-offs.

The return on equity\*\* was 8.4% in the quarter.

## Credit quality

Nordea's historical track record of low loan losses continues in Q3 2019. However, after dialogue with the ECB, reflecting a more subdued outlook in certain sectors in the third quarter, Nordea has decided to increase provisions by a total of EUR 229m. Credit quality outside these sectors remains solid. In addition, Nordea has reviewed its collective provisioning models. The model update in the third quarter 2019 generates a EUR 53m increase in collective provisions.

**Capital position** expressed as Common Equity Tier 1 ratio was 15.4% up from 14.8%.

**Personal Banking** lending grew 1% compared to the previous quarter, and 6% compared to a year ago in local currencies. Revenues increased by 5% and costs\* increased by 6% compared to the previous quarter. The cost to income\* ratio was largely unchanged at 62%. We are increasing our market share of new mortgage sales in all Nordic countries and operating profit was at the highest level since the first quarter of 2018.

In **Commercial & Business Banking**, lending was largely unchanged compared to the previous quarter and increased 2% compared to a year ago in local currencies. Both revenues and costs\* decreased by 4%, keeping the cost to income\* ratio unchanged at 54%. Underlying business momentum continues to improve, driven in particular by Norway and Sweden.

**Wholesale Banking** lending was largely unchanged compared to the previous quarter and increased 3% compared to a year ago. Revenues increased 2%, while costs\* decreased by 11%, leading to an improved cost to income\* ratio by 7% to 55%.

**Asset & Wealth Management** had net inflows of EUR 3.7bn corresponding to an annualised level of 5% of assets under management (AuM). This was the third consecutive quarter of positive flows. Assets under management increased to EUR 314bn at the end of Q3, up from EUR 307bn in Q2. Revenues increased by 2% compared to the previous quarter and costs\* increased by 5%. The cost to income\* ratio increased from 46% to 47%.

## New financial targets

In my new role as CEO, I have led a strategic review of the Bank and we have developed a new business plan to ensure stronger financial results meeting new financial targets. Our new plan will significantly improve Nordea's operating performance through strengthened customer focus and improved operational efficiency as well as cost reductions and income growth initiatives. For 2020, we expect to reach a cost base of below EUR 4.7bn with planned continued net cost reductions beyond 2020.

Nordea's new financial targets for 2022 are

- a return on equity above 10%
- a cost to income ratio of 50%

Our new capital policy stipulates a management buffer of 150-200 bps above the regulatory CET1 requirement and a dividend pay-out ratio of 60-70%, both starting from 2020. We will continuously assess the opportunity to use share buy-backs as a tool to distribute excess capital. For 2019, Nordea targets a dividend of EUR 0.4 per share.

While I have been at Nordea since 2017, in my short time as CEO I have had the opportunity to meet many more colleagues from different parts of the bank. I am impressed by our employees' expertise, passion to serve our customers and shared determination to improve our business results. I am convinced that strong customer focus combined with enhanced operational efficiency will enable us to deliver on our targets and new strategy, and to significantly improve Nordea's financial performance.

**Frank Vang-Jensen**  
President and Group CEO

\* Resolution fees are periodised over 2019

\*\* Excluding one-offs and with periodised resolution fees

# Outlook

## Key priorities to success and meet the financial targets

Nordea's new plan will significantly improve operating performance through strengthened customer focus and improved operational efficiency as well as cost reductions and income growth initiatives.

## Financial targets 2022

Nordea's new financial targets for 2022 are

- A return on equity above 10%
- A cost to income ratio of 50%

## Costs

**New:** For 2020, Nordea expects to reach a cost base of below EUR 4.7bn with planned continued net cost reductions beyond 2020.

Costs for 2019 are expected to be lower in constant currencies compared to 2018 excluding items affecting comparability in 2018 and 2019<sup>2</sup> and changes in resolution fees. The total cash cost is expected to be lower in constant currencies over the same period.

**Previous:** For 2021, Nordea expects the cost base in constant currencies to be approximately 3% below the 2018 cost base excluding items affecting comparability in 2018<sup>1</sup> and cash costs are expected to be down by up to 10% in constant currencies over the same period.

Costs for 2019 are expected to be lower in constant currencies compared to 2018 excluding items affecting comparability in 2018 and 2019<sup>2</sup> and the total cash cost is expected to be lower in constant currencies over the same period.

## Capital policy

**New:** 150-200 bps management buffer above the regulatory CET1 requirement, valid from 1 January 2020.

**Previous:** 40-120 bps management buffer above the regulatory CET1 requirement.

## Dividend policy

**New:** A dividend pay-out ratio, starting from 2020, of 60-70%. Nordea will continuously assess the opportunity to use share buy-backs as a tool to distribute excess capital. For 2019, Nordea targets a dividend of EUR 0.4 per share.

**Previous:** Nordea aims to achieve a yearly increase in the dividend per share, while maintaining a strong capital position in line with the capital policy.

## Credit quality

**New:** Nordea's expectation for the coming quarters is that net losses will be low and around the average level for 2018. However, the macroeconomic outlook is somewhat more uncertain.

**Previous:** Nordea's expectation for the coming quarters is that net losses will remain low and around the average level for 2018.

<sup>1</sup> Goodwill write-down of EUR 141m in Q4 2018.

<sup>2</sup> Adjusted for the goodwill write-down of EUR 141m in 2018, transaction costs of EUR 90m in 2019, provision of EUR 95m in Q1 2019, IT impairment of EUR 735m and restructuring charge of EUR 204m.

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# Income statement

	Q3 2019	Q2 2019	Chg %	Local curr. %	Q3 2018	Chg %	Local curr. %	Jan-Sep 2019	Jan-Sep 2018	Chg %	Local curr. %
<b>EURm</b>											
Net interest income	1,083	1,071	1	2	1,123	-4	-1	3,210	3,349	-4	-2
Net fee and commission income	756	743	2	2	703	8	9	2,236	2,273	-2	0
Net result from items at fair value	211	283	-25	-27	205	3	-4	758	906	-16	-18
Profit from associated undertakings and joint ventures accounted for under the equity method	13	24	-46	-46	48	-73	-70	51	109	-53	-53
Other operating income	22	20	10	10	18	22	16	86	416	-79	-79
<b>Total operating income</b>	<b>2,085</b>	<b>2,141</b>	<b>-3</b>	<b>-2</b>	<b>2,097</b>	<b>-1</b>	<b>1</b>	<b>6,341</b>	<b>7,053</b>	<b>-10</b>	<b>-9</b>
Staff costs	-924	-727	27	27	-726	27	28	-2,369	-2,254	5	6
Other expenses	-366	-304	20	20	-323	13	15	-1,264	-1,176	7	9
Depreciation, amortisation and impairment charges of tangible and intangible assets	-885	-149	494	493	-87	917	930	-1,174	-232	406	412
<b>Total operating expenses</b>	<b>-2,175</b>	<b>-1,180</b>	<b>84</b>	<b>84</b>	<b>-1,136</b>	<b>91</b>	<b>93</b>	<b>-4,807</b>	<b>-3,662</b>	<b>31</b>	<b>33</b>
<b>Profit before loan losses</b>	<b>-90</b>	<b>961</b>	<b>-109</b>	<b>-109</b>	<b>961</b>	<b>-109</b>	<b>-109</b>	<b>1,534</b>	<b>3,391</b>	<b>-55</b>	<b>-54</b>
Net loan losses	-331	-61	443	439	-44	652	642	-434	-143	203	204
<b>Operating profit</b>	<b>-421</b>	<b>900</b>	<b>-147</b>	<b>-146</b>	<b>917</b>	<b>-146</b>	<b>-146</b>	<b>1,100</b>	<b>3,248</b>	<b>-66</b>	<b>-66</b>
Income tax expense	89	-219	-141	-140	-193	-146	-146	-308	-672	-54	-53
<b>Net profit for the period</b>	<b>-332</b>	<b>681</b>	<b>-149</b>	<b>-148</b>	<b>724</b>	<b>-146</b>	<b>-146</b>	<b>792</b>	<b>2,576</b>	<b>-69</b>	<b>-69</b>

# Business volumes, key items<sup>1</sup>

	30 Sep 2019	30 Jun 2019	Chg %	Local curr. %	30 Sep 2018	Chg %	Local curr. %
<b>EURbn</b>							
Loans to the public	328.3	323.8	1	2	316.5	4	6
Loans to the public, excl. repos	299.5	300.2	0	0	291.7	3	5
Deposits and borrowings from the public	168.3	176.5	-5	-4	174.2	-3	-2
Deposits from the public, excl. repos	161.9	167.0	-3	-2	160.5	1	2
Total assets	585.9	582.9	1		572.8	2	
Assets under management	313.8	306.5	2		309.0	2	
Equity	30.5	31.1	-2		32.6	-6	

# Ratios and key figures<sup>2</sup>

	Q3 2019	Q2 2019	Chg %	Q3 2018	Chg %	Jan-Sep 2019	Jan-Sep 2018	Chg %
Diluted earnings per share, EUR	-0.08	0.17	-147	0.18	-144	0.19	0.64	-70
EPS, rolling 12 months up to period end, EUR	0.32	0.58	-45	0.79	-59	0.32	0.79	-59
Share price <sup>1</sup> , EUR	6.50	6.39	2	9.40	-31	6.50	9.40	-31
Total shareholders' return, %	12.4	4.0		20.2		1.5	4.4	
Equity per share <sup>1</sup> , EUR	7.55	7.69	-2	8.08	-7	7.55	8.08	-7
Potential shares outstanding <sup>1</sup> , million	4,050	4,050	0	4,050	0	4,050	4,050	0
Weighted average number of diluted shares, mn	4,035	4,032	0	4,037	0	4,033	4,037	0
Return on equity, %	-4.4	9.1		9.2		3.4	10.9	
Return on tangible equity, %	-5.0	10.6		10.6		3.9	12.6	
Return on Risk Exposure Amount, %	-0.9	1.7		2.4		0.7	2.8	
Return on Equity with periodised resolution fees, %	-4.9	8.5		8.8		3.6	11.0	
Cost/income ratio, %	104	55		54		76	52	
Cost/income ratio with periodised resolution fees, %	107	58		56		75	51	
Loan loss ratio, basis points <sup>3</sup>	55	10	450	8	588	24	8	200
Common Equity Tier 1 capital ratio <sup>1,4,5,6,7</sup> , %	15.4	14.8		20.3		15.4	20.3	
Tier 1 capital ratio <sup>1,4,5,7</sup> , %	17.4	17.3		22.3		17.4	22.3	
Total capital ratio <sup>1,4,5,7</sup> , %	20.0	19.8		26.0		20.0	26.0	
Tier 1 capital <sup>1,4,7</sup> , EURbn	27.3	27.6	-1	27.0	1	27.3	27.0	1
Risk exposure amount <sup>4</sup> , EURbn	156	160	-2	121	29	156	121	29
Number of employees (FTEs) <sup>1</sup>	29,469	29,550	0	29,056	1	29,469	29,056	1
Economic capital <sup>1,7</sup> , EURbn	26.5	27.8	-5	26.3	1	26.5	26.3	1

<sup>1</sup> End of period.

<sup>2</sup> For more detailed information regarding ratios and key figures defined as Alternative performance measures, see [www.nordea.com/en/investor-relations/](http://www.nordea.com/en/investor-relations/).

<sup>3</sup> Including Loans to the public reported in Assets held for sale in Q1 2018.

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

<sup>5</sup> Changes to the applicable capital requirements regime (for more details, please see chapter Other information).

<sup>6</sup> Including profit for the period adjusted by accrued dividend.

<sup>7</sup> The capital ratios for 2018 have not been restated due to the changed recognition and presentation of resolution fees (see Note 1 for more information).

# Income statement

## Excluding items affecting comparability<sup>1,2</sup>

	Q3 2019	Q2 2019	Chg %	Local curr. %	Q3 2018	Chg %	Local curr. %	Jan-Sep 2019	Jan-Sep 2018	Chg %	Local curr. %
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Net result from items at fair value	211	283	-25	-27	205	3	-4	758	771	-2	-4
Profit from associated undertakings and joint ventures accounted for under the equity method	13	24	-46	-46	48	-73	-70	51	109	-53	-53
Other operating income	22	20	10	10	18	22	16	86	67	28	30
<b>Total operating income</b>	<b>2,085</b>	<b>2,141</b>	<b>-3</b>	<b>-2</b>	<b>2,097</b>	<b>-1</b>	<b>1</b>	<b>6,341</b>	<b>6,569</b>	<b>-3</b>	<b>-2</b>
Staff costs	-720	-727	-1	-1	-726	-1	0	-2,165	-2,254	-4	-3
Other expenses	-291	-304	-4	-4	-323	-10	-9	-1,094	-1,176	-7	-6
Depreciation, amortisation and impairment charges of tangible and intangible assets	-150	-149	1	1	-87	72	76	-439	-232	89	92
<b>Total operating expenses</b>	<b>-1,161</b>	<b>-1,180</b>	<b>-2</b>	<b>-1</b>	<b>-1,136</b>	<b>2</b>	<b>3</b>	<b>-3,698</b>	<b>-3,662</b>	<b>1</b>	<b>2</b>
<b>Profit before loan losses</b>	<b>924</b>	<b>961</b>	<b>-4</b>	<b>-3</b>	<b>961</b>	<b>-4</b>	<b>-3</b>	<b>2,643</b>	<b>2,907</b>	<b>-9</b>	<b>-8</b>
Net loan losses	-49	-61	-20	-19	-44	11	11	-152	-143	6	7
<b>Operating profit</b>	<b>875</b>	<b>900</b>	<b>-3</b>	<b>-2</b>	<b>917</b>	<b>-5</b>	<b>-3</b>	<b>2,491</b>	<b>2,764</b>	<b>-10</b>	<b>-9</b>
Income tax expense	-204	-219	-7	-6	-193	6	8	-601	-642	-6	-5
<b>Net profit for the period</b>	<b>671</b>	<b>681</b>	<b>-1</b>	<b>-1</b>	<b>724</b>	<b>-7</b>	<b>-6</b>	<b>1,890</b>	<b>2,122</b>	<b>-11</b>	<b>-10</b>

## Ratios and key figures<sup>1,2</sup>

	Q3 2019	Q2 2019	Chg %	Q3 2018	Chg %	Jan-Sep 2019	Jan-Sep 2018	Chg %
Diluted earnings per share, EUR	0.17	0.17	0	0.18	-6	0.46	0.52	-12
EPS, rolling 12 months up to period end, EUR	0.60	0.62	-3	0.68	-12	0.60	0.68	-12
Return on equity, %	8.9	9.1		9.2		8.1	9.0	
Return on tangible equity, %	10.1	10.6		10.6		9.2	10.3	
Return on Risk Exposure Amount, %	1.7	1.7		2.4		1.6	2.3	
Return on Equity with periodised resolution fees, %	8.4	8.5		8.8		8.3	9.1	
Cost/income ratio, %	56	55		54		58	56	
Cost/income ratio with periodised resolution fees, %	58	58		56		58	55	
ROCAR, %	9.7	9.8		10.9		9.2	10.5	

<sup>1</sup> Excl. items affecting comparability in Q3 2019: EUR 735m expense related to impairment of capitalised IT systems, EUR 559m after tax, EUR 204m expense related to restructuring, EUR 155m after tax, EUR 75m non-deductible expense related to sale of Luminor and EUR 282m loss related to loan loss provisions due to model updates and dialogue with the ECB reflecting a more subdued outlook in certain sectors, EUR 214m after tax.

In Q1 2019: EUR 95m non-deductible expense related to provision for ongoing AML-related matters.

Q2 2018: tax free gain related to divestment of shares in UC EUR 87m and tax free gain related to the sale of Nordea Liv & Pension Denmark EUR 262m.

In Q1 2018: EUR 135m gain from valuation model update in Denmark, EUR 105m after tax.

<sup>2</sup> For more detailed information regarding ratios and key figures defined as Alternative performance measures, see [www.nordea.com/en/investor-relations/](http://www.nordea.com/en/investor-relations/).

# Macroeconomy and financial markets

The world economy weakened during Q3. The trade disputes and uncertainty around Brexit have taken their toll on business sentiment and world trade. Not least the manufacturing sector has been hit hard but activity in the service sector has also slowed. Global growth this year and next is likely to be the weakest since the financial crisis. Risks remain tilted to the downside.

The Fed cut rates again on 18 September almost a week after the ECB introduced a new easing package containing a rate cut by 10 bps, a restart of the asset purchase programme from November, a change in the modalities of the TLTRO III and an introduction of a two-tiered deposit rate system amid weak economic sentiment and the absence of inflationary pressure. The U-turn in monetary policy has led to new lows for interest rates globally and given support to stocks although financial market volatility has increased. EUR/USD weakened during Q3, while oil price volatility increased sharply after the drone attacks on Saudi Aramco's oil facilities.

## Denmark

The Danish economy expanded by 0.9% in Q2 2019, thereby causing GDP to increase by 2.3% in H1 compared to the same period last year. Net exports contributed the most to the solid expansion. Forward-looking indicators point to subdued growth over the coming quarters, especially within the manufacturing sector in line with weaker activity in the Euro area. The Danish central bank lowered its deposit rate on 12 September by 10 bps to -0.75% mirroring the interest rate cut by the ECB.

## Finland

The Finnish economy has continued to grow at a solid pace in the first half of 2019, but the growth momentum is clearly slowing. Going forward, the global weakness and increasing uncertainty will hit Finland harder. The export sector has performed surprisingly well in H1, while weak household demand and investment have added worries over Finland's growth prospects. Declining consumer and manufacturing confidence can hurt consumption and investments even further.

## Norway

The Norwegian economy grew at a healthy pace in Q2 which combined with lower unemployment, supported household demand and the housing market. Forward-looking indicators point toward somewhat slower growth, but still well above trend growth. Norges Bank raised its key policy rate to 1.5% in September and will likely hold the key rate constant going forward. However, there is some probability that Norges Bank will hike once more in 2020. The NOK has remained weak due to global uncertainty.

## Sweden

The Swedish economy lost momentum in the first half of 2019. The slowdown continued in Q3. Domestic demand was subdued, and exports levelled out. Consequently, employment fell, and unemployment rose. Inflation has eased over the year from 2% to 1.4% on average for Q3. The Riksbank kept the repo rate unchanged at its September meeting, signalling a rate hike around the turn of the year. The trade-weighted SEK continued to weaken during Q3.



# Group results and performance

## Third quarter 2019

### Net interest income

Net interest income in local currencies was up 2% from the previous quarter with positive impact from volumes driven by increased activities and one more interest day. The margins trend in the quarter improved, but market conditions remained challenging.

### Personal Banking

Net interest income was up 2% in local currencies from the previous quarter due to volume growth and one more interest day. Lending volumes grew in all countries while the margin pressure trend persisted.

### Commercial & Business Banking

Net interest income was down 1% in local currencies from the previous quarter. Lending volumes developed positively, while margin pressure continued.

### Wholesale Banking

Net interest income was up 3% in local currencies from the previous quarter driven by higher yield fees and one more interest day. Lending volumes were largely unchanged, while margins were stable.

### Asset & Wealth Management

Net interest income in Asset & Wealth Management was down EUR 1m from the previous quarter and amounted to EUR 13m.

### Group Functions and Other

Net interest income in Treasury was EUR 5m higher from previous quarter mainly driven by lower cost of funds.

### Lending volumes

Loans to the public in local currencies, excluding repos, were unchanged from the previous quarter. Average lending volumes in local currencies increased in all business areas. In Personal Banking, the volume increase is mainly driven by higher volumes in Norway and Sweden. In Commercial & Business Banking, volumes increased in all countries except in Denmark. In Wholesale Banking, volumes were largely unchanged with an increase in Finland and Norway and a decrease in Sweden.

### Deposit volumes

Total deposits from the public in local currencies, excluding repos were 2% down from the previous quarter. Average deposit volumes increased in all business areas except for Wholesale Banking where average deposit volumes decreased driven by C&IB Finland.

### Net interest income per business area

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
<b>EURm</b>									
Personal Banking	543	536	521	525	515	1%	5%	2%	7%
Commercial & Business Banking	333	337	331	341	326	-1%	2%	-1%	3%
Wholesale Banking	212	207	214	231	231	2%	-8%	3%	-7%
Asset & Wealth Management	13	14	13	14	18	-7%	-28%	-7%	-28%
Group Functions and other	-18	-23	-23	31	33	-	-	-	-
<b>Total Group</b>	<b>1,083</b>	<b>1,071</b>	<b>1,056</b>	<b>1,142</b>	<b>1,123</b>	<b>1%</b>	<b>-4%</b>	<b>2%</b>	<b>-1%</b>

### Change in Net interest income

	Q3/Q2	Jan-Sep 19/18
<b>EURm</b>		
<b>NII beginning of period</b>	<b>1,071</b>	<b>3,349</b>
<b>Margin driven NII</b>	<b>3</b>	<b>-180</b>
Lending margin	-9	-294
Deposit margin	3	92
Cost of funds	9	22
<b>Volume driven NII</b>	<b>9</b>	<b>144</b>
Lending volume	10	157
Deposit volume	-1	-13
Day count	14	0
Other <sup>1,2,3</sup>	-14	-103
<b>NII end of period</b>	<b>1,083</b>	<b>3,210</b>
<sup>1</sup> of which FX	-9	-68
<sup>2</sup> of which Baltics	-	-3
<sup>2</sup> of which DGS	0	26

### Net fee and commission income

Net fee and commission income increased by 2% in local currencies from the previous quarter driven by strong lending fees mostly supported by mortgage re-financing activities in Denmark and improved payments and card fees driven by high customer activity. Asset management fees were largely unchanged despite higher volumes, while corporate finance and brokerage fees were seasonally low.

### Savings and investment commissions

Net fee and commission income from savings and investments decreased 4% in local currencies from the previous quarter to EUR 473m. Assets under management (AuM) increased by EUR 7bn to EUR 314bn at the end of the quarter with an inflow of EUR 3.7bn in line with Q2 2019.

### Payments and cards and lending-related commissions

Lending-related net fee and commission income increased from the previous quarter to EUR 148m (EUR 121m in Q2). Payments and cards net fee and commission income increased to EUR 136m from the previous quarter (EUR 128m in Q2).

### Personal Banking

Fees and commission increased by 9% from the previous quarter lifted by mortgage re-financing and remortgaging fees in Denmark.

### Commercial & Business Banking

Fees and commissions increased by 15% driven by semi-annual commission fees and re-mortgaging in Denmark.

### Wholesale Banking

Fees and commissions decreased by 15% in local currencies from the previous quarter driven by seasonal effects and higher commission expenses in Markets.

### Asset & Wealth Management

Fees and commission increased by 4% in local currencies from the previous quarter to EUR 354m, positively impacted by higher AuM with positive net flows continuing with all channels contributing.

### Group Functions and Other

Fees and commissions decreased by EUR 5m from the previous quarter.

### Net fee and commission income per business area

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
<b>EURm</b>									
Personal Banking	178	164	158	162	175	9%	2%	9%	5%
Commercial & Business Banking	124	109	125	114	111	14%	12%	15%	12%
Wholesale Banking	108	128	104	108	92	-16%	17%	-15%	20%
Asset & Wealth Management	354	345	338	344	344	3%	3%	4%	5%
Group Functions and other	-8	-3	12	-8	-19	-	-	-	-
<b>Total Group</b>	<b>756</b>	<b>743</b>	<b>737</b>	<b>720</b>	<b>703</b>	<b>2%</b>	<b>8%</b>	<b>2%</b>	<b>9%</b>

### Net fee and commission income per category

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
<b>EURm</b>									
Savings and investments, net	473	495	446	500	447	-4%	6%	-4%	6%
Payments and cards, net	136	128	143	121	130	6%	5%	6%	5%
Lending-related, net	148	121	126	114	129	22%	15%	22%	15%
Other commissions, net	-1	-1	22	-15	-3	-	-	-	-
<b>Total Group</b>	<b>756</b>	<b>743</b>	<b>737</b>	<b>720</b>	<b>703</b>	<b>2%</b>	<b>8%</b>	<b>2%</b>	<b>9%</b>

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

	Q319	Q219	Q119	Q418	Q318	Net inflow Q319
<b>EURbn</b>						
Nordic Retail funds	62.5	62.3	61.2	56.3	61.1	0.2
Private Banking	86.5	85.4	84.2	78.2	95.5	0.2
Institutional sales	113.5	108.6	105.6	99.8	101.6	3.1
Life & Pensions	51.3	50.2	49.2	45.8	50.8	0.2
<b>Total</b>	<b>313.8</b>	<b>306.5</b>	<b>300.2</b>	<b>280.1</b>	<b>309.0</b>	<b>3.7</b>

### Net result from items at fair value

The net result from items at fair value decreased by 27% from the previous quarter to EUR 211m. Market-making activities continued to be challenging, while customer areas were impacted by seasonality.

#### Capital Markets income for customers in Wholesale Banking, Personal Banking, Commercial & Business Banking and Private Banking

The net fair value result for the business units was down and amounted to EUR 158m, as compared to EUR 192m in the previous quarter. Customer-driven capital markets activities were lower than the previous quarter mainly due to seasonality. The revaluation of a Danish loan portfolio positively impacted Personal Banking with EUR 15m, while it negatively impacted Commercial & Business Banking with EUR 24m.

#### Life & Pensions

The net result from items at fair value for Life & Pensions decreased EUR 5m from the previous quarter to EUR 5m mostly due to a change between P&L lines.

#### Market making activities

The net fair value result for market-making activities, i.e. income from managing the risks inherent in customer transactions, amounted to EUR 9m compared to EUR -30m in the previous quarter with a continued challenging environment, with even lower interest rates, low volatility and tight spreads. The improvement is related to valuation adjustments that turned positive (EUR 16m) from a negative impact (EUR -27m) in the previous quarter.

#### Group Functions and Other

The net fair value result in Group Functions and Other decreased to EUR 39m from EUR 111m in the previous quarter which was lifted by positive one-offs effects and valuation uplifts in the illiquid asset portfolio.

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

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3
<b>EURm</b>							
Personal Banking	45	32	72	37	28	41%	61%
Commercial & Business Banking	35	67	23	72	48	-48%	-27%
Wholesale Banking customer units	72	87	77	78	57	-17%	26%
Asset & Wealth Mgmt. excl. Life	6	6	15	6	1	0%	-
Wholesale Banking excl. Customer units	9	-30	0	-51	55	-	-
Life & Pensions	5	10	31	32	23	-50%	-78%
Group Functions and other	39	111	46	8	-7	-	-
<b>Total Group</b>	<b>211</b>	<b>283</b>	<b>264</b>	<b>182</b>	<b>205</b>	<b>-25%</b>	<b>3%</b>
<b>Total, excl. items affecting comparability<sup>1</sup></b>	<b>211</b>	<b>283</b>	<b>264</b>	<b>132</b>	<b>205</b>	<b>-25%</b>	<b>3%</b>

<sup>1</sup> In Q4 2018: EUR 50m gain from revaluation of Euroclear.

### Equity method

Income from companies accounted for under the equity method was EUR 13m, down from EUR 24m in the previous quarter, mainly driven by a write-down in Eksportfinans (EUR -12m). Luminor contributed with EUR 5m (EUR 10m in Q2 2019), while income related to associated companies held by Nordea Life & Pensions, reclassified from subsidiaries to associated companies from Q2 2019, had a positive impact of EUR 16m (EUR 13m in Q2 2019).

### Other operating income

Other operating income was EUR 22m, up from EUR 20m in the previous quarter.

### Total operating income

Total income was down 2% in local currencies from the previous quarter and amounted to EUR 2,085m.

### Total operating income per business area

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
<b>EURm</b>									
Personal Banking	770	731	751	723	717	5%	7%	6%	9%
Commercial & Business Banking	498	520	483	534	490	-4%	2%	-3%	3%
Wholesale Banking	401	393	395	366	435	2%	-8%	3%	-7%
Asset & Wealth Management	399	391	404	407	401	2%	0%	3%	1%
Group Functions and other	17	106	82	89	54	-	-	-	-
<b>Total Group</b>	<b>2,085</b>	<b>2,141</b>	<b>2,115</b>	<b>2,119</b>	<b>2,097</b>	<b>-3%</b>	<b>-1%</b>	<b>-2%</b>	<b>1%</b>
<b>Total, excl items affecting comparability<sup>1</sup></b>	<b>2,085</b>	<b>2,141</b>	<b>2,115</b>	<b>2,033</b>	<b>2,097</b>	<b>-3%</b>	<b>-1%</b>	<b>-2%</b>	<b>1%</b>

<sup>1</sup> Excl. items affecting comparability in Q4 2018: EUR 50m gain from revaluation of Euroclear, EUR 38m after tax, and EUR 36m gain related to sale of Ejendomme.

## Total expenses

Total expenses in the third quarter amounted to EUR 2,175m, up 84% in local currencies from the previous quarter and up 93% in local currencies from the third quarter of 2018 due to items affecting comparability (IAC), where the key elements are an impairment charge for IT intangibles of EUR 735m, a restructuring provision of EUR 204m and expense related to sale of Luminor shares of EUR 75m. Excluding IAC, total costs were down 1% from the previous quarter and up 3% from the same period in 2018 in local currencies and amounted to EUR 1,161m.

Staff costs in local currencies were up 27%, including IAC, (unchanged, excluding IAC) from the previous quarter due to restructuring provisions in Q3 2019 and up 28%, including IAC, (unchanged excluding IAC) in local currencies from the same period in 2018.

Other expenses in local currencies were up 20%, including IAC, due to an expense related to sale of Luminor shares and down 4%, excluding IAC, from the previous quarter.

Depreciation amounted to EUR 885m (from EUR 149m in the previous quarter) due to an impairment charge for IT intangibles of EUR 735m. Excluding that, depreciation amounted to EUR 150m, on the same level as in Q2.

The number of employees (FTEs) at the end of the third quarter was 29,469, which was stable compared to the previous quarter and up 1% from the same quarter of 2018 due to build-up and transfer of processes to near shoring to Poland and Estonia.

The cost to income ratio increased to 107% in the third quarter, but excluding IAC, the cost to income ratio was 58%, unchanged compared to the previous quarter (58%) and up compared to the third quarter of 2018 (56%).

## Total operating expenses

EURm	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
Staff costs	-924	-727	-718	-744	-726	27%	27%	27%	28%
Other expenses	-366	-304	-594	-390	-323	20%	13%	20%	15%
Depreciations	-885	-149	-140	-250	-87				
<b>Total Group</b>	<b>-2,175</b>	<b>-1,180</b>	<b>-1,452</b>	<b>-1,384</b>	<b>-1,136</b>	<b>84%</b>	<b>91%</b>	<b>84%</b>	<b>93%</b>
<b>Total, excl. items affecting comparability<sup>1</sup></b>	<b>-1,161</b>	<b>-1,180</b>	<b>-1,357</b>	<b>-1,243</b>	<b>-1,136</b>	<b>-2%</b>	<b>2%</b>	<b>-1%</b>	<b>3%</b>

<sup>1</sup> Excl. items affecting comparability in Q3 2019: Expense of EUR 735m, before tax, related to impairment of capitalised IT systems, expense of EUR 204m, before tax, related to restructuring and EUR 75m non-deductible expense related to sale of Luminor. In Q1 2019: EUR 95m non-deductible expense related to provision for ongoing AML-related matters. In Q4 2018: EUR 141m loss from impairment of goodwill in Russia.

## Total operating expenses per business area

EURm	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
Personal Banking	-465	-437	-494	-456	-453	6%	3%	7%	4%
Commercial & Business Banking	-259	-269	-310	-281	-270	-4%	-4%	-3%	-3%
Wholesale Banking	-203	-228	-301	-225	-216	-11%	-6%	-11%	-6%
Asset & Wealth Management	-188	-179	-189	-199	-193	5%	-3%	4%	-2%
Group Functions and other	-1,060	-67	-158	-223	-4	-	-	-	-
<b>Total Group</b>	<b>-2,175</b>	<b>-1,180</b>	<b>-1,452</b>	<b>-1,384</b>	<b>-1,136</b>	<b>84%</b>	<b>91%</b>	<b>84%</b>	<b>93%</b>
<b>Total, excl. items affecting comparability<sup>1</sup></b>	<b>-1,161</b>	<b>-1,180</b>	<b>-1,357</b>	<b>-1,243</b>	<b>-1,136</b>	<b>-2%</b>	<b>2%</b>	<b>-1%</b>	<b>3%</b>

<sup>1</sup> Excl. items affecting comparability in Q3 2019: Expense of EUR 735m, before tax, related to impairment of capitalised IT systems, expense of EUR 204m, before tax, related to restructuring and EUR 75m non-deductible expense related to sale of Luminor. In Q1 2019: EUR 95m non-deductible expense related to provision for ongoing AML-related matters. In Q4 2018: EUR 141m loss from impairment of goodwill in Russia.

## Currency fluctuation effects

% -points	Q3/Q2	Q3/Q3	Jan-Sep
			19/18
Income	0	-1	-1
Expenses	0	-2	-2
Operating profit	-1	0	0
Loan and deposit volumes	-2	-1	-1

## Net loan losses

Net loan losses were EUR 331m in Q3 after a dialogue with ECB on the Asset Quality Review (AQR) outcome.

On 18 July 2019 the ECB published Nordea's result of the Comprehensive Assessment (CA) exercise including the AQR and the ECB stress test. Overall results of the exercise confirmed the resilient capital position of Nordea, exceeding all the thresholds defined by the ECB. As was then stated by Nordea, the prudential impact of the AQR was to be later addressed with the ECB. Such discussion took place in the third quarter 2019 and the ECB concluded its view on the level of provisioning Nordea should have in light of the AQR findings under the AQR manual.

As stated in the second quarter 2019 interim report, Nordea assesses its reported loan loss provisions to reflect adequately its actual credit risk in the loan book and the outlook of future credit risks is stable. After the dialogue with the ECB, reflecting a more subdued outlook in certain sectors in the third quarter, Nordea has decided to increase its provisions by a total of EUR 229m. In addition, Nordea has reviewed its collective provisioning models. The model update in the third quarter 2019 generates a EUR 53m increase in collective provisions.

In Q3 2019, loan loss provisions not related to the above-mentioned adjustments amounted to EUR 49m, which represents approximately an average level of provisions over the past four quarters.

Losses excluding items affecting comparability are mainly related to a few oil and offshore customers.

Net loan losses for Stage 3 were EUR 246m and the net loan loss ratio was 41 bps (Q2: 12 bps). Excluding items affecting comparability, stage 3 losses were EUR 76m and the net loan loss ratio was 12 bps.

Exposures in Stages 1 and 2 had net loan losses of EUR 85m and the net loan loss ratio ended at 14 bps for Stages 1&2 (Q2: -2 bps). Excluding items affecting comparability, net loan losses for Stages 1 and 2 were EUR -27m and -4 bps.

Our expectation for the coming quarters is that net losses will be low and around the average level for 2018. However, the macroeconomic outlook is somewhat more uncertain.

Mortgage lending in Denmark is measured at fair value and hence, according to IFRS9, not included in net loan losses but adjusted under fair value items.

The development in the underlying credit quality is positive. Net rating migration in Q3 in the retail portfolio is slightly positive, while the corporate portfolio is roughly unchanged.

## Credit portfolio

Total lending to the public, excluding reverse repurchase agreements, decreased slightly by EUR 0.7bn to EUR 299.5bn from EUR 300.2bn in Q2. In local currencies, total lending was unchanged from Q2.

Loans measured at fair value to the public excluding repos were EUR 58bn (Q2 EUR 58bn). This mainly consist of the Danish mortgage lending which is measured at fair value of EUR 54bn (EUR 54bn).

Lending to the public measured at amortised cost decreased slightly to EUR 241bn (Q2: EUR 242bn). Of this portfolio, EUR 4.68bn is impaired loans in Stage 3 (Q2: EUR 4.49bn).

The gross impairment rate (Stage 3) was 181 bps for loans at amortised cost (Q2 177 bps). Allowances in relation to impaired loans (Stage 3) increased to 36.4% (Q2 34.0%). The impairment rate for fair value decreased slightly to 110 bps (Q2: 112 bps).

## Loan loss ratios and impaired loans

	Q319	Q319 excl. IAC	Q219	Q119	Q418	Q318
<b>Basis points of loans<sup>1</sup></b>						
<b>Loan loss ratios</b>						
annualised, Group	55	8	10	7	5	8
of which Stage 1 and 2	14	-4	-2	2	-7	8
of which Stage 3	41	12	12	5	12	0
<b>Personal Banking total</b>	<b>10</b>	<b>7</b>	<b>9</b>	<b>18</b>	<b>7</b>	<b>3</b>
Banking Denmark	485	79	51	-35	51	40
Banking Finland	-55	1	11	38	9	-2
Banking Norway	21	13	7	11	-1	1
Banking Sweden	14	1	5	11	5	5
<b>Commercial &amp; Business</b>						
<b>Banking</b>	<b>30</b>	<b>0</b>	<b>17</b>	<b>21</b>	<b>20</b>	<b>25</b>
BB Denmark	312	-74	215	9	147	258
BB Finland	21	12	-18	42	27	15
BB Norway	17	-2	0	10	-15	-5
BB Sweden	15	7	10	12	8	8
BBD Nordic	-3	10	14	30	24	13
<b>Wholesale Banking</b>	<b>195</b>	<b>23</b>	<b>10</b>	<b>-35</b>	<b>-11</b>	<b>4</b>
C&IB Denmark	243	-31	118	-40	186	-
C&IB Finland	10	6	5	0	-55	-
C&IB Norway	400	37	-52	-22	-97	-
C&IB Sweden	59	51	90	6	3	-
C&IB Total	204	21	37	-14	2	10
Banking Russia	-67	-122	-622	-240	-305	-118

<sup>1</sup> Negative amount are net reversals.

## Profit

### Operating profit

Operating profit decreased to EUR -421m, down 146% in local currencies from the previous quarter, and 147% from the same quarter of 2018. Excluding items affecting comparability (IAC), operating profit decreased in local currencies by 4% from the previous quarter and by 5% from the same quarter in 2018.

### Taxes

The income taxes in Q3 were EUR 89m positive (EUR 219m negative in Q2), due to the negative profit before tax in the period. The effective tax rate was 21.0%, compared to 24.4% in the previous quarter and 21.1% in the third quarter last year.

### Net profit

Net profit decreased 148% in local currencies from the previous quarter to EUR -332m. Return on equity was -4.4%, down from 9.1% in the previous quarter.

Excluding items affecting comparability, net profit decreased by 3% in local currency from the previous quarter to EUR 669m and return on equity was 8.9% down from 9.1% in the previous quarter.

Diluted earnings per share were EUR -0.08 (EUR 0.17 in the previous quarter). Excluding items affecting comparability, diluted earnings per share were EUR 0.17 in Q3 2019.

## Operating profit per business area

EURm	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
Personal Banking	277	269	206	247	257	3%	8%	4%	10%
Commercial & Business Banking	192	223	140	222	179	-14%	7%	-13%	9%
Wholesale Banking	-40	153	138	154	214				
Asset & Wealth Management	210	211	214	202	208	0%	1%	1%	2%
Group Functions and other	-1,060	44	-77	-120	59	-	-	-	-
<b>Total Group</b>	<b>-421</b>	<b>900</b>	<b>621</b>	<b>705</b>	<b>917</b>				
<b>Total, excl. items affecting comparability<sup>1</sup></b>	<b>875</b>	<b>900</b>	<b>716</b>	<b>760</b>	<b>917</b>	<b>-3%</b>	<b>-5%</b>	<b>-2%</b>	<b>-3%</b>

<sup>1</sup> Excl. items affecting comparability in Q3 2019: Expense of EUR 735m, before tax, related to impairment of capitalised IT systems, expense of EUR 204m, before tax, related to restructuring, EUR 75m non-deductible expense related to sale of Luminor and loss of EUR 282m, before tax, related to loan loss provisions due to model updates and dialogue with the ECB reflecting a more subdued outlook in certain sectors. In Q1 2019: EUR 95m non-deductible expense related to provision for ongoing AML-related matters. Q4 2018: EUR 50m gain from revaluation of Euroclear, EUR 38m after tax, EUR 36m gain related to sale of Ejendomme and EUR 141m loss from impairment of goodwill in Russia.

## First nine months of 2019 compared to first nine months of 2018

Total income was down 9% in local currencies and down 10% in EUR from the prior year and operating profit was down 66% in both local currencies and EUR from the previous year.

Excluding items affecting comparability (IAC), total income was down 2% in local currencies and down 3% in EUR from the prior year. Operating profit was down 9% in local currencies and down 10% in EUR from the previous year.

### Income

Net interest income was down 2% in local currencies and down 4% in EUR from 2018. Average lending volumes in business areas in local currencies were up by 3% compared to 2018 driven mainly by the acquisition of Gjensidige Bank. Average deposit volumes were down by 3% mainly driven by Wholesale Banking.

Net fee and commission income was unchanged in local currencies and down 2% in EUR from the previous year.

Net result from items at fair value decreased by 18% in local currencies and by 16% in EUR from the previous year.

### Expenses

Total expenses were up 33% in local currencies and 31% in EUR from the previous year and amounted to EUR 4,807m. Staff costs were up 6% in local currencies and up 5% in EUR. Excluding IAC, total expenses were up 3% in local currencies and 1% in EUR from the previous year and amounted to EUR 3,698m. Staff costs were down 3% in local currencies and down 4% in EUR.

### Net loan losses

Net loan loss provisions increased to EUR 434m (up from EUR 143m in the first nine months of 2018), corresponding to a loan loss ratio of 24 bps up 16 bps from the first nine months of 2018. The change in provisions compared to the first nine months of 2018 primarily relates to loan loss provisions of EUR 282m due to model updates and changes after a dialogue with the ECB reflecting a more subdued outlook in certain sectors in Q3 2019. Excluding items affecting comparability, loan losses for the first nine months in 2019 are EUR 152m, slightly higher than for first nine months of 2018. Losses have increased in Business Banking compared to last year while this is offset by lower losses in Wholesale Banking. The loan loss level in Personal Banking is unchanged.

### Net profit

Net profit decreased 69% in both local currencies and EUR and amounted to EUR 792m. Excluding IAC, net profit decreased 10% in local currencies and 11% in EUR and amounted to EUR 1,888m.

### Currency fluctuation impact

Currency fluctuations had a negative effect of 2%- points on expenses and 1%- point on both income and loan and deposit volumes, while they had a neutral effect on operating profit compared to a year ago.

## Other information

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

Nordea Group's Common Equity Tier 1 (CET1) capital ratio increased to 15.4% (15.5%, excluding profit) at the end of the third quarter of 2019, compared to 14.8% in the second quarter of 2019. Risk exposure amount, REA, decreased by EUR 3.4bn. The decreased REA was mainly driven by decreased ownership in Luminor, decreased corporate REA, reduced risk in the liquidity buffer and decreased market risk. CET1 capital increased by EUR 0.5bn driven by the changed target for the 2019 dividend, somewhat countered by lower pension OCI and FX effects in retained earnings.

During the quarter, Nordea called one Additional Tier 1 capital instrument equivalent to EUR 0.9bn. The Tier 1 capital ratio increased to 17.4% from 17.3% in the second quarter of 2019 and the total capital ratio increased from 19.8% to 20.0%.

At the end of the third quarter of 2019, the CET1 capital was EUR 24.1bn, the Tier 1 capital was EUR 27.3bn and own funds were EUR 31.2bn.

The Leverage ratio remained stable at 5.0% between the second and third quarter of 2019.

Economic Capital (EC) was EUR 26.5bn at the end of the third quarter, a decrease of EUR 1.3bn compared to the second quarter of 2019. The main driver for the decrease was the impairment intangible assets caused by the new financial plan followed by decreased Pillar 1 credit risk and market risk.

On 12 of August 2019 Sampo plc decreased its ownership in Nordea Bank Abp to 19.87%. This means that Nordea no longer is included in Sampo's financial conglomerate. On 4 September, Nordea was identified as a financial conglomerate on its own. As of 30 September, the own funds requirement for the Nordea financial conglomerate was EUR 29.8bn and the capital adequacy ratio of the financial conglomerate was 109%. These own funds requirement includes the transitional Pillar 2 that will be replaced by the SREP outcome from Q1 2020.

### Capital ratios

	Q319	Q219	Q119	Q418	Q318
%					
<b>CRR/CRDIV</b>					
CET 1 cap. ratio	15.4	14.8	14.6	15.5	20.3
Tier 1 capital ratio	17.4	17.3	17.1	17.3	22.6
Total capital ratio	20.0	19.8	19.5	19.9	26.3

### Capital and dividend policy

Nordea's current capital policy is to hold a CET1 capital management buffer of 40-120 bps above the transitional capital requirements. As part of the transition to the SSM capital framework, Nordea will be subject to a Pillar 2 Requirement (P2R) from 1 January 2020. Based on the new capital framework, Nordea has updated the capital policy to a CET1 capital management buffer of 150-200 bps above the CET1 capital ratio requirement (MDA level). The new management buffer corresponds to a largely unchanged total CET1 level in nominal amount and will be valid from 1 January 2020.

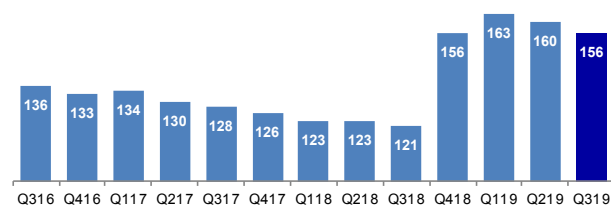
In addition, Nordea has updated the dividend policy to be applicable on profit generated from 1 January 2020. Nordea strives to maintain a strong capital position in line with Nordea's capital policy. The ambition is to distribute 60-70 per cent of the net profit for the year to shareholders. Excess capital in relation to capital targets will be subject to buy-back considerations. For 2019, Nordea targets a dividend of EUR 0.4 per share.

Nordea received the draft Supervisory Review and Evaluation Process (SREP) on 26 September 2019 including a proposed P2R of 1.75%. This implies a pro forma CET1 requirement of approximately 13% (MDA level) including a minimum CET1 requirement of 4.5%, a capital conservation buffer of 2.5%, a systemic risk buffer of 3% and a countercyclical buffer of approximately 1.3%. The final SREP is expected to be received in December 2019.

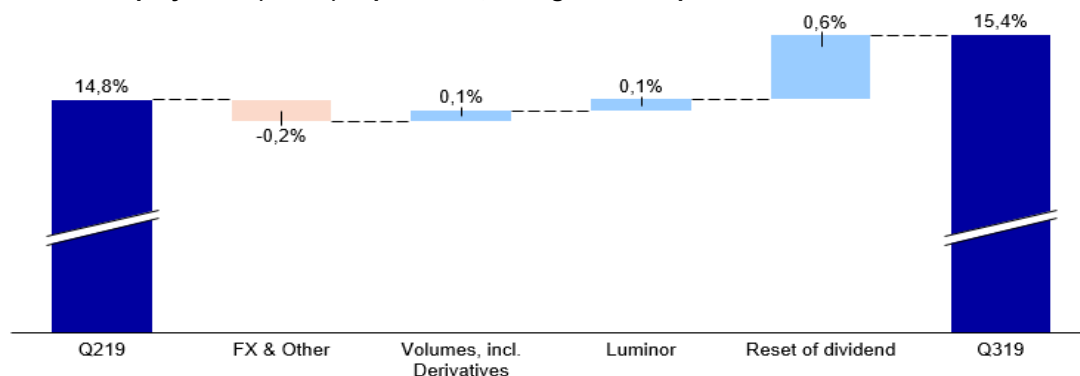
### Regulatory development

On 19 September, the countercyclical capital buffer (CCyB) rate was increased in Sweden, from 2% to 2.5%. In addition, on 30 September the CCyB rate in Denmark was increased from 0.5% to 1%.

### Risk exposure amount, REA (EURbn), quarterly



### Common equity tier 1 (CET 1) capital ratio, changes in the quarter



## Risk Exposure Amount

	30 Sep 2019	30 Jun 2019	30 Sep 2018
<b>EURm</b>			
<b>Credit risk</b>	<b>124,469</b>	<b>127,145</b>	<b>99,042</b>
IRB	110,823	112,239	86,886
- sovereign			2,071
- corporate	74,949	75,304	53,612
- advanced	62,301	63,163	44,353
- foundation	12,648	12,141	9,259
- institutions	5,507	6,364	6,137
- retail	26,203	26,268	21,851
- items representing securitisation positions	1,467	833	840
- other	2,697	3,470	2,375
Standardised	13,646	14,906	12,156
- sovereign	1,049	554	133
- retail	5,194	5,193	4,342
- other	7,403	9,160	7,681
<b>Credit Value Adjustment Risk</b>	<b>844</b>	<b>728</b>	<b>728</b>
<b>Market risk</b>	<b>4,257</b>	<b>5,165</b>	<b>3,812</b>
- trading book, Internal Approach	3,306	3,693	2,719
- trading book, Standardised Approach	951	1,049	1,093
- banking book, Standardised Approach		423	
<b>Settlement Risk</b>	<b>2</b>	<b>0</b>	
<b>Operational risk</b>	<b>15,698</b>	<b>15,698</b>	<b>16,487</b>
<b>Additional risk exposure amount related to Finnish RW floor due to Article 458 CRR</b>	<b>711</b>	<b>663</b>	<b>607</b>
<b>Additional risk exposure amount related to Swedish RW floor due to Article 458 CRR</b>	<b>10,367</b>	<b>10,330</b>	
<b>Additional risk exposure amount due to Article 3 CRR</b>			<b>152</b>
<b>Total</b>	<b>156,349</b>	<b>159,729</b>	<b>120,827</b>

## Own Funds including profit

	30 Sep 2019	30 Jun 2019	30 Sep 2018
<b>EURm</b>			
Common Equity Tier 1 capital, including profit	24,107	23,641	24,482
Tier 1 capital (net after deduction), including profit	27,261	27,590	27,318
<b>Total Own Funds, including profit</b>	<b>31,205</b>	<b>31,613</b>	<b>31,731</b>

## Summary of items included in own funds

<b>EURm</b>			
<b>Calculation of own funds<sup>1</sup></b>			
Equity in the consolidated situation	28,199	28,378	31,118
Proposed/actual dividend			-2,091
Common Equity Tier 1 capital before regulatory adjustments	28,199	28,378	29,027
Deferred tax assets			
Intangible assets	-3,366	-4,170	-3,997
IRB provisions shortfall (-)		-90	-12
Deduction for investments in credit institutions (50%)			
Pension assets in excess of related liabilities	-117	-137	-191
Other items, net	-405	-328	-346
<b>Total regulatory adjustments to Common Equity Tier 1 capital</b>	<b>-3,888</b>	<b>-4,725</b>	<b>-4,545</b>
<b>Common Equity Tier 1 capital (net after deduction)</b>	<b>24,311</b>	<b>23,653</b>	<b>24,482</b>
Additional Tier 1 capital before regulatory adjustments	3,182	3,957	2,858
Total regulatory adjustments to Additional Tier 1 capital	-27	-8	-22
<b>Additional Tier 1 capital</b>	<b>3,155</b>	<b>3,949</b>	<b>2,836</b>
<b>Tier 1 capital (net after deduction)</b>	<b>27,466</b>	<b>27,602</b>	<b>27,318</b>
Tier 2 capital before regulatory adjustments	4,789	4,906	5,268
IRB provisions excess (+)	216	180	193
Deduction for investments in credit institutions (50%)			
Deductions for investments in insurance companies	-1,000	-1,000	-1,000
Pension assets in excess of related liabilities			
Other items, net	-62	-63	-48
<b>Total regulatory adjustments to Tier 2 capital</b>	<b>-846</b>	<b>-883</b>	<b>-855</b>
<b>Tier 2 capital</b>	<b>3,943</b>	<b>4,023</b>	<b>4,413</b>
<b>Own funds (net after deduction)</b>	<b>31,409</b>	<b>31,625</b>	<b>31,731</b>

<sup>1</sup> As reported to FSA.

## Own Funds & Capital ratios (Conglomerate)<sup>1</sup>

Conglomerate capital base, EURm	32,415
The Own funds requirement of the financial conglomerate, EURm	29,843
Capital adequacy of the conglomerate (capital base surplus/decifit), EURm	2,572
Conglomerate capital ratio, %	108.6

<sup>1</sup> The financial conglomerate consists of banking and insurance operations.



## Balance sheet

Total assets in the balance sheet in the quarter were EUR 3bn higher than in the previous quarter and amounted to EUR 586bn. Loans to both public and credit institutions as well as derivatives were higher from the previous period, while interest-bearing securities value as well as other assets were lower.

Derivatives were EUR 10bn higher in the quarter and amounted to EUR 52bn while other assets decreased by EUR 9bn to EUR 120bn from the previous quarter.

### Balance sheet data

	Q319	Q219	Q119	Q418	Q318
<b>EURbn</b>					
Loans to credit institutions	20	18	14	11	16
Loans to the public	328	324	326	308	316
Derivatives	52	42	39	37	37
Interest-bearing securities	66	70	71	76	75
Other assets	120	129	140	119	129
<b>Total assets</b>	<b>586</b>	<b>583</b>	<b>590</b>	<b>551</b>	<b>573</b>
Deposits from credit inst.	45	44	52	42	52
Deposits from the public	168	177	176	165	174
Debt securities in issue	191	189	193	190	187
Derivatives	54	44	41	40	39
Other liabilities	97	98	98	81	88
Total equity	31	31	30	33	33
<b>Total liabilities and equity</b>	<b>586</b>	<b>583</b>	<b>590</b>	<b>551</b>	<b>573</b>

## Nordea's funding and liquidity operations

Nordea issued approximately EUR 3.8bn in long-term funding in the third quarter (excluding Danish covered bonds), of which approximately EUR 1.8bn was issued in covered bonds and EUR 1.9bn was issued in senior debt.

Nordea's long-term funding portion of total funding was approximately 79% at the end of the third quarter.

Short-term liquidity risk is measured using several metrics and the Liquidity Coverage Ratio (LCR) is one such metric. The LCR for the Nordea Group was, according to the CRR LCR definition, 188% at the end of the third quarter. The LCR in EUR was 185% and in USD 183% at the end of the third quarter. The liquidity buffer is composed of highly liquid central bank eligible securities and cash with characteristics like CRD IV high-quality liquid assets and amounted to EUR 100bn at the end of the third quarter (EUR 104bn at the end of the second quarter). The long-term liquidity risk is measured as Net Stable Funding Ratio (NSFR). At the end of the third quarter 2019, Nordea's NSFR was 103.7% (Q2 103.7%) according to Basel regulation and 110.4% according to the CRR2.

## Funding and liquidity data\*

	Q319	Q219	Q119	Q418	Q318
Long-term funding portion	79%	79%	79%	77%	79%
LCR total	188%	178%	199%	185%	209%
LCR EUR	185%	195%	274%	257%	253%
LCR USD	183%	291%	230%	214%	240%

\*LCR figures calculated based on EU DA LCR starting from Q118; previous figures based on Swe LCR

## Market risk

Market risk in the trading book measured by Value at Risk was EUR 14.7m. Compared to the previous quarter the overall level of VaR is almost unchanged. While interest rate VaR continues to be the main VaR contributor the relative composition has shifted with a higher contribution from Equity VaR. Total VaR continues to be driven by market risk related to Nordic and other northern European exposures.

## Trading book

	Q319	Q219	Q119	Q418	Q318
<b>EURm</b>					
Total risk, VaR	15	14	19	18	15
Interest rate risk, VaR	11	13	19	16	15
Equity risk, VaR	9	3	3	2	4
Foreign exchange risk, VaR	2	3	1	2	2
Credit spread risk, VaR	5	3	5	6	3
Inflation risk	2	2	2	2	1
Diversification effect	50%	40%	40%	38%	43%

Total market risk, measured as Value at Risk, in the banking book amounted to EUR 37m (EUR 38m in the previous quarter). VaR reduction continued but with a smaller quarterly move, still driven by reduced interest rates exposure over the period.

## Banking book

	Q319	Q219	Q119	Q418	Q318
<b>EURm</b>					
Total risk, VaR	37	38	47	38	49
Interest rate risk, VaR	37	40	48	39	49
Equity risk, VaR	5	6	4	5	5
Foreign exchange risk, VaR	3	1	1	1	2
Credit spread risk, VaR	0	1	0	1	1
Diversification effect	17%	18%	11%	20%	13%

## Nordea share and ratings

Nordea's share price and ratings as at the end of Q3 2019.

	Nasdaq STO (SEK)	Nasdaq COP (DKK)	Nasdaq HEL (EUR)
12/31/2017	99.30	75.20	10.1
3/31/2018	89.10	63.12	8.61
6/30/2018	86.28	61.38	8.25
9/30/2018	96.86	70.02	9.46
12/31/2018	74.58	54.23	7.27
3/31/2019	70.75	50.79	6.81
6/30/2019	67.42	47.74	6.39
9/30/2019	69.81	48.49	6.50

Moody's		Standard&Poor's		Fitch	
Short	Long	Short	Long	Short	Long
P-1	Aa3	A-1+	AA-	F1+	AA-

### Closing of Luminor sale

On 13 September 2018, Nordea Bank Abp and DNB announced an agreement to jointly sell 60 per cent of Luminor to a consortium led by private equity funds managed by Blackstone ("Blackstone"). As announced, the transaction was subject to customary regulatory approvals. Those approvals have now been received and the deal is closed at 30 September 2019.

The decision for Nordea to sell the shares in Luminor is pursuant to Nordea's overall ambition to simplify and focus its operations to the Nordic core markets and become an even better bank for its customers.

As communicated in connection to the announcement of the deal on 13 September 2018, Nordea and Blackstone have additionally entered into a forward sale agreement for the sale of Nordea's remaining 20 per cent stake. The forward sale is subject to certain conditions but is expected to complete over the next three financial years.

Nordea realised a positive impact on the Common Equity Tier 1 ("CET1") ratio of approximately 10bps from closing the transaction. Nordea already received approval from the ECB to treat the holding in Luminor, for prudential purposes, using the equity method in 2019 Q2. This approval had a positive impact on CET1 of approximately 10bps, recorded in our Q2 financial results. The total positive CET1 impact from the transaction is therefore approximately 20bps. Pro-forma for the complete sale of Nordea's ownership in Luminor under the forward sale agreement and after Luminor has returned its funding to Nordea, the positive impact on Nordea's CET1 ratio is expected to be approximately 40bps.

### Update on sale of Nordea's shares in LR Realkredit

On 11 April, Nordea has together with the other owners, entered into an agreement to sell to Nykredit all shares of LR Realkredit, a Danish mortgage institution where Nordea holds 39 per cent of the shares.

While the transaction agreement has been signed, the completion remains subject to applicable regulatory approvals.

### Impairment of capitalised IT systems and restructuring

The new Group business plan, including new financial targets, updated business plans per business area, and the further consolidation to a global IT platform has, in the third quarter, triggered a full impairment test of Nordea's capitalised IT systems and an assessment of future restructuring needs.

It has been concluded that an impairment of IT systems is required following that the expected lifetime of some IT systems is significantly shorter than earlier expected and that full benefits consequently cannot be realised, and that it in some cases has been decided to stop the current development or use of the functionality. The impairment recognised in the third quarter amounts to EUR 735m.

Following up on the 2017 restructuring plan, it is furthermore expected that the new business plan will lead to continued redundancies with related redundancy packages. The new business plan has triggered the recognition of a provision amounting to EUR 204m in Q3 2019.

# Quarterly development, Group

	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Jan-Sep 2019	Jan-Sep 2018
<b>EURm</b>							
Net interest income	1,083	1,071	1,056	1,142	1,123	3,210	3,349
Net fee and commission income	756	743	737	720	703	2,236	2,273
Net result from items at fair value	211	283	264	182	205	758	906
Profit from associated undertakings and joint ventures accounted for under the equity method	13	24	14	15	48	51	109
Other operating income	22	20	44	60	18	86	416
<b>Total operating income</b>	<b>2,085</b>	<b>2,141</b>	<b>2,115</b>	<b>2,119</b>	<b>2,097</b>	<b>6,341</b>	<b>7,053</b>
General administrative expenses:							
Staff costs	-924	-727	-718	-744	-726	-2,369	-2,254
Other expenses	-366	-304	-594	-390	-323	-1,264	-1,176
Depreciation, amortisation and impairment charges of tangible and intangible assets	-885	-149	-140	-250	-87	-1,174	-232
<b>Total operating expenses</b>	<b>-2,175</b>	<b>-1,180</b>	<b>-1,452</b>	<b>-1,384</b>	<b>-1,136</b>	<b>-4,807</b>	<b>-3,662</b>
<b>Profit before loan losses</b>	<b>-90</b>	<b>961</b>	<b>663</b>	<b>735</b>	<b>961</b>	<b>1,534</b>	<b>3,391</b>
Net loan losses	-331	-61	-42	-30	-44	-434	-143
<b>Operating profit</b>	<b>-421</b>	<b>900</b>	<b>621</b>	<b>705</b>	<b>917</b>	<b>1,100</b>	<b>3,248</b>
Income tax expense	89	-219	-178	-200	-193	-308	-672
<b>Net profit for the period</b>	<b>-332</b>	<b>681</b>	<b>443</b>	<b>505</b>	<b>724</b>	<b>792</b>	<b>2,576</b>
Diluted earnings per share (DEPS), EUR	-0.08	0.17	0.10	0.13	0.18	0.19	0.64
DEPS, rolling 12 months up to period end, EUR	0.32	0.58	0.68	0.76	0.79	0.32	0.79

# Business areas

	Personal Banking		Commercial & Business Banking		Wholesale Banking		Asset & Wealth Management		Group Functions, Other and Eliminations		Nordea Group		Chg
	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	
	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	
<b>EURm</b>													
Net interest income	543	536	333	337	212	207	13	14	-18	-23	1,083	1,071	1%
Net fee and commission income	178	164	124	109	108	128	354	345	-8	-3	756	743	2%
Net result from items at fair value	45	32	35	67	81	57	11	16	39	111	211	283	-25%
Equity method & other income	4	-1	6	7	0	1	21	16	4	21	35	44	
<b>Total operating income</b>	<b>770</b>	<b>731</b>	<b>498</b>	<b>520</b>	<b>401</b>	<b>393</b>	<b>399</b>	<b>391</b>	<b>17</b>	<b>106</b>	<b>2,085</b>	<b>2,141</b>	<b>-3%</b>
<b>Total operating expenses</b>	<b>-465</b>	<b>-437</b>	<b>-259</b>	<b>-269</b>	<b>-203</b>	<b>-228</b>	<b>-188</b>	<b>-179</b>	<b>-1,060</b>	<b>-67</b>	<b>-2,175</b>	<b>-1,180</b>	<b>84%</b>
Net loan losses	-28	-25	-47	-28	-238	-12	-1	-1	-17	5	-331	-61	
<b>Operating profit</b>	<b>277</b>	<b>269</b>	<b>192</b>	<b>223</b>	<b>-40</b>	<b>153</b>	<b>210</b>	<b>211</b>	<b>-1,060</b>	<b>44</b>	<b>-421</b>	<b>900</b>	
Cost/income ratio, %	60	60	52	52	51	58	47	46	-	-	104	55	
ROCAR, %	9	9	9	10	-2	6	30	30	-	-	10 <sup>1</sup>	10 <sup>1</sup>	
Economic capital (EC)	8,519	8,838	6,403	6,652	7,852	8,082	2,140	2,156	1,584	2,106	26,498	27,834	-5%
Risk exposure amount (REA)	45,376	45,415	45,737	45,840	47,454	48,117	5,539	5,542	12,243	14,815	156,349	159,729	-2%
Number of employees (FTEs)	7,810	8,034	4,483	4,461	1,893	1,919	2,677	2,714	12,606	12,422	29,469	29,550	0%
<b>Volumes, EURbn:</b>													
Lending to corporates <sup>2</sup>	1.1	1.1	73.6	74.3	82.1	77.1	-	-	3.9	3.9	160.7	156.4	3%
Household mortgage lending <sup>3</sup>	130.4	130.1	6.5	6.6	0	0	6.0	5.8	-	-	142.9	142.5	0%
Consumer lending <sup>3</sup>	21.4	21.6	1.6	1.6	-	-	1.7	1.7	-	-	24.7	24.9	-1%
<b>Total lending</b>	<b>152.9</b>	<b>152.8</b>	<b>81.7</b>	<b>82.5</b>	<b>82.1</b>	<b>77.1</b>	<b>7.7</b>	<b>7.5</b>	<b>3.9</b>	<b>3.9</b>	<b>328.3</b>	<b>323.8</b>	<b>1%</b>
Corporate deposits <sup>2</sup>	1.9	2.0	37.6	38.5	42.3	46.8	-	-	-4.1	-2.3	77.7	85.0	-9%
Household deposits <sup>3</sup>	77.7	78.6	2.7	2.8	0	0	10.2	10.1	-	-	90.6	91.5	-1%
<b>Total deposits</b>	<b>79.6</b>	<b>80.6</b>	<b>40.3</b>	<b>41.3</b>	<b>42.3</b>	<b>46.8</b>	<b>10.2</b>	<b>10.1</b>	<b>-4.1</b>	<b>-2.3</b>	<b>168.3</b>	<b>176.5</b>	<b>-5%</b>

<sup>1</sup> Excluding items affecting comparability

<sup>2</sup> For PeB: Corporate lending and deposits of some household customers is supplied by and reported in Personal Banking.

<sup>3</sup> For CBB: Household lending and deposits of some corporate customers is supplied by and reported in Commercial & Business Banking.

	Personal Banking		Commercial & Business Banking		Wholesale Banking		Asset & Wealth Management		Group Functions, Other and Eliminations		Nordea Group		Chg
	Jan-Sep	2018	Jan-Sep	2018	Jan-Sep	2018	Jan-Sep	2018	Jan-Sep	2018	Jan-Sep	2018	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
<b>EURm</b>													
Net interest income	1,600	1,592	1,001	981	633	692	40	55	-64	29	3,210	3,349	-4%
Net fee and commission income	500	524	358	343	340	365	1,037	1,065	1	-24	2,236	2,273	-2%
Net result from items at fair value	149	130	125	225	215	384	73	128	196	39	758	906	-16%
Equity method & other income	3	7	17	24	1	0	44	25	72	469	137	525	
<b>Total operating income</b>	<b>2,252</b>	<b>2,253</b>	<b>1,501</b>	<b>1,573</b>	<b>1,189</b>	<b>1,441</b>	<b>1,194</b>	<b>1,273</b>	<b>205</b>	<b>513</b>	<b>6,341</b>	<b>7,053</b>	<b>-10%</b>
<b>Total operating expenses</b>	<b>-1,396</b>	<b>-1,400</b>	<b>-838</b>	<b>-890</b>	<b>-732</b>	<b>-722</b>	<b>-556</b>	<b>-589</b>	<b>-1,285</b>	<b>-61</b>	<b>-4,807</b>	<b>-3,662</b>	<b>31%</b>
Net loan losses	-104	-59	-108	7	-206	-105	-3	-1	-13	15	-434	-143	
<b>Operating profit</b>	<b>752</b>	<b>794</b>	<b>555</b>	<b>690</b>	<b>251</b>	<b>614</b>	<b>635</b>	<b>683</b>	<b>-1,093</b>	<b>467</b>	<b>1,100</b>	<b>3,248</b>	<b>-66%</b>
Cost/income ratio, %	62	62	56	57	62	50	47	46	-	-	76	52	
ROCAR, %	9	10	9	11	3	8	30	30	-	-	9 <sup>1</sup>	11 <sup>1</sup>	
Economic capital (EC)	8,519	7,857	6,403	6,229	7,852	7,462	2,140	2,210	1,584	2,561	26,498	26,319	1%
Risk exposure amount (REA)	45,376	27,511	45,737	33,143	47,454	37,284	5,539	5,330	12,243	17,559	156,349	120,827	29%
Number of employees (FTEs)	7,810	7,776	4,483	4,419	1,893	2,000	2,677	2,947	12,606	11,914	29,469	29,056	1%
<b>Volumes, EURbn:</b>													
Lending to corporates <sup>2</sup>	1.1	1.0	73.6	73.3	82.1	77.0	-	-	3.9	2.1	160.7	153.4	5%
Household mortgage lending <sup>3</sup>	130.4	125.4	6.5	6.8	0	0	6.0	6.3	-	-	142.9	138.5	3%
Consumer lending <sup>3</sup>	21.4	20.8	1.6	1.8	-	-	1.7	2.0	-	-	24.7	24.6	0%
<b>Total lending</b>	<b>152.9</b>	<b>147.2</b>	<b>81.7</b>	<b>81.9</b>	<b>82.1</b>	<b>77.0</b>	<b>7.7</b>	<b>8.3</b>	<b>3.9</b>	<b>2.1</b>	<b>328.3</b>	<b>316.5</b>	<b>4%</b>
Corporate deposits <sup>3</sup>	1.9	2.0	37.6	36.9	42.3	51.7	-	-	-4.1	-5.8	77.7	84.8	-8%
Household deposits <sup>3</sup>	77.7	74.9	2.7	2.8	0	0.1	10.2	11.6	-	-	90.6	89.4	1%
<b>Total deposits</b>	<b>79.6</b>	<b>76.9</b>	<b>40.3</b>	<b>39.7</b>	<b>42.3</b>	<b>51.8</b>	<b>10.2</b>	<b>11.6</b>	<b>-4.1</b>	<b>-5.8</b>	<b>168.3</b>	<b>174.2</b>	<b>-3%</b>

<sup>1</sup> Excluding items affecting comparability

<sup>2</sup> For PeB: Corporate lending and deposits of some household customers is supplied by and reported in Personal Banking.

<sup>3</sup> For CBB: Household lending and deposits of some corporate customers is supplied by and reported in Commercial & Business Banking.

## Personal Banking total

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local curr.		Jan-Sep 19	Jan-Sep 18	Jan-Sep 19/18	
								Q3/Q2	Q3/Q3			EUR	Local
<b>EURm</b>													
Net interest income	543	536	521	525	515	1%	5%	2%	7%	1,600	1,592	1%	2%
Net fee and commission income	178	164	158	162	175	9%	2%	9%	5%	500	524	-5%	-3%
Net result from items at fair value	45	32	72	37	28	41%	61%	44%	70%	149	130	15%	16%
Equity method & other income	4	-1	0	-1	-1					3	7		
<b>Total income incl. allocations</b>	<b>770</b>	<b>731</b>	<b>751</b>	<b>723</b>	<b>717</b>	<b>5%</b>	<b>7%</b>	<b>6%</b>	<b>9%</b>	<b>2,252</b>	<b>2,253</b>	<b>0%</b>	<b>1%</b>
<b>Total expenses incl. allocations</b>	<b>-465</b>	<b>-437</b>	<b>-494</b>	<b>-456</b>	<b>-453</b>	<b>6%</b>	<b>3%</b>	<b>7%</b>	<b>4%</b>	<b>-1,396</b>	<b>-1,400</b>	<b>0%</b>	<b>1%</b>
<b>Profit before loan losses</b>	<b>305</b>	<b>294</b>	<b>257</b>	<b>267</b>	<b>264</b>	<b>4%</b>	<b>16%</b>	<b>4%</b>	<b>18%</b>	<b>856</b>	<b>853</b>	<b>0%</b>	<b>2%</b>
Net loan losses	-28	-25	-51	-20	-7					-104	-59		
<b>Operating profit</b>	<b>277</b>	<b>269</b>	<b>206</b>	<b>247</b>	<b>257</b>	<b>3%</b>	<b>8%</b>	<b>4%</b>	<b>10%</b>	<b>752</b>	<b>794</b>	<b>-5%</b>	<b>-4%</b>
Cost/income ratio, %	60	60	66	63	63					62	62		
ROCAR, %	9	9	8	10	10					9	10		
Economic capital (EC)	8,519	8,838	8,740	7,866	7,857	-4%	8%	-3%	10%	8,519	7,857	8%	10%
Risk exposure amount (REA)	45,376	45,415	44,940	41,489	27,511	0%	65%	1%	68%	45,376	27,511	65%	68%
Number of employees (FTEs)	7,810	8,034	8,024	7,749	7,776	-3%	0%	-3%	0%	7,810	7,776	0%	0%
<b>Volumes, EURbn:</b>													
Lending to corporates <sup>1</sup>	1.1	1.1	1.1	1.0	1.0	0%	10%	0%	10%	1.1	1.0	10%	10%
Household mortgage lending	130.4	130.1	129.4	125.0	125.4	0%	4%	1%	6%	130.4	125.4	4%	6%
Consumer lending	21.4	21.6	21.6	20.5	20.8	-1%	3%	0%	4%	21.4	20.8	3%	4%
<b>Total lending</b>	<b>152.9</b>	<b>152.8</b>	<b>152.1</b>	<b>146.5</b>	<b>147.2</b>	<b>0%</b>	<b>4%</b>	<b>1%</b>	<b>6%</b>	<b>152.9</b>	<b>147.2</b>	<b>4%</b>	<b>6%</b>
Corporate deposits <sup>1</sup>	1.9	2.0	1.9	1.9	2.0	-5%	-5%	-5%	-5%	1.9	2.0	-5%	-5%
Household deposits	77.7	78.6	76.8	74.3	74.9	-1%	4%	-1%	5%	77.7	74.9	4%	5%
<b>Total deposits</b>	<b>79.6</b>	<b>80.6</b>	<b>78.7</b>	<b>76.2</b>	<b>76.9</b>	<b>-1%</b>	<b>4%</b>	<b>-1%</b>	<b>5%</b>	<b>79.6</b>	<b>76.9</b>	<b>4%</b>	<b>5%</b>

<sup>1</sup> Corporate lending and deposits of some household customers in Personal Banking (PeB) is served and reported in PeB.

## Personal Banking total excl. Distribution agreement with Asset &amp; Wealth Management

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local curr.		Jan-Sep 19	Jan-Sep 18	Jan-Sep 19/18	
								Q3/Q2	Q3/Q3			EUR	Local
<b>EURm</b>													
Net interest income	543	536	521	525	515	1%	5%	2%	7%	1,600	1,592	1%	2%
Net fee and commission income	306	286	275	278	297	7%	3%	7%	4%	867	898	-3%	-2%
Net result from items at fair value	45	32	72	37	28	41%	61%	44%	70%	149	130	15%	16%
Equity method & other income	4	-1	0	-1	-1					3	7		
<b>Total income incl. allocations</b>	<b>898</b>	<b>853</b>	<b>868</b>	<b>839</b>	<b>839</b>	<b>5%</b>	<b>7%</b>	<b>6%</b>	<b>8%</b>	<b>2,619</b>	<b>2,627</b>	<b>0%</b>	<b>1%</b>
<b>Total expenses incl. allocations</b>	<b>-498</b>	<b>-469</b>	<b>-527</b>	<b>-482</b>	<b>-479</b>	<b>6%</b>	<b>4%</b>	<b>6%</b>	<b>5%</b>	<b>-1,494</b>	<b>-1,483</b>	<b>1%</b>	<b>2%</b>
<b>Profit before loan losses</b>	<b>400</b>	<b>384</b>	<b>341</b>	<b>357</b>	<b>360</b>	<b>4%</b>	<b>11%</b>	<b>5%</b>	<b>13%</b>	<b>1,125</b>	<b>1,144</b>	<b>-2%</b>	<b>0%</b>
Net loan losses	-28	-25	-51	-20	-7					-104	-59		
<b>Operating profit</b>	<b>372</b>	<b>359</b>	<b>290</b>	<b>337</b>	<b>353</b>	<b>4%</b>	<b>5%</b>	<b>4%</b>	<b>7%</b>	<b>1,021</b>	<b>1,085</b>	<b>-6%</b>	<b>-4%</b>
Cost/income ratio, %	56	55	61	57	57					57	56		
ROCAR, %	12	12	10	12	12					12	13		
Economic capital (EC)	8,831	9,153	9,051	8,233	8,234	-4%	7%	-3%	5%	8,831	8,234	7%	5%
Risk exposure amount (REA)	45,376	45,415	44,940	41,489	27,511	0%	65%	1%	68%	45,376	27,511	65%	68%
Number of employees (FTEs)	7,810	8,034	8,024	7,749	7,776	-3%	0%	-3%	0%	7,810	7,776	0%	0%
<b>Volumes, EURbn:</b>													
Lending to corporates <sup>1</sup>	1.1	1.1	1.1	1.0	1.0	0%	10%	0%	10%	1.1	1.0	10%	10%
Household mortgage lending	130.4	130.1	129.4	125.0	125.4	0%	4%	1%	6%	130.4	125.4	4%	6%
Consumer lending	21.4	21.6	21.6	20.5	20.8	-1%	3%	0%	4%	21.4	20.8	3%	4%
<b>Total lending</b>	<b>152.9</b>	<b>152.8</b>	<b>152.1</b>	<b>146.5</b>	<b>147.2</b>	<b>0%</b>	<b>4%</b>	<b>1%</b>	<b>6%</b>	<b>152.9</b>	<b>147.2</b>	<b>4%</b>	<b>6%</b>
Corporate deposits <sup>1</sup>	1.9	2.0	1.9	1.9	2.0	-5%	-5%	-5%	-5%	1.9	2.0	-5%	-5%
Household deposits	77.7	78.6	76.8	74.3	74.9	-1%	4%	-1%	5%	77.7	74.9	4%	5%
<b>Total deposits</b>	<b>79.6</b>	<b>80.6</b>	<b>78.7</b>	<b>76.2</b>	<b>76.9</b>	<b>-1%</b>	<b>4%</b>	<b>-1%</b>	<b>5%</b>	<b>79.6</b>	<b>76.9</b>	<b>4%</b>	<b>5%</b>

<sup>1</sup> Corporate lending and deposits of some household customers in Personal Banking (PeB) is served and reported in PeB.

## Personal Banking Denmark

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Jan-Sep 19	Jan-Sep 18	Jan/Sep 19/18
<b>EURm</b>										
Net interest income	140	145	140	144	145	-3%	-3%	425	431	-1%
Net fee and commission income	65	49	51	47	50	33%	30%	165	157	5%
Net result from items at fair value	27	13	54	16	15			94	96	
Equity method & other income	0	-1	0	-1	-1			-1	-1	
<b>Total income incl. allocations</b>	<b>232</b>	<b>206</b>	<b>245</b>	<b>206</b>	<b>209</b>	<b>13%</b>	<b>11%</b>	<b>683</b>	<b>683</b>	<b>0%</b>
<b>Total expenses incl. allocations</b>	<b>-133</b>	<b>-135</b>	<b>-136</b>	<b>-141</b>	<b>-142</b>	<b>-1%</b>	<b>-6%</b>	<b>-404</b>	<b>-427</b>	<b>-5%</b>
<b>Profit before loan losses</b>	<b>99</b>	<b>71</b>	<b>109</b>	<b>65</b>	<b>67</b>	<b>39%</b>	<b>48%</b>	<b>279</b>	<b>256</b>	<b>9%</b>
Net loan losses	-40	-5	3	-6	-3			-42	-18	
<b>Operating profit</b>	<b>59</b>	<b>66</b>	<b>112</b>	<b>59</b>	<b>64</b>	<b>-11%</b>	<b>-8%</b>	<b>237</b>	<b>238</b>	<b>0%</b>
Cost/income ratio, %	57	66	56	68	68			59	63	
ROCAR, %	11	12	21	12	13			15	16	
Economic capital (EC)	1,575	1,670	1,651	1,477	1,496	-6%	5%	1,575	1,496	5%
Risk exposure amount (REA)	9,127	9,095	9,045	8,766	7,658	0%	19%	9,127	7,658	19%
Number of employees (FTEs)	1,912	1,953	1,987	2,012	2,061	-2%	-7%	1,912	2,061	-7%
<b>Volumes, EURbn:</b>										
Lending to corporates	0.2	0.2	0.2	0.2	0.2	0%	0%	0.2	0.2	0%
Household mortgage lending	30.9	30.7	30.6	30.5	30.4	1%	2%	30.9	30.4	2%
Consumer lending	8.9	9.0	9.1	9.2	9.4	-1%	-5%	8.9	9.4	-5%
<b>Total lending</b>	<b>40.1</b>	<b>39.9</b>	<b>39.9</b>	<b>39.9</b>	<b>40.0</b>	<b>1%</b>	<b>0%</b>	<b>40.1</b>	<b>40.0</b>	<b>0%</b>
Corporate deposits	1.7	1.7	1.7	1.6	1.7	0%	0%	1.7	1.7	0%
Household deposits	23.1	23.3	22.8	22.9	23.3	-1%	-1%	23.1	23.3	-1%
<b>Total deposits</b>	<b>24.8</b>	<b>25.0</b>	<b>24.5</b>	<b>24.5</b>	<b>25.0</b>	<b>-1%</b>	<b>-1%</b>	<b>24.8</b>	<b>25.0</b>	<b>-1%</b>

## Personal Banking Finland

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Jan-Sep 19	Jan-Sep 18	Jan/Sep 19/18
<b>EURm</b>										
Net interest income	103	102	102	103	104	1%	-1%	307	316	-3%
Net fee and commission income	42	45	40	42	44	-7%	-5%	127	137	-7%
Net result from items at fair value	11	7	4	7	5			22	11	
Equity method & other income	0	0	0	0	0			0	1	
<b>Total income incl. allocations</b>	<b>156</b>	<b>154</b>	<b>146</b>	<b>152</b>	<b>153</b>	<b>1%</b>	<b>2%</b>	<b>456</b>	<b>465</b>	<b>-2%</b>
<b>Total expenses incl. allocations</b>	<b>-111</b>	<b>-116</b>	<b>-123</b>	<b>-109</b>	<b>-106</b>	<b>-4%</b>	<b>5%</b>	<b>-350</b>	<b>-338</b>	<b>4%</b>
<b>Profit before loan losses</b>	<b>45</b>	<b>38</b>	<b>23</b>	<b>43</b>	<b>47</b>	<b>18%</b>	<b>-4%</b>	<b>106</b>	<b>127</b>	<b>-17%</b>
Net loan losses	46	-9	-31	-7	2			6	-27	
<b>Operating profit</b>	<b>91</b>	<b>29</b>	<b>-8</b>	<b>36</b>	<b>49</b>		<b>86%</b>	<b>112</b>	<b>100</b>	<b>12%</b>
Cost/income ratio, %	71	75	84	72	69			77	73	
ROCAR, %	18	6	-2	7	9			7	6	
Economic capital (EC)	1,418	1,473	1,456	1,577	1,626	-4%	-13%	1,418	1,626	-13%
Risk exposure amount (REA)	8,006	8,017	7,948	7,762	8,085	0%	-1%	8,006	8,085	-1%
Number of employees (FTEs)	2,124	2,263	2,181	2,106	2,039	-6%	4%	2,124	2,039	4%
<b>Volumes, EURbn:</b>										
Lending to corporates	0	0	0	0	0			0	0	
Household mortgage lending	26.8	26.6	26.4	26.3	26.4	1%	2%	26.8	26.4	2%
Consumer lending	6.2	6.2	6.2	6.3	6.3	0%	-2%	6.2	6.3	-2%
<b>Total lending</b>	<b>33.0</b>	<b>32.8</b>	<b>32.6</b>	<b>32.6</b>	<b>32.7</b>	<b>1%</b>	<b>1%</b>	<b>33.0</b>	<b>32.7</b>	<b>1%</b>
Corporate deposits	0	0	0	0.1	0.1			0	0.1	
Household deposits	22.3	22.2	21.6	21.1	21.0	0%	6%	22.3	21.0	6%
<b>Total deposits</b>	<b>22.3</b>	<b>22.2</b>	<b>21.6</b>	<b>21.2</b>	<b>21.1</b>	<b>0%</b>	<b>6%</b>	<b>22.3</b>	<b>21.1</b>	<b>6%</b>

## Personal Banking Norway

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local curr.		Jan-Sep 19	Jan-Sep 18	Jan-Sep 19/18	
								Q3/Q2	Q3/Q3			EUR	Local
<b>EURm</b>													
Net interest income	129	122	104	101	97	6%	33%	7%	35%	355	291	22%	24%
Net fee and commission income	14	18	16	23	22	-22%	-36%	-26%	-36%	48	61	-21%	-19%
Net result from items at fair value	1	10	7	2	5					18	14		
Equity method & other income	4	0	0	0	0					4	3		
<b>Total income incl. allocations</b>	<b>148</b>	<b>150</b>	<b>127</b>	<b>126</b>	<b>124</b>	<b>-1%</b>	<b>19%</b>	<b>-1%</b>	<b>21%</b>	<b>425</b>	<b>369</b>	<b>15%</b>	<b>17%</b>
<b>Total expenses incl. allocations</b>	<b>-81</b>	<b>-75</b>	<b>-85</b>	<b>-56</b>	<b>-64</b>	<b>8%</b>	<b>27%</b>	<b>8%</b>	<b>28%</b>	<b>-241</b>	<b>-201</b>	<b>20%</b>	<b>22%</b>
<b>Profit before loan losses</b>	<b>67</b>	<b>75</b>	<b>42</b>	<b>70</b>	<b>60</b>	<b>-11%</b>	<b>12%</b>	<b>-11%</b>	<b>13%</b>	<b>184</b>	<b>168</b>	<b>10%</b>	<b>11%</b>
Net loan losses	-19	-6	-10	0	0					-35	-2		
<b>Operating profit</b>	<b>48</b>	<b>69</b>	<b>32</b>	<b>70</b>	<b>60</b>	<b>-30%</b>	<b>-20%</b>	<b>-31%</b>	<b>-20%</b>	<b>149</b>	<b>166</b>	<b>-10%</b>	<b>-9%</b>
Cost/income ratio, %	55	50	67	44	52					57	54		
ROCAR, %	7	10	5	13	12					8	11		
Economic capital (EC)	1,948	2,067	2,050	1,610	1,590	-6%	23%	-4%	30%	1,948	1,590	23%	30%
Risk exposure amount (REA)	11,564	11,602	11,438	8,378	5,144	0%		1%		11,564	5,144		
Number of employees (FTEs)	917	946	963	802	818	-3%	12%	-3%	12%	917	818	12%	12%
<b>Volumes, EURbn:</b>													
Lending to corporates	0	0	0	0	0					0	0		
Household mortgage lending	32.1	32.4	31.9	26.9	27.9	-1%	15%	1%	20%	32.1	27.9	15%	20%
Consumer lending	2.9	2.9	2.9	1.5	1.5	0%	93%	0%	100%	2.9	1.5	93%	100%
<b>Total lending</b>	<b>35.0</b>	<b>35.3</b>	<b>34.8</b>	<b>28.4</b>	<b>29.4</b>	<b>-1%</b>	<b>19%</b>	<b>1%</b>	<b>24%</b>	<b>35.0</b>	<b>29.4</b>	<b>19%</b>	<b>24%</b>
Corporate deposits	0.1	0.2	0.1	0.1	0.1					0.1	0.1	0%	0%
Household deposits	10.2	10.8	10.5	8.0	8.6	-6%	19%	-4%	24%	10.2	8.6	19%	24%
<b>Total deposits</b>	<b>10.3</b>	<b>11.0</b>	<b>10.6</b>	<b>8.1</b>	<b>8.7</b>	<b>-6%</b>	<b>18%</b>	<b>-5%</b>	<b>24%</b>	<b>10.3</b>	<b>8.7</b>	<b>18%</b>	<b>24%</b>

## Personal Banking Sweden

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local curr.		Jan-Sep 19	Jan-Sep 18	Jan-Sep 19/18	
								Q3/Q2	Q3/Q3			EUR	Local
<b>EURm</b>													
Net interest income	173	172	175	180	174	1%	-1%	1%	2%	520	561	-7%	-4%
Net fee and commission income	55	53	54	55	57	4%	-4%	5%	0%	162	172	-6%	-3%
Net result from items at fair value	4	4	4	12	5					12	12		
Equity method & other income	0	0	0	0	0					0	5		
<b>Total income incl. allocations</b>	<b>232</b>	<b>229</b>	<b>233</b>	<b>247</b>	<b>236</b>	<b>1%</b>	<b>-2%</b>	<b>2%</b>	<b>1%</b>	<b>694</b>	<b>750</b>	<b>-7%</b>	<b>-5%</b>
<b>Total expenses incl. allocations</b>	<b>-117</b>	<b>-116</b>	<b>-155</b>	<b>-120</b>	<b>-114</b>	<b>1%</b>	<b>3%</b>	<b>1%</b>	<b>4%</b>	<b>-388</b>	<b>-390</b>	<b>-1%</b>	<b>3%</b>
<b>Profit before loan losses</b>	<b>115</b>	<b>113</b>	<b>78</b>	<b>127</b>	<b>122</b>	<b>2%</b>	<b>-6%</b>	<b>3%</b>	<b>-2%</b>	<b>306</b>	<b>360</b>	<b>-15%</b>	<b>-12%</b>
Net loan losses	-16	-6	-12	-6	-6					-34	-12		
<b>Operating profit</b>	<b>99</b>	<b>107</b>	<b>66</b>	<b>121</b>	<b>116</b>	<b>-7%</b>	<b>-15%</b>	<b>-7%</b>	<b>-13%</b>	<b>272</b>	<b>348</b>	<b>-22%</b>	<b>-19%</b>
Cost/income ratio, %	50	51	67	49	48					56	52		
ROCAR, %	11	11	7	13	13					10	13		
Economic capital (EC)	2,649	2,800	2,761	2,968	2,896	-5%	-9%	-4%	-8%	2,649	2,896	-9%	-8%
Risk exposure amount (REA)	15,552	15,581	15,356	15,428	5,393					15,552	5,393		
Number of employees (FTEs)	1,841	1,911	1,926	1,894	1,896	-4%	-3%	-4%	-3%	1,841	1,896	-3%	-3%
<b>Volumes, EURbn:</b>													
Lending to corporates	0.8	0.8	0.8	0.8	0.7	0%	14%	0%	14%	0.8	0.7	14%	14%
Household mortgage lending	40.7	40.6	40.7	41.1	40.8	0%	0%	1%	4%	40.7	40.8	0%	4%
Consumer lending	3.3	3.4	3.4	3.6	3.6	-3%	-8%	0%	-3%	3.3	3.6	-8%	-3%
<b>Total lending</b>	<b>44.8</b>	<b>44.8</b>	<b>44.9</b>	<b>45.5</b>	<b>45.1</b>	<b>0%</b>	<b>-1%</b>	<b>1%</b>	<b>3%</b>	<b>44.8</b>	<b>45.1</b>	<b>-1%</b>	<b>3%</b>
Corporate deposits	0.1	0.1	0.1	0.1	0.1	0%	0%	0%	0%	0.1	0.1	0%	0%
Household deposits	22.0	22.3	21.9	22.2	22.0	-1%	0%	0%	4%	22.0	22.0	0%	4%
<b>Total deposits</b>	<b>22.1</b>	<b>22.4</b>	<b>22.0</b>	<b>22.3</b>	<b>22.1</b>	<b>-1%</b>	<b>0%</b>	<b>0%</b>	<b>4%</b>	<b>22.1</b>	<b>22.1</b>	<b>0%</b>	<b>4%</b>

## Personal Banking Other

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Jan-Sep 19	Jan-Sep 18	Jan/Sep 19/18
<b>EURm</b>										
Net interest income	-2	-5	0	-3	-5			-7	-7	
Net fee and commission income	2	-1	-3	-5	2			-2	-3	
Net result from items at fair value	2	-2	3	0	-2			3	-3	
Equity method & other income	0	0	0	0	0			0	-1	
<b>Total income incl. allocations</b>	<b>2</b>	<b>-8</b>	<b>0</b>	<b>-8</b>	<b>-5</b>			<b>-6</b>	<b>-14</b>	
<b>Total expenses incl. allocations</b>	<b>-23</b>	<b>5</b>	<b>5</b>	<b>-30</b>	<b>-27</b>			<b>-13</b>	<b>-44</b>	
<b>Profit before loan losses</b>	<b>-21</b>	<b>-3</b>	<b>5</b>	<b>-38</b>	<b>-32</b>			<b>-19</b>	<b>-58</b>	
Net loan losses	1	1	-1	-1	0			1	0	
<b>Operating profit</b>	<b>-20</b>	<b>-2</b>	<b>4</b>	<b>-39</b>	<b>-32</b>			<b>-18</b>	<b>-58</b>	
Economic capital (EC)	929	828	822	234	249			929	249	
Number of employees (FTEs)	1,016	961	967	935	962	6%	6%	1,016	962	6%



## Commercial &amp; Business Banking total

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local curr.		Jan-Sep 19	Jan-Sep 18	Jan-Sep 19/18	
								Q3/Q2	Q3/Q3			EUR	Local
<b>EURm</b>													
Net interest income	333	337	331	341	326	-1%	2%	-1%	3%	1,001	981	2%	3%
Net fee and commission income	124	109	125	114	111	14%	12%	15%	12%	358	343	4%	6%
Net result from items at fair value	35	67	23	72	48					125	225		
Equity method & other income	6	7	4	7	5					17	24		
<b>Total income incl. allocations</b>	<b>498</b>	<b>520</b>	<b>483</b>	<b>534</b>	<b>490</b>	<b>-4%</b>	<b>2%</b>	<b>-3%</b>	<b>3%</b>	<b>1,501</b>	<b>1,573</b>	<b>-5%</b>	<b>-3%</b>
<b>Total expenses incl. allocations</b>	<b>-259</b>	<b>-269</b>	<b>-310</b>	<b>-281</b>	<b>-270</b>	<b>-4%</b>	<b>-4%</b>	<b>-3%</b>	<b>-3%</b>	<b>-838</b>	<b>-890</b>	<b>-6%</b>	<b>-5%</b>
<b>Profit before loan losses</b>	<b>239</b>	<b>251</b>	<b>173</b>	<b>253</b>	<b>220</b>	<b>-5%</b>	<b>9%</b>	<b>-4%</b>	<b>10%</b>	<b>663</b>	<b>683</b>	<b>-3%</b>	<b>-2%</b>
Net loan losses	-47	-28	-33	-31	-41					-108	7		
<b>Operating profit</b>	<b>192</b>	<b>223</b>	<b>140</b>	<b>222</b>	<b>179</b>	<b>-14%</b>	<b>7%</b>	<b>-13%</b>	<b>9%</b>	<b>555</b>	<b>690</b>	<b>-20%</b>	<b>-18%</b>
Cost/income ratio, %	52	52	64	53	55					56	57		
ROCAR, %	9	10	7	11	9					9	11		
Economic capital (EC)	6,403	6,652	6,483	6,260	6,229	-4%	3%	-3%	4%	6,403	6,229	3%	4%
Risk exposure amount (REA)	45,737	45,840	44,872	44,310	33,143	0%	38%	1%	40%	45,737	33,143	38%	40%
Number of employees (FTEs)	4,483	4,461	4,422	4,411	4,419	0%	1%	0%	1%	4,483	4,419	1%	1%
<b>Volumes, EURbn:</b>													
Lending to corporates	73.6	74.3	73.8	73.0	73.3	-1%	0%	0%	2%	73.6	73.3	0%	2%
Household mortgage lending <sup>1</sup>	6.5	6.6	6.7	6.7	6.8	-2%	-4%	-1%	-3%	6.5	6.8	-4%	-3%
Consumer lending <sup>1</sup>	1.6	1.6	1.6	1.7	1.8	0%	-11%	0%	-11%	1.6	1.8	-11%	-11%
<b>Total lending</b>	<b>81.7</b>	<b>82.5</b>	<b>82.1</b>	<b>81.4</b>	<b>81.9</b>	<b>-1%</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>	<b>81.7</b>	<b>81.9</b>	<b>0%</b>	<b>2%</b>
Corporate deposits	37.6	38.5	38.5	38.0	36.9	-2%	2%	-1%	4%	37.6	36.9	2%	4%
Household deposits <sup>1</sup>	2.7	2.8	2.8	2.8	2.8	-4%	-4%	-3%	0%	2.7	2.8	-4%	0%
<b>Total deposits</b>	<b>40.3</b>	<b>41.3</b>	<b>41.3</b>	<b>40.8</b>	<b>39.7</b>	<b>-2%</b>	<b>2%</b>	<b>-1%</b>	<b>4%</b>	<b>40.3</b>	<b>39.7</b>	<b>2%</b>	<b>4%</b>

<sup>1</sup> Household lending and deposits of some corporate customers is supplied by and reported in Commercial & Business Banking.

## Commercial &amp; Business Banking excl. Distribution agreement with Asset &amp; Wealth Management

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local curr.		Jan-Sep 19	Jan-Sep 18	Jan-Sep 19/18	
								Q3/Q2	Q3/Q3			EUR	Local
<b>EURm</b>													
Net interest income	333	337	331	341	326	-1%	2%	-1%	3%	1,001	981	2%	3%
Net fee and commission income	155	135	151	138	138	15%	12%	12%	11%	441	439	0%	2%
Net result from items at fair value	35	67	23	72	48					125	225		
Equity method & other income	6	7	4	7	5					17	24		
<b>Total income incl. allocations</b>	<b>529</b>	<b>546</b>	<b>509</b>	<b>558</b>	<b>517</b>	<b>-3%</b>	<b>2%</b>	<b>-3%</b>	<b>3%</b>	<b>1,584</b>	<b>1,669</b>	<b>-5%</b>	<b>-4%</b>
<b>Total expenses incl. allocations</b>	<b>-268</b>	<b>-276</b>	<b>-318</b>	<b>-286</b>	<b>-277</b>	<b>-3%</b>	<b>-3%</b>	<b>-3%</b>	<b>-3%</b>	<b>-862</b>	<b>-914</b>	<b>-6%</b>	<b>-4%</b>
<b>Profit before loan losses</b>	<b>261</b>	<b>270</b>	<b>191</b>	<b>272</b>	<b>240</b>	<b>-3%</b>	<b>9%</b>	<b>-3%</b>	<b>10%</b>	<b>722</b>	<b>755</b>	<b>-4%</b>	<b>-3%</b>
Net loan losses	-47	-28	-33	-31	-41					-108	7		
<b>Operating profit</b>	<b>214</b>	<b>242</b>	<b>158</b>	<b>241</b>	<b>199</b>	<b>-12%</b>	<b>8%</b>	<b>-11%</b>	<b>10%</b>	<b>614</b>	<b>762</b>	<b>-19%</b>	<b>-18%</b>
Cost/income ratio, %	51	51	63	51	54					54	55		
ROCAR, %	10	11	7	12	9					9	12		
Economic capital (EC)	6,525	6,771	6,606	6,393	6,364	-4%	3%	-3%	4%	6,525	6,364	3%	4%
Risk exposure amount (REA)	45,737	45,840	44,872	44,310	33,143	0%	38%	1%	40%	45,737	33,143	38%	40%
Number of employees (FTEs)	4,483	4,461	4,422	4,411	4,419	0%	1%	0%	1%	4,483	4,419	1%	1%
<b>Volumes, EURbn:</b>													
Lending to corporates	73.6	74.3	73.8	73.0	73.3	-1%	0%	0%	2%	73.6	73.3	0%	2%
Household mortgage lending <sup>1</sup>	6.5	6.6	6.7	6.7	6.8	-2%	-4%	-1%	-3%	6.5	6.8	-4%	-3%
Consumer lending <sup>1</sup>	1.6	1.6	1.6	1.7	1.8	0%	-11%	0%	-11%	1.6	1.8	-11%	-11%
<b>Total lending</b>	<b>81.7</b>	<b>82.5</b>	<b>82.1</b>	<b>81.4</b>	<b>81.9</b>	<b>-1%</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>	<b>81.7</b>	<b>81.9</b>	<b>0%</b>	<b>2%</b>
Corporate deposits	37.6	38.5	38.5	38.0	36.9	-2%	2%	-1%	4%	37.6	36.9	2%	4%
Household deposits <sup>1</sup>	2.7	2.8	2.8	2.8	2.8	-4%	-4%	-3%	0%	2.7	2.8	-4%	0%
<b>Total deposits</b>	<b>40.3</b>	<b>41.3</b>	<b>41.3</b>	<b>40.8</b>	<b>39.7</b>	<b>-2%</b>	<b>2%</b>	<b>-1%</b>	<b>4%</b>	<b>40.3</b>	<b>39.7</b>	<b>2%</b>	<b>4%</b>

<sup>1</sup> Household lending and deposits of some corporate customers is supplied by and reported in Commercial & Business Banking.

**Business Banking**

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local curr.		Jan-Sep 19	Jan-Sep 18	Jan-Sep EUR	19/18 Local
								Q3/Q2	Q3/Q3				
<b>EURm</b>													
<b>Net interest income, EURm</b>													
Business Banking Denmark	72	77	75	76	78	-6%	-8%	-5%	-5%	224	232	-3%	-3%
Business Banking Finland	66	65	65	66	64	2%	3%	2%	3%	196	190	3%	3%
Business Banking Norway	73	72	72	73	70	1%	4%	3%	7%	217	210	3%	5%
Business Banking Sweden	66	66	66	64	64	0%	3%	1%	8%	198	186	6%	10%
Business Banking Direct	54	56	54	53	51	-4%	6%	-2%	8%	164	156	5%	6%
Other	2	1	-1	9	-1					2	7		
<b>Net loan losses, EURm</b>													
Business Banking Denmark	-32	-23	-1	-18	-30					-56	-44		
Business Banking Finland	-7	7	-15	-9	-5					-15	20		
Business Banking Norway	-7	0	-4	6	2					-11	34		
Business Banking Sweden	-7	-6	-6	-4	-4					-19	1		
Business Banking Direct	1	-2	1	-1	-1					0	-2		
Other	5	-4	-8	-5	-3					-7	-2		
<b>Lending, EURbn</b>													
Business Banking Denmark	21.3	21.5	21.5	21.7	21.4	-1%	0%	-1%	0%	21.3	21.4	0%	0%
Business Banking Finland	13.4	13.4	13.2	13.2	13.4	0%	0%	0%	0%	13.4	13.4	0%	0%
Business Banking Norway	16.1	16.6	16.1	15.8	16.2	-3%	-1%	-1%	4%	16.1	16.2	-1%	4%
Business Banking Sweden	19.1	19.2	19.4	19.0	19.0	-1%	1%	1%	4%	19.1	19.0	1%	4%
Business Banking Direct	11.8	11.8	11.9	11.7	11.9	0%	-1%	1%	0%	11.8	11.9	-1%	0%
Other	0	0	0	0	0					0	0		
<b>Deposits, EURbn</b>													
Business Banking Denmark	6.0	6.2	6.1	6.1	6.2	-3%	-3%	-3%	-3%	6.0	6.2	-3%	-3%
Business Banking Finland	7.8	7.8	7.7	7.8	7.2	0%	8%	0%	8%	7.8	7.2	8%	8%
Business Banking Norway	6.3	6.7	7.0	6.6	6.7	-6%	-6%	-4%	0%	6.3	6.7	-6%	0%
Business Banking Sweden	8.8	9.0	9.3	9.1	8.6	-2%	2%	-1%	6%	8.8	8.6	2%	6%
Business Banking Direct	11.4	11.5	11.2	11.2	11.0	-1%	4%	-1%	5%	11.4	11.0	4%	5%
Other	0	0.1	0	0	0					0	0		

## Wholesale Banking total

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local curr.		Jan-Sep 19	Jan-Sep 18	Jan-Sep 19/18	
								Q3/Q2	Q3/Q3			EUR	Local
<b>EURm</b>													
Net interest income	212	207	214	231	231	2%	-8%	3%	-7%	633	692	-9%	-7%
Net fee and commission income	108	128	104	108	92	-16%	17%	-15%	20%	340	365	-7%	-5%
Net result from items at fair value	81	57	77	27	112	42%	-28%	42%	-28%	215	384	-44%	-45%
Equity method & other income	0	1	0	0	0					1	0		
<b>Total income incl. allocations</b>	<b>401</b>	<b>393</b>	<b>395</b>	<b>366</b>	<b>435</b>	<b>2%</b>	<b>-8%</b>	<b>3%</b>	<b>-7%</b>	<b>1,189</b>	<b>1,441</b>	<b>-17%</b>	<b>-17%</b>
<b>Total expenses incl. allocations</b>	<b>-203</b>	<b>-228</b>	<b>-301</b>	<b>-225</b>	<b>-216</b>	<b>-11%</b>	<b>-6%</b>	<b>-11%</b>	<b>-6%</b>	<b>-732</b>	<b>-722</b>	<b>1%</b>	<b>2%</b>
<b>Profit before loan losses</b>	<b>198</b>	<b>165</b>	<b>94</b>	<b>141</b>	<b>219</b>	<b>20%</b>	<b>-10%</b>	<b>21%</b>	<b>-8%</b>	<b>457</b>	<b>719</b>	<b>-36%</b>	<b>-35%</b>
Net loan losses	-238	-12	44	13	-5					-206	-105		
<b>Operating profit</b>	<b>-40</b>	<b>153</b>	<b>138</b>	<b>154</b>	<b>214</b>					<b>251</b>	<b>614</b>	<b>-59%</b>	<b>-58%</b>
Cost/income ratio, %	51	58	76	61	50					62	50		
ROCAR, %	-2	6	5	6	9					3	8		
Economic capital (EC)	7,852	8,082	8,309	7,938	7,462	-3%	5%			7,852	7,462	5%	
Risk exposure amount (REA)	47,454	48,117	49,803	48,246	37,284	-1%	27%			47,454	37,284	27%	
Number of employees (FTEs)	1,893	1,919	1,963	1,972	2,000	-1%	-5%			1,893	2,000	-5%	
<b>Volumes, EURbn:</b>													
Lending to corporates	82.1	77.1	79.0	69.2	77.0	6%	7%			82.1	77.0	7%	
Lending to households	0	0	0	0	0					0	0		
<b>Total lending</b>	<b>82.1</b>	<b>77.1</b>	<b>79.0</b>	<b>69.2</b>	<b>77.0</b>	<b>6%</b>	<b>7%</b>	<b>6%</b>	<b>6%</b>	<b>82.1</b>	<b>77.0</b>	<b>7%</b>	<b>6%</b>
Corporate deposits	42.3	46.8	50.6	42.2	51.7	-10%	-18%			42.3	51.7	-18%	
Household deposits	0	0	0	0	0.1					0	0.1		
<b>Total deposits</b>	<b>42.3</b>	<b>46.8</b>	<b>50.6</b>	<b>42.2</b>	<b>51.8</b>	<b>-10%</b>	<b>-18%</b>	<b>-9%</b>	<b>-17%</b>	<b>42.3</b>	<b>51.8</b>	<b>-18%</b>	<b>-17%</b>

## Wholesale Banking

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Jan-Sep 19	Jan-Sep 18	Jan-Sep 19/18
<b>EURm</b>										
<b>Net interest income, EURm</b>										
C&I Denmark	33	33	34	36	35	0%	-6%	100	111	-10%
C&I Finland	30	28	30	30	30	7%	0%	88	87	1%
C&I Norway	82	80	82	93	93	3%	-12%	244	272	-10%
C&I Sweden	55	53	55	56	55	4%	0%	163	160	2%
<b>Corporate &amp; Investment Banking</b>	<b>200</b>	<b>194</b>	<b>201</b>	<b>215</b>	<b>213</b>	<b>3%</b>	<b>-6%</b>	<b>595</b>	<b>630</b>	<b>-6%</b>
<b>Banking Russia</b>	<b>11</b>	<b>12</b>	<b>10</b>	<b>12</b>	<b>13</b>	<b>-8%</b>	<b>-15%</b>	<b>33</b>	<b>46</b>	<b>-28%</b>
<b>Other</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>0%</b>	<b>-80%</b>	<b>5</b>	<b>16</b>	<b>-69%</b>
<b>Net loan losses, EURm</b>										
C&I Denmark	-59	-29	10	-46	-17			-78	-48	
C&I Finland	-2	-1	0	10	5			-3	8	
C&I Norway	-151	19	8	35	1			-124	-1	
C&I Sweden	-19	-31	-2	-1	1			-52	2	
<b>Corporate &amp; Investment Banking</b>	<b>-231</b>	<b>-42</b>	<b>16</b>	<b>-2</b>	<b>-11</b>			<b>-257</b>	<b>-40</b>	
<b>Banking Russia</b>	<b>3</b>	<b>28</b>	<b>12</b>	<b>16</b>	<b>7</b>			<b>43</b>	<b>-63</b>	
<b>Other</b>	<b>-10</b>	<b>2</b>	<b>16</b>	<b>-1</b>	<b>-1</b>			<b>8</b>	<b>-2</b>	
<b>Lending, EURbn</b>										
C&I Denmark	9.7	9.8	10.1	9.9	9.3	-1%	4%	9.7	9.3	4%
C&I Finland	7.8	7.5	7.7	7.3	7.1	4%	10%	7.8	7.1	10%
C&I Norway	15.1	14.7	14.8	14.4	14.7	3%	3%	15.1	14.7	3%
C&I Sweden	12.8	13.8	13.3	12.9	12.6	-7%	2%	12.8	12.6	2%
<b>Corporate &amp; Investment Banking</b>	<b>45.4</b>	<b>45.8</b>	<b>45.9</b>	<b>44.5</b>	<b>43.7</b>	<b>-1%</b>	<b>4%</b>	<b>45.4</b>	<b>43.7</b>	<b>4%</b>
<b>Banking Russia</b>	<b>1.8</b>	<b>1.8</b>	<b>2.0</b>	<b>2.1</b>	<b>2.3</b>	<b>0%</b>	<b>-22%</b>	<b>1.8</b>	<b>2.3</b>	<b>-22%</b>
<b>Other</b>	<b>34.9</b>	<b>29.5</b>	<b>31.1</b>	<b>22.6</b>	<b>31.0</b>	<b>18%</b>	<b>13%</b>	<b>34.9</b>	<b>31.0</b>	<b>13%</b>
<b>Deposits, EURbn</b>										
C&I Denmark	4.7	4.9	5.5	5.9	5.8	-4%	-19%	4.7	5.8	-19%
C&I Finland	4.6	4.5	6.3	5.0	4.0	2%	15%	4.6	4.0	15%
C&I Norway	7.7	7.6	7.6	7.4	7.6	1%	1%	7.7	7.6	1%
C&I Sweden	6.3	7.2	6.4	6.5	7.2	-13%	-13%	6.3	7.2	-13%
<b>Corporate &amp; Investment Banking</b>	<b>23.3</b>	<b>24.2</b>	<b>25.8</b>	<b>24.8</b>	<b>24.6</b>	<b>-4%</b>	<b>-5%</b>	<b>23.3</b>	<b>24.6</b>	<b>-5%</b>
<b>Banking Russia</b>	<b>0.4</b>	<b>0.5</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>-20%</b>	<b>-20%</b>	<b>0.4</b>	<b>0.5</b>	<b>-20%</b>
<b>Other</b>	<b>18.6</b>	<b>22.1</b>	<b>24.2</b>	<b>16.9</b>	<b>26.7</b>	<b>-16%</b>	<b>-30%</b>	<b>18.6</b>	<b>26.7</b>	<b>-30%</b>

**Asset & Wealth Management total**

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Local curr.		Jan-Sep 19	Jan-Sep 18	Jan-Sep 19/18	
								Q3/Q2	Q3/Q3			EUR	Local
<b>EURm</b>													
Net interest income	13	14	13	14	18	-7%	-28%	-7%	-28%	40	55	-27%	-27%
Net fee and commission income	354	345	338	344	344	3%	3%	4%	5%	1,037	1,065	-3%	-2%
Net result from items at fair value	11	16	46	38	24	-31%	-54%	-35%	-54%	73	128	-43%	-42%
Equity method & other income	21	16	7	11	15					44	25		
<b>Total income incl. allocations</b>	<b>399</b>	<b>391</b>	<b>404</b>	<b>407</b>	<b>401</b>	<b>2%</b>	<b>0%</b>	<b>3%</b>	<b>1%</b>	<b>1,194</b>	<b>1,273</b>	<b>-6%</b>	<b>-5%</b>
<b>Total expenses incl. allocations</b>	<b>-188</b>	<b>-179</b>	<b>-189</b>	<b>-199</b>	<b>-193</b>	<b>5%</b>	<b>-3%</b>	<b>4%</b>	<b>-2%</b>	<b>-556</b>	<b>-589</b>	<b>-6%</b>	<b>-4%</b>
<b>Profit before loan losses</b>	<b>211</b>	<b>212</b>	<b>215</b>	<b>208</b>	<b>208</b>	<b>0%</b>	<b>1%</b>	<b>1%</b>	<b>2%</b>	<b>638</b>	<b>684</b>	<b>-7%</b>	<b>-6%</b>
Net loan losses	-1	-1	-1	-6	0					-3	-1		
<b>Operating profit</b>	<b>210</b>	<b>211</b>	<b>214</b>	<b>202</b>	<b>208</b>	<b>0%</b>	<b>1%</b>	<b>1%</b>	<b>2%</b>	<b>635</b>	<b>683</b>	<b>-7%</b>	<b>-7%</b>
Cost/income ratio, %	47	46	47	49	48					47	46		
ROCAR, %	30	30	30	27	27					30	30		
Economic capital (EC)	2,140	2,156	2,102	2,285	2,210	-1%	-3%	-1%	-3%	2,140	2,210	-3%	-3%
Risk exposure amount (REA)	5,539	5,542	5,481	5,577	5,330	0%	4%	0%	4%	5,539	5,330	4%	4%
Number of employees (FTEs)	2,677	2,714	2,720	2,735	2,947	-1%	-9%	-1%	-9%	2,677	2,947	-9%	-9%
<b>Volumes, EURbn:</b>													
AuM	313.8	306.5	300.2	280.1	309.0	2%	2%	2%	2%	313.8	309.0	2%	2%
Total lending	7.7	7.5	7.2	7.2	8.3	3%	-7%	3%	-7%	7.7	8.3	-7%	-7%
Total deposits	10.2	10.1	9.4	9.4	11.6	1%	-12%	1%	-12%	10.2	11.6	-12%	-12%

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

	Q319	Q219	Q119	Q418	Q318	Q319 Net inflow
<b>EURbn</b>						
Nordic Retail funds	62.5	62.3	61.2	56.3	61.1	0.2
Private Banking	86.5	85.4	84.2	78.2	95.5	0.2
Institutional sales	113.5	108.6	105.6	99.8	101.6	3.1
Life & Pensions	51.3	50.2	49.2	45.8	50.8	0.2
<b>Total*</b>	<b>313.8</b>	<b>306.5</b>	<b>300.2</b>	<b>280.1</b>	<b>309.0</b>	<b>3.7</b>

\* The divestment of 45 % stake in Nordea Life & Pensions Denmark has reduced Assets under Management by EUR 11bn in Q2 2018.

## Nordic Private Banking

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Jan-Sep 19	Jan-Sep 18	Jan/Sep 19/18
<b>EURm</b>										
Net interest income	14	15	14	14	15	-7%	-7%	43	48	-10%
Net fee and commission income	45	47	42	48	40	-4%	13%	134	115	17%
Net result from items at fair value	6	7	15	6	7	-14%	-14%	28	24	17%
Equity method & other income	0	0	0	0	0			0	0	
<b>Total income incl. allocations</b>	<b>65</b>	<b>69</b>	<b>71</b>	<b>68</b>	<b>62</b>	<b>-6%</b>	<b>5%</b>	<b>205</b>	<b>187</b>	<b>10%</b>
<b>Total expenses incl. allocations</b>	<b>-59</b>	<b>-65</b>	<b>-67</b>	<b>-57</b>	<b>-58</b>	<b>-9%</b>	<b>2%</b>	<b>-191</b>	<b>-181</b>	<b>6%</b>
<b>Profit before loan losses</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>11</b>	<b>4</b>			<b>14</b>	<b>6</b>	
Net loan losses	-2	-1	0	-2	0			-3	0	
<b>Operating profit</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>9</b>	<b>4</b>			<b>11</b>	<b>6</b>	<b>83%</b>
Cost/income ratio, %	91	94	94	84	94			93	97	
ROCAR, %	3	2	3	6	3			3	1	
Economic capital (EC)	423	450	433	442	387	-6%	9%	423	387	9%
Risk exposure amount (REA)	2,496	2,507	2,421	2,506	1,912	0%	31%	2,496	1,912	31%
Number of employees (FTEs)	851	850	850	848	849	0%	0%	851	849	0%
<b>Volumes, EURbn:</b>										
AuM	86.5	85.4	83.9	77.5	84.0	1%	3%	86.9	84.0	3%
Household mortgage lending	6.0	5.8	5.6	5.5	4.9	3%	22%	6.0	4.9	22%
Consumer lending	1.7	1.7	1.6	1.6	2.0	0%	-15%	1.7	2.0	-15%
<b>Total lending</b>	<b>7.7</b>	<b>7.5</b>	<b>7.2</b>	<b>7.1</b>	<b>6.9</b>	<b>3%</b>	<b>12%</b>	<b>7.7</b>	<b>6.9</b>	<b>12%</b>
Household deposits	10.2	10.1	9.4	9.2	8.7	1%	17%	10.2	8.7	17%
<b>Total deposits</b>	<b>10.2</b>	<b>10.1</b>	<b>9.4</b>	<b>9.2</b>	<b>8.7</b>	<b>1%</b>	<b>17%</b>	<b>10.2</b>	<b>8.7</b>	<b>17%</b>

## Asset Management

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Jan-Sep 19	Jan-Sep 18	Jan/Sep 19/18
<b>EURm</b>										
Net interest income	0	0	-1	-1	0			-1	-2	
Net fee and commission income	228	220	220	222	219	4%	4%	668	677	-1%
Net result from items at fair value	0	-1	0	2	-1			-1	7	
Equity method & other income	1	2	1	5	1			4	4	
<b>Total income incl. allocations</b>	<b>229</b>	<b>221</b>	<b>220</b>	<b>228</b>	<b>219</b>	<b>4%</b>	<b>5%</b>	<b>670</b>	<b>686</b>	<b>-2%</b>
<b>Total expenses incl. allocations</b>	<b>-78</b>	<b>-72</b>	<b>-73</b>	<b>-78</b>	<b>-73</b>	<b>8%</b>	<b>7%</b>	<b>-223</b>	<b>-218</b>	<b>2%</b>
<b>Profit before loan losses</b>	<b>151</b>	<b>149</b>	<b>147</b>	<b>150</b>	<b>146</b>	<b>1%</b>	<b>3%</b>	<b>447</b>	<b>468</b>	<b>-4%</b>
Net loan losses	0	0	0	0	0			0	0	
<b>Operating profit</b>	<b>151</b>	<b>149</b>	<b>147</b>	<b>150</b>	<b>146</b>	<b>1%</b>	<b>3%</b>	<b>447</b>	<b>468</b>	<b>-4%</b>
Cost/income ratio, %	34	33	33	34	33			33	32	
Income/AuM in bp p.a.	41	40	42	43	41			41	43	
Economic capital (EC)	256	264	262	272	269	-3%	-5%	256	269	-5%
Risk exposure amount (REA)	978	954	942	1,001	951	3%	3%	978	951	3%
AuM, Nordic sales channels incl. Life, EURbn	115.5	113.9	113.4	106.5	115.2	1%	0%	115.5	115.2	0%
AuM, Ext. Inst. & 3rd part. dist., EURbn	113.6	108.6	103.8	98.3	101.6	5%	12%	113.6	101.6	12%
Net inf., Nordic sales channels incl. Life, EURbn	0.6	0.8	-1.6	-0.2	0.3			0.6	0.3	
Net inf., Ext. Ins. & 3rd part. dis., EURbn	3.1	2.0	1.4	-1.2	-0.4			3.1	-0.4	
Number of employees (FTEs)	858	851	820	800	796	1%	8%	858	796	8%

## Life &amp; Pensions

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Jan-Sep 19	Jan-Sep 18	Jan/Jan-Sep 19/18
<b>EURm</b>										
Net interest income	0	0	0	0	0			0	0	
Net fee and commission income	80	77	74	75	75	4%	7%	231	243	-5%
Net result from items at fair value	5	10	31	32	23	-50%	-78%	46	98	-53%
Equity method & other income	16	12	4	4	8			32	16	
<b>Total income incl. allocations</b>	<b>101</b>	<b>99</b>	<b>109</b>	<b>111</b>	<b>106</b>	<b>2%</b>	<b>-5%</b>	<b>309</b>	<b>357</b>	<b>-13%</b>
<b>Total expenses incl. allocations</b>	<b>-29</b>	<b>-25</b>	<b>-29</b>	<b>-33</b>	<b>-32</b>	<b>16%</b>	<b>-9%</b>	<b>-83</b>	<b>-118</b>	<b>-30%</b>
<b>Profit before loan losses</b>	<b>72</b>	<b>74</b>	<b>80</b>	<b>78</b>	<b>74</b>	<b>-3%</b>	<b>-3%</b>	<b>226</b>	<b>239</b>	<b>-5%</b>
Net loan losses	0	0	0	0	0			0	0	
<b>Operating profit</b>	<b>72</b>	<b>74</b>	<b>80</b>	<b>78</b>	<b>74</b>	<b>-3%</b>	<b>-3%</b>	<b>226</b>	<b>239</b>	<b>-5%</b>
Cost/income ratio, %	28	25	26	30	30			27	33	
Return on Equity, %	19	20	21	19	18			20	17	
Equity	1,305	1,269	1,234	1,524	1,448			1,305	1,448	
AuM, EURbn	47.0	46.1	45.1	41.9	45.0	2%	4%	47.0	45.0	4%
Premiums	1,174	1,247	1,298	961	932	-6%	26%	3,719	3,786	-2%
Risk exposure amount (REA)	1,894	1,910	1,910	1,815	1,823	-1%	4%	1,894	1,823	4%
Number of employees (FTEs)	612	623	618	616	689	-2%	-11%	612	689	-11%
<b>Profit drivers</b>										
Profit Traditional products	2	5	4	5	0			11	17	-35%
Profit Market Return products	53	56	53	52	56	-5%	-5%	162	172	-6%
Profit Risk products	18	19	18	18	18	-5%	0%	55	59	-7%
<b>Total product result</b>	<b>73</b>	<b>80</b>	<b>75</b>	<b>75</b>	<b>74</b>	<b>-9%</b>	<b>-1%</b>	<b>228</b>	<b>248</b>	<b>-8%</b>
Return on Shareholder equity, other profits and group adj.	-1	-6	5	3	0			-2	-9	
<b>Operating profit</b>	<b>72</b>	<b>74</b>	<b>80</b>	<b>78</b>	<b>74</b>	<b>-3%</b>	<b>-3%</b>	<b>226</b>	<b>239</b>	<b>-5%</b>

## Asset &amp; Wealth Management Other

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Jan-Sep 19	Jan-Sep 18	Jan/Jan-Sep 19/18
<b>EURm</b>										
Net interest income	-1	-1	0	1	3			-2	9	
Net fee and commission income	1	1	2	-1	10			4	30	
Net result from items at fair value	0	0	0	-2	-5			0	-1	
Equity method & other income	4	2	2	2	6			8	5	
<b>Total income incl. allocations</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>14</b>			<b>10</b>	<b>43</b>	
<b>Total expenses incl. allocations</b>	<b>-22</b>	<b>-17</b>	<b>-20</b>	<b>-31</b>	<b>-30</b>			<b>-59</b>	<b>-72</b>	
<b>Profit before loan losses</b>	<b>-18</b>	<b>-15</b>	<b>-16</b>	<b>-31</b>	<b>-16</b>			<b>-49</b>	<b>-29</b>	
Net loan losses	1	0	-1	-4	0			0	-1	
<b>Operating profit</b>	<b>-17</b>	<b>-15</b>	<b>-17</b>	<b>-35</b>	<b>-16</b>			<b>-49</b>	<b>-30</b>	
Economic capital (EC)	156	173	173	47	106			156	106	
Number of employees (FTEs)	356	390	432	471	613	-9%	-42%	356	613	-42%
<b>Volumes, EURbn:</b>										
Total lending	0	0	0	0.1	1.4			0	1.4	
Total deposits	0	0	0	0.2	2.9			0	2.9	

## Group functions, Other &amp; Eliminations

	Q319	Q219	Q119	Q418	Q318	Q3/Q2	Q3/Q3	Jan-Sep 19	Jan-Sep 18
<b>EURm</b>									
Net interest income	-18	-23	-23	31	33			-64	29
Net fee and commission income	-8	-3	12	-8	-19			1	-24
Net result from items at fair value	39	111	46	8	-7			196	39
Equity method & other income	4	21	47	58	47			72	469
<b>Total operating income</b>	<b>17</b>	<b>106</b>	<b>82</b>	<b>89</b>	<b>54</b>			<b>205</b>	<b>513</b>
<b>Total operating expenses</b>	<b>-1,060</b>	<b>-67</b>	<b>-158</b>	<b>-223</b>	<b>-4</b>			<b>-1,285</b>	<b>-61</b>
<b>Profit before loan losses</b>	<b>-1,043</b>	<b>39</b>	<b>-76</b>	<b>-134</b>	<b>50</b>			<b>-1,080</b>	<b>452</b>
Net loan losses	-17	5	-1	14	9			-13	15
<b>Operating profit</b>	<b>-1,060</b>	<b>44</b>	<b>-77</b>	<b>-120</b>	<b>59</b>			<b>-1,093</b>	<b>467</b>
Economic capital (EC)	1,584	2,106	2,582	2,236	2,561			1,584	2,561
Risk exposure amount (REA)	12,243	14,815	17,911	16,264	17,559			12,243	17,559
Number of employees (FTEs)	12,606	12,422	12,155	12,123	11,914	1%	6%	12,606	11,914



# Income statement

	Note	Q3 2019	Q3 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
<b>EURm</b>						
<b>Operating income</b>						
Interest income calculated using the effective interest rate method		1,557	1,496	4,611	4,345	5,843
Other interest income		319	353	1,000	1,050	1,410
Interest expense		-793	-726	-2,401	-2,046	-2,762
<b>Net interest income</b>		<b>1,083</b>	<b>1,123</b>	<b>3,210</b>	<b>3,349</b>	<b>4,491</b>
Fee and commission income		976	906	2,905	2,877	3,846
Fee and commission expense		-220	-203	-669	-604	-853
<b>Net fee and commission income</b>	<b>3</b>	<b>756</b>	<b>703</b>	<b>2,236</b>	<b>2,273</b>	<b>2,993</b>
Net result from items at fair value	4	211	205	758	906	1,088
Profit from associated undertakings and joint ventures accounted for under the equity method		13	48	51	109	124
Other operating income		22	18	86	416	476
<b>Total operating income</b>		<b>2,085</b>	<b>2,097</b>	<b>6,341</b>	<b>7,053</b>	<b>9,172</b>
<b>Operating expenses</b>						
General administrative expenses:						
Staff costs		-924	-726	-2,369	-2,254	-2,998
Other expenses	5	-366	-323	-1,264	-1,176	-1,566
Depreciation, amortisation and impairment charges of tangible and intangible assets		-885	-87	-1,174	-232	-482
<b>Total operating expenses</b>		<b>-2,175</b>	<b>-1,136</b>	<b>-4,807</b>	<b>-3,662</b>	<b>-5,046</b>
<b>Profit before loan losses</b>		<b>-90</b>	<b>961</b>	<b>1,534</b>	<b>3,391</b>	<b>4,126</b>
Net loan losses	6	-331	-44	-434	-143	-173
<b>Operating profit</b>		<b>-421</b>	<b>917</b>	<b>1,100</b>	<b>3,248</b>	<b>3,953</b>
Income tax expense		89	-193	-308	-672	-872
<b>Net profit for the period</b>		<b>-332</b>	<b>724</b>	<b>792</b>	<b>2,576</b>	<b>3,081</b>
<b>Attributable to:</b>						
Shareholders of Nordea Bank Abp (Nordea Bank AB (publ))		-332	724	766	2,565	3,070
Additional Tier 1 capital holders		-	-	26	7	7
Non-controlling interests		-	-	-	4	4
<b>Total</b>		<b>-332</b>	<b>724</b>	<b>792</b>	<b>2,576</b>	<b>3,081</b>
Basic earnings per share, EUR		-0.08	0.18	0.19	0.64	0.76
Diluted earnings per share, EUR		-0.08	0.18	0.19	0.64	0.76

# Statement of comprehensive income

	Q3 2019	Q3 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
<b>EURm</b>					
<b>Net profit for the period</b>	<b>-332</b>	<b>724</b>	<b>792</b>	<b>2,576</b>	<b>3,081</b>
<b>Items that may be reclassified subsequently to the income statement</b>					
Currency translation differences during the period	-124	71	-91	-52	-240
Tax on currency translation differences during the period	-	-1	1	-2	-2
<i>Hedging of net investments in foreign operations:</i>					
Valuation gains/losses during the period	67	-32	25	-16	67
Tax on valuation gains/losses during the period	-13	7	-2	2	-19
<i>Fair value through other comprehensive income:<sup>1</sup></i>					
Valuation gains/losses during the period, net of recycling	-22	-21	-11	-23	-58
Tax on valuation gains/losses during the period	4	5	2	5	13
<i>Cash flow hedges:</i>					
Valuation gains/losses during the period, net of recycling	20	-10	21	10	44
Tax on valuation gains/losses during the period	-5	2	-4	-2	-10
<b>Items that may not be reclassified subsequently to the income statement</b>					
<i>Changes in own credit risk related to liabilities classified as fair value option:</i>					
Valuation gains/losses during the period	1	3	-13	12	20
Tax on valuation gains/losses during the period	1	-1	3	-3	-4
<i>Defined benefit plans:</i>					
Remeasurement of defined benefit plans	-185	-58	-442	-58	-173
Tax on remeasurement of defined benefit plans	41	13	97	12	36
<b>Other comprehensive income, net of tax</b>	<b>-215</b>	<b>-22</b>	<b>-414</b>	<b>-115</b>	<b>-326</b>
<b>Total comprehensive income</b>	<b>-547</b>	<b>702</b>	<b>378</b>	<b>2,461</b>	<b>2,755</b>
<b>Attributable to:</b>					
Shareholders of Nordea Bank Abp (Nordea Bank AB (publ))	-547	702	352	2,450	2,744
Additional Tier 1 capital holders	-	-	26	7	7
Non-controlling interests	-	-	-	4	4
<b>Total</b>	<b>-547</b>	<b>702</b>	<b>378</b>	<b>2,461</b>	<b>2,755</b>

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

# Balance sheet

	Note	30 Sep 2019	31 Dec 2018	30 Sep 2018
<b>EURm</b>				
<b>Assets</b>				
Cash and balances with central banks		31,337	41,578	43,173
Loans to central banks	7	8,153	7,642	6,441
Loans to credit institutions	7	20,067	11,320	16,384
Loans to the public	7	328,268	308,304	316,494
Interest-bearing securities		66,202	76,222	74,900
Financial instruments pledged as collateral		6,092	7,568	9,807
Shares		14,919	12,452	15,061
Assets in pooled schemes and unit-linked investment contracts		29,350	24,583	26,829
Derivatives		51,791	37,025	36,713
Fair value changes of the hedged items in portfolio hedge of interest rate risk		372	169	131
Investments in associated undertakings and joint ventures		1,377	1,601	1,617
Intangible assets		3,595	4,035	4,146
Property and equipment		1,972	546	576
Investment properties		1,603	1,607	1,638
Deferred tax assets		334	164	63
Current tax assets		782	284	504
Retirement benefit assets		156	246	280
Other assets		18,316	14,749	15,233
Prepaid expenses and accrued income		1,169	1,313	1,442
Assets held for sale	11	-	-	1,335
<b>Total assets</b>		<b>585,855</b>	<b>551,408</b>	<b>572,767</b>
<b>Liabilities</b>				
Deposits by credit institutions		45,308	42,419	51,506
Deposits and borrowings from the public		168,326	164,958	174,191
Deposits in pooled schemes and unit-linked investment contracts		30,274	25,653	27,767
Liabilities to policyholders		19,051	18,230	19,331
Debt securities in issue		190,859	190,422	187,094
Derivatives		53,742	39,547	39,084
Fair value changes of the hedged items in portfolio hedge of interest rate risk		3,248	1,273	830
Current tax liabilities		304	414	711
Other liabilities		30,688	23,315	24,951
Accrued expenses and prepaid income		1,578	1,696	1,673
Deferred tax liabilities		727	706	615
Provisions		612	321	312
Retirement benefit obligations		694	398	340
Subordinated liabilities		9,907	9,155	9,181
Liabilities held for sale	11	-	-	2,566
<b>Total liabilities</b>		<b>555,318</b>	<b>518,507</b>	<b>540,152</b>
<b>Equity</b>				
Additional Tier 1 capital holders		750	750	750
Non-controlling interests		43	6	0
Share capital		4,050	4,050	4,050
Share premium reserve		-	-	1,080
Invested unrestricted equity		1,080	1,080	-
Other reserves		-2,290	-1,876	-1,665
Retained earnings		26,904	28,891	28,400
<b>Total equity</b>		<b>30,537</b>	<b>32,901</b>	<b>32,615</b>
<b>Total liabilities and equity</b>		<b>585,855</b>	<b>551,408</b>	<b>572,767</b>
Assets pledged as security for own liabilities		182,238	171,899	176,734
Other assets pledged		4,532	4,788	4,218
Contingent liabilities		17,687	17,819	17,278
Credit commitments <sup>1</sup>		76,959	73,287	75,187
Other commitments		1,722	1,192	1,191

<sup>1</sup> Including unutilised portion of approved overdraft facilities of EUR 29,892m (31 Dec 2018: EUR 29,626m, 30 Sep 2018: EUR 29,328m).

# Statement of changes in equity

Attributable to shareholders of Nordea Bank Abp

EURm	Other reserves:											
	Share capital <sup>1</sup>	Invested un-restricted equity	Trans-lation of foreign operations	Cash flow hedges	Fair value through other comprehensive income	Defined benefit plans	Changes in own credit risk related to liabilities classified as fair value option	Retained earnings	Total	Additional Tier 1 capital holders	Non-controlling interests	Total equity
<b>Balance at 1 Jan 2019</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,914</b>	<b>-12</b>	<b>59</b>	<b>-17</b>	<b>8</b>	<b>28,891</b>	<b>32,145</b>	<b>750</b>	<b>6</b>	<b>32,901</b>
Net profit for the period	-	-	-	-	-	-	-	766	766	26	-	792
Other comprehensive income, net of tax	-	-	-67	17	-9	-345	-10	-	-414	-	-	-414
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-67</b>	<b>17</b>	<b>-9</b>	<b>-345</b>	<b>-10</b>	<b>766</b>	<b>352</b>	<b>26</b>	<b>-</b>	<b>378</b>
Paid interest on AT1 capital	-	-	-	-	-	-	-	-	-	-26	-	-26
Share-based payments	-	-	-	-	-	-	-	15	15	-	-	15
Dividend 2018	-	-	-	-	-	-	-	-2,788	-2,788	-	-	-2,788
Divestment of own shares <sup>1</sup>	-	-	-	-	-	-	-	20	20	-	-	20
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	37	37
<b>Balance at 31 Sep 2019</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,981</b>	<b>5</b>	<b>50</b>	<b>-362</b>	<b>-2</b>	<b>26,904</b>	<b>29,744</b>	<b>750</b>	<b>43</b>	<b>30,537</b>
<b>Balance at 1 Jan 2018</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,720</b>	<b>-46</b>	<b>103</b>	<b>120</b>	<b>-</b>	<b>28,811</b>	<b>32,398</b>	<b>750</b>	<b>168</b>	<b>33,316</b>
Restatement due to changed accounting policy, net of tax <sup>3</sup>	-	-	-	-	1	-	-8	-237	-244	-	-	-244
<b>Restated opening balance at 1 Jan 2018</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,720</b>	<b>-46</b>	<b>104</b>	<b>120</b>	<b>-8</b>	<b>28,574</b>	<b>32,154</b>	<b>750</b>	<b>168</b>	<b>33,072</b>
Net profit for the period	-	-	-	-	-	-	-	3,070	3,070	7	4	3,081
Other comprehensive income, net of tax	-	-	-194	34	-45	-137	16	-	-326	-	-	-326
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-194</b>	<b>34</b>	<b>-45</b>	<b>-137</b>	<b>16</b>	<b>3,070</b>	<b>2,744</b>	<b>7</b>	<b>4</b>	<b>2,755</b>
Paid interest on AT1 capital	-	-	-	-	-	-	-	-	-	-7	-	-7
Dividend 2017	-	-	-	-	-	-	-	-2,747	-2,747	-	-	-2,747
Purchase of own shares <sup>1</sup>	-	-	-	-	-	-	-	-6	-6	-	-	-6
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-166	-166
<b>Balance at 31 Dec 2018</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,914</b>	<b>-12</b>	<b>59</b>	<b>-17</b>	<b>8</b>	<b>28,891</b>	<b>32,145</b>	<b>750</b>	<b>6</b>	<b>32,901</b>
<b>Balance at 1 Jan 2018</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,720</b>	<b>-46</b>	<b>103</b>	<b>120</b>	<b>-</b>	<b>28,811</b>	<b>32,398</b>	<b>750</b>	<b>168</b>	<b>33,316</b>
Restatement due to changed accounting policy, net of tax <sup>3</sup>	-	-	-	-	1	-	-8	-237	-244	-	-	-244
<b>Restated opening balance at 1 Jan 2018</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,720</b>	<b>-46</b>	<b>104</b>	<b>120</b>	<b>-8</b>	<b>28,574</b>	<b>32,154</b>	<b>750</b>	<b>168</b>	<b>33,072</b>
Net profit for the period	-	-	-	-	-	-	-	2,565	2,565	7	4	2,576
Other comprehensive income, net of tax	-	-	-68	8	-18	-46	9	-	-115	-	-	-115
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-68</b>	<b>8</b>	<b>-18</b>	<b>-46</b>	<b>9</b>	<b>2,565</b>	<b>2,450</b>	<b>7</b>	<b>4</b>	<b>2,461</b>
Paid interest on AT1 capital	-	-	-	-	-	-	-	-	-	-7	-	-7
Dividend 2017	-	-	-	-	-	-	-	-2,747	-2,747	-	-	-2,747
Purchase of own shares <sup>1</sup>	-	-	-	-	-	-	-	8	8	-	-	8
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-172	-172
<b>Balance at 31 Sep 2018</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,788</b>	<b>-38</b>	<b>86</b>	<b>74</b>	<b>1</b>	<b>28,400</b>	<b>31,865</b>	<b>750</b>	<b>0</b>	<b>32,615</b>

<sup>1</sup> Total shares registered were 4,050 million (31 Dec 2018: 4,050 million, 30 Sep 2018: 4,050 million). The number of own shares were 12.7 million (31 Dec 2018: 15.9 million, 30 Sep 2018: 12.5 million) which represents 0.3% (31 Dec 2018: 0.4%, 30 Sep 2018: 0.3%) of the total shares in Nordea. Each share represents one voting right.

<sup>2</sup> Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The total holdings of own shares related to LTIP were 9.6 million (31 Dec 2018: 9.6 million, 30 Sep 2018: 9.6 million).

<sup>3</sup> Related to the implementation of IFRS 9 and IFRS 15, see Annual report 2018.

# Cash flow statement, condensed

	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
<b>EURm</b>			
<b>Operating activities</b>			
Operating profit	1,100	3,248	3,953
Adjustments for items not included in cash flow	6,331	1,469	1,238
Income taxes paid	-898	-769	-1,024
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>6,533</b>	<b>3,948</b>	<b>4,167</b>
Changes in operating assets and liabilities	-13,063	1,543	-1,536
<b>Cash flow from operating activities</b>	<b>-6,530</b>	<b>5,491</b>	<b>2,631</b>
<b>Investing activities</b>			
Acquisition/sale of business operations	-447	463	646
Acquisition/sale of associated undertakings and joint ventures	710	20	9
Acquisition/sale of property and equipment	-26	-20	-18
Acquisition/sale of intangible assets	-368	-391	-608
Acquisition/sale of other financial fixed assets	-	-2	-
<b>Cash flow from investing activities</b>	<b>-131</b>	<b>70</b>	<b>29</b>
<b>Financing activities</b>			
Issued/amortised subordinated liabilities	511	142	-28
Divestment/repurchase of own shares including change in trading portfolio	20	8	-6
Dividend paid	-2,788	-2,747	-2,747
Paid interest on Additional Tier 1 capital	-26	-7	-7
<b>Cash flow from financing activities</b>	<b>-2,283</b>	<b>-2,604</b>	<b>-2,788</b>
<b>Cash flow for the period</b>	<b>-8,944</b>	<b>2,957</b>	<b>-128</b>
<b>Cash and cash equivalents</b>	<b>30 Sep 2019</b>	<b>30 Sep 2018</b>	<b>31 Dec 2018</b>
<b>EURm</b>			
Cash and cash equivalents at beginning of the period	46,009	46,213	46,213
Translation difference	457	1	-76
Cash and cash equivalents at end of the period	37,522	49,171	46,009
<b>Change</b>	<b>-8,944</b>	<b>2,957</b>	<b>-128</b>
The following items are included in cash and cash equivalents:			
Cash and balances with central banks	31,337	43,173	41,578
Loans to central banks	5,283	3,981	2,759
Loans to credit institutions	902	2,017	1,672
<b>Total cash and cash equivalents</b>	<b>37,522</b>	<b>49,171</b>	<b>46,009</b>

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal 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

The consolidated interim financial statements are presented in accordance with IAS 34 "Interim Financial Reporting", as endorsed by the EU commission.

The accounting policies and methods of computation are unchanged in comparison with Note G1 in the Annual Report 2018, except for related to the items presented in the section "Changed accounting policies and presentation" below. For more information see Note G1 in the Annual Report 2018.

### Changed accounting policies and presentation

The following changes in accounting policies and presentation were implemented by Nordea 1 January 2019.

#### IFRS 16 "Leases"

The new standard IFRS 16 "Leases" changes the accounting requirements for lessees. All leases (except for short term- and small ticket leases) are accounted for on the balance sheet of the lessee as a right to use the asset and a corresponding liability, and the lease payments are recognised as amortisation and interest expense. The accounting requirements for lessors are unchanged. Additional disclosures are also required. IFRS 16 was implemented by Nordea as from 1 January 2019. Nordea applied the modified retrospective approach, which means that IFRS 16 has been applied from 1 January 2019 with no restatement of comparative figures.

The main impact on Nordea's financial statements comes from the accounting of property leases. Such leasing contracts are under IFRS 16 accounted for on the balance sheet to a larger extent than under the earlier requirements. The right of use asset, presented as "Properties and equipment" on the balance sheet, amounted to EUR 1,521m at transition on 1 January 2019. The increase of total assets was EUR 1,163m considering also a reclassification of already existing prepaid lease expenses. There was no impact on equity at transition.

The impact on the CET1 ratio was negative by 12 basis points following an increase in REA. More information about the transition to IFRS 16 can be found in Note G49 in the Annual Report 2018.

The impact in 2019 can be found in the below table.

EURm	Q3 2019			Jan-Sep 2019		
	Old policy	Chg	New policy	Old policy	Chg	New policy
Interest expense	-790	-3	-793	-2,392	-9	-2,401
Other expense	-411	45	-366	-1,398	134	-1,264
Depreciation, amortisation and impairment charges of tangible and intangible assets	-840	-45	-885	-1,043	-131	-1,174
Income tax expenses	89	0	89	-309	1	-308
Impact on net profit for the period		-3			-5	

EURm	30 Sep 2019		
	Old policy	Chg	New policy
Properties and equipment	511	1,461	1,972
Prepaid expenses and accrued income	1,477	-308	1,169
Other liabilities	29,529	1,159	30,688
Current tax liabilities	305	-1	304
Retained earnings	26,909	-5	26,904

### Changed recognition and presentation of resolution fees

As from 1 January 2019 Nordea recognises resolution fees at the beginning of the year, when the legal obligation to pay arises, and presents the expense as "Other expenses". The earlier policy was to amortise these fees over the year and present the expense as "Interest expense". The change mainly reflects the change in the structure of the resolution fees following the re-domiciliation to Finland.

Comparative figures have been restated accordingly and the impact, together with the impact in 2019 can be found in the below table.

EURm	Q3 2019			Q3 2018			Jan-Sep 2019		
	Old policy	Chg	New policy	Old policy	Chg	New policy	Old policy	Chg	New policy
Interest expense	-845	52	-793	-777	51	-726	-2,556	155	-2,401
Other expenses	-366	-	-366	-323	-	-323	-1,057	-207	-1,264
Income tax expense	101	-12	89	-182	-11	-193	-320	12	-308
Impact on net profit for the period		40			40			-40	
Impact on EPS/DEPS, EUR		0.01			0.01			-0.01	

EURm	Jan-Sep 2018			Full year 2018		
	Old policy	Chg	New policy	Old policy	Chg	New policy
Interest expense	-2,197	151	-2,046	-2,929	167	-2,762
Other expenses	-1,009	-167	-1,176	-1,399	-167	-1,566
Income tax expense	-675	3	-672	-872	-	-872
Impact on net profit for the period		-13			-	
Impact on EPS/DEPS, EUR		0.00			-	

EURm	30 Sep 2019			31 Dec 2018			30 Sep 2018		
	Old policy	Chg	New policy	Old policy	Chg	New policy	Old policy	Chg	New policy
Current tax liabilities	316	-12	304	414	-	414	714	-3	711
Accrued expenses and prepaid income	1,526	52	1,578	1,696	-	1,696	1,657	16	1,673
Retained earnings	26,944	-40	26,904	28,891	-	28,891	28,413	-13	28,400

### Presentation of fair value adjustments

As from 1 January 2019 Nordea presents all other valuation adjustment except DVA as an adjustment to derivatives with positive fair value and DVA as an adjustment to derivatives with negative fair value on the balance sheet. The impact per 30 September 2019 was a decrease of derivatives with positive fair value and derivatives with negative fair value by EUR 272m. Comparative figures have not been restated.

### Other amendments

The following new and amended standards issued by IASB were implemented by Nordea 1 January 2019 but have not had any significant impact on the financial statements of Nordea:

- Amendment to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 19: Plan Amendments, Curtailment or Settlement
- Amendments to IAS 28: Long-term Interest in Associates and Joint Ventures
- Annual Improvements to IFRS Standards 2015-2017 Cycle

### Changes in IFRSs not yet applied

#### IFRS 17 “Insurance contracts”

The IASB has published the new standard IFRS 17 “Insurance contracts”. The new standard will change the accounting requirements for recognition, measurement, presentation and disclosure of insurance contracts.

The measurement principles will change from a non-uniform accounting policy based on the local accounting policies in the life insurance subsidiaries to a uniform accounting policy based on the three measurement models Building Block Approach (BBA), Variable Fee Approach (VFA) and Premium Allocation Approach (PAA). The model application depends on the terms of the contracts (long term, long term with variable fee or short term). The three measurement models include consistent definitions of the contractual cash-flows, risk adjustment margin and discounting. These definitions are based on the similar principles as the measurement principles for technical provisions in the Solvency II capital requirement directives. Unearned future premiums will be recognised as a provision on the balance sheet and released to revenue when the insurance service is provided. Any unprofitable contracts will be recognised in the income statement at the time when the contract is signed and approved.

IFRS 17 is effective for annual report period beginning on or after 1 January 2021 with earlier application permitted. However, due to comments from the global insurance industry, the IASB board has proposed to amend IFRS 17. The amendments include a one-year deferral of the effective date to 1 January 2022. The standard is not yet endorsed by the European Commission. Nordea does not currently intend to early adopt the standard. Nordea’s current assessment is that the new standard will not have any significant impact on Nordea’s capital adequacy or large exposures in the period of initial application. It is not yet possible to conclude on the impact on Nordea’s financial statements.

### Amendments to IAS 39 and IFRS 7 “Interest rate benchmark reform”

In September 2019, IASB published amendments to IAS 39, IFRS 9 and IFRS 7 as a consequence of the coming reform of benchmark interest rates. The amendments give some relief in relation to hedge accounting. Under the amendments, the hedge accounting requirements should be evaluated assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform. The amendments are effective for annual periods beginning on or after 1 January 2020 and must be applied retrospectively. Early application is permitted, and Nordea will exercise this option if the amendments are endorsed by EU. It is expected the amendments will result in that the hedge relationships in Nordea will pass the effectiveness test and that hedge accounting can continue as before during the relief period. The amendment is not assessed to have any significant impact on Nordea’s financial statements, capital adequacy or large exposures in the period of initial application of the amendments compared to the current situation.

### Other amendments to IFRS

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

### Acquisition of Gjensidige Bank

On 2 July 2018, Nordea entered into an agreement with Gjensidige Forsikring to acquire all shares in Gjensidige Bank. The transaction was closed on 1 March 2019, when Nordea received final approval from the Norwegian regulators. 1 March is the acquisition date and the date from which the acquired assets and liabilities are recognised on Nordea’s balance sheet. Assets and liabilities acquired are disclosed in the table below.

The following purchase price allocation (PPA) has been established as of 1 March 2019.

EURm	1 Mar 2019
Loans to the public <sup>1</sup>	5,185
Interest-bearing securities	608
Accruals and other assets	93
Deposits from the public	-2,315
Debt securities in issue <sup>1</sup>	-3,022
Accruals and other liabilities	-108
<b>Acquired net assets</b>	<b>441</b>
Purchase price, settled in cash	576
Cost of combination	576
<b>Surplus value</b>	<b>135</b>
<i>Allocation of surplus value:</i>	
Non-controlling interest	-46
Customer intangible	29
Brands	8
Deferred tax liability	-6
Goodwill	150

<sup>1</sup> Including adjustments for fair value for loans and debt securities in issue measured at amortised cost in Gjensidige

Nordea has identified a number of intangible assets in the acquisition. Two different customer related intangibles have been identified, one for deposit customers and one for lending customers. The value of the deposit customers is related to the funding they provide at interest rates lower than other funding. The customer intangible related to lending reflects the profit generated in specific portfolios. The amortisation of the deposit related intangible is made over eight years, while the intangible related to the loans is amortised over four years, reflecting the pace at which customers can be expected to leave. The consumer finance business in Gjensidige is distributed through the brand Oppfinans, which is included in the acquisition. The brand has been valued using a royalty rate of 3.5%. Goodwill arises mainly due to the synergies Nordea expects to achieve. Integrating the business in Gjensidige into Nordea will create cost synergies as well as some income synergies. The brand and the goodwill are expected to have indefinite lives and are consequently not amortised.

The Additional Tier 1 instrument accounted for as equity in Gjensidige will be reported as a non-controlling interest in the Nordea consolidated accounts.

The impact on Nordea's net profit for the year is insignificant.

### Exchange rates

	Jan-Sep 2019	Jan-Dec 2018	Jan-Sep 2018
<b>EUR 1 = SEK</b>			
Income statement (average)	10.5660	10.2608	10.2414
Balance sheet (at end of period)	10.6985	10.2330	10.3090
<b>EUR 1 = DKK</b>			
Income statement (average)	7.4644	7.4533	7.4503
Balance sheet (at end of period)	7.4662	7.4672	7.4564
<b>EUR 1 = NOK</b>			
Income statement (average)	9.7720	9.6033	9.5900
Balance sheet (at end of period)	9.8937	9.9470	9.4665
<b>EUR 1 = RUB</b>			
Income statement (average)	73.1143	74.0484	73.3826
Balance sheet (at end of period)	70.7395	79.3826	76.1422

## Note 2 Segment reporting

### Operating segments

	Personal Banking	Commercial & Business Banking	Wholesale Banking	Asset & Wealth Management	Group Finance & Treasury	Other operating segments	Total operating segments	Reconciliation	Total Group
<b>Jan-Sep 2019</b>									
Total operating income, EURm	2,651	1,602	1,200	1,206	131	31	6,821	-480	<b>6,341</b>
- of which internal transactions <sup>1</sup>	-491	-200	-356	-16	1,075	-12	0	-	-
Operating profit, EURm	1,034	622	253	642	97	-1,019	1,629	-529	<b>1,100</b>
Loans to the public <sup>2</sup> , EURbn	154	83	50	8	-	1	296	32	<b>328</b>
Deposits and borrowings from the public <sup>2</sup> , EURbn	74	42	34	10	-	1	161	7	<b>168</b>

### Jan-Sep 2018

Total operating income, EURm	2,622	1,666	1,439	1,276	65	204	7,272	-219	<b>7,053</b>
- of which internal transactions <sup>1</sup>	-379	-177	-345	-10	922	-11	0	-	-
Operating profit, EURm	1,082	760	614	690	87	194	3,427	-179	<b>3,248</b>
Loans to the public <sup>2</sup> , EURbn	144	81	48	8	-	1	282	34	<b>316</b>
Deposits and borrowings from the public <sup>2</sup> , EURbn	70	40	36	11	-	1	158	16	<b>174</b>

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

<sup>2</sup> The volumes are only disclosed separately for operating segments if separately reported to the Chief Operating Decision Maker.

## Breakdown of Personal Banking, Commercial & Business Banking, Wholesale Banking and Asset & Wealth Management

	Personal Banking Denmark		Personal Banking Finland		Personal Banking Norway		Personal Banking Sweden		Personal Banking Other		Personal Banking	
	Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total operating income, EURm	746	751	591	610	464	397	856	881	-6	-17	<b>2,651</b>	<b>2,622</b>
- of which internal transactions	-244	-124	-72	-64	-70	-117	-108	-78	3	4	<b>-491</b>	<b>-379</b>
Operating profit, EURm	284	295	223	222	173	187	371	437	-17	-59	<b>1,034</b>	<b>1,082</b>
Loans to the public, EURbn	38	37	33	33	36	29	47	45	-	-	<b>154</b>	<b>144</b>
Deposits and borrowings from the public, EURbn	18	18	22	21	11	9	23	22	-	-	<b>74</b>	<b>70</b>

	Business Banking		Business Banking Direct		Commercial & Business Banking Other		Commercial & Business Banking	
	Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep	
	2019	2018	2019	2018	2019	2018	2019	2018
Total operating income, EURm	1,291	1,385	318	292	-7	-11	<b>1,602</b>	<b>1,666</b>
- of which internal transactions	-203	-174	3	-4	0	1	<b>-200</b>	<b>-177</b>
Operating profit, EURm	562	750	127	80	-67	-70	<b>622</b>	<b>760</b>
Loans to the public, EURbn	71	69	12	12	-	-	<b>83</b>	<b>81</b>
Deposits and borrowings from the public, EURbn	31	29	11	11	-	-	<b>42</b>	<b>40</b>



## Note 2 Continued

	Corporate & Investment Banking		Financial Institutions & International Banks		Banking Russia		Capital Markets unallocated		Wholesale Banking Other		Wholesale Banking	
	Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total operating income, EURm	994	1,043	250	225	49	59	-77	120	-16	-8	1,200	1,439
- of which internal transactions	-262	-230	-23	-32	-40	-40	-27	-36	-4	-7	-356	-345
Operating profit, EURm	364	622	62	58	65	-35	-193	21	-45	-52	253	614
Loans to the public, EURbn	46	44	2	2	2	2	-	-	-	-	50	48
Deposits and borrowings from the public, EURbn	24	24	9	11	1	1	-	-	-	-	34	36

	Private Banking		Asset Management		Life & Pension unallocated		Asset & Wealth Management Other		Asset & Wealth Management	
	Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total operating income, EURm	398	424	674	686	320	358	-186	-192	1,206	1,276
- of which internal transactions	-14	-10	0	1	-2	-1	0	0	-16	-10
Operating profit, EURm	131	119	449	469	226	237	-164	-135	642	690
Loans to the public, EURbn	8	8	-	-	-	-	-	-	8	8
Deposits and borrowings from the public, EURbn	10	11	-	-	-	-	-	-	10	11

### Reconciliation between total operating segments and financial statements

	Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	Jan-Sep		Jan-Sep		Jan-Sep	
	2019	2018	2019	2018	2019	2018
Total operating segments	1,629	3,427	296	282	161	158
Group functions <sup>1</sup>	-138	-90	-	-	-	-
Unallocated items	-39	280	37	33	10	16
Differences in accounting policies <sup>2</sup>	-352	-369	-5	1	-3	0
<b>Total</b>	<b>1,100</b>	<b>3,248</b>	<b>328</b>	<b>316</b>	<b>168</b>	<b>174</b>

<sup>1</sup> Consists of Group Business Risk Management, Group Internal Audit, Chief of staff office, Group Legal, Group Corporate Centre and Group Risk and Compliance.

<sup>2</sup> Impact from different classification of assets/liabilities held for sale, plan exchange rates and internal allocation principles 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 areas" in this report are that the information for CODM is prepared using plan exchange rates and to that different allocation principles between operating segments have been applied.

Financial results are presented for the main business areas Personal Banking, Commercial & Business Banking, Wholesale Banking and Asset & Wealth Management, with a further breakdown on operating segments, and the operating segment Group Finance & Treasury. 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

	Q3 2019	Q2 2019	Q3 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
<b>EURm</b>						
Asset management commissions	359	361	358	1,067	1,080	1,440
Life & Pensions	62	61	54	185	194	258
Deposit Products	6	5	6	16	16	23
Brokerage, securities issues and corporate finance	36	57	21	123	120	173
Custody and issuer services	10	11	10	24	34	49
Payments	70	77	73	233	230	302
Cards	67	50	57	174	169	218
Lending products	113	99	98	314	307	399
Guarantees	34	22	31	80	94	116
Other	-1	0	-5	20	29	15
<b>Total</b>	<b>756</b>	<b>743</b>	<b>703</b>	<b>2,236</b>	<b>2,273</b>	<b>2,993</b>

#### Break-down Jan-Sep 2019

	Personal Banking	Commercial & Business Banking	Wholesale Banking	Asset & Wealth Management	Group Finance and Treasury	Other and elimination	Nordea Group
<b>EURm</b>							
Asset management commissions	130	25	4	908	0	0	1,067
Life & Pensions	43	20	3	119	0	0	185
Deposit Products	6	9	1	0	0	0	16
Brokerage, securities issues and corporate finance	14	22	63	24	0	0	123
Custody and issuer services	5	3	23	0	-5	-2	24
Payments	62	119	50	1	1	0	233
Cards	119	37	10	0	0	8	174
Lending products	99	89	123	2	1	0	314
Guarantees	8	27	48	0	-3	0	80
Other	14	7	15	-17	0	1	20
<b>Total</b>	<b>500</b>	<b>358</b>	<b>340</b>	<b>1,037</b>	<b>-6</b>	<b>7</b>	<b>2,236</b>

#### Break-down Jan-Sep 2018

	Personal Banking	Commercial & Business Banking	Wholesale Banking	Asset & Wealth Management	Group Finance and Treasury	Other and elimination	Nordea Group
<b>EURm</b>							
Asset management commissions	130	31	11	908	0	0	1,080
Life & Pensions	44	18	3	129	0	0	194
Deposit Products	7	8	1	0	0	0	16
Brokerage, securities issues and corporate finance	21	15	64	21	-1	0	120
Custody and issuer services	8	4	25	4	-7	0	34
Payments	70	122	43	-1	1	-5	230
Cards	133	25	9	1	0	1	169
Lending products	89	73	145	0	0	0	307
Guarantees	5	32	57	0	0	0	94
Other	17	15	7	3	-3	-10	29
<b>Total</b>	<b>524</b>	<b>343</b>	<b>365</b>	<b>1,065</b>	<b>-10</b>	<b>-14</b>	<b>2,273</b>

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

	Q3 2019	Q2 2019	Q3 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
<b>EURm</b>						
Equity related instruments	58	135	19	428	174	226
Interest related instruments and foreign exchange gains/losses	165	103	136	254	565	684
Other financial instruments (including credit and commodities)	-17	35	28	30	71	55
Investment properties	0	0	1	0	0	0
Life	5	10	21	46	96	123
<b>Total</b>	<b>211</b>	<b>283</b>	<b>205</b>	<b>758</b>	<b>906</b>	<b>1,088</b>

<sup>1</sup> Internal transactions not eliminated against other lines in the Note. The line Life insurance consequently provides the true impact from the Life insurance operations.

#### Break-down of life insurance

	Q3 2019	Q2 2019	Q3 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
<b>EURm</b>						
Equity related instruments	343	223	147	1,234	90	-515
Interest related instruments and foreign exchange gains/losses	16	91	64	257	17	-65
Investment properties	40	28	26	88	89	125
Change in technical provisions <sup>1</sup>	-446	-425	-164	-1,558	-275	20
Change in collective bonus potential	43	85	-63	-2	139	512
Insurance risk income	18	17	16	51	75	91
Insurance risk expense	-9	-9	-5	-24	-39	-45
<b>Total</b>	<b>5</b>	<b>10</b>	<b>21</b>	<b>46</b>	<b>96</b>	<b>123</b>

<sup>1</sup> Premium income amounts to EUR 56m for Q3 2019 and EUR 208m for Jan-Sept 2019 (Q3 2018: EUR 58m, Jan-Sept 2018: EUR 768m).

## Note 5 Other expenses

	Q3 2019	Q2 2019	Q3 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
<b>EURm</b>						
Information technology	-125	-137	-122	-390	-364	-484
Marketing and representation	-13	-14	-11	-39	-34	-60
Postage, transportation, telephone and office expenses	-15	-17	-19	-50	-63	-83
Rents, premises and real estate	-29	-27	-71	-86	-229	-312
Resolution fee	-2	-1	0	-210	-167	-167
Other	-182	-108	-100	-489	-319	-460
<b>Total</b>	<b>-366</b>	<b>-304</b>	<b>-323</b>	<b>-1,264</b>	<b>-1,176</b>	<b>-1,566</b>

## Note 6 Net loan losses

	Q3 2019	Q2 2019	Q3 2018
<b>EURm</b>			
Net loan losses, stage 1	-35	14	-38
Net loan losses, stage 2	-49	-3	-5
<b>Net loan losses, non-defaulted</b>	<b>-84</b>	<b>11</b>	<b>-43</b>
<b>Stage 3, defaulted</b>			
Net loan losses, individually assessed, collectively calculated	-40	8	20
Realised loan losses	-75	-144	-115
Decrease of provisions to cover realised loan losses	49	108	50
Recoveries on previous realised loan losses	8	7	8
Reimbursement right	-12	2	-
New/increase in provisions	-222	-119	-158
Reversals of provisions	45	66	194
<b>Net loan losses, defaulted</b>	<b>-247</b>	<b>-72</b>	<b>-1</b>
<b>Net loan losses</b>	<b>-331</b>	<b>-61</b>	<b>-44</b>

### Key ratios

	Q3 2019	Q2 2019	Q3 2018
Loan loss ratio, basis points <sup>1</sup>	55	10	8
- of which stage 1	6	-2	7
- of which stage 2	8	0	1
- of which stage 3	41	12	0

<sup>1</sup> Excluding items affecting comparability the loan loss ratio for third quarter is 8bps, with 2bps for stage 1, -6bps for stage 2 and 12bps for stage 3. Total net loan losses excluding items affecting comparability amounts to EUR 49m with net loan losses at EUR 11m in stage1, net reversals at EUR -37m in stage 2 and net loan losses at EUR 75m in stage 3.

## Note 7 Loans and impairment

	Total		
	30 Sep 2019	31 Dec 2018	30 Sep 2018
<b>EURm</b>			
Loans measured at fair value	100,200	77,521	89,373
Loans measured at amortised cost, not impaired (stage 1 and 2)	253,808	247,204	247,307
Impaired loans (stage 3)	4,678	4,581	4,748
- of which servicing	2,175	2,097	2,310
- of which non-servicing	2,503	2,484	2,438
<b>Loans before allowances</b>	<b>358,686</b>	<b>329,306</b>	<b>341,428</b>
-of which central banks and credit institution	28,235	18,977	22,827
Allowances for individually assessed impaired loans (stage 3)	-1,702	-1,599	-1,631
-of which servicing	-798	-720	-781
-of which non-servicing	-904	-879	-850
Allowances for collectively assessed impaired loans (stage 1 and 2)	-496	-441	-478
<b>Allowances<sup>1</sup></b>	<b>-2,198</b>	<b>-2,040</b>	<b>-2,109</b>
-of which central banks and credit institution	-15	-15	-2
<b>Loans, carrying amount</b>	<b>356,488</b>	<b>327,266</b>	<b>339,319</b>

<sup>1</sup>After dialogue with the ECB, reflecting a more subdued outlook in certain sectors in the third quarter, Nordea has decided to increase provisions by a total of EUR 229m. In addition, Nordea has reviewed its collective provisioning models. The model update in the third quarter 2019 generates a EUR 53m increase in provisions. More information can be found on page 12.

### Exposures measured at amortised cost and fair value through OCI, before allowances

	30 Sep 2019		
	Stage 1	Stage 2	Stage 3
<b>EURm</b>			
Loans to central banks, credit institutions and the public	242,819	10,989	4,678
Interest-bearing securities	29,579	-	-
<b>Total</b>	<b>272,398</b>	<b>10,989</b>	<b>4,678</b>
<b>30 Sep 2018</b>			
<b>EURm</b>			
Loans to central banks, credit institutions and the public	232,936	14,342	4,748
Interest-bearing securities	33,107	-	-
<b>Total</b>	<b>266,043</b>	<b>14,342</b>	<b>4,748</b>

### Allowances and provisions

	30 Sep 2019		
	Stage 1	Stage 2	Stage 3
<b>EURm</b>			
Loans to central banks, credit institutions and the public	-160	-336	-1,702
Interest-bearing securities	-2	0	-
Provisions for off balance sheet items	-30	-67	-61
<b>Total allowances and provisions</b>	<b>-192</b>	<b>-403</b>	<b>-1,763</b>
<b>30 Sep 2018</b>			
<b>EURm</b>			
Loans to central banks, credit institutions and the public	-159	-319	-1,631
Interest-bearing securities	-2	-	-
Provisions for off balance sheet items	-25	-39	-88
<b>Total allowances and provisions</b>	<b>-186</b>	<b>-358</b>	<b>-1,719</b>

### Movements of allowance accounts for loans measured at amortised cost

	Stage 1	Stage 2	Stage 3	Total
<b>EURm</b>				
<b>Balance as at 1 Jan 2019</b>	<b>-146</b>	<b>-295</b>	<b>-1,599</b>	<b>-2,040</b>
Changes due to origination and acquisition	-25	-2	1	-26
Transfer from stage 1 to stage 2	5	-64	-	-59
Transfer from stage 1 to stage 3	1	-	-31	-30
Transfer from stage 2 to stage 1	-17	54	-	37
Transfer from stage 2 to stage 3	-	15	-86	-71
Transfer from stage 3 to stage 1	-8	-	28	20
Transfer from stage 3 to stage 2	-	-20	21	1
Changes due to change in credit risk (net)	15	-4	-260	-249
Changes due to repayments and disposals	19	25	48	92
Write-off through decrease in allowance account	-	-	216	216
Changes due to update in the methodology for estimation (net)	0	-40	-13	-53
Other changes	-5	-5	-28	-38
Translation differences	1	0	1	2
<b>Balance as at 30 Sep 2019</b>	<b>-160</b>	<b>-336</b>	<b>-1,702</b>	<b>-2,198</b>

## Note 7 Continued

	Stage 1	Stage 2	Stage 3	Total
<b>EURm</b>				
<b>Balance as at 1 Jan 2018</b>	<b>-133</b>	<b>-360</b>	<b>-1,816</b>	<b>-2,309</b>
Changes due to origination and acquisition	-51	-20	-35	-106
Transfer from stage 1 to stage 2	6	-98	-	-92
Transfer from stage 1 to stage 3	0	-	-55	-55
Transfer from stage 2 to stage 1	-13	55	-	42
Transfer from stage 2 to stage 3	-	15	-70	-55
Transfer from stage 3 to stage 1	-4	-	11	7
Transfer from stage 3 to stage 2	-	-13	68	55
Changes due to change in credit risk (net)	17	76	16	109
Changes due to repayments and disposals	18	27	40	85
Write-off through decrease in allowance account	-	-	209	209
Translation differences	0	0	1	1
<b>Balance as at 30 Sep 2018</b>	<b>-160</b>	<b>-318</b>	<b>-1,631</b>	<b>-2,109</b>

### Key ratios<sup>1</sup>

	30 Sep 2019	31 Dec 2018	30 Sep 2018
Impairment rate (stage 3), gross, basis points	181	182	188
Impairment rate (stage 3), net, basis points	115	118	124
Total allowance rate (stage 1, 2 and 3), basis points	85	81	84
Allowances in relation to impaired loans (stage 3), %	36	35	34
Allowances in relation to loans in stage 1 and 2, basis points	20	18	19

<sup>1</sup> For definitions, see Glossary.

## Note 8 Classification of financial instruments

	Fair value through profit or loss (FVPL)			Fair value through other comprehensive income (FVOCI)	Total	
	Amortised cost (AC)	Mandatorily	Designated at fair value through profit or loss (Fair value option)			Derivatives used for hedging
<b>EURm</b>						
<b>Financial assets</b>						
Cash and balances with central banks	31,337	-	-	-	31,337	
Loans to central banks	7,258	895	-	-	8,153	
Loans to credit institutions	7,955	12,112	-	-	20,067	
Loans to the public	241,074	87,194	-	-	328,268	
Interest-bearing securities	3,443	35,074	4,063	-	23,622	
Financial instruments pledged as collateral	-	3,540	-	-	2,552	
Shares	-	14,919	-	-	14,919	
Assets in pooled schemes and unit-linked investment contracts	-	28,796	294	-	29,090	
Derivatives	-	48,285	-	3,506	51,791	
Fair value changes of the hedged items in portfolio hedge of interest rate risk	372	-	-	-	372	
Other assets	1,736	15,857	-	-	17,593	
Prepaid expenses and accrued income	811	-	-	-	811	
<b>Total 30 Sep 2019</b>	<b>293,986</b>	<b>246,672</b>	<b>4,357</b>	<b>3,506</b>	<b>26,174</b>	<b>574,695</b>
Total 31 Dec 2018	296,819	200,342	7,287	3,110	33,564	541,122

	Fair value through profit or loss (FVPL)			Derivatives used for hedging	Total
	Amortised cost (AC)	Mandatorily	Designated at fair value through profit or loss (Fair value option)		
<b>EURm</b>					
<b>Financial liabilities</b>					
Deposits by credit institutions	25,679	19,629	-	-	45,308
Deposits and borrowings from the public	159,286	9,040	-	-	168,326
Deposits in pooled schemes and unit-linked investment contracts	-	-	30,274	-	30,274
Liabilities to policyholders	-	-	3,317	-	3,317
Debt securities in issue	132,241	-	58,618	-	190,859
Derivatives	-	51,481	-	2,261	53,742
Fair value changes of the hedged items in portfolio hedge of interest rate risk	3,248	-	-	-	3,248
Other liabilities	6,567	23,025	-	-	29,592
Accrued expenses and prepaid income	240	-	-	-	240
Subordinated liabilities	9,907	-	-	-	9,907
<b>Total 30 Sep 2019</b>	<b>337,168</b>	<b>103,175</b>	<b>92,209</b>	<b>2,261</b>	<b>534,813</b>
Total 31 Dec 2018	339,700	71,463	83,665	923	495,751

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

	30 Sep 2019		31 Dec 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>EURm</b>				
<b>Financial assets</b>				
Cash and balances with central banks	31,337	31,337	41,578	41,578
Loans	356,860	363,337	327,435	330,681
Interest-bearing securities	66,202	66,388	76,222	76,334
Financial instruments pledged as collateral	6,092	6,092	7,568	7,568
Shares	14,919	14,919	12,452	12,452
Assets in pooled schemes and unit-linked investment contracts	29,090	29,090	24,425	24,425
Derivatives	51,791	51,791	37,025	37,025
Other assets	17,593	17,593	13,428	13,428
Prepaid expenses and accrued income	811	811	989	989
<b>Total</b>	<b>574,695</b>	<b>581,358</b>	<b>541,122</b>	<b>544,480</b>
<b>Financial liabilities</b>				
Deposits and debt instruments	417,648	418,429	408,227	409,014
Deposits in pooled schemes and unit-linked investment contracts	30,274	30,274	25,653	25,653
Liabilities to policyholders	3,317	3,317	3,234	3,234
Derivatives	53,742	53,742	39,547	39,547
Other liabilities	29,592	29,592	18,817	18,817
Accrued expenses and prepaid income	240	240	273	273
<b>Total</b>	<b>534,813</b>	<b>535,594</b>	<b>495,751</b>	<b>496,538</b>

The determination of fair value is described in the Annual report 2018, Note G40 "Assets and liabilities at fair value". Nordea has, in comparison with the Annual Report 2018, changed the construction of the funding curve used to estimate FFVA to better reflect the fair value.

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

### Categorisation into the fair value hierarchy

	Quoted prices in active markets for the same instruments (Level 1)	Of which Life	Valuation technique using observable data (Level 2)	Of which Life	Valuation technique using non-observable data (Level 3)	Of which Life	Total
<b>EURm</b>							
<b>Assets at fair value on the balance sheet<sup>1</sup></b>							
Loans to central banks	-	-	895	-	-	-	895
Loans to credit institutions	-	-	12,112	-	-	-	12,112
Loans to the public	-	-	87,194	-	-	-	87,194
Interest-bearing securities <sup>2</sup>	22,548	1,485	46,123	2,715	180	13	68,851
Shares	12,547	9,315	440	438	1,932	925	14,919
Assets in pooled schemes and unit-linked investment contracts	28,536	24,569	503	503	51	51	29,090
Derivatives	57	-	50,250	2	1,484	-	51,791
Other assets	-	-	15,816	-	41	34	15,857
<b>Total 30 Sep 2019</b>	<b>63,688</b>	<b>35,369</b>	<b>213,333</b>	<b>3,658</b>	<b>3,688</b>	<b>1,023</b>	<b>280,709</b>
Total 31 Dec 2018	65,343	32,969	175,791	4,304	3,169	991	244,303
<b>Liabilities at fair value on the balance sheet<sup>1</sup></b>							
Deposits by credit institutions	-	-	19,629	-	-	-	19,629
Deposits and borrowings from the public	-	-	9,040	-	-	-	9,040
Deposits in pooled schemes and unit-linked investment	-	-	30,274	25,985	-	-	30,274
Liabilities to policyholders	-	-	3,317	3,317	-	-	3,317
Debt securities in issue	8,689	-	47,618	-	2,311	-	58,618
Derivatives	43	-	52,368	18	1,331	-	53,742
Other liabilities	5,677	-	17,347	-	1	-	23,025
<b>Total 30 Sep 2019</b>	<b>14,409</b>	<b>-</b>	<b>179,593</b>	<b>29,320</b>	<b>3,643</b>	<b>-</b>	<b>197,645</b>
Total 31 Dec 2018	19,639	-	132,748	25,003	3,664	-	156,051

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

<sup>2</sup> Of which EUR 6,092m relates to the balance sheet item Financial instruments pledged as collateral.

### Transfers between Level 1 and 2

During the period, Nordea transferred interest-bearing securities (including such financial instruments pledged as collateral) of EUR 3,586m from Level 1 to Level 2 and EUR 1,451m from Level 2 to Level 1 of the fair value hierarchy. In addition, Nordea has transferred derivative assets of EUR 20m and derivative liabilities of EUR 4m from Level 2 to Level 1. Further Nordea transferred debt securities in issue of EUR 5,382m from Level 1 to Level 2, other liabilities from Level 1 to Level 2 of EUR 1,371m and other liabilities of EUR 182m from Level 2 to Level 1. The reason for the transfers from Level 1 to Level 2 was that the instruments ceased to be actively traded during the period and fair values have now been obtained using valuation techniques with observable market inputs. The reason for the transfer from Level 2 to Level 1 was that the instruments have again been actively traded during the period and reliable quoted prices are obtained in the market. Transfers between levels are considered to have occurred at the end of the reporting period.

## Note 10 Continued

### Movements in Level 3

	Fair value gains/losses recognised in the income statement during the year										
	1 Jan	Rea- lised	Un- realised	Recog- nised in OCI	Purchases/ Issues	Sales	Settle- ments	Transfers into Level 3	Transfers out of Level 3	Transla- tion diff- erences	30 Sep
<b>EURm</b>											
Interest-bearing securities	329	-1	-1	-	22	-180	2	9	-	0	180
- of which Life	4	-	-1	-	-	-1	2	9	-	0	13
Shares	1,697	89	100	-	248	-196	-17	3	-	8	1,932
- of which Life	916	36	55	-	19	-71	-17	0	-	-13	925
Assets in pooled schemes and unit-linked investment contracts	31	0	18	-	2	-2	1	1	-	0	51
- of which Life	31	0	18	-	2	-2	1	1	-	0	51
Derivatives (net)	15	-137	190	-	-33	0	137	0	-19	0	153
Other assets	74	-	0	-	-	0	-33	-	-	0	41
- of which Life	40	-	-	-	0	0	-6	-	-	0	34
Debt securities in issue	2,627	45	-146	-4	291	-	-502	-	-	0	2,311
Other liabilities	14	-	-	-	-	-13	-	-	-	-	1
<b>Total 2019, net</b>	<b>-495</b>	<b>-94</b>	<b>453</b>	<b>4</b>	<b>-52</b>	<b>-365</b>	<b>592</b>	<b>13</b>	<b>-19</b>	<b>8</b>	<b>45</b>
Total 2018, net	-1,613	291	-432	0	277	-306	1,133	56	-4	9	-589

Unrealised gains and losses relate to those assets and liabilities held at the end of the reporting period. The reason for the transfer out of Level 3 was that observable market data became available. The reason for the transfer into Level 3 was that observable market data was no longer available. Transfers between levels are considered to have occurred at the end of the reporting period. Fair value gains and losses in the income statement during the period are included in "Net result from items at fair value". Assets and liabilities related to derivatives are presented net.

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

For information about valuation processes for fair value measurement in Level 3, see the Annual report 2018 Note G40 "Assets and liabilities at fair value".

#### Deferred day 1 profit

The transaction price for financial instruments in some cases differs from the fair value at initial recognition measured using a valuation model, mainly due to that the transaction price is not established in an active market. If there are significant unobservable inputs used in the valuation technique (Level 3), the financial instrument is recognised at the transaction price and any difference between the transaction price and fair value at initial recognition measured using a valuation model (Day 1 profit) is deferred. For more information see the Annual report 2018 Note G1 "Accounting policies". The table below shows the aggregated difference yet to be recognised in the income statement at the beginning and end of the period and a reconciliation of how this aggregated difference has changed during the period (movement of deferred Day 1 profit).

#### Deferred day 1 profit - Derivatives, net

	2019	2018
<b>EURm</b>		
Opening balance at 1 Jan	81	58
Deferred profit on new transactions	58	44
Recognised in the income statement during the period <sup>1</sup>	-29	-31
<b>Closing balance at 30 Sep</b>	<b>110</b>	<b>71</b>

<sup>1</sup> Of which EUR -m (EUR -m) due to transfers of derivatives from Level 3 to Level 2.



## Note 10 Continued

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

	Fair value	Of which Life <sup>1</sup>	Valuation techniques	Unobservable input	Range of fair value <sup>4</sup>
<b>EURm</b>					
<b>Interest-bearing securities</b>					
Mortgage and other credit institutions <sup>2</sup>	174	9	Discounted cash flows	Credit spread	-17/17
Corporates	6	4	Discounted cash flows	Credit spread	0/0
<b>Total 30 Sep 2019</b>	<b>180</b>	<b>13</b>			<b>-17/17</b>
Total 31 Dec 2018	329	4			-32/32
<b>Shares</b>					
Private equity funds	810	478	Net asset value <sup>3</sup>		-91/91
Hedge funds	90	85	Net asset value <sup>3</sup>		-8/8
Credit funds	420	167	Net asset value/market consensus <sup>3</sup>		-35/35
Other funds	314	188	Net asset value/Fund prices <sup>3</sup>		-28/28
Other <sup>5</sup>	349	58	-		-30/30
<b>Total 30 Sep 2019</b>	<b>1,983</b>	<b>976</b>			<b>-192/192</b>
Total 31 Dec 2018	1,728	947			-165/165
<b>Derivatives, net</b>					
Interest rate derivatives	310	-	Option model	Correlations Volatilities	-42/55
Equity derivatives	-22	-	Option model	Correlations Volatilities	-7/4
Foreign exchange derivatives	-11	-	Option model	Dividends Correlations	-0/0
Credit derivatives	-131	-	Credit derivative model	Volatilities Correlations	-23/22
Other	7	-	Option model	Recovery rates Correlations Volatilities	-0/0
<b>Total 30 Sep 2019</b>	<b>153</b>	<b>-</b>			<b>-72/81</b>
Total 31 Dec 2018	15	-			-59/55
<b>Debt securities in issue</b>					
Issued structured bonds	2,311	-	Credit derivative model	Correlations Recovery rates Volatilities	-12/12
<b>Total 30 Sep 2019</b>	<b>2,311</b>	<b>-</b>			<b>-12/12</b>
Total 31 Dec 2018	2,627	-			-13/13
<b>Other, net</b>					
Other assets and Other liabilities, net	40	34	-	-	-5/5
<b>Total 30 Sep 2019</b>	<b>40</b>	<b>34</b>			<b>-5/5</b>
Total 31 Dec 2018	60	40			-7/7

<sup>1</sup> Investments in financial instruments is a major part of the life insurance business, acquired to fulfill the obligations behind the insurance- and investments contracts. The gains or losses on these instruments are almost exclusively allocated to policyholders and do consequently not affect Nordea's equity.

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

<sup>3</sup> The fair values are based on prices and net asset values delivered by external suppliers/custodians. The prices are fixed by the suppliers/custodians on the basis of the development in assets behind the investments. For private equity funds the dominant measurement methodology used by the suppliers/custodians is consistent with the International Private Equity and Venture Capital Valuation (IPEV) guidelines issued by Invest Europe (formerly called EVCA). Approximately 40% of the private equity fund investments are internally adjusted/valued based on the IPEV guidelines. These carrying amounts are a range of 5% to 100% compared to the values received from suppliers/custodians.

<sup>4</sup> The column "Range of fair value" shows the sensitivity of Level 3 financial instruments to changes in key assumptions. For more information see the Annual Report 2018, Note G40 "Assets and liabilities at fair value".

<sup>5</sup> Of which EUR 51m related to assets in pooled schemes and unit-linked investment.

## Note 11 Disposal group held for sale

### Balance sheet - Condensed<sup>1</sup>

	30 Sep 2019	31 Dec 2018	30 Sep 2018
<b>EURm</b>			
<b>Assets</b>			
Loans to the public	-	-	1,274
Derivatives	-	-	4
Other assets	-	-	57
<b>Total assets held for sale</b>	<b>-</b>	<b>-</b>	<b>1,335</b>
<b>Liabilities</b>			
Deposits and borrowings from the public	-	-	2,559
Derivatives	-	-	7
<b>Total liabilities held for sale</b>	<b>-</b>	<b>-</b>	<b>2,566</b>

<sup>1</sup> Includes the external assets and liabilities held for sale.

Assets and liabilities held for sale as of 30 September 2018 relate to Nordea's earlier announced intention to divest part of its Luxembourg-based private banking business to UBS. The transaction was closed, and the assets and liabilities held for sale derecognise from Nordea's balance sheet, during the fourth quarter 2018. The disposal group is included in "Private Banking" in Note 2 "Segment reporting".

## Note 12 Risks and uncertainties

Nordea is subject to various legal regimes and requirements, including but not limited to those of the Nordic countries, the European Union and the United States. Supervisory and governmental authorities that administer and enforce those regimes make regular inquiries and conduct investigations with regards to Nordea's compliance in many areas, such as investment advice, anti-money laundering (AML), trade regulation and sanctions adherence, external tax rules, competition law and governance and control. The outcome and timing of these inquiries and investigations is unclear and pending, and accordingly, it cannot be excluded that these inquiries and investigations could lead to criticism against the bank, reputation loss, fines, sanctions, disputes and/or litigations.

In June 2015 the Danish Financial Supervisory Authority investigated how Nordea Bank Danmark A/S had followed the regulations regarding AML. The outcome has resulted in criticism and the matter was, in accordance with Danish administrative practice, handed over to the police for further handling and possible sanctions. As previously stated, Nordea expects to be fined in Denmark for our weak AML processes and procedures in the past and has made a provision for ongoing AML-related matters.

Nordea has made significant investments to address the deficiencies highlighted by the investigations. Amongst other Nordea established in 2015 the Financial Crime Change Programme and has strengthened the organization significantly to enhance the AML and sanction management risk frameworks. Nordea has also established the Business Ethics and Values Committee and a culture transformation program to embed stronger ethical standards into our corporate culture. In addition, the group is investing in enhanced compliance standards, processes and resources in both the first and second lines of defense.

The Danish tax authorities have raised a claim for damages against Nordea of approximately DKK 900m relating to Nordea's assistance to a foreign bank in connection with the said bank's reclaim of dividend tax on behalf of one of its customers. It is our assessment that Nordea is not liable and Nordea disputes the claim.

# Glossary

## Return on equity

Net profit for the period as a percentage of average equity for the period. Additional Tier 1 capital, accounted for in equity, is in the calculation considered as being classified as a financial liability. Net profit for the period excludes non-controlling interests and interest expense on Additional Tier 1 capital (discretionary interest accrued). Average equity includes net profit for the period and dividend until paid, and excludes non-controlling interests and Additional Tier 1 capital.

## Return on tangible equity

Net profit for the period as a percentage of average equity for the period. Additional Tier 1 capital, accounted for in equity, is in the calculation considered as being classified as a financial liability. Net profit for the period excludes non-controlling interests and interest expense on Additional Tier 1 capital (discretionary interest accrued). Average equity includes net profit for the period and dividend until paid, and excludes non-controlling interests and Additional Tier 1 capital and is reduced with intangible assets.

## Return on Risk Exposure Amount

Net profit for the period as a percentage of average Risk Exposure Amount for the period. Net profit for the period excludes non-controlling interests and interest expense on Additional Tier 1 capital (discretionary interest accrued).

## Return on equity with amortised resolution fees

Net profit for the period as a percentage of average equity for the period. Additional Tier 1 capital, accounted for in equity, is in the calculation considered as being classified as a financial liability. Net profit for the period excludes non-controlling interests and interest expense on Additional Tier 1 capital (discretionary interest accrued) and is adjusted for the effect of resolution fees on an amortised basis after tax. Average equity includes net profit for the period and dividend until paid, and excludes non-controlling interests and Additional Tier 1 capital.

## 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.

## Tier 1 capital

The Tier 1 capital of an institution consists of the sum of the Common Equity Tier 1 capital and Additional Tier 1 capital of the institution. Common Equity Tier 1 capital includes consolidated shareholders' equity excluding investments in insurance companies, proposed dividend, deferred tax assets, intangible assets in the banking operations, the full expected shortfall deduction (the negative difference between expected losses and provisions) and finally other deductions such as cash flow hedges.

## Tier 1 capital ratio

Tier 1 capital as a percentage of Risk Exposure Amount. The Common Equity Tier 1 capital ratio is calculated as Common Equity Tier 1 capital as a percentage of Risk Exposure Amount.

## Loan loss ratio

Net loan losses (annualised) divided by quarterly closing balance of loans to the public (lending) measured at amortised cost.

## Impairment rate (Stage 3), gross

Impaired loans (Stage 3) before allowances divided by total loans measured at amortised cost before allowances.

## Impairment rate (Stage 3), net

Impaired loans (Stage 3) after allowances divided by total loans measured at amortised cost before allowances.

## Total allowance rate (Stage 1, 2 and 3)

Total allowances divided by total loans measured at amortised cost before allowances.

## Allowances in relation to credit impaired loans (stage 3)

Allowances for impaired loans (stage 3) divided by impaired loans measured at amortised cost (stage 3) before allowances.

## Allowance in relation to loans in stage 1 and 2

Allowances for not impaired loans (stage 1 and 2) divided by not impaired loans measured at amortised cost (stage 1 and 2) before allowances.

## 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.

## ROCAR

ROCAR, % (Return on Capital at Risk) is defined as Net profit excluding items affecting comparability, in percentage of Economic capital. For Business areas it is defined as Operating profit after standard tax in percentage of Economic Capital.

For a list of further Alternative Performance Measures and business definitions, <http://www.nordea.com/en/investor-relations/reports-and-presentations/select-reports-and-presentations/> and the Annual Report.

# Nordea Bank Abp

## Income statement

	Reported Q3 2019	Pre- decessor <sup>1</sup> Q3 2018	Reported Jan-Sep 2019	Pre- decessor <sup>1</sup> Jan-Sep 2018	Combined <sup>1</sup> Full year 2018	Reported <sup>1</sup> 15 month 2018
<b>EURm</b>						
<b>Operating income</b>						
Interest income	1,065	1,099	3,273	3,086	4,203	1,116
Interest expense	-494	-456	-1,522	-1,255	-1,730	-474
<b>Net interest income</b>	<b>571</b>	<b>643</b>	<b>1,751</b>	<b>1,831</b>	<b>2,473</b>	<b>642</b>
Fee and commission income	570	518	1,755	1,661	2,244	584
Fee and commission expense	-122	-106	-394	-301	-457	-157
<b>Net fee and commission income</b>	<b>448</b>	<b>412</b>	<b>1,361</b>	<b>1,360</b>	<b>1,787</b>	<b>427</b>
Net result from securities trading and foreign exchange dealing	219	154	701	665	868	199
Net result from securities at fair value through fair value reserve	187	6	239	17	25	8
Net result from hedge accounting	-211	31	-256	-5	-61	-55
Net result from investment properties	0	1	-1	-1	-1	0
Dividends	27	372	730	568	1,735	1,167
Other operating income	101	88	277	282	377	94
<b>Total operating income</b>	<b>1,342</b>	<b>1,707</b>	<b>4,802</b>	<b>4,717</b>	<b>7,203</b>	<b>2,482</b>
<b>Operating expenses</b>						
Staff costs	-812	-598	-2,032	-1,863	-2,478	-616
Other administrative expenses	-225	-223	-694	-702	-980	-274
Other operating expenses	-105	-102	-571	-440	-539	-100
Depreciation, amortisation and impairment charges of tangible and intangible assets	-817	-90	-1,030	-240	-355	-115
<b>Total operating expenses</b>	<b>-1,959</b>	<b>-1,013</b>	<b>-4,327</b>	<b>-3,245</b>	<b>-4,352</b>	<b>-1,105</b>
<b>Profit before loan losses</b>	<b>-617</b>	<b>694</b>	<b>475</b>	<b>1,472</b>	<b>2,851</b>	<b>1,377</b>
Net loan losses	-350	-42	-373	-110	-122	-12
Impairment on financial assets	0	-218	0	-218	-239	-21
<b>Operating profit</b>	<b>-967</b>	<b>434</b>	<b>102</b>	<b>1,144</b>	<b>2,490</b>	<b>1,344</b>
Income tax expense	221	-123	81	-302	-514	-211
<b>Net profit for period</b>	<b>-746</b>	<b>311</b>	<b>183</b>	<b>842</b>	<b>1,976</b>	<b>1,133</b>

<sup>1</sup> Nordea Bank Abp's financial period started 21 September 2017, with no business activities until 1 October 2018.

Nordea Bank Abp reports under Finnish GAAP. The columns labelled "Predecessor" include restated income statements of the former parent company Nordea Bank AB (publ). The columns labelled "Combined" include combinations of Nordea Bank Abp's reported income statements and restated income statements for the former parent company Nordea Bank AB (publ). When the former parent company Nordea Bank AB (publ)'s income statements have been restated to comply with Finnish GAAP, adjustments have been made so that the pension plans in Sweden are accounted for under IFRS, that changes to own credit risk on financial liabilities designated at fair value is recognised in Equity, as well as to that the presentation of the income statement complies with Finnish requirements.

# Nordea Bank Abp

## Balance sheet

	Reported 30 Sep 2019	Reported 31 Dec 2018	Predecessor <sup>1</sup> 30 Sep 2018
<b>EURm</b>			
<b>Assets</b>			
Cash and balances with central banks	30,670	39,562	42,585
Debt securities eligible for refinancing with central banks	62,268	72,677	71,440
Loans to credit institutions	87,243	64,772	69,588
Loans to the public	152,293	154,419	162,304
Interest-bearing securities	4,588	1,890	4,322
Shares and participations	6,873	4,813	6,817
Investments in associated undertakings and joint ventures	92	1,049	1,041
Investments in group undertakings	14,279	12,175	12,320
Derivatives	52,164	37,221	36,803
Fair value changes of the hedged items in portfolio hedge of interest rate risk	96	72	58
Intangible assets	1,676	2,331	2,274
Tangible assets			
Properties and equipment	316	338	359
Investment properties	2	4	4
Deferred tax assets	296	130	28
Current tax assets	722	234	448
Retirement benefit assets	155	243	252
Other assets	17,767	15,681	14,807
Prepaid expenses and accrued income	1,203	1,111	1,226
<b>Total assets</b>	<b>432,703</b>	<b>408,722</b>	<b>426,676</b>
<b>Liabilities</b>			
Deposits by credit institutions and central banks	57,929	51,427	65,015
Deposits and borrowings from the public	174,074	171,102	180,825
Debt securities in issue	75,408	82,667	77,759
Derivatives	55,575	40,591	40,089
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,725	536	212
Current tax liabilities	12	249	343
Other liabilities	28,770	21,257	22,775
Accrued expenses and prepaid income	1,234	1,330	1,287
Deferred tax liabilities	278	223	54
Provisions	650	352	381
Retirement benefit obligations	602	349	289
Subordinated liabilities	9,875	9,157	9,183
<b>Total liabilities</b>	<b>406,132</b>	<b>379,240</b>	<b>398,212</b>
<b>Equity</b>			
Share capital	4,050	4,050	4,050
Additional Tier 1 capital holders	750	750	750
Invested unrestricted equity	1,080	1,080	1,080
Other reserves	-504	-150	1,487
Retained earnings	21,012	22,619	20,255
Profit or loss for the period <sup>2</sup>	183	1,133	842
<b>Total equity</b>	<b>26,571</b>	<b>29,482</b>	<b>28,464</b>
<b>Total liabilities and equity</b>	<b>432,703</b>	<b>408,722</b>	<b>426,676</b>
<b>Off balance sheet commitments</b>			
Commitments given to a third party on behalf of customers			
Guarantees and pledges	47,683	50,026	49,245
Other	1,184	1,406	1,299
Irrevocable commitments in favour of customers			
Securities repurchase commitments	-	-	-
Other	79,672	80,102	75,807

<sup>1</sup> Nordea Bank Abp's financial period started 21 September 2017, with no business activities until 1 October 2018.

<sup>2</sup> In 2018 including anticipated dividends of EUR 436m from its subsidiaries.

Nordea Bank Abp reports under Finnish GAAP. The column labelled "Predecessor" includes a restated balance sheet of the former parent company Nordea Bank AB (publ). When the former parent company Nordea Bank AB (publ)'s balance sheet has been restated to comply with Finnish GAAP, adjustments have been made so that the pension plans in Sweden are accounted for under IFRS, that changes to own credit risk on financial liabilities designated at fair value is recognised in Equity, as well as to that the presentation of the balance sheet complies with Finnish requirements.

# Nordea Bank Abp

## Note 1 Accounting policies

The financial statements for the parent company, Nordea Bank Abp, are prepared in accordance with the Finnish Accounting Act, the Finnish Credit Institutions Act, the Decision of the Ministry of Finance on the financial statements and consolidated financial statements of credit institutions as well as Finnish Financial Supervision Authority's Regulations.

International Financial Reporting Standards (IFRS) as endorsed by the EU commission have been applied to the extent possible within the framework of Finnish accounting legislation and considering the close tie between financial reporting and taxation.

Nordea Group's consolidated interim financial statements are presented in accordance with IAS 34 "Interim Financial Reporting", as endorsed by the EU commission.

The accounting policies and methods of computation are unchanged in comparison with the Annual Report 2018, except for related to the items presented in the section "Changed accounting policies and presentation". For more information see Note P1 in the Annual Report 2018.

### Changed accounting policies and presentation

Information on new and amended IFRS standards implemented by Nordea on 1 January 2019 can be found in the section "Changed accounting policies and presentation" in Note 1 for the Group. The conclusions within this section are also, where applicable, relevant for the parent company. However, IFRS 16 "Leases" is not applied in the parent company.

Nordea Bank Abp has recognised the resolution fees at the beginning of the year, when the legal obligation to pay arises, and presents them as Other expenses in the income statement. Hence, there is no change in the accounting policy of resolution fees and no restatements are needed in the parent company.

### Changes in IFRSs not yet applied

Information on forthcoming changes in IFRS not yet implemented can be found in the section "Changes in IFRSs not yet applied" in Note 1 for the Group. The conclusions within this section are also, where applicable, relevant for the parent company. However, IFRS 17 "Insurance contracts" will not be applied in the parent company.

### Other amendments

Other amendment to IFRS are not assessed to have any significant impact on the financial statements of Nordea Bank Abp.

### Acquisition of Gjensidige Bank

On 2 July 2018, Nordea entered into an agreement with Gjensidige Forsikring to acquire all shares in Gjensidige Bank. The transaction was closed on 1 March 2019, when Nordea received final approval from the Norwegian regulators. For more information, see Note 1 for the Group.

### For further information

- A webcast for media, investors and equity analysts will be held on 24 October at 09.00 EET (08.00 CET), at which Frank Vang-Jensen, President and Group CEO, will present the results.
- To participate in the webcast (starting at 09:00 EET) please use the webcast [link](#) or dial +44 333 300 0804 or +46 8 566 426 51 or +358 9 817 103 10 or +45 35 44 55 77 Confirmation code 60475055# no later than 08.50 EET.
- The webcast will be directly followed by a Q&A audio session for investors and analysts with Christopher Rees, Group CFO, and Rodney Alfvén, Head of Investor Relations, starting at approximately 09.30 EET (08.30 CET).
- After the call an indexed on-demand replay will be available [here](#). A replay will also be available until 14 November 2019. Please dial one of the following numbers: +44 333 300 0819, +46 8 519 993 85, +358 9 817 105 15, +45 82 33 31 90, confirmation code 301299823#.
- A Capital Markets Day (CMD) will be held in London on 25 October at 09.00UK time at Rosewood London, 252 High Holborn, WC1V 7EN, London where the management will present the Group's strategic direction and new financial targets, including capital and dividend policy. In addition, the business areas' strategic agendas and financial targets will be presented. There will be a question and answer session following the presentations. At approximately 12.30 a lunch buffet will be served.
- The event will be webcast live and the presentation slides will be posted on [www.nordea.com/ir](http://www.nordea.com/ir).
- To attend please contact Ruby Megran at Nordea via e-mail: [ruby.megran@nordea.com](mailto:ruby.megran@nordea.com).
- The Q3 2019 report, an investor presentation and a fact book are available on [www.nordea.com](http://www.nordea.com).

### Contacts

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### Financial calendar

**06 February 2020** – Fourth Quarter Report 2019 (Silent period starts 9 January 2020)

**25 March 2020** – Annual General Meeting

**29 April 2020** – First Quarter Report 2020 (Silent period starts 7 April 2020)

**17 July 2020** – Second Quarter Report 2020 (Silent period starts 7 July 2020)

**23 October 2020** – Third Quarter Report 2020 (Silent period starts 7 October 2020)

Helsinki 24 October 2019

Nordea Bank Abp

Board of Directors

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

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

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## Report on review of interim financial information of Nordea Bank Abp for the nine months period ended 30 September 2019

To the Board of Directors of Nordea Bank Abp

### Introduction

We have reviewed the condensed interim financial information of Nordea Bank Abp, which comprise the balance sheet as at 30 September 2019, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the nine-month-period then ended and notes, all consolidated, and parent company's balance sheet as at 30 September 2019 and income statement for the nine-month-period then ended. The Board of Directors and the Managing Director are responsible for the preparation of the condensed interim financial information in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union. We will express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope, than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information of Nordea Bank Abp for the nine months period ended on 30 September 2019 is not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union.

Helsinki 24 October 2019

**PricewaterhouseCoopers Oy**  
Authorised Public Accountants

Juha Wahlroos  
Authorised Public Accountant (KHT)