

This is a translation of the Base Prospectus from Swedish into English. In the case of any discrepancy between the two versions, the Swedish version shall prevail.

This Base Prospectus is dated and published on 4 June 2008.



**NORDEA BANK AB (publ)**  
**NORDEA BANK FINLAND Abp**

**Medium Term Note Programme**  
**in the amount of One Hundred Billion Swedish Kronor**  
**(SEK 100,000,000,000)**

Nordea Bank AB (publ) ("**NBAB**") and Nordea Bank Finland Abp ("**NBF**") (jointly referred to as the "**Banks**" and each individually a "**Bank**") may from time to time raise loans on a continuing basis by issuing Medium Term Notes ("**MTNs**") under this Medium Term Note Programme (the "**MTN Programme**") on the capital market in Swedish kronor or in Euro with a maturity of not less than one month and, at a maximum, undated maturity. The maximum amount of all MTNs outstanding from time to time under this MTN Programme will not exceed one hundred billion Swedish Kronor (SEK 100,000,000,000) (or the equivalent in Euro). Any calculation of amounts outstanding under the MTN Programme will be made in Swedish kronor in accordance with the provisions set forth in the Terms and Conditions referred to below.

If it is specified in the Final Terms MTNs will upon issue be registered with and admitted to listing, trading and/or quotation with the OMX Nordic Exchange in Stockholm or another securities exchange or other quotation system. MTNs are dematerialised securities and are registered in the book-entry system maintained by VPC AB ("**VPC**"), APK, VP, Euroclear or such other clearing system as may be specified in the Final Terms and no physical securities will be issued. Clearing and settlement in conjunction with trading will take place in the VPC system or such other clearing system as may be stated in the Final Terms.

The specific terms and conditions applicable to each series of MTNs are set out in Final Terms that are published in accordance with this Base Prospectus. Should the Banks issue MTNs of a type or structure that is not addressed in this Base Prospectus, such MTNs will be described in a prospectus supplement. The prospectus supplement will be submitted to the Swedish Financial Supervisory Authority for approval and will thereafter be published.

MTNs in denominations of less than fifty thousand Euro (€50,000) or its equivalent in Swedish kronor may be issued under this MTN Programme.

**Arranger**  
**Nordea Bank AB (publ)**

**The MTNs have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "Securities Act") and, subject to certain exceptions, MTNs may not be offered, sold or delivered within the United States or to U.S. persons.**

This prospectus (the "Base Prospectus") constitutes a base prospectus in accordance with Article 5.4 of the Prospectus Directive and Chapter 2, section 16 of the Financial Instruments Trading Act (1991:980). The Base Prospectus has been approved by the Swedish Financial Supervisory Authority.

NBAB, with its registered office in Sweden, accepts responsibility for the information, relating to NBAB, contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Board of Directors of NBAB is, to the extent provided by law, responsible for the information, relating to NBAB, contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. The Base Prospectus has not been reviewed by NBAB's auditors.

NFB, with its registered office in Finland, accepts responsibility for the information, relating to NFB, contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Board of Directors of NFB is, to the extent provided by law, responsible for the information, relating to NFB, contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. The Base Prospectus has not been reviewed by NFB's auditors.

This Base Prospectus should be read and construed together with any amendments or supplements hereto and with any other information incorporated by reference herein and in together with the relevant Final Terms for each issue under the MTN Programme.

Offerings under the MTN Programme are not directed to any person whose participation would require any further prospectus, registration or other measures in addition to what is prescribed by Swedish law, other than with respect to a country or jurisdiction within the EEA to which the Base Prospectus is passported in accordance with Chapter 2, section 35 of the Financial Instruments Trading Act (1991:980) and article 17 and 18 of the Prospectus Directive by the Banks requesting the Swedish Financial Supervisory Authority to issue a certificate to the relevant authorities confirming approval of the Base Prospectus and its compliance with the Prospectus Directive 2003/71/EC of 4 November 2003. Offerings under the MTN Programme are not made, directly or indirectly, in any country where such offer violates any laws or other regulations in that country. The Base Prospectus may not be distributed to or in any country where the distribution requires registration or measures in addition to what is prescribed by Swedish law or which violate any law or other regulations in that country. Specific sales restrictions and other restrictions are set out in a separate section of the Base prospectus, see below.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any MTN and should not be considered as a recommendation that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any MTN. Each recipient of this Base Prospectus and/or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Banks and the Nordea Group, the content of the Base Prospectus, all documents incorporated by reference (see the section entitled "Information incorporated in the Base Prospectus by reference"), the Final Terms for each offering under the MTN Programme and any supplements to the Base Prospectus. Potential investors are encouraged to read carefully the section entitled "Risk Factors" on pages 12-21 of this Base Prospectus.

It is the responsibility of each investor to assess the tax consequences which may arise due to subscription, purchase or sale of MTNs issued under the MTN Programme and, in conjunction therewith, consult with tax advisers.

**The Base Prospectus was approved and registered by the Swedish Financial Supervisory Authority on 4 June 2008 in accordance with the provisions of Chapter 2, section 26 of the Financial Instruments Trading Act (1991:980). The aforesaid does not, however, entail any warranty from the Swedish Financial Supervisory Authority that the facts provided in the Base Prospectus are correct or complete.**

**With the exception of the approval by the Swedish Financial Supervisory Authority of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Regulation (/809/2004/EG) and the Swedish Financial Instruments Trading Act (1991:980), neither the Banks nor the Dealers have undertaken any action, and will not take any action in any country or jurisdiction, that would permit a public offering of MTNs, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required; other than with respect to a country or jurisdiction within the EEA to which the Base Prospectus is passported in accordance with Chapter 2, section 35 of the Financial Instruments Trading Act (1991:980) and article 17 and 18 of the Prospectus Directive by the Banks requesting the Swedish Financial Supervisory Authority to issue a certificate to the relevant authorities confirming approval of the Base Prospectus and its compliance with the Prospectus Directive 2003/71/EC of 4 November 2003.**

**Persons into whose possession this Base Prospectus of Final Terms comes are required by the Banks and the Dealers to comply with all applicable laws, regulations and rules in each jurisdiction where they purchase, offer, sell or deliver MTNs or hold or distribute such offering material, in each case at their own expense.**

**TABLE OF CONTENTS**

<b>Summary of the Base Prospectus .....</b>	<b>5</b>
<b>Risk factors .....</b>	<b>12</b>
<b>MTNs – Terms and Conditions and Structure .....</b>	<b>22</b>
<b>Terms and Conditions .....</b>	<b>33</b>
<b>Form of Final Terms.....</b>	<b>70</b>
<b>Use of proceeds .....</b>	<b>80</b>
<b>Admission to trading; clearing and settlement .....</b>	<b>81</b>
<b>Taxation .....</b>	<b>82</b>
<b>Specific sales- and other restrictions.....</b>	<b>84</b>
<b>The Nordea Group.....</b>	<b>85</b>
<b>Nordea Bank AB (publ).....</b>	<b>93</b>
<b>Financial information, Nordea Bank AB (publ) .....</b>	<b>98</b>
<b>Nordea Bank Finland Abp .....</b>	<b>102</b>
<b>Financial information, Nordea Bank Finland Abp .....</b>	<b>105</b>
<b>Information incorporated in the Base Prospectus by reference .....</b>	<b>109</b>

## Summary of the Base Prospectus

*This summary must be read as an introduction to this Base Prospectus and any decision to invest in loans issued under the MTN programme should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference as well as the relevant Final Terms. No civil liability will attach to the Banks or their Boards of Directors solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court outside of Sweden, the plaintiff may, under the laws of the jurisdiction where the claim is brought, be required to bear the costs of translating the Base Prospectus prior to commencement of legal proceedings.*

*This summary of the Base Prospectus together with the section entitled "MTN - Terms and Conditions and Structure" on page 22 in the Base Prospectus serves as an overall description of the MTN programme.*

Issuing Bank:	Nordea Bank AB (publ) (" <b>NBAB</b> ") and/or Nordea Bank Finland Abp (" <b>NBF</b> "), together (the " <b>Banks</b> ") and each one of them a " <b>Bank</b> ").
	The Banks conduct banking operations in Sweden and Finland within the scope of the Nordea Group's business organisation. The Banks develop and market financial products and services to private customers, companies and the public sector.
	Further information on the Nordea Group, the Banks and selected financial information with respect to the Banks are set out in pages 85-110 of this Base Prospectus.
Arranger:	NBAB
Dealers:	NBAB, NBF, Nordea Bank Danmark A/S (" <b>NBD</b> ") and any other dealer appointed from time to time by the Issuing Bank in relation to a particular series of MTNs.
Programme Amount:	SEK 100,000,000,000
MTNs:	Debt securities registered in accordance with the Financial Instruments Accounts Act (SFS 1998:1479) and issued by the Banks under this MTN Programme including, where applicable, subordinated MTNs issued by NBAB, in the denomination and subject to the terms and conditions set forth in the Terms and Conditions and relevant Final Terms.
Terms and Conditions:	Terms and Conditions applicable to the loans (" <b>Terms and Conditions</b> ") as set out in this Base Prospectus together with the Final Terms (" <b>Final Terms</b> ") relating to the specific loan. The terms and conditions applicable to each series of MTNs will therefore consist of the Terms and Conditions, as supplemented, modified or replaced by the relevant Final Terms in relation to each series of MTNs.
Offer:	MTNs may be offered to institutional professional investors and to so-called retail customers (which primarily comprise of small and middle size companies and private customers) by public offerings or to a limited number of investors. MTNs may be offered by one or several

---

	banks acting together in a syndicate or through one or several banks in a so called sales group.
Currency:	SEK or EUR, or such other currency stated in the Final Terms.
Status:	<p>MTNs issued under the MTN Programme constitute direct and unsecured obligations of the respective issuing Bank and will, except if expressed to be subordinated MTNs, rank <i>pari passu</i> with the Banks' unsecured and unsubordinated obligations.</p> <p>NBAB may issue subordinated MTNs under the MTN Programme with various rights of priority, all of which are subordinated to NBAB's unsubordinated obligations.</p>
Maturity:	A minimum maturity of one month (30 days) and maximum undated maturity.
Price:	MTNs may be issued at its nominal amount, at a discount or with a premium.
Further issues:	The Banks are entitled to, from time to time, issue additional tranches of MTNs under an existing loan, provided that such MTNs in all respects have the same terms and conditions as the existing loan (with the exception of the amount of the first interest payment or the price of the MTNs) so that such additional tranches of MTNs can be merged and constitute one single series together with the outstanding MTNs in such series.
Interest/yield structure:	<p>MTNs may be issued with fixed, floating, variable, adjustable, reverse floating and inflation protected interest. Furthermore, so-called dual currency MTNs may be issued under the programme as well as MTNs with a yield related to the performance of one or several reference assets.</p> <p>NBAB may defer payment of interest on subordinated undated MTNs where:</p> <ul style="list-style-type: none"> <li>- NBAB reports an operating loss; or</li> <li>- the general meeting of shareholders has resolved that no dividend shall be paid.</li> </ul>
Early redemption/Repayment:	<p>Unless otherwise stated in the Final Terms, repayment of the redemption amount will occur on the Maturity Date. MTNs may be amortised in which case repayment of the MTNs is made in instalments on more than one occasion during the term. Furthermore, the Terms and Conditions allow, <i>inter alia</i>, for the issuance of MTNs with an inflation-protected redemption amount, zero coupon MTNs, non-principal protected MTNs (in respect of which the principal amount of the MTNs may be lost in whole or in part) and MTNs where repayment of the redemption amount is substituted by an obligation to deliver a specific asset.</p> <p>Early redemption of MTNs may be permitted upon the request of the Issuing Bank or the holder of the MTNs in accordance with the Terms and Conditions, provided that early redemption is applicable pursuant to the Final Terms.</p> <p>Early redemption of subordinated loans may require approval from the</p>

## Swedish Financial Supervisory Authority.

**Withholding tax:** To the extent set forth in the Terms and Conditions, all payments in respect of the MTNs will be made without withholding or deduction of taxes unless required under Swedish or Finnish laws, regulations or other rules, or decisions by Finnish or Swedish public authorities. In the event the Banks are obliged to effect deductions or withholdings of Finnish or Swedish tax for someone who is not subject to taxation in Sweden or Finland, the Banks shall pay additional amounts to ensure that, on the due date, the relevant holders of MTNs receive a net amount equal to the amount which the holders would have received but for the deductions or withholdings.

(Sw: *källskatt*)

If a Bank, due to a change in circumstances, is obliged by law to effect deductions of taxes or fees, the Bank shall be entitled to redeem all MTNs outstanding under the relevant loan.

**Denominations:** The denomination of the MTNs in a specific series is specified in the Final Terms. MTNs in denominations of less than fifty thousand Euro (€50,000) may be issued under the MTN Programme, provided that NBF may not issue MTNs in denominations of less than one thousand Euro (€1,000) or the equivalent thereof in SEK or other currency (and multiples thereof).

**Events of default:** The Terms and Conditions do not contain any events of default provisions. The Banks may terminate loans in advance to the extent set forth in the Terms and Conditions.

**Negative pledge:** The Terms and Conditions do not contain any *negative pledge* undertaking and, consequently, the Banks are under no limitation to provide collateral or pledge its assets to other creditors.

**Credit rating:** Credit rating, or rating, is independent rating agencies' assessments of NBAB's and NBF's ability to perform their financial obligations.

The Banks have received the following credit ratings in respect of their long-term debt obligations:

	Moody's Investor Services Ltd	Standard & Poor's Ratings Services	Fitch Ratings	DBRS
<b>NBAB</b>				
Unsubordinated MTNs	Aa 1	AA -	AA -	AA
Fixed-term subordinated MTNs	Aa 2	A +	A +	AA (low)
Undated subordinated MTNs	Aa 2	A	A +	AA (low)
<b>NBF</b>				
Unsubordinated MTNs	Aa 1	AA -	AA -	AA

This MTN Programme or MTNs issued under the MTN Programme have not and will not be rated.

The Banks' credit ratings do not always reflect the risks associated with individual loans under the MTN Programme. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at anytime by the relevant rating agency.

**Listing:** The MTN Programme will be listed on the OMX Nordic Exchange in Stockholm, the exchanges in Helsinki or Copenhagen and/or such other exchange or marketplace as may be specified in the Final Terms.

The Final Terms for each issue will state whether or not the MTNs issued under the MTN Programme will be listed on an exchange. Both listed and non listed MTNs may be issued under the MTN Programme.

**Applicable law:** The MTNs shall be governed by, and construed in accordance with, the law set out in the Final Terms, which may be Swedish, Finnish or Danish law.

**Sales restrictions:** The Swedish Financial Supervisory Authority has approved this prospectus as a base prospectus issued in accordance with the Prospectus Regulation (Commission Regulation (EC) No. 809/2004) and the Swedish Financial Instruments Trading Act (1991:980).

MTNs under the MTN Programme have not been registered under the U.S. Securities Act of 1933, as amended. MTNs may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in regulation S under the Securities Act). Furthermore, MTNs may not be offered or sold in Australia, Canada, Japan, New Zealand or South Africa. The Base Prospectus may not be distributed to or within any of the aforementioned jurisdictions.

**Taxation:** VPC or its nominee (in case of nominee-registered MTNs) perform a preliminary tax withholding, at present 30 % of paid interest, for private individuals that are subject to taxation in Sweden and Swedish estates of deceased persons. No withholding of tax in Sweden is made in respect of interest payments to any person other than a private individual that is subject to Swedish taxation or a Swedish estate of deceased person. No deduction of withholding tax or other tax in Sweden is made in respect of other payments than interest payments.

According to current Finnish law, interest on MTNs in Finland constitutes income according to the act on withholding tax for interest income for private individuals that are subject to taxation in Finland and Finnish estates of deceased persons. The withholding tax on interest income is at present 28 %. According to the act on withholding tax on interest income, index-listed yield is treated as interest income. Payments of interest in accordance with the Terms and Conditions are not subject to withholding tax in Finland provided that the recipient is not subject to taxation in Finland.

Holders of MTNs who receive interest income or any other form of yield are subject to taxation in Denmark on such income provided that it is a private individual domiciled in Denmark, private individual domiciled outside of Denmark and spending at least 6 months of the



year in Denmark or a company with its registered office in Denmark or a company the management functions of which are located in Denmark.

In accordance with EC Council Directive 2003/48/EC, the Banks provide tax authorities of the Member States with details of interest payments to individuals domiciled outside Sweden or Finland. Payments of interest under MTNs are not subject to withholding tax in Sweden or Finland according to the Terms and Conditions.

- |                          |   |
|--------------------------|---|
| Substitution of debtor:  | Under certain circumstances, the Banks shall be entitled, without the consent of the holders of MTNs, to transfer their obligations under outstanding loans and MTNs to any other bank in the Nordea Group following notice thereof to the holders. NBAB has an unconditional right to assume the liability for loans and MTNs issued by NBF.   |
| Clearing and settlement: | Clearing and settlement of MTNs issued under the MTN Programme will take place in the book-entry system managed by VPC, the Finnish book-entry system managed by Finlands Värdepapperscentral Ab (“ <b>APK</b> ”), and/or the Danish book-entry system managed by Vaerdipapircentralen (“ <b>VP</b> ”), and may be registered in Euroclear or in any other clearing system as may be specified in the Final Terms.  |
| Loan structures:         | <p>Under this MTN Programme, a Bank may issue MTNs with different structures, such as:</p> <ul style="list-style-type: none"> <li>• Fixed rate MTNs</li> <li>• Floating rate MTNs</li> <li>• Adjustable interest MTNs</li> <li>• Variable rate MTNs</li> <li>• MTNs with reverse floating and/or inflation protected interest</li> <li>• MTNs with inflation protected interest</li> <li>• So-called dual currency MTNs, where payment of interest/redemption amount is made in a currency other than the currency of the MTNs</li> <li>• Amortising MTNs</li> <li>• Zero coupon MTNs</li> <li>• MTNs with inflation protected principal</li> <li>• Non-principal-guaranteed MTNs</li> <li>• MTNs with the right to early redemption (call/put option of issuing Bank/holder)</li> <li>• MTNs under which the payment obligation is replaced by a delivery obligation in specie</li> <li>• MTNs with adjustable maturity date</li> <li>• Subordinated MTNs (NBAB only)</li> </ul> |

The above structures may be combined.

MTNs may be issued under the MTN Programme where the yield and/or redemption amounts are determined on the basis of the performance of a reference asset. Such reference asset could be:

- shares (including private equity)
- indices
- currencies
- fund units
- commodities
- credit risks/credit exposure

- real estate
- or any other asset, variable or event as further specified in the Final Terms.

MTNs can also be structured with reference to baskets of the above-mentioned reference assets or combinations and relations between assets.

**The various structures of MTNs intended to be issued under this Base Prospectus are addressed in greater detail on pages 22-32 of this Base Prospectus.**

**Risk factors:**

A number of factors affect, and may affect, the Banks' operations as well as the MTNs issued under the MTN Programme. There are risks associated both with circumstances relating to the Banks and to the MTNs issued under the MTN Programme, as well as risks due to such circumstances that are not specifically linked to the Banks and the MTNs.

The risks associated with the Banks' operations relate primarily to credit and market risks but also to other risks, such as operational risks and liquidity risks. Credit risk is the risk of loss if counterparties of the issuing Bank fails to meet their obligations and any security or guarantees do not cover the claims of the issuing Bank. The market risk is defined as the risk of loss in market value as a result of movements in financial market variables such as interest rates, foreign exchange rates, equity prices and commodity prices. There are also liquidity risks, which is the risk of being able to meet liquidity commitments only at increased costs or, ultimately, being unable to meet obligations as they fall due, as well as operational risks, defined by the Issuing Bank as the risk of incurring losses, including damaged reputation, due to deficiencies or errors in internal processes and control routines or by external events that affect operations. Holders of the MTNs issued under the Programme assume a credit risk on the issuing Bank. The likelihood of a holder of MTNs to receive payment under the MTNs is dependant on the issuing Bank's ability to fulfil its obligations to pay interest on MTNs and repay the principal amount, which in turn is dependant on the development of the issuing Bank's business.

Risks associated with MTNs relate to, among other things, changes in interest rates, exchange rates, whether or not MTN is subordinated in right of priority, whether the Banks are entitled to redeem the MTNs prior to the stated maturity, the complexity of the MTNs, fluctuations in the relevant indices, other reference assets or the financial market and whether the redemption amount depends on factors other than the Banks' credit ratings.

Resolutions passed at duly convened meetings of MTN holders are binding on all investors in the relevant loans provided that certain levels of majority have been reached. Further to this, changes in terms and conditions and a substitution of debtor may occur on the conditions set out in the Terms and Conditions.

Some of the risks are related to circumstances beyond the Banks' control, such as the existence of an effective secondary market, the stability of the relevant clearing and settlement system, as well as the macro economic situation in the Nordic economies and the world at large.

**This summary of risks represents only a brief description of certain important risks and does not constitute a full account of the risk factors pertaining to the MTNs issued under the MTN Programme. A number of risk factors are described in greater detail on the following pages. These should be read carefully by the investor, as should the other information in the Base Prospectus.**

## **Risk factors**

A number of factors affect, and may in the future affect, the Banks' operations as well as the MTNs issued under the MTN Programme. There are risks associated both with circumstances relating to the Banks, to the MTNs issued under the MTN Programme, as well as risks that are not specifically linked to the Banks and the MTNs.

Certain risk factors that the Banks believe to be of significance for banking operations or MTNs are accounted for below. The risk factors below are not ranked in any order of importance and do not purport to be exhaustive. In addition to risk factors stated below and other risks, the reader should also carefully note the other information in the Base Prospectus and the specific risks set forth in the specific Final Terms applying to each note.

### **1. Risks relating to the Banks' operations**

The Nordic countries have one of the most consolidated banking sectors in Europe and each country is dominated by a small number of large banks. The risks within the banking sector relate primarily to credit, market, liquidity and operational risks. The credit risk involves the risk that a counterparty cannot meet its obligations and the risk that the value of guarantees, if any, and securities are insufficient to cover the claim. The market risk is defined as a risk of changes in interest rates, exchange rates, credit spreads and the price of equities and commodities may reduce the value of a bank's assets and liabilities. The banking sector in the Nordic region has relatively low levels of credit and market risks. The low credit risk profile reflects a stable economy and well-balanced ratios between private and corporate customers. Increased competition and low margins represent future challenges for all participants in this sector. Presented below is a more detailed description of the various risks relating to the Banks' operations. The Banks do not warrant that any of the measures taken in order to reduce credit, market, liquidity and operational risks are sufficient. It is difficult to predict changes in the economic and market conditions and the effect that such changes may have on the Banks and it cannot be taken for certain that the measures taken by the Banks are sufficient to limit the risks.

#### *Credit risks*

Credit risk means that a counterparty is unable to perform its payment obligations or that securities or guarantees provided to secure a customers' obligations are insufficient to cover the Banks' claims against the customer. The Banks' credit risks arise primarily through lending to customers, but also through guarantee undertakings and derivatives contracts and include also country risks and settlement risks. The Banks have over the most recent years displayed relatively small credit losses.

Responsibility for the Banks' credit risks lies with the unit responsible for the customer, which on an ongoing basis assesses each customer's ability to fulfil its commitment and identifies weaknesses in each customer's performance as well as deviations from agreed conditions. On a Group level, the monitoring of credit risks in Nordea is carried out by Group Credit and Risk Control. Weak and impaired exposures are continuously reviewed, at a minimum of once every quarter, in terms of current financial position, business outlooks, future ability to perform payment obligations as well as the need to make any provisions.

#### *Market risks*

Market risk is the risk of loss due to a decreased market value of investment portfolios and financial instruments (the so called market price risk) or the risk of negative effects on the result or share capital (the so called structural market risk) due to fluctuations in parameters of the financial market. Nordea's exposure to market price risk relates to, foremost, changes and volatility in interest rates and exchange rates and to some lesser extent, currency rates,

commodity prices and credit spreads. A large part of the net exposure is related to the placement business carried out within Group Treasury and customer driven trading carried out within Nordea Markets. Market risks also occur within Nordea Life and Pensions through the discrepancy between market exposure between assets and internal benefit based pensions. In all other areas of business the basic method for elimination of market risk is to match assets against liabilities and undertakings, through operations by Group Treasury

The maximum risk level for the investment portfolio has been determined in such a way that it should not lead to an accumulated loss exceeding 150 million euro at any time during the financial year. The compliance with such overall risk limit shall be achieved through limits for market risks and stop-loss-regulations. The risk exposure and the market risk limits for the trading business are determined in relation to the earnings generated by the operations.

#### *Liquidity risks*

Liquidity risks within the Nordea Group are defined as the risk of being able to meet liquidity commitments only at an increased cost or, ultimately, being unable at all to meet obligations as they fall due. Nordea's liquidity risks management is based on set guidelines which result in various measures, limits, and routines regarding liquidity risks.

The liquidity risks management within Nordea is focused on both short-term liquidity risk and structural liquidity risk. Nordea's liquidity risk management includes preparedness plans and stress tests for liquidity management. Group Treasury is responsible for the management of the liquidity risks within the Group as well as for the compliance with the overall limits for the Group.

In order to avoid short-term refinancing pressure, Nordea measures the funding gap risk, which is expressed as the maximum accumulated need for raising liquidity over the course of 14 days. Cash flow from items in the balance sheet and contingent liabilities are included. The funding gap is measured both for each currency and as a total for all currencies combined. The Nordea Group maintains a liquidity buffer to ensure funding in situations where the Group is in urgent need of cash and the normal funding sources are not sufficient. There is a fixed minimum level for the liquidity cushion. The cushion shall procure a positive cash flow and be composed of highly liquid securities. The Nordea Group's structural liquidity risk is measured as the net balance of long term funding, which is defined as the difference between long term debts and assets. The set objective is that the net balance of long term funding should be positive, which means that long term assets must be funded by long term debt.

#### *Operational risks*

In the guidelines for internal control and risk management within the Nordea Group, the operational risk is defined as the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes, from people and systems or from external events. Legal risks and compliance risks as well as risks for criminal acts and process risks, including IT risks and project risks are the main subcategories to operational risks.

Operational risks are inherent in all activities within the organisation, in outsourced activities and in all interaction with external parties. Successful management of operational risks requires a healthy internal control and a quality control comprising of a system for risk management, good leadership and a competent staff. The quality of the group's internal control is reported to the board of directors in a yearly report covering all main points regarding financial and operational risks.

## 2. Risks relating to the MTNs

### *The suitability of the MTNs as an investment*

**All potential investors in the MTNs must determine the suitability of an investment in light of their own experience and financial status. In particular, each potential investor should:**

(i) possess sufficient knowledge and experience to make a meaningful evaluation of the relevant MTNs, the merits and risks of investing in the relevant MTNs and the information contained or incorporated by reference in the Base Prospectus or in any supplements to the Base Prospectus and the Final Terms for MTNs;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate the relevant MTNs and the impact an investment in the relevant MTNs may have on the investor's overall investment portfolio;

(iii) possess sufficient financial resources and liquidity to bear the risks resulting from an investment in the relevant MTNs;

(iv) understand thoroughly the Terms and Conditions in the Base Prospectus and the Final Terms for the relevant MTNs and be fully cognisant of fluctuations in relevant indices, other reference assets or the financial market;

(v) be able to foresee and evaluate (either alone or with the assistance of a financial advisor), conceivable scenarios, e.g. regarding interest rate changes, which may affect the investment in the relevant MTNs and the investor's ability to manage the risks which may result from an investment in the relevant MTNs. Certain MTNs are complex financial instruments. Sophisticated investors do not generally purchase complex financial instruments as independent investments but, rather, as a way to reduce risk or to increase the yield and as a calculated risk add-on to the investor's investment portfolio in general. An investor should not invest in MTNs that are complex financial instruments without possessing sufficient expertise (either alone or with the assistance of a financial advisor) to evaluate the performance of MTNs, the value of MTNs and the impact this investment may have on the investor's overall investment portfolio under changed circumstances, as well as to assess the tax treatment of the relevant MTNs.

### **General risks relating to the MTNs**

#### *Credit risk*

Investors in MTNs issued by the Banks are exposed to a credit risk on the Issuing Bank. The investor's possibility to receive payment under an MTN is thus dependent on the Issuing Banks' ability to fulfil its payment obligations, which in turn is to a large extent dependent on developments in the Banks' business and the Banks' financial performance.

#### *Credit rating*

A credit rating is a rating which a borrower may receive from an independent credit rating agency with respect to its ability to perform its financial obligations. Credit rating is often referred to as "rating". Two of the most frequent rating agencies are Moody's and Standard & Poor's.

The Banks' credit rating does not always mirror the risk related to individual MTNs under the MTN Programme. A credit rating does not constitute a recommendation to buy, sell or hold on to the investment. A credit rating may be changed or withdrawn at any time whatsoever.

*Cancelled issue*

The Banks reserve the right to cancel all or parts of an issue upon the occurrence of certain circumstances, e.g. where the subscribed amount does not reach certain levels or where an index figure cannot be determined to a certain level. The Banks also reserve the right to, at the sole discretion of the Banks, cancel an issue upon the occurrence of economic, financial or political events which may jeopardise a successful issue of MTNs.

*Noteholders' meeting*

Section 13 of the Terms and Conditions provides that the Banks, Dealers, and holders may under certain conditions call a meeting of holders of MTNs. The noteholders' meeting may make decisions that affect the MTN holders' rights and obligations under MTNs and which are binding on all holders of MTNs. The noteholders' meeting may also elect and issue instructions to a representative of the holders of MTNs to act on their behalf before a court of law or enforcement authorities or in any other context.

Decisions made at a duly convened and conducted noteholders' meeting are binding on all holders of MTNs irrespective of whether they have been present or represented at the meeting and irrespective of whether, and the manner in which, they voted at the meeting. Accordingly, a certain majority of noteholders may make decisions that are binding on a non-consenting minority.

*Amendments to the terms and conditions for MTNs and changes in the Programme Amount*

The Banks and Dealers have the right to make amendments to the terms and conditions for MTNs pursuant to section 12 of the Terms and Conditions. Evident and manifest errors in the Terms and Conditions and in the Final Terms, as well as information that, at the sole discretion of the bank, is deemed unclear can be adjusted without the consent of the holders.

The Banks and Dealers have the right to agree to increase or decrease the Programme Amount.

In section 12 it is further stated that the terms and conditions may be amended through decisions made at an MTN holders meeting. Such an amendment is binding on all MTN holders.

*Substitution of debtor*

The Banks are, subject to the conditions stated in the Terms and Conditions, entitled to substitute the Issuing Bank with another bank in the Nordea Group as debtor under a loan (and such transferee bank will assume all obligations of the Issuing Bank under such loan) without the consent of MTN holders and Dealers. The Banks shall notify the MTN holders of a change of debtor.

*Legislative amendments*

MTNs are issued under Swedish, Finnish or Danish law in force as of the issue date. Any new statutes, ordinances and regulations, amendments to the legislation or changes in application of the law after the issue date may affect MTNs and the Banks make no representations in this regard.

*Holders have no security in the Bank's assets*

MTNs are unsecured debt instruments and the MTN holders would be unsecured creditors in the event of the Banks' bankruptcy (*konkurs*).

*Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments*

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments the Member States are from 1 July 2005 required to provide the tax authorities of another Member State with details of interest payments (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period Belgium, Luxembourg and Austria are, instead, entitled to operate a withholding system in relation to such payments. A number of non-EU countries, including Switzerland, have chosen to adopt provisions similar to Directive 2003/48/EC regarding the exchange of information or withholding tax with effect from the same date.

**Risks relating to specific types of MTNs**

*Risks related to the complexity of the product*

The yield structure for structured MTNs is sometimes complex and may contain mathematical formulae or relationships which, for the investor, may be difficult to understand and compare with other investment alternatives. The relationship between yield and risk may, for a layman, be difficult to assess. ***As to the correlation between yield and risk it can generally be said that a relatively high yield most often is associated with relatively greater levels of risk.*** One way of increasing the probability of a higher yield is, for example, to include leverage effects in the yield structure which results in that comparatively small changes in the performance of reference assets may have major effects for the value and yield on MTNs. Such as structure is generally also associated with a higher risk (see below under the section, Risk relating to reference assets). The past performance of corresponding investments is only a description of the historical performance of the investment and shall not to be regarded as an indication of future yield. Information regarding past performance is not available with respect to certain reference objects; for example, this is the case with respect to certain hedge funds. Investors should carefully consider which yield structure applies to the MTNs or MTNs in which the investor is investing in order to obtain an understanding of how the relevant MTNs operate in different scenarios and the risks an investment in the MTNs entails. Under the section entitled Performance Structures, a description is provided on page 27 below of the yield structures for various MTNs.

*Risks relating to reference assets*

With structured MTNs (e.g. equity-linked MTNs, currency-linked MTNs, credit-linked MTNs, fund-linked MTNs, commodity-linked MTNs and other possible structures) the yield, and sometimes also the repayment of principal, depends on the performance of one or more reference assets, commonly referred to as reference assets, such as equities ("private equity"), indices, interest rates, currencies, credit exposures (one or more), fund units, commodities or baskets thereof, or combinations or the relationship between assets. If the repayment of an invested amount is linked to the performance of reference assets, the investor may risk losing the entire invested amount. Structured MTNs are often designed on the basis of a combination of different types of traditional instruments such as equities, fund units or a derivative instrument. These combinations of products may have elements of different instruments. The value of a structured MTN will be affected by the value of the reference asset or the relevant comparison figure. The valuations of the reference asset may take place both during the term and on the Redemption Date and the performance may be positive or negative for the holder. The MTN holder's right to yield, and where applicable repayment, thus depends on the performance of the reference asset and applicable performance structure. The value of a structured MTN may, in addition to changes in the price of the reference asset, be determined by the intensity of the price fluctuations of the reference asset (commonly referred to as volatility), expectations regarding future volatility, market interest rates and expected dividends or other distributions on the reference asset.



*Risk relating to limited information*

In relation to certain reference assets, e.g. certain hedge funds or indices composed of hedge funds, there is limited access to information since, among other things, the official closing price of some of these reference assets is published less frequently. The composition of certain indices and funds may be confidential for strategic reasons. Other factors limiting transparency in relation to such reference assets may be that the asset is not subject to continuous trading, that valuation models for determination of the value of the reference assets are not reported to the investors and that underlying factors which affect the value of the reference asset are not public.

*Risk relating to premium and index figure*

The relationship between the value of a structured MTN and the performance of the reference assets or changes between them is not always linear but, rather, sometimes depends on the yield structure and an index figure which determines the extent to which the performance of the reference asset is reflected in the value of the MTN. The index figure is set by the Issuing Banks and determined, among other things, by term to maturity, volatility, market interest rates and expected dividends on the reference asset. The amount that the investor risks is greater in those structured MTNs that are subscribed for/purchased at a premium, i.e. when the investor pays more than the nominal amount, due to the risk that these might be redeemed only at the nominal amount. In certain MTNs there are series called *Trygg* (Safety) and *Chans* (Chance) alternatives. In the *Trygg* alternative, with a lower index figure, the investor's only risk is that he will not receive any yield on the invested capital and commission. In the so-called *Chans* alternative, with a higher index figure, the investor risks also the premium, i.e. the price the investor must pay on the settlement date in addition to the nominal amount.

*Price fluctuations, so called volatility*

If, pursuant to the Final Terms, a note is designed to include variables such as multipliers or leverage factors, cap/floor, another combination of these variables or other similar elements, the market value of such MTNs may be more volatile than the market value of a security without such elements.

*Risks relating to market disruption and extraordinary events*

Market disruption can occur, for example, if the trading in reference assets is suspended or an official price for some reason is not listed. In conjunction with market disruption, the value of reference assets is determined at a different time than intended and, in certain cases, also by another method than intended. Certain reference assets such as equities, equity baskets or fund units may be affected by extraordinary events such as delisting, nationalisation, bankruptcy (*konkurs*), liquidation (*likvidation*) or the equivalent or a share split, new share issue, bonus issue, issuance of warrants or convertibles, reverse share split or buyback in respect of such equity or equity basket which constitutes a reference asset. For all structured MTNs, events such as changes in the law or increased costs for risk management, may arise. If so, the Bank may, at its sole discretion, make any adjustments in the composition of the assets and the calculation of the yield or value of MTNs or replace one reference asset with another reference asset, to the extent that the Bank deems necessary in order for the calculation of the yield or value of MTNs to, in the Bank's opinion, reflect the manner in which yield or value was previously calculated. It may be that the Bank believes that such adjustments cannot procure a fair result, in which case the Bank may make the calculation of yield prematurely and determine the additional amount or the yield. Interest on the principal amount shall thereafter accrue at the market rate of interest. The Bank may make such amendments in the terms and conditions of the MTNs as the Bank deems necessary in connection with such extraordinary events as may be stated in the General Terms or the Final Terms.

### *Reading of closing values of reference assets*

In certain yield structures, the closing price is recorded on a number of occasions in order to calculate an average final price. The aim is to minimise the risk of single extreme values greatly affecting the final price. Investors should, however, appreciate the fact that the value on such recording occasions will affect the average final price, entailing that the final price may be lower or higher than the actual closing price on the valuation day.

### *Loss of redemption amount/Delivery obligation*

If, according to the Final Terms, the redemption amount is dependent on the performance of one or more reference assets, investors risk losing the value of the entire investment or parts of it. MTNs are written down to zero on the Redemption Date irrespective of whether the principal amount of the MTNs is repaid in parts or, ultimately, not at all. If, according to the Final Terms, the redemption amount under certain circumstances may be replaced by an obligation to deliver equities, another reference asset or the equivalent thereof in cash, the value of such delivery or payment may be lower than the value of the original investment. Structured MTNs may be linked to, for example, the development of a fund or of so called fund of funds. The liquidity of the shares in these funds can be limited as well as the number of occasions on which fund units can be redeemed during a year. Certain funds reserves the right to, under certain circumstances, close the fund for entry or exit. These circumstances can entail a risk that the redemption MTNs linked to such fund is materially postponed or, in extraordinary circumstances, is not made at all.

### *Repurchase/early redemption*

The Issuing Bank is entitled to redeem MTNs early if the Final Terms contain a call option right, in which event the MTNs may be redeemed prior to the agreed maturity date.

A right of the Issuing Bank to redeem MTNs early may reduce the market value of MTNs. During the period in which the Issuing Bank has such call option right, the market value of MTNs will probably not exceed the amount for which MTNs may be redeemed.

It can generally be expected that the Issuing Bank will exercise its right to redeem the MTNs early when the Issuing Bank's refinancing costs for the loan are lower than the interest on the MTNs. At such time, an investor generally does not have an opportunity to reinvest the redemption amount at an effective rate of interest matching the rate of interest or the yield under the MTNs. Other reasons for early redemption can be that an applicable leverage threshold is breached or the occurrence of another agreed termination event,

### *Total cost*

Costs are incurred by the Bank in connection with the issuance of structured MTNs due to, among other things, production, distribution, licences, exchange listing and risk management. In order to cover these costs, the Bank charges brokerage fees and commissions. The amount of the commission may vary and is affected by the fluctuations in interest rates and the price of the financial instruments included in the product.

Investors should be aware that market participants have varying possibilities to influence the price of the financial instruments that may be embedded in an MTN.

### *Currency risks*

When the reference asset is listed in a currency other than Swedish kronor (or, where applicable, in a currency other than Euro or Danish kronor), changes in the currency exchange rate may affect the yield on MTNs. This does not apply to MTNs which, pursuant to the terms and conditions, are expressly currency hedged, i.e. have a fixed exchange rate.

### *Alternative cost risks*

The market risks vary depending on the note structure and the term to maturity for different MTNs. The value of an MTN varies with changes in market interest rates. A so-called structured MTN often operates as a combination of an interest-bearing investment and, for example, an investment in equities. An investor thus takes an additional risk when investing in a structured MTN if the alternative had been a pure interest-bearing investment. A structured MTN generates no interest or other yield if the market performance is unfavourable and it is redeemable only at the nominal amount. If the MTN is not principal protected, the entire invested amount may be lost. The investor in such a structured MTN assumes an alternative risk corresponding to the interest that the investor would have received had the alternative been, instead, to invest the money in pure interest-bearing instruments. If the investor sells such MTN prior to the expiry of the term to maturity, the investor bears the risk of receiving less than the nominal amount of the MTN.

### *Subordinated MTNs – specified maturity (dated) and undated (perpetual) subordinated MTNs*

Where the Final Terms state that an MTN (as regards right of priority) is subordinated to NBAB's unsecured and unsubordinated obligations, the holders of such MTN will receive payment under the MTN only after payment in full is made to all unsubordinated creditors of NBAB in the event that NBAB is declared bankrupt (*konkurs*) or enters into liquidation proceedings (*likvidation*). In such scenario, it is likely that NBAB would have insufficient assets to make payment to the holders of subordinated MTNs and therefore it is likely that those holders would lose their entire investment. Subordinated MTNs may have different rankings *inter se* (i.e. among the various classes of subordinated MTNs). Undated subordinated MTNs will in a bankruptcy or liquidation of the Issuing Bank be entitled to payment after dated subordinated MTNs. It is not, however, made clear in legislation, preparatory works or through court decisions whether it is possible to contractually regulate the different ranking *inter se* of various classes of subordinated debt.

The Terms and Conditions provide that the investor is entitled to demand early redemption of subordinated MTNs only in the event that NBAB has been declared bankrupt (*konkurs*) or is subject to liquidation (*likvidation*). The aforesaid applies to both dated and undated subordinated MTNs.

The Terms and Conditions states that NBAB may defer payment of interest on undated subordinated MTNs where:

- NBAB reports an operating loss; or
- the general meeting of shareholders has resolved not to pay dividend

Such unpaid interest constitutes "Arrears of Interest" and shall be paid in accordance with the Terms and Conditions.

To the extent necessary to avoid liquidation or bankruptcy, the Bank is entitled to write down all or parts of the principal amount of an undated subordinated loan, through debt write-down and conversion of such amount into a conditional capital contribution. Following such write down and conversion the converted amount shall be reinstated as debt to the extent NBAB subsequently has distributable reserves (*disponibla vinstmedel*). In practise therefore, a write down and conversion of the principal amount means that the MTN holder is entitled to receive repayment of the converted amount only to the extent that NBAB can distribute dividend to its shareholders.

### *Legal risks*

In relation to Structured MTN it should be noted that any change in applicable laws or regulations or changes in the application thereof as well as specific events such as a moratorium, currency restriction, embargo, blockade or boycott of a central bank, the Swedish

or Finish government or other sovereign such as the United Nations or the European Union, may result in (i) a substitution of reference assets, (ii) a change in a method for calculation of certain amounts under the MTN, (iii) that certain amounts are calculated at an earlier date, (iv) a change in the calculation of yield and/or (v) amendments of the Terms and Conditions or the Final Terms. Such event may therefore adversely affect the yield and other amounts that are payable to the investors under a Structured MTN, as well as the timing of payments.

In the event that a change in laws or regulations or decisions by public authorities (or in the application thereof), or any other circumstance not directly related to a downgrading of the Issuing Bank's credit ratings, would (in the opinion of the Issuing Bank) result in an increase in certain costs related to Structured MTN or increased costs for the Issuing Bank's risk management in relation to Structured MTN, such event may entitle the Issuing Bank to (i) substitute reference assets, (ii) change a method for calculation of certain amounts under the MTN, (iii) calculate certain amounts at an earlier date, (iv) change the calculation of yield and/or (v) amend the Terms and Conditions or the Final Terms.

### **3. Risks relating to the market**

#### *Secondary market and liquidity*

There is no guarantee that a secondary market in MTNs will develop and be maintained. In the absence of a secondary market, MTNs may be difficult to sell at a satisfactory market price and the investor should be aware that he may realise a loss upon sale if MTNs are sold prior to the redemption date. Even if an MTN is registered or listed on an exchange, trading in the MTN will not always take place. Thus, it may be difficult and costly for the MTN holder to sell the MTN within a short time frame and it may be difficult for the holder to obtain a price that is equivalent to the price obtainable for securities that are traded in a liquid secondary market.

In addition, it should be noted that it may from time to time be difficult or impossible to dispose of the investment due to, for example, severe price fluctuations, the fact that relevant marketplaces are closed, or that restrictions on trading have been imposed during a certain period of time.

At the time of sale, the price may be higher or lower than on the settlement date due to market changes but also due to liquidity on the secondary market.

#### *Clearing and settlement*

MTNs issued under the MTN Programme are linked to VPC, APK or VP, all of which are so called account-based book entry systems and, consequently, no physical securities will be issued. Clearing and settlement in connection with trading in MTNs takes place in the VPC system, the APK and the VP-system or such other clearing system set out in the Final Terms. Holders of MTNs are dependant on the relevant clearing system in order to obtain payment under the MTNs.

### **4. The Banks' discretion regarding the loan proceeds**

The Banks are free to utilise the proceeds from issuance of MTNs without any particular restrictions. The Banks do not represent or warrant that the utilisation of proceeds will result in or generate a maximum, or even a positive, result for the Banks or the Nordea Group.

### **5. General risks relating to Sweden, the Nordic Region and the global economy**

The national debts of Sweden and the other Nordic countries are rated Aaa by Moody's. Both Denmark and Sweden have received Prime-1 ratings for their short-term debt obligations, while Finland and Norway do not have a short-term rating. Characteristic for all Nordic countries are relatively healthy finances, a declining national debt and a competitive export sector, which is

reflected in large surpluses. Together with a well-educated labour force and a high standard of living, these are part of the strong credit rating distinguishing Sweden and other Nordic countries. On the negative side are high tax rates and, to a degree, a rigidity on the labour and product markets. Although the Nordic Region has an aging population, pension system reforms will help insulate these costs from the rest of government finances and a high labour market participation ratio makes the problems relating to the aging population less detrimental than in many other OECD countries.

#### *External global economic factors*

The Bank's operations are dependent on customer demand for financial services and products. The volume of the lending depends on the customer confidence in the future, confidence in the markets, market interest rates and other factors influencing the customers' economic situation. The Banks conduct extensive operations in the Nordic Region and other countries. The Banks' profitability may be negatively affected by a deterioration in the economic position of such countries or if the conditions for trading operations and factors related thereto are changed. For example, a development involving increased interest rates may increase the risk of credit losses and/or reduce the demand for loans.

The turmoil on the global capital markets and on the international credit markets has caused and still causes the supply of liquidity on the primary and secondary capital markets to be limited. Similar to other banks the Banks finance their business through borrowings on the capital market and are therefore dependent on a liquid capital market.

#### *Legal risks*

The Banks' business operations are subject to significant regulation and supervision. In recent years a large number of statutes and ordinances with which the Banks must comply have been enacted or amended. Future changes in the regulatory regime, including changed accounting standards and capital adequacy requirements, may have a negative effect and impact on the Banks' way of conducting their business and on the economic outcome. The Banks' business operations and results are also affected by new and amended legislation, ordinances and other regulations.

## MTNs – Terms and Conditions and Structure

The Banks have established this MTN Programme for the purpose of raising loans on the capital market in Swedish kronor or Euro with maturities ranging from one month (30 days) up to perpetual maturity. The aggregate nominal amount of loans outstanding from time to time will not exceed one hundred billion Swedish kronor (SEK 100,000,000,000) or the equivalent thereof in Euro. Loans will be raised in the form of dematerialised debt securities, so called Medium Term Notes (MTNs) (including in the form of subordinated MTNs). MTNs in denominations of less than fifty thousand Euro (€50,000) may be issued under the MTN Programme, provided that NBF may not issue MTNs in denominations of less than one thousand Euro (€1,000) or the equivalent thereof in SEK or other currency (and multiples thereof). The summary section on page 5-11 contains a summarised description of the MTN Programme in its entirety.

### 1. What is an MTN?

#### *Freely transferable debt instrument*

MTNs are freely transferable debt securities, often referred to as bonds. An MTN manifests a debt owed by the relevant Issuing Bank to the investor and the investor is normally entitled to a cash payment from the Issuing Bank upon maturity (and sometime also interest payments during the term). Therefore, MTNs differ from convertible debt instruments as investors in such instruments may under certain circumstances receive a physical delivery of shares instead of a payment on maturity. Once the MTN has been issued and the investor in the MTN has paid the issue price to the issuer the investor is generally entitled to receive payments from the issuer and will not owe any further obligation to make payments to the issuer.

#### *Combination of instruments*

The Banks may issue structured MTNs under the MTN Programme. Structured MTNs have - as mentioned in the section “Risks relating to specific types of MTNs” on page 16 above and under the heading “Different types of MTNs” below - developed in recent years and did not exist in the early bond markets. In terms of structure and economics, a structured MTN often operates as a combination of different types of more traditional instruments, e.g. a bond combined with a share, a fund unit or a derivative instrument. The product may be composed of and resemble several instruments. However, all structured MTNs constitute a claim of the investor towards the issuer pursuant to which the investor, subject to the terms of the MTNs, is entitled to receive a cash payment from the issuer (or in limited cases where specifically stated in the terms and conditions, to a physical delivery of a reference asset). In this context it is important to note that, if the MTN is composed of a derivative element, the so called market risk in the derivative instrument is transferred to the investor but the investor does not assume any counterparty risk on the derivative counterparty.

#### *Principal protected or not*

The Terms and Conditions of MTNs issued under this MTN Programme provide that the Issuing Bank may issue “non-principal protected” MTNs, that is MTNs under which the investor stands the risk of losing all or part of his investment in the event of a negative performance in the reference asset. An MTN the terms of which are such that the investor is always entitled to recover a nominal amount (or a certain minimum amount) are normally referred to as “*principal protected*” MTNs. It shall be noted however that the investor risk losing his investment also where he invests in a principal protected MTN, since repayment of the investment is dependent on that the Issuing Bank has sufficient assets to perform its payment obligations. The principal protection thus only mean that the investor is entitled to receive repayment of a certain minimum amount on the redemption date irrespective of the

performance in the relevant reference asset of the MTN. Further information with respect to different types of reference assets for structured MTNs is provided under the heading “Different types of MTNs” below.

#### *Subordinated right to payment*

Subordinated MTNs are MTNs which are subordinated in right of payment to the Issuing Bank's other unsubordinated creditors in the event that the Issuing Bank does not have sufficient assets to perform all its payment obligations. Also subordinated MTNs are freely transferable debt instruments. In a subordinated MTN, the risk of losing the investment is greater than under a normal unsubordinated MTN. Further information on subordination is provided in the section “Risk factors” on pages 12-21 above.

#### *Public trading*

MTNs are often listed for trading on any of the stock exchanges or other marketplace as further specified in this Base Prospectus; however, certain MTNs may be tailored specifically to suit a particular investor or group of investors that seek exposure to a specific risk or market. Such MTNs will normally not be intended for public trading or frequent transfer, although the MTNs as such will be a freely transferable instrument. Further information with respect to secondary market trading is provided in the section “Risk factors” on pages 12-21 above.

## **2. Terms and Conditions – Final Terms**

#### *Terms and Conditions*

The MTN Programme is one of the Banks' platforms for borrowings in the debt capital markets and is primarily intended to be used for issuance in Sweden, Finland and Denmark. The MTN Programme constitutes an efficient means to relatively frequent and quickly raise capital in the aforementioned markets. The most central feature of the MTN Programme is the Terms and Conditions, set out in their entirety in this Base Prospectus, as these apply to all MTNs issued under the MTN Programme. The Terms and Conditions are standardised and general in nature and are intended to cover a large number of different types of MTNs. The Terms and Conditions are therefore relatively extensive and complicated.

#### *Final Terms*

Final Terms are prepared for each series of MTNs issued under the MTN Programme. A template for Final Terms is set out in this Base Prospectus (as an appendix to the Terms and Conditions). The Final Terms contain the specific terms and conditions for each MTN series and constitute the full terms and conditions for the relevant MTN series when applied together with the together with the Terms and Conditions. Thus, the Final Terms must always be read together with the Terms and Conditions in order to obtain a complete understanding of the terms and conditions applicable to an MTN. The Final Terms often, where deemed necessary, contain a reference to such parts of the General Terms that are applicable to the particular MTN series, as well as any supplementary terms and conditions that are not set out in the Terms and Conditions. The Final Terms will specify, among other things, the nominal amount, denomination, type of note and method of calculation of yield or interest under the specific MTN series.

Final Terms for MTNs which are offered to the public or otherwise admitted to trading on an exchange are filed with the Swedish Financial Supervisory Authority. Final Terms that are filed accordingly will be published and made available on the Banks' website ([www.nordea.com](http://www.nordea.com)) and may also be obtained free of charge from any of the Banks' branch offices.

---

*Supplemental prospectus*

If the Issuing Bank would issue MTNs of a different type or structure than these described in this Base Prospectus or a supplement hereto, a description of such MTNs will be made in a supplemental prospectus. Any supplemental prospectus will be filed with the Swedish Financial Supervisory Authority for approval and thereafter be published and made available on the Banks' website ([www.nordea.com](http://www.nordea.com)) and a copy thereof will be obtainable free of charge from any of the Banks' branch offices.

### **3. Different types of MTNs**

As described above, an MTN represents a right to demand and receive a certain performance from the relevant Issuing Bank, normally in the form of a cash payment or, in limited cases, by delivery of other assets (so called *performance in kind*). An MTN is usually interest bearing or carries another form of yield. MTNs where the redemption amount or the yield is linked to and determined on the basis of a reference asset are often referred to as structured MTNs (see further below). The interest or other yield under a structured MTN is often variable and not guaranteed and, where also the redemption amount is linked to the reference asset, the investor may under certain structured MTNs bear the risk of losing a significant part of the investment (or the entire investment) in certain cases of negative performance in the reference asset.

This section contains a presentation of the main types of MTNs that the Banks intend to issue under the MTN Programme and the most common types of reference assets. The two main types of MTNs, coupon and zero coupon MTNs, are presented immediately below.

#### *Coupon and zero coupon MTNs*

Coupon notes pay interest and/or yield on a continuing basis during the term of the note or, alternatively, on the conditions specified for the note.

Zero coupon notes are non interest bearing. These notes are normally issued at a discount, i.e. the investor pays an amount on issue which is lower than the nominal amount of the note and receives the nominal amount on the redemption date or, alternatively, the investor pays the nominal amount for the note on issue and receives the nominal amount plus accrued interest on the redemption date.

MTNs may be issued as coupon notes or as zero coupon notes or as a combination of both. Structured MTNs under which the redemption amount is linked to the performance of various types of reference assets may or may not provide for payment of interest or other yield on a continuing basis.

#### *Amortising MTNs*

The Banks may issue amortising MTNs, being MTNs where the principal amount is repaid in instalments.

#### *Interest bearing MTNs*

Interest-bearing MTNs typically accrue a fixed, floating or variable interest. A floating rate of interest is often composed of a variable interest base rate such as STIBOR (*Stockholm Interbank Offered Rate*) plus or minus a fixed interest margin; instruments with floating interest rates are frequently referred to as *floating rate notes*, whereas under MTNs with fixed interest the rate of interest is fixed. Under an MTN with inverse floating interest, there may be a fixed rate of interest less a rate of interest based on a reference rate such as STIBOR. The interest may be adjustable and adjusted after each interest period. There are also MTNs where the interest structure is changed during the term to maturity. For example, a fixed rate may be paid



initially but the interest may subsequently change to a floating rate; or the interest may, for example, be increased after a certain period of time, referred to as interest *step-up*.

Structured MTNs may be interest based in the sense that they are structured with a yield based on a rate of interest and/or change in interest rate. Under range bonds, the yield depends on a whether a specified interest or interest index moves within certain predetermined ranges. The structure of such MTNs may include multipliers, leverage factors, cap/floor and/or combinations thereof. Structured interest based MTNs are further addressed under yield and redemption structures below.

#### *Inflation-linked MTNs*

Inflation protected MTNs are notes with or without an inflation-protected rate of interest and with an inflation-protected redemption amount. The rate of interest may be fixed or floating. If MTNs are not interest-bearing, an inflation-protected redemption amount is paid only upon maturity. The calculation of inflation protection is based on the consumer price index. Such index is comprised of statistics that do not necessarily reflect the actual inflation exposure of the individual investor. The inflation-protected interest amount as well as the inflation-protected principal amount are notified to the investors upon determination of those amounts by the Issuing Bank in accordance with the Terms and Conditions.

#### *Equity-linked MTNs*

Under an equity-linked MTN, the yield and/or redemption amount depend on the performance of one or more equities, equity indices or baskets of equities, and/or equity indices or equity markets. The risk exposure under an equity-linked MTN may be directed at certain markets or certain industries. There may be MTNs where the underlying index or equity/equities relate to companies with a certain credit rating, as well as MTNs where the reference assets are units in private equity funds or shares in venture capital companies. The risk focus of each specific equity-linked MTN series will be clearly stated in the Final Terms.

An equity-linked MTN may (but does not always) provide for a minimum predetermined yield, normally in the form of interest, in addition to the equity-linked yield. The Issuing Bank may structure an equity-linked MTN so that the yield increases or decreases depending on the movements in the relevant equity instrument or index during the term.

Equity-linked MTNs may have a variable degree of exposure to the reference asset. The MTNs may be issued at a premium which is lost, or the right to repayment of an invested amount may be lost in whole or in part, if the reference asset performs disadvantageously for the investor or in relation to a relevant comparison figure (and vice versa if the performance of the reference asset is positive). Alternatively, there may be a more limited link to the value of the reference asset, and thus a lower exposure to the relevant equity. For example, there are MTNs which pays a predetermined minimum yield despite that the reference asset performs negatively. However, such MTNs generally provide a more limited yield in a scenario where the reference asset performs well, as compared to MTNs without minimum yield.

#### *Reverse convertible MTNs*

In a reverse convertible MTN, the reference asset is normally composed of a share share index or a basket of shares or indices. Repayment of the principal amount in cash may, under certain conditions, be replaced by an obligation of the issuer to deliver shares or the value of the shares in cash. A reverse convertible MTN may include a fixed yield element.

#### *Credit-linked MTNs*

Credit linked notes (CLN) are notes where the right to receive interest and/or the redemption amount is linked to certain reference credits or credit indices. The interest and/or redemption

amount depend on whether a so-called “credit event” occurs during to term of the note (as further described below). The reference credits may be credits or baskets of credits related to specified companies or sovereigns such as governments, municipalities county councils, or credit indices. The reference credits may consist of existing, future, conditional or unconditional payment obligations under debt instruments, e.g. loan- or credit agreements, bonds or commercial paper (irrespective of term to maturity), financing commitments, payment obligations in respect of deposits, letters of credit, guarantee or surety commitments or other undertakings in respect of the payment obligations of a third party.

The interest and/or the redemption amount under a credit-linked MTN may thus depend on the credit risk associated with one or more companies, i.e. the companies which are obliged to perform under the relevant reference credits (the so-called reference entities). Credit-linked MTNs are often issued and priced on the basis of the credit ratings of the reference credits or reference entities. The rate of interest on the MTNs is higher the lower the credit rating of the reference asset/entity. The higher interest on the MTNs is intended to compensate for the higher risk associated with a low rating of the reference asset/entity, i.e. an increased likelihood that a credit event may occur. A credit event normally consist of payment default, bankruptcy (*konkurs*) or other insolvency related proceeding or other event that would typically affect the likelihood of a creditor to receive repayment in full pursuant to the terms and conditions of the reference credit. A credit event may result in that the investor loses the right to receive interest and/or the redemption amount (in full or in part) on the MTNs. Some credit-linked MTNs are structured so that the interest and/or redemption amount is determined only on the basis of the first credit event, while other structures may take several credit events into account and gradually reduce the yield/redemption amount. The relevant reference credits as well as the reference entities and the credit risk associated with those will be clearly stated in the Final Terms of each series of credit-linked MTNs.

Credit-linked MTNs may be issued in several tranches, all of which relate to the same reference assets. The tranches would then generally have different ranking and risk so that credit events are allocated towards the tranches in their order of seniority (i.e. the lowest ranking would bear the first losses etc).

#### *Fund-linked MTNs*

Under a fund-linked MTN, the yield and/or the redemption amount depends on the performance of one or more funds, including hedge funds, so-called fund of funds (a fund of funds is a fund which invests in one or more funds), fund indices or baskets of funds. The funds may be Swedish or foreign and managed by well-known or less well known fund managers. Some of the funds are approved by and subject to the supervision of the Swedish Financial Supervisory Authority and are so called UCITS funds or so-called special funds in accordance with the Swedish Act on Investment Funds (2004:46) whereas other funds have not been approved by (and thus not under supervision of) the Swedish Financial Supervisory Authority. The funds may be organised as mutual funds or in corporate form. Examples of funds that are often organised in corporate form are the *private equity* funds, hedge funds and/or fund of funds. Not all funds are subject to investor protection rules similar to those that apply to mutual funds under Swedish law. Funds and fund of funds have different types of investment strategies and different risk levels and a fund index may relate to a number of different funds. The investment scope and strategy of the individual funds and other material information will be clearly stated in the Final Terms. Further, it is important to note that the fund rules of many funds or funds of funds provide various restrictions with respect to redemption of fund units, e.g. it may be possible to redeem units only on a limited number of times during a year or in a minimum or maximum amount and there may be circumstances under which redemption is closed entirely. Such liquidity restrictions are generally mirrored in the fund-linked MTNs and are therefore relevant to the investor in the MTNs as they may result in delayed (or cancelled) redemption of the MTNs.

### *Commodity-linked MTNs*

In a commodity-linked MTN the yield or redemption amount depends on the value of one or more commodities, a commodities index or a basket of commodities and/or commodities indices, or a relevant comparison figure for the reference asset. Commodities that may be used as reference assets are electricity, oil, gold, emission rights, aluminium, copper and zinc.

### *Currency-linked MTNs*

In a currency-linked MTN the yield or redemption amount depends on the value of one or more currencies or baskets thereof, or a relevant comparison figure for the underlying currency and/or rates of exchange of one or more currencies in relation to each other. The value of one or more currencies or relevant exchange rates may be determined by reference to spot or forward rates and may be generated from official sources such as the European Central Bank's fixing or similar, but also by reference to private trades on the currency market or on the basis of quotes from a number of independent banks.

### *Index-linked MTNs*

In an index-linked MTN the yield and/or redemption amount depends on the performance of one or more indices or baskets of indices. The risk exposure under an index-linked MTN may be directed at certain markets, industries or certain types of assets. Examples of indices which may be relevant include property indices, commodities indices and indices for other types of assets. The focus for any individual MTN will be clearly stated in the Final Terms.

### *Mixed portfolio MTNs*

In a mixed portfolio MTN the yield and/or redemption amount is linked to the performance of a number of portfolios which contain different types of assets. The assets in a portfolio or the different portfolios may be assigned different weights and will thereby influence the yield and/or redemption amount according to their respective weight. The types of assets may, for example, be equities, currencies, interest rates and commodities (different asset types can form part of the same portfolio and there may be several portfolios with different types of assets that are compared against each other).

### *Subordinated MTNs – specified maturity (dated) and perpetual (undated) subordinated MTNs*

NBAB may issue subordinated MTNs under the MTN Programme. These are MTNs under which the right of the investor to receive payment is subordinated to NBAB's unsubordinated creditors in the event that NBAB enters into liquidation (*likvidation*) or is declared bankrupt (*konkurs*). In such event, NBAB may not have sufficient assets to pay the amounts due under subordinated MTNs. Subordinated MTNs may have various rankings *inter se*. Undated subordinated MTNs are generally paid after dated subordinated MTNs. The principal amount of undated subordinated MTNs can in certain circumstances be written down in order for NBAB to avoid liquidation or bankruptcy.

## **4. The performance structure – a description**

The performance structures described below determine the manner in which the performance of the relevant reference assets (as described for each type of MTN in section 3 above) affects the yield and/or the redemption amount under the MTNs. The performance structures set forth below may be applied to several of the aforementioned types of MTNs, so called “structured MTNs”. Structured MTNs may, in many cases, correspond in terms of risk and functionality to combinations of several types of traditional instruments, e.g. a bond combined with a share, a fund unit and/or a derivative instrument. The value of a structured MTN will be affected by the value of the reference asset or relevant comparison figure. The value of the reference asset is sometimes determined at a number of occasions during the term of the MTNs and sometime

only at maturity. The performance may be positive or negative for the investor. Thus, the investor's right to yield and, where applicable, payment of the redemption amount is a function of the performance of the reference asset and the applicable performance structure. Investors will be notified of the relevant performance as well as yield and redemption amount in accordance with the Terms and Conditions and Final Terms of the relevant MTNs.

The performance structures described below represent a selection of the most common structures. The structures may be combined, varied and used in their entirety or only in part. Other performance structures may also be applied, in which case the structure will be described in greater detail in the Final Terms for the relevant MTNs.

The basic method for calculation of performance under a structured MTN compares the change between the initial price and the final price of one or more reference assets (below referred to as the "base structure"). In order to mitigate the impact of temporary value fluctuations in the reference asset the performance of the reference asset is often determined on the basis of an average value during the term of the MTNs (i.e. there several valuation times). In some MTNs however, the value is determined on the basis of a single valuation.

#### *"Best of" structure*

The "best of" structure is based on the base structure but includes a minimum yield, i.e. a floor for the yield. The investor receives either the minimum yield or a yield which reflects an increase in value of the reference asset, whichever is greater. When the change in value of the reference asset would result in a yield which is less than the predetermined minimum yield, the investor receives an amount corresponding to the minimum yield.

#### *"Max" structure*

The "max" structure is based on the base structure but contains a predetermined maximum yield, i.e. a cap on the yield. The investor receives either the maximum yield or a yield which reflects an increase in value of the reference asset, whichever is lower. If the change in value of the reference asset would result in a yield which exceeds the predetermined maximum yield, the investor receives an amount corresponding to the maximum yield.

#### *"Barrier" structure*

This structure provides for a deemed fixed price on the reference asset which replaces the actual final price if the final price on the reference asset reaches and/or exceeds a price cap or is less than a price floor.

#### *"Cliquet" structure*

A "cliquet" structure consists of the aggregate of a number of sub-yields for specified time periods during the term. Each time period may also have an upper or lower limit in respect of the proportion of sub-yield which is taken into consideration for the purpose of calculating the final total yield on the MTNs.

#### *"Reverse Cliquet" structure*

The performance in a reverse cliquet structure consists of a predetermined yield less the total of any negative sub-yields for specified time periods during the term.

#### *Cumulative structure*

In a cumulative structure, the value of the MTNs is calculated on the basis of a number of sub-yields for specified time periods which are multiplied on a number of occasions during the term.

Each time period may also have an upper or lower limit as to the proportion of the sub-yield which is taken into consideration for the purpose of calculating the final total yield on the MTNs.

*"Digital" structure*

The yield on a digital structure MTN depends on the value of a reference asset on the closing day in relation to a predetermined value.

*"Binary" structure*

The yield in a binary structure depends on the relationship between the value of a reference asset and a predetermined value during the entire term of the MTNs.

*"Portfolio" structure*

The yield in a portfolio structure MTN comprises the average value during one or several specified time periods of the single best performing, or several of the best performing reference assets in a basket of several reference assets. The best performing reference asset(s) may be removed from the basket at the end of each time period.

*"Rainbow" structure*

In a rainbow structure, each reference asset is assigned a predetermined asset share value on each valuation date based on the performance of that reference asset, that is, the reference asset with the most favourable development in is designated a predetermined value and so forth. This structure is combined with one of the other structures.

*"Range Accrual" structure*

In a "range accrual" structure the yield on the MTNs is a function of the number of days that the rate or the value of the reference asset is within a predetermined rate/value interval.

*"Swing" structure*

In a "swing" structure the yield on the MTNs is determined by the reference asset with the lowest increase in value during the term.

*"Fixed best" structure*

In a "fixed best" structure, the final price of the reference asset which performed best is replaced by a predetermined value for the purpose of calculating the yield of the MTNs.

*"Out performance" structure*

In an "out performance" structure, the yield on the MTNs is linked to the difference in performance between two or more reference assets. The performance of the reference asset may be determined by way of reference to the base structure or in another manner. The reference assets to be compared may stay the same or vary during the term of the MTNs and the structure may assign different weights to the reference assets and those weights may also change during the term. If the comparison takes place continuously or on several occasions during the term of the MTNs, the performance may be locked in during the term.

*"CPPI" (Constant Proportion Portfolio Insurance) and "VPPI" (Variable Proportion Portfolio Insurance)*

CPPI and VPPI offer an investment with total or partial protection of principal. The principal protection is achieved by a continuous adjustment of the exposure to the reference risk assets in the underlying portfolio such that the underlying portfolio is able to absorb a certain decrease in value before the value of the underlying portfolio falls below a certain predetermined value. This value may, for example, be a value which is linked to the present value of the principal protection. The reduction in value which the underlying portfolio can absorb is often referred to as the CPPI/VPPI "cushion".

The size of the exposure to the risk asset is determined from time to time by a multiplier. In practice, the stipulated exposure to the risk asset is equal to the CPPI/VPPI cushion multiplied by the multiplier. The degree of linkage between the exposure against the risk asset *vis-à-vis* the product of the CPPI/VPPI cushion and the multiplier may, however, vary from product to product. For example, the exposure to the risk asset may be allowed to deviate to a greater or lesser degree from the product of the CPPI/VPPI cushion and the multiplier without the underlying portfolio being adjusted. If the multiplier is constant over time, the product is referred to as CPPI; if the multiplier can vary over time, the product is referred to as VPPI. In a VPPI the multiplier may, for example, be a function of the characteristics of the risk assets, e.g. volatility. In addition to the risk assets, the underlying portfolios may comprise loans or cash.

The flexibility of a CPPI allows for a high degree of variation in the choice of reference assets. The reference portfolio may contain a mix of several types of assets.

*"Simple Leverage" structure*

Under a simple leverage structure there is no adjustment of the degree of exposure to the reference asset. The value of the MTNs is therefore a direct function of the value of the reference portfolio from time to time less the leverage amount. A simple leverage structure is often combined with an option for the Issuing Bank to redeem the MTNs prior to its stated maturity if the value of the reference portfolio falls below a predetermined lowest level. The amount that the investor is entitled to receive may fall below the predetermined lowest level.

*"Constant Leverage" structure*

A constant leverage structure is a structure where the exposure against the reference risk asset is continuously adjusted in order to achieve a permanent leverage. The mechanics behind the adjustment of the risk exposure are similar to those in a CPPI. The value of the reference portfolio is a direct function of the current determined exposure towards the reference asset less the current leverage amount. A "*constant leverage*" structure is often combined with an option for the Issuing Bank to redeem the MTNs prior to its stated maturity if the value of the reference portfolio falls below a certain predetermined floor.

*"Delta 1" structure*

Under a "Delta 1" structure the investor in the MTNs receives the current value of the reference asset on the redemption date. In this type of structure the investor is fully exposed to the performance of the underlying reference asset and the MTN is not capital protected.

## **5. Other factors which may affect the redemption amount or yield under an MTN**

The different types of MTNs and the performance structures described above may be combined with one or several of the variables described below. These variables may affect the investor's risk and the yield and/or the redemption amount under the MTNs.

*Absolute figures or percentage changes*

The reference figures which may form part of the performance structures described above for determining performance may be an absolute figure or be expressed as a percentage.

*Principal protection or not*

The Terms and Conditions allow for issuance of MTNs which are structured so that the investor may lose the entire investment or be entitled to recover a small portion of the original investment if the reference asset performs to the disadvantage of the investor. An MTN under which the investor is entitled to receive at least the principal amount of the MTN on maturity regardless of the performance of the reference asset is a “principal protected” (or “capital protected”) MTN. Whether an MTN has capital protection or not will be clearly stated in the Final Terms.

Certain structures may allow for capital protection exceeding the principal amount of the MTNs through positive changes in value being locked in on one or more occasions during the term; if so this will be described in greater detail in the Final Terms.

*MTNs with adjustable interest payment and Redemption Dates*

The Issuing Bank may under certain conditions have the right to change (delay) the interest payment and repayment of principal on the MTNs, e.g. if liquidity in a certain reference asset is too low. If so, this is clearly stated in the Final Terms.

*Early redemption*

In an MTN with an early redemption feature the Issuing Bank is entitled to redeem the MTN before the stated maturity date if the price of a reference asset during the term reaches a certain predetermined level (referred to as a *call* option) or for other reasons. In certain cases, a predetermined early redemption amount may be specified. There are also structures which allow the investors to demand redemption of the MTN prior to maturity, for example in order to lock in and realise a positive performance in the reference asset (referred to as a *put* option). The existence of a *call* or *put* option will be clearly stated in the Final Terms.

*Index ratio*

The structure of the MTNs may contain an index ratio which is used to determine the exposure to the respective reference asset, i.e. the proportion of the change in value which accrues to the investor in each individual MTN. The index ratio is set by the Issuing Bank and is determined by, among other things, the term, volatility, market interest rate and expected return on the reference asset.

*Premium and discount*

MTNs may be issued at a premium or discount, which means that the investor pays on issue an amount that is higher or lower than the principal amount of the MTNs. Zero coupon MTNs are frequently issued at a discount. Structured MTNs are often issued at a premium and the premium can be considered as the fee that the investor pays for being entitled to receive a comparatively larger part of a positive performance of the reference asset. The difference between the paid amount and the MTNs' principal amount (the premium) is never covered by the capital protection in an MTN.

*Multipliers and leverage effects*

In certain structured MTNs a multiplier is included against which the performance of the reference asset is multiplied, thereby significantly increasing the portion of the change in value

which may be credited to the investor in an MTN (in the above-mentioned CPPI structure, there may be multipliers in the range of 4-5). A high multiplier often entails that the MTN is issued at a higher premium. The multiplier will result in a more rapid loss of invested capital in the event of a negative performance of the reference asset. MTNs with multipliers always provide a floor so that a negative performance in the reference asset cannot result in that the value of the MTNs becomes negative.

#### *"Leverage"*

Leveraged structures offer a higher exposure to the reference asset than the amount of the invested capital would otherwise allow. The leverage is often created by synthetically borrowing against the underlying portfolio of reference assets. The leverage can sometimes vary over time according to a predefined mechanism. Such mechanism may serve the purpose of keeping the leverage and/or the exposure to the reference assets within certain limits.

#### *Currency factor*

If the currency of the reference asset differs from the currency of the MTNs, investors may be exposed to a currency risk relating to the exchange rate between the currency of the MTNs and the currency of the reference asset.

Dual currency MTNs may be issued under the MTN Programme. For dual currency MTNs, payment of principal, interest, yield and redemption amounts may take place in different currencies.

#### *"Rebalancing"*

Rebalancing is a continuous adjustment of the relationship between the exposure under a risk asset and invested principal. The rebalancing mechanics will, if applicable, be described in greater detail in the Final Terms.



**Terms and Conditions**

**for loans raised under Nordea Bank Finland Abp's**

**and**

**Nordea Bank AB (publ)'s**

**MTN Programme**

The following Terms and Conditions shall apply to loans (each a “**Loan**”) that Nordea Bank Finland Abp (“**NBF**”) and Nordea Bank AB (publ) (“**NBAB**”) (reg. no. 1680235-8 and 516406-0120 respectively) (jointly the “**Banks**” and individually the “**Bank**”) raises on the capital market under this MTN Programme through the issuance of Medium Term Notes (“**MTNs**”) (including with respect to NBAB, subordinated MTNs) in Swedish kronor (“**SEK**”) or in Euro (“**EUR**”) or another currency with a term to maturity of not less than one month (30 days). With respect to MTNs issued under Danish or Finnish law, these Terms and Conditions shall apply subject to the modifications set forth in annex 1 to these Terms and Conditions. The total nominal amount of subordinated MTNs and MTNs outstanding from time to time may not exceed SEK ONE HUNDRED BILLION (100,000,000,000) or the equivalent thereof in EUR (unless otherwise stated in section 12.2).

Each Loan will be subject to final terms (“**Final Terms**”) containing additional terms and conditions. The Final Terms may modify the Terms and Conditions and will prevail in the event of any inconsistency. The Final Terms together with the Terms and Conditions will constitute the complete terms and conditions for the relevant Loan. Any references below to “these terms and conditions” shall be deemed to include the provisions of the relevant Final Terms. The Final Terms for MTNs offered to the public or otherwise listed with an exchange will be published and submitted to the Swedish Financial Supervisory Authority as well as be made available at NBAB's and NBF's head offices.

**Section 1 Definitions**

In addition to definitions set forth above, in these terms and conditions the following definitions shall apply.

"Account Operator"	A bank or other party authorised to act as an account operator pursuant to the Financial Instruments Accounts Act (1998:1479) and with which a Holder has opened a VP account with respect to MTNs;
"Additional Amount"	As specified in the Final Terms;
"Adjusted Loan Amount"	The Principal Amount of the Loan less the total of all MTNs thereunder held by the Issuing Bank or another Holder within the Nordea Group;
"Administrator"	According to the Final Terms – where MTNs are issued through (i) an Issuing Bank and two or more Issuing Agents and the Issuing Bank is not responsible for certain administrative duties concerning the Note; or (ii) two or more Issuing Agents, the Issuing Bank shall appoint an Issuing Agent as Administrator with responsibility for certain administrative duties regarding the MTNs;

---

"Amortisation Amount"	As specified in the Final Terms;
"Amortisation Dates"	As specified in the Final Terms;
"Asset Share Value"	As specified in the Final Terms;
"Base CPI"	The index figure stated in the Final Terms which is the Base Consumer Price Index as determined at the time stated in the Final Terms;
"Base Currency"	The currency in which the Reference Asset is reported;
"Basket Performance"	As specified in the Final Terms;
"Business Day"	A Business Day Sweden and/or Business Day Finland or a day other than a Saturday, Sunday or public holiday on which commercial banks and domestic capital markets are open for business in a jurisdiction stated in the Final Terms;
"Business Day Convention"	Means the convention which is applicable in order to adjust a relevant day where the day would occur on a day which is not a Business Day. The adjustment may be made in accordance with any of the conventions stated below;

Following Business Day

Where an Interest Payment Date or another relevant date occurs on a day which is not a Business Day, it shall be deferred to the immediately following Business Day.

Modified Following Business Day

Where an Interest Payment Date or another relevant date occurs on a day which is not a Business Day, it shall be deferred to the immediately following Business Day unless that day falls in the next calendar month, in which case the Interest Payment Date or another relevant date shall occur on the immediately preceding Business Day.

Preceding Business Day

Where an Interest Payment Date occurs on a day which is not a Business Day, it shall instead occur on the immediately preceding Business Day.

"Business Day Finland"	A day other than a Saturday, Sunday or public holiday on which commercial banks and domestic capital markets are open for business in Helsinki;
"Business Day Sweden"	A day in Sweden which is not a Sunday or other public holiday or, with respect to the payment of promissory notes, is not equated with a public holiday;
"Calculation Adjustment"	As specified in section 5.2 with any amendments in the Final Terms;
"Calculation Agent"	The agent for the Issuing Bank as stated in the Final Terms and which performs the duties specified in the Final Terms;

---

"Change in Law "	As specified in section 5.6;
"Closing Date"	As specified in the Final Terms;
"Closing Price"	As specified in the Final Terms;
"CPI"	Consumer price index or, where CPI has ceased to be determined or published, an equivalent index with respect to consumer prices in Sweden as determined or published by SCB (Statistics Sweden) or the body which determines or publishes such index in lieu of SCB. In the event an index series is changed, the new index shall be recalculated to the index series on which the Base CPI is based;
"Correction"	As specified in section 5.3 with any amendments in the Final Terms;
"Credit Event"	As specified in annex 2 to these Terms and Conditions with any amendments in the Final Terms;
"Currency"	SEK, EUR or another currency as stated in the Final Terms;
"Currency Effect"	Currency Effect arises in conjunction with Currency Exchange where changes, positive or negative, have taken place in the exchange rate for the Base Currency/the Currency between the Issue Date and the day on which Currency Exchange is carried out;
"Currency Exchange"	Currency exchange performed by the Issuing Bank from the Base Currency to the Currency within the number of days stated in the Final Terms;
"Dealer"/"Dealers"	NBAB, Nordea Bank Danmark A/S and NBF or any other dealer as appointed for an issue of MTNs under the MTN Programme;
"Denomination"	MTNs' nominal amount as stated in the Final Terms;
"Early Redemption Date"	The Interest Payment Date or the Interest Payment Dates or other such date as stated in the Final Terms on which the Issuing Bank or, where applicable, Holder, is entitled to demand early redemption of an MTN pursuant to the Final Terms;
"Early Redemption Amount"	As specified in the Final Terms;
"Early Redemption Level"	As specified in the Final Terms;
"EURIBOR"	The rate of interest which (1) at 11:00am on the relevant day is published on Reuters screen "EURIBOR01" for the relevant period (or through such other system or on such other screen as replaces the aforementioned system or screen) or, in the absence of such quotation the rate of interest which (2) at the aforementioned time, pursuant to notice from the Issuing Agent (or where applicable, the Administrator) or the Issuing Bank corresponds to - (a) the arithmetic mean of the rates quoted by European Reference Banks to leading commercial banks in Europe for deposits of EUR 10,000,000 for the relevant period or, where only one or no such quotation is given - (b) the Issuing Agent's (where applicable, Administrator's) or Issuing Bank's assessment of the rate of interest offered by leading commercial banks in Europe for loans of EUR 10,000,000 for the relevant period on the European interbank

---

	market;
"European Reference Banks"	Four major commercial banks which, at the time in question, quote EURIBOR and are appointed by an Issuing Agent (where applicable, Administrator) or Issuing Bank;
"Extraordinary Events"	As specified in section 5.4 with any amendments in the Final Terms;
"Final CPI"	CPI at a point in time specified in the Final Terms; where CPI has not been published 5 Business Days at the latest prior to the relevant Redemption Date as stated in the Final Terms; the Final CPI shall amount to (1) an index based on pricing on the Swedish bond market as determined by the Issuing Bank not later than 5 Business Days prior to the relevant Redemption Date; or (2) the most recently published CPI prior to the date stated in the Final Terms, whichever is higher;
"Final Price"	As specified in the Final Terms;
"Fixed Price"	As specified in the Final Terms;
"Fund"	As specified in the Final Terms;
"Fund Event"	As specified in the Final Terms;
"Holder"	A party registered on a VP account as creditor or as entitled in other cases to receive payment under an MTN and a party who, pursuant to section 19, shall be deemed a Holder upon application of section 13;
"Increased Risk Management Costs"	As specified in section 5.7;
"Inflation-Linked Index"	The CPI at a time specified in the Final Terms. Where the CPI has not been published at the latest 5 Business Days prior to the relevant Interest Payment Date as stated in the Final Terms, the Inflation-Linked Index shall amount to the higher of (1) an index value based on pricing on the Swedish bond market as determined by the Issuing Bank not later than 5 Business Days prior to the relevant Interest Payment Date or (2) the most recently published CPI prior to the date stated in the Final Terms;
"Inflation-Linked Interest"	The rate of interest multiplied by the Principal Amount and by a figure corresponding to the ratio between the Inflation-Linked Index and the Base Index (Inflation-Linked Index /Base Index);
"Inflation-Protected Principal"	The Principal multiplied by a figure corresponding to the ratio between the Final CPI and Base CPI (Final CPI/Base CPI);
"Initial Price"	As specified in the Final Terms;
"Interest Base Rate"	EURIBOR, STIBOR or such other reference interest as is stated in the Final Terms;
"Interest Determination Date"	A day stated in the Final Terms which occurs two Business Days prior to the first day in each Interest Period;
"Interest Margin"	Stated in base points in the Final Terms;

---

"Interest Payment Date"	As stated in the Final Terms, or (i) with respect to the first Interest Payment Date, the day which occurs at the end of the first Interest Period after the Issue Date; and (ii) with respect to subsequent Interest Payment Dates, the day which occurs at the end of the subsequent Interest Period after the immediately preceding Interest Payment Date, subject to the Business Day Convention set forth in the Final Terms;
"Interest Period"	The period stated in the Final Terms or, (i) with respect to the first Interest Period, the period from the Issue Date to the first Interest Payment Date; and (ii) with respect to subsequent Interest Periods, the period commencing on an Interest Payment Date to the next Interest Payment Date;
"Interest Rate"	As specified in the Final Terms;
"Issuing Bank"	In accordance with the Final Terms, the Bank which itself issues or has issued MTNs or with respect to which Bank a certain MTN shall be, or has been, issued;
"Issue Date"	Unless otherwise stated in the Final Terms – the date of payment of issue proceeds in respect of the Loan;
"Issuing Agent"	The Dealer specified in the Final Terms for MTN issued through the Issuing Bank and/or one or more Dealers;
"Limit"	As specified in the Final Terms;
"Loan"	Each loan in the 1,000 series with respect to SEK and in the 2,000 series with respect to EUR – comprising one or more MTNs – which NBAB raises under this MTN Programme, and each loan in the 3,000 series with respect to SEK, in the 4,000 series with respect to EUR and in the 500 with respect to DKK– comprising one or more MTNs, which NBF raises under this MTN Programme;
"Market Disruption"	As specified in section 5.1 with any amendments in the Final Terms;
"Max Yield"	As specified in the Final Terms;
"Measurement Period"	Unless otherwise stated in the Final Terms, with respect to each Reference Asset, the period of time from a Start Date up to and including the immediately following Closing Date;
"Minimum Yield"	As specified in the Final Terms;
"MTNs"	Debt instruments registered pursuant to the Financial Instruments Accounts Act and which form part of a Loan issued by the Issuing Bank under this MTN Programme (including, where applicable, in the form of subordinated debt obligations), with the terms and denomination specified in the relevant Final Terms and these Terms and Conditions;
"Nordea Group"	NBAB and its subsidiaries, licensed to carry on financing business in their respective country of domicile;
"Options or Futures Exchange"	As specified in the Final Terms;
"Performance"	As specified in the Final Terms;

---

"Price Cap"	As specified in the Final Terms;
"Price Floor"	As specified in the Final Terms;
"Principal Amount"	According to the Final Terms – the nominal amount of the Loan;
"Programme Amount"	SEK ONE HUNDRED BILLION (100,000,000,000) or the equivalent thereof in EUR (unless otherwise stated in section 12.2). MTNs denominated in EUR or any other currency shall, on the Transaction Date for such MTNs, upon calculation of the Programme Amount be converted to SEK in accordance with the rate which applied for such MTNs on the Transaction Date as published on Reuters' "SEKFIX=" screen or on such other screen or through such other system as replaces the aforementioned screen or system or, in the absence of such a quotation, the Issuing Agent's (where applicable, the Administrator's) or Issuing Bank's SEK/EUR, or any other relevant currency, spot rate on the Transaction Date;
"Record Date"	The Business Day, determined in accordance with 9.6, on which Holders entitled to payment under these terms and conditions are established;
"Redemption Amount"	Principal Amount, accrued interest or other yield (where applicable), Additional Amount, Inflation Protected Principal Amount or physical delivery of securities and, where applicable, payment under non-principal guaranteed instruments, in each case determined by the Issuing Bank in accordance with these terms and conditions and the Final Terms;
"Redemption Date"	In accordance with the Final Terms, the day on which the MTNs shall be redeemed;
"Reduction Amount"	MTNs' Principal Amount on the Redemption Date or the Early Redemption Amount as calculated in accordance with the Final Terms on an Early Redemption Date;
"Reference Assets"	According to the Final Terms – reference assets such as equities (including private equity), indices, interest rates, currencies, fund units, commodities, credit risks or baskets thereof, combinations or relationships between assets, the change in price or performance of which affects the size of the Additional Amount;
"Reference Banks"	Four major commercial banks which, at the relevant time, quote STIBOR and are appointed by the Issuing Agent (where applicable, Administrator) or Issuing Bank;
"Reference Interest Rate"	The rate of interest applicable pursuant to the Final Terms for calculation of the Redemption Amount under certain zero coupon MTNs where the Issuing Bank or, where applicable, a Holder, is entitled to early redemption of the Loan pursuant to the Final Terms;
"Reference Yield"	The yield applicable pursuant to the Final Terms for calculation of the Redemption Amount under certain zero coupon MTNs where the Issuing Bank or, where applicable, a Holder, is entitled to early redemption of the Loan pursuant to the Final Terms;

---

"Replacement Reference Asset"	As specified in the Final Terms;
"Start Date"	As specified in the Final Terms;
"STIBOR"	The rate of interest which, (1) at or about 11.00am on the relevant day is published on Reuters' "SIOR" screen for the relevant period (or through such other system or on such other screen as replaces the aforementioned system or screen) or, in the absence of such quotation, the rate of interest which (2) at the aforementioned time corresponds to (a) the arithmetic mean of the rates for deposits in SEK for the relevant period on the Stockholm interbank market as quoted by the Reference Banks or, where only one or no such quotation is given - (b) the Issuing Bank's determination of the rate of interest offered by Swedish commercial banks for loans in SEK for the relevant period on the Stockholm interbank market;
"Stock Exchange"	As specified in the Final Terms;
"Stock Exchange Day"	Unless otherwise stated in the Final Terms and irrespective of whether a Market Disruption has occurred, with respect to each Reference Asset which is an equity or equities index, a day on which trading is intended to take place in a Reference Asset or equities included in a Reference Asset, on a Stock Exchange and on an Options or Futures Exchange; and, with respect to Reference Assets which comprise a currency or a currency index, a day on which the price for such Reference Asset or currency included in a Reference Asset is published in accordance with the provisions of the Final Terms; and, with respect to a Reference Asset which is a fund or a fund index, a day on which it is intended that the value of the Reference Asset or units in the Reference Asset shall be published and, with respect to any other Reference Asset, such a day as stated in the Final Terms;
"Stock Exchange Day Convention"	Means the convention which is applicable in order to adjust a relevant day where the day occurs on a day which is not a Stock Exchange Day. Adjustment may take place in accordance with any of the following conventions:  <u>Following Stock Exchange Day</u>  Where a relevant day occurs on a day which is not a Stock Exchange Day, it shall be deferred until the Following Exchange Day.  <u>Modified Following Stock Exchange Day</u>  Where a relevant day occurs on a day which is not a Stock Exchange Day, it shall be deferred to the immediately following Stock Exchange Day in the same calendar month unless that day falls in the next calendar month, in which case the relevant day shall occur on the immediately preceding Stock Exchange Day.  <u>Preceding Stock Exchange Day</u>  Where a relevant day or another relevant day occurs on a day which is not a Stock Exchange Day, it shall instead occur on the immediately preceding Stock Exchange Day.

---

"Structured MTNs"	MTNs for which the yield consists of and is determined by the Performance of one or more Reference Assets and, where applicable, interest;
"Succession Events"	As specified in the Final Terms;
"Transaction Date"	A day on which an agreement is reached between an Issuing Agent and Issuing Bank – or where the Issuing Bank itself offers MTNs, as determined by the Issuing Bank – regarding placement of MTNs;
"Valuation Date"	As specified in the Final Terms;
"Valuation Time"	Unless otherwise stated in the Final Terms, with respect to each Reference Asset, the time at which its official closing price is determined or the value thereof is otherwise determined as specified in the Final Terms;
VP Account	A securities account on which the respective Holder's holdings of MTNs are registered in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479);
"VPC"	VPC AB; and
"Yield Period"	As specified in the Final Terms.

Credit-linked MTNs are subject also to the definitions set out in annex 2 to these Terms and Conditions.

## **Section 2 Undertaking to pay**

The Issuing Bank undertakes to pay the Redemption Amount and, where applicable, interest or any other form of yield stated in the Final Terms.

## **Section 3 Registration of MTNs**

- 3.1 MTNs shall be registered on VP Accounts on behalf of Holders and, accordingly, no physical securities will be issued.
- 3.2 Requests for a specific registration measure with respect to an MTN shall be made to an Account Operator.
- 3.3 A person who, based on any appointment, pledge, provisions in the Swedish Parental Code, testamentary disposition, or deed of gift or otherwise has acquired a right to receive payment under an MTN shall register the right to receive payment with VPC.

## **Section 4 Interest and yield structures**

- 4.1 Interest or other yield is calculated in accordance with one of the following alternatives as specified in the Final Terms.

### **a) Fixed interest**

The Loan bears interest at the Interest Rate from the Issue Date up to and including the Redemption Date.



Interest accrued during each Interest Period is paid in arrears on the relevant Interest Payment Date and is calculated on a 30/360 day basis if the Loan is denominated in SEK and on the actual basis/actual basis if the Loan is denominated in EUR, or in accordance with such other calculation principle as applied with respect to the relevant Interest Base Rate.

Unless otherwise stated in the Final Terms, the Business Day Convention stated in section 9.7 below shall apply to Loans that bear fixed interest, subject to appropriate changes.

**b) Rate adjustment**

The Loan bears interest at the Interest Rate from the Issue Date up to and including the Redemption Date. The Interest Rate is adjusted periodically and is notified to the Holders through VPC.

Interest accrued during each Interest Period is paid in arrears on the respective Interest Payment Date and is calculated on a 30/360 day basis if the Loan is denominated in SEK and on the actual number of days if the Loan is denominated in EUR, or in accordance with such other calculation principle as applied with respect to the relevant Interest Base Rate.

Unless otherwise stated in the Final Terms, the Business Day Convention stated in section 9.7 below shall apply to Loans that are subject to rate adjustment.

**c) FRN (Floating Rate Notes)**

The Loan bears interest from the Issue Date up to and including the Redemption Date. The Rate of Interest applicable to each respective Interest Period is determined by the Issuing Agent (or where applicable, the Administrator) or the Issuing Bank on the respective Interest Determination Date as the sum of the Interest Base Rate and the Interest Margin for the relevant period. The Interest Base Rate for the respective Interest Period is notified to the Holders through VPC.

Interest for each Interest Period is paid in arrears on the respective Interest Payment Date and is calculated on the actual number of days/360 basis if the Loan is denominated in SEK or EUR, or in accordance with such other calculation principle as is generally applied for the relevant Interest Base Rate.

Unless otherwise stated in the Final Terms, the Business Day Convention stated in section 9.7 below shall apply to FRN.

**d) Inflation-Linked Interest**

The Loan bears Inflation Protected Interest from the Issue Date up to and including the Redemption Date. The Interest Rate may be fixed or floating and shall be calculated and published in the manner stated in a) and c) above respectively. The amount of Inflation-Linked Interest for the respective Interest Period shall be published through notice to Holders provided through VPC, as soon as such amount is determined by the Issuing Bank.

Unless otherwise stated in the Final Terms, the Business Day Convention stated in section 9.7 below shall apply to Loans that bear Inflation-Linked Interest.

e) **Zero coupon**

The Loan is no interest bearing and the MTNs are zero coupon notes. Zero coupon MTNs may be issued at a discount and be redeemed at their nominal amount. Alternatively, zero coupon MTNs are issued at their nominal amount and accrue interest/yield which is paid on the Redemption Date.

Unless otherwise stated in the Final Terms, the Business Day Convention stated in section 9.7 below shall apply to zero coupon MTNs.

f) **Structured MTNs**

The yield on a Structured MTN Loan is related to the Performance of one or more Reference Assets.

The yield may be paid regularly during the term of the MTNs, in arrears on each Interest Payment Date, and be calculated for each Yield Period on a 30/360 day basis if the Loan is denominated in SEK and on the actual number of days/actual number of days basis if the Loan is denominated in EUR, or in accordance with such other calculation principle as is applied for the relevant Performance and as stated in the Final Terms.

The Loan may be structured as a zero coupon loan with no regular payments of yield during the term, in which case the Performance of the Reference Assets is reflected in the Redemption Amount.

The Issuing Bank (or its designee for such purpose) shall, where applicable, upon determination by the Issuing Bank of the yield notify the yield to the Holders in writing or as otherwise set out in the Final Term.

Unless otherwise set out in the Final Terms, the Business Day Convention stated in section 9.7 below shall apply to Structured MTNs, subject to appropriate changes.

- 4.2 The Final Terms may contain terms whereby the yield under a note shall be increased after a certain period of time (Step-up terms).
- 4.3 The Issuing Bank may structure a Loan by using the above interest and yield structures in whole or in part and may combine two or more of the above interest and yield structures in whole or in part. Such combined structures shall not be regarded as new interest or yield structures.
- 4.4 Interest on interest bearing Loans shall accrue on the Principal Amount outstanding from time to time.
- 4.5 If an interest rate cannot be determined due to an event referred to in section 20, first paragraph, interest shall continue to accrue on the Loan at the rate applicable to the then current Interest Period. The Issuing Agent (or where applicable, the Administrator) or the Issuing Bank shall as soon as the relevant event has ceased to impede has ceased, calculate a new interest rate which shall apply from the second Business Day after the date of calculation until the expiry of the then current Interest Period.
- 4.6 The Issuing Bank may appoint another person or entity to perform calculations pursuant to these terms and conditions.

## Section 5 Terms and conditions applicable only to Structured MTN

The following terms and conditions apply unless otherwise stated below or in the Final Terms, or if different, in accordance with the market practise.

### 5.1 Market Disruption and Disruption

#### *Equity-linked MTN, Reverse-convertible MTN, Fund-linked MTN, Index-linked MTN and Mixed-portfolio MTN*

The terms and conditions set out below are applicable to all Structured MTNs except Credit-linked MTN, Commodity-linked MTN and Currency-linked MTN:

- (a) Market Disruption with respect to a Reference Asset exists where, in the Issuing Bank's opinion, any of the following events occurs:
  - (i) the quotation of an official final price for a Reference Asset or significant portion of the reference assets included in the Reference Asset does not exist, is unavailable or ceases;
  - (ii) where applicable, if a compilation and/or publication of the value of the Reference Asset's value ceases;
  - (iii) the relevant Stock Exchange or Options or Futures Exchange does not open for trading during its normal trading hours or closes for trading earlier than its normal closing time;
  - (iv) trading in a Reference Asset or a significant portion of the underlying assets included in a Reference Asset or options or futures contracts related to a Reference Asset, which is/are traded on the Stock Exchange or Options or Futures Exchange ceases, is stopped or significantly restricted;
  - (v) the possibilities for parties on the market to carry out trades in or obtain the market value for a Reference Asset or a significant portion of the underlying assets included in a Reference Asset or options or futures contracts related to a Reference Asset, which is/are traded on the Stock Exchange or Options or Futures Exchange ceases, is discontinued or significantly deteriorates due to any other event; or
  - (vi) in respect of Fund-linked MTNs only, the valuation of a Reference Asset, which comprises funds or fund units, on a Valuation Date for the Reference Asset does not take place or full payment of the redemption amount with respect to such Reference Asset does not take place on a redemption day for the Fund.
- (b) A limitation on the number of hours or days when trading occurs shall not be deemed to constitute a Market Disruption where the restriction is due to a published change in the normal trading hours for the relevant Stock Exchange and/or Options or Futures Exchange.
- (c) A restriction in trading which is introduced during the course of a day due to changes in prices which exceeds permitted levels pursuant to the relevant Stock Exchange and/or Options or Futures Exchange shall be deemed to constitute a Market Disruption.

- 
- (d) Where, in the Issuing Bank's opinion, a Market Disruption has occurred on a Start- or Closing Date, such Start-, Closing- or Valuation Date shall, with respect to determination of the Closing Price, Initial Price and/or Final Price be the Following Stock Exchange Day where Market Disruption does not exist; however, where Market Disruption exists on the eight Stock Exchange Days that follow immediately after the original Start- or Closing Date or another relevant day as stated in the Final Terms, such eighth Stock Exchange Day shall be deemed the Start or Closing Date or another relevant day is stated in the Final Terms irrespective of the existence of Market Disruption, and the Issuing Bank shall thereupon determine the value of the Closing Price, Initial Price and/or Final Price to be applied upon calculation of the Performance or in conjunction with another calculation in accordance with the Terms and Conditions and Final Terms.

### **Commodity-linked MTN**

The terms and conditions set out below are applicable to Commodity-linked MTN:

- (a) Market Disruption with respect to a Reference Asset exists where, in the Issuing Bank's opinion, any of the following events occurs:
- (i) quotation, compilation, calculation or publication of official final prices for a Reference Asset or the underlying assets included in the Reference Asset is lacking, unavailable or ceases;
  - (ii) quotation, compilation, calculation or publication of the value of a Reference Asset or the value of the underlying assets included in the Reference Asset is lacking, is unavailable or ceases;
  - (iii) the relevant Stock Exchange is not open for trading during its normal trading hours;
  - (iv) trading in a Reference Asset or the underlying assets included in a Reference Asset or options or futures contracts related to a Reference Asset, which is/are traded on the Exchange ceases, is suspended or significantly restricted;
  - (v) the possibilities for parties on the market to carry out trades in or obtain the market value for a Reference Asset or a significant portion of the underlying assets included in a Reference Asset or options or futures contracts related to a Reference Asset, which is/are traded on the Stock Exchange ceases, is discontinued or significantly deteriorates due to any other event;
  - (vi) the manner of calculating a Reference Asset or the underlying assets included in the Reference Asset or the value thereof changes significantly;
  - (vii) the content, compilation or structure of a Reference Asset or the underlying assets included in a Reference Asset or relevant futures contract changes significantly; or
  - (viii) the introduction, change or repeal of tax provisions with respect to a Reference Asset or tax provisions regarding tax calculated by way of reference to the underlying assets included in a Reference Asset (however, not tax on, or which is calculated by reference to, gross or net

income) after the Start Date, as a consequence of which the final price on the Valuation Date changes as compared to what it would have been had the tax provisions not been introduced, changed or repealed.

- (b) Where, in the opinion of the Issuing Bank, a Market Disruption has occurred on a Start or Closing Date, (i) where a Replacement Reference Asset is stated, determination of the Initial Price, Final Price or Closing Price shall take place based on the price for such Replacement Reference Asset or, where a Replacement Reference Asset is not stated (ii) such Start or Closing Date for determination of the Closing Price, Initial Price and/or Final Price shall be the immediately following Stock Exchange Day where Market Disruption does not exist or the Initial Price, Final Price or Closing Price may be determined or replaced by the Issuing Bank in another appropriate manner; however, where Market Disruption occurs during the five Stock Exchange Days immediately following the original Start or Closing Date or another relevant day as stated in the Final Terms and the Initial Price, Final Price or Closing Price may be determined or replaced by the Issuing Bank in another appropriate manner, such fifth Stock Exchange Day shall be deemed to be the Start or Closing Date or another relevant day as stated in the Final Terms irrespective of whether Market Disruption exists, and the Issuing Bank shall thereupon determine or replace the prevailing value of the Initial Price, Final Price or Closing Price upon calculation of the Performance or another relevant value.
- (c) Where the Issuing Bank believes that it is not possible or would not provide a reasonable result to determine or replace the value of the Reference Asset at the time of such Market Disruption, the Issuing Bank may conduct an early calculation of the Additional Amount and/or the yield and determine the Additional Amount and/or the yield. Where the Issuing Bank has determined the Additional Amount and/or the yield the Issuing Bank shall inform the Holders of the amount of the Additional Amount and the yield and the rate of interest which will continue to accrue on the Loan. The Issuing Bank shall pay market interest on the Principal Amount. The Redemption Amount plus interest shall be repaid on the Redemption Date.

### **Currency-linked MTN**

The terms and conditions set out below are applicable to Currency-linked MTN:

- (a) Disruption with respect to a Reference Asset exists where, in the Issuing Bank's opinion, any of the following events occurs:
  - (i) where spot or futures prices are not available for the Reference Asset or the underlying assets included in the Reference Asset;
  - (ii) where calculation or publication of any final price/exchange rate/currency price on a specified reference source for a Reference Asset or the underlying assets included in the Reference Asset is lacking, is unavailable or ceases to be published on the specified reference source;
  - (iii) where a material price deviation or a predetermined price deviation occurs as stated in the Final Terms between the price of various currencies, exchange rates and/or currency prices; or

(iv) where a quotation of spot and/or futures prices cannot be obtained on a stated minimum amount in one or a reasonable number of currency transactions which together amount to a predetermined minimum sum.

- (b) Where, in the opinion of the Issuing Bank, Disruption has occurred on a Start Date, Closing Date or Valuation Date the Issuing Bank shall determine the value of the Closing Price, Initial Price, Final Price or Closing Price based on all available information which the Issuing Bank believes to be relevant in conjunction with calculation of the Performance or another relevant value.

***Common terms relating to Market Disruption and Disruption***

The following provision is applicable to all Structured MTNs except Credit-linked MTN:

The Issuing Bank is entitled to make any addition, adjustment or amendment to the Final Terms as the Issuing Bank deems necessary in connection with Market Disruption or Disruption.

**5.2 Calculation Adjustment**

The terms and conditions set out below are applicable to all Structured MTNs except Credit-linked MTN, Currency-linked MTN and Commodity-linked MTN:

- (a) Where, in the opinion of the Issuing Bank, the compilation, calculation or publication of any Reference Asset ceases in whole or in part, or the characteristics of the Reference Assets are changed significantly, the Issuing Bank shall be entitled, upon calculation of the Performance, to replace such Reference Asset with a comparable alternative. Where, in the Issuing Bank's opinion, a comparable alternative to such Reference Asset is not compiled, calculated and published or where, in the opinion of the Issuing Bank, the method of calculating any Reference Asset or the value thereof is changed significantly, the Issuing Bank shall be entitled to make such adjustments in the calculation as the Issuing Bank, based on sound reasons deems necessary, in order for the calculation of the value of the Reference Asset to reflect and be based on the manner in which such was previously compiled, calculated and published. The value thereby calculated shall replace the value of the Reference Asset when calculating the Performance.
- (b) Where the Issuing Bank believes that it would not provide a fair result to replace the Reference Asset or adjust the applicable calculation, the Issuing Bank may conduct an early calculation of the Additional Amount and/or the yield and determine the Additional Amount and/or the yield. Such early calculation shall be based on the most recently published value of the Reference Asset. When the Issuing Bank has determined the Additional Amount and/or the yield, the Issuing Bank shall notify the Holders of the amount of the Additional Amount and/or the yield and the rate of interest which will continue to accrue on the Loan. The Issuing Bank shall pay market interest on the Principal Amount. The Redemption Amount plus accrued interest shall be repaid on the Redemption Date.
- (c) The Issuing Bank is entitled to make any addition, adjustment or amendment to the Final Terms as the Issuing Bank deems necessary in connection with Calculation Adjustment.

### 5.3 Corrections

The following provision is applicable to all Structured MTNs except Credit-linked MTN, Currency-linked MTN and Commodity-linked MTN:

Where the official closing price for a Reference Asset is corrected within the number of days from the original publication as normally elapse between a trade and settlement day in conjunction with spot trading in the Reference Asset or in the underlying assets included in the Reference Asset, however not later than three Stock Exchange Days after the Valuation Date, and such price is used to determine a Closing Price and/or Initial Price or Final Price, the Issuing Bank shall be entitled to make a corresponding correction.

The following provision is applicable to Commodity-linked MTN:

Where the official closing price for a Reference Asset is corrected within 30 days of the original publication and such a price is used to determine a Closing Price and/or Initial Price or Final Price or Closing Price, the Issuing Bank shall be entitled to make a corresponding correction.

### 5.4 Extraordinary Events

The terms and conditions set out below are applicable to Equity-linked MTN and Fund-linked MTN and, if specified in the relevant Final Terms, to other types of MTNs:

- (a) Where, in the Issuing Bank's opinion, delisting, nationalisation, bankruptcy (*konkurs*) proceedings, liquidation (*likvidation*), company reorganisation, compulsory redemption, merger, demerger, asset transfer, share swap, swap offer, public tender offer or other similar event occurs with respect to equities which constitute a Reference Asset or a company whose shares are included in an equities basket which constitutes a Reference Asset; or where, in the Issuing Bank's opinion, a split, new issue, bonus issue, issuance of warrants or convertible debentures, reverse split or buy-back occurs with respect to such an equity or basket of equities as constitute a Reference Asset, or any other event occurs as specified in these Final Terms or which, in accordance with practice on the market for equity-related derivative products, may lead to an adjustment in the calculation during outstanding transactions, the Issuing Bank shall be entitled to make such adjustments in the calculation of Performance and/or compilation of Reference Assets, or to replace the Reference Asset with a Replacement Reference Asset which the Issuing Bank thereby deems necessary in order to achieve a calculation of Performance which reflects, and is based on, the manner in which such was previously calculated.
- (b) Where the Issuing Bank believes that it would not provide a fair result to replace the Reference Asset or adjust the applicable calculation or the structure of the Reference Asset, the Issuing Bank may effect an early calculation of the Additional Amount and/or the yield and determine Additional Amount and/or the yield. Such early calculation shall be based on the most recently published value for the Reference Asset. When the Issuing Bank has determined Additional Amount and/or the yield, the Issuing Bank shall notify the Holders of the amount of the Additional Amount and the yield and the rate at which interest will continue to accrue on the Loan. The Issuing Bank shall pay market interest on the

Principal Amount. The Redemption Amount plus accrued interest shall be repaid on the Redemption Date.

- (c) The Issuing Bank is entitled to make any addition, adjustment or amendment to the Final Terms as the Issuing Bank deems necessary in connection with Extraordinary Events.

## **5.5 Replacement Reference Asset**

The following provision is applicable to MTN if a Replacement Reference Asset is specified in the relevant Final Terms:

The Replacement Reference Asset replaces the Reference Asset under certain conditions specified in these terms and conditions. A Replacement Reference Asset shall replace a Reference Asset with effect from the date determined by the Issuing Bank.

## **5.6 Change in Law**

The following terms and conditions are applicable to all Structured MTNs:

- (a) Where, in the Issuing Bank's opinion, as a consequence of changes in any law, ordinance, regulation or equivalent or decision by a public authority or changes in the application thereof, or if a decree of moratorium, currency restriction, embargo, blockade or boycott of a central bank, the Swedish or Finish government or other sovereign such as the United Nations or the European Union, it would be unlawful, essentially more difficult or bring considerable damage to the Issuing Banks reputation to issue and to hold structured MTNs, or if it becomes unlawful or essentially more difficult for the Issuing Bank or a third party or bring considerable damage to the Issuing Banks reputation to hold, acquire or divest Reference Assets or to enter into derivative instruments with respect to a Reference Asset, which may be acquired to hedge the Issuing Bank's exposure under the Loan (e.g. equities which constitute a part of the Reference Asset), the Issuing Bank may decide that the Reference Asset shall be replaced by a Replacement Reference Asset, or alternatively adjust the calculation of the Additional Amount.
- (b) Where the Issuing Bank believes that it would not provide a fair result to replace the Reference Asset or to adjust the applicable calculation, the Issuing Bank may effect an early calculation of Additional Amount and/or the yield and determine the Additional Amount and/or the yield. Such early calculation shall be based on the most recently published value of the Reference Asset. When the Issuing Bank has determined the Additional Amount and/or the yield, the Issuing Bank shall notify the Holders of the amount of the Additional Amount and/or the yield and the rate of interest which shall continue to accrue on the Loan. The Issuing Bank shall pay market interest on the Principal Amount. The Redemption Amount plus accrued interest shall be repaid on the Redemption Date.
- (c) The Issuing Bank is entitled to make any addition, adjustment or amendment to the Final Terms as the Issuing Bank deems necessary in connection with a Change of Law.

## **5.7 Increased Risk Management Costs**

The following terms and conditions are applicable to all Structured MTNs:



- (a) Where, in the Issuing Bank's opinion, as a consequence of changes in any law, ordinance, regulation or equivalent or decision by a public authority or changes in the application thereof, or any other event or circumstance not directly referable to the Issuing Bank's degenerated credit rating which according to the Issuing Bank would affect the Issuing Bank's costs for holding, acquiring or divesting Reference Assets or entering into, maintaining or terminating derivative instruments relating to the Reference Asset for the purpose of securing the Issuing Bank's exposure under the Loan, would increase in a manner which is not insignificant for the Issuing Bank or if the costs, for a reason other than as listed above, for the Issuing Bank's risk management would increase, in an, according to the Issuing Bank, essential way or where, in the Issuing Bank's opinion, the risk management costs increase in a manner which is not insignificant, the Issuing Bank may decide that the Reference Asset shall be replaced by a Replacement Reference Asset or alternatively adjust the calculation of the Additional Amount.
- (b) Where the Issuing Bank believes that it would not provide a fair result to replace the Reference Asset or to adjust the applicable calculation, the Issuing Bank may effect an early calculation of Additional Amount and/or the yield and determine the Additional Amount and/or the yield. Such early calculation shall be based on the most recently published value of the Reference Asset. When the Issuing Bank has determined the Additional Amount and/or the yield, the Issuing Bank shall notify the Holders of the amount of the Additional Amount and/or the yield and the rate of interest which shall continue to accrue on the Loan. The Issuing Bank shall pay market interest on the Principal Amount. The Redemption Amount plus accrued interest shall be repaid on the Redemption Date.
- (c) The Issuing Bank is entitled to make any addition, adjustment or amendment to the Final Terms as the Issuing Bank deems necessary in connection with Increased Risk Management Costs.

## **Section 6 Subordinated loans**

- 6.1 NBAB may issue subordinated Loans with specified maturity (dated subordinated loans).

### ***Subordination provisions***

The dated subordinated Loan constitutes a direct and unsecured obligation of NBAB, ranking *pari passu* with other dated subordinated loans issued by NBAB. The dated subordinated Loan is subordinated in right of payment to unsubordinated obligations of NBAB but ranks senior to NBAB's undated subordinated loans. Holders of dated subordinated MTNs shall be entitled to receive payment prior to Holders of undated subordinated MTNs.

In the event of bankruptcy (*konkurs*) or liquidation (*likvidation*) of NBAB, the right to receive payment under the dated subordinated Loan is conditional upon payment in full to all prior ranking creditors.

### ***Early termination – Right to repayment***

A dated subordinated Loan may be terminated and payments be accelerated prior to the stated maturity only in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of NBAB.

- 6.2 NBAB may issue subordinated Loans with no specified maturity (undated subordinated loans).

***Subordination provisions***

The undated subordinated Loan constitutes a direct and unsecured obligation of NBAB, ranking at least *pari passu* with other undated subordinated loans issued by the Bank. The undated subordinated Loan is subordinated in right of payment to NBAB's unsubordinated obligations and NBAB's dated subordinated loans, but ranks senior to all classes of shares and to capital contribution securities.

In the event of bankruptcy (*konkurs*) or liquidation of (*likvidation*) of NBAB, the right to receive payment under the undated subordinated Loan is conditional upon payment in full to all prior ranking creditors.

***Deferred interest payment***

NBAB is entitled to defer payment of interest on an undated subordinated Loan where:

- NBAB reports an operating loss; or
- the general meeting of shareholders in NBAB has resolved not to pay dividend on its share capital.

Any deferred interest shall constitute "Arrears of Interest". Each amount of Arrears of Interest shall bear interest at a rate which corresponds to the Interest Rate applicable to the Loan (and shall be compounded on each Interest Payment Date).

Arrears of Interest (including accrued interest) is payable to the Holders on the earlier of:

- 14 days after the board of directors of NBAB proposes to the general meeting that dividends be paid to the shareholders;
- 14 days after publication of NBAB's audited annual accounts of NBAB disclosing an operating profit;
- the date set for redemption of the Loan; and
- a decree or order being made by a court or agency or supervisory authority having jurisdiction in respect of the same for the liquidation or bankruptcy of NBAB or a resolution being passed for the liquidation or bankruptcy of NBAB.

***Right of utilisation and conversion***

NBAB shall primarily utilise capital contribution securities (including accrued interest thereon) to cover losses.

To the extent required to avoid liquidation (*likvidation*) or bankruptcy (*konkurs*), NBAB is entitled to utilise all or parts of the Principal Amount of the undated subordinated Loan (including accrued interest and Arrears of Interest, if any) for the purpose of covering losses by writing down the Principal Amount (including accrued interest and Arrears of Interest, if any) by the amount required to avoid liquidation (*likvidation*) or bankruptcy (*konkurs*) and converting such amount into a conditional capital contribution (*villkorat kapitaltillskott*). NBAB shall primarily

utilise accrued interest and Arrears of Interest (if any). Conversion of an undated subordinated Loan into a conditional capital contributions to shall be made *pro rata* with any other undated subordinated loans issued by NBAB. Utilisation and conversion as aforesaid may not be made unless and until the general meeting of shareholders in NBAB have adopted a resolution on the write-down and conversion in accordance with these terms and conditions.

The rights of the Holders of undated subordinated MTNs in respect of the principal amount and interest utilised as aforesaid will be converted into rights of providers of conditional capital contributions. Interest will not accrue on the converted amount. No dividend may be paid to NBAB's shareholders until each amount that has been converted into a conditional capital contribution has been reinstated as debt in the balance sheet of NBAB and Holders have receive payment of an amount that equals the interest that would have accrued on the converted amount in the absence of conversion.

Reconversion and reinstatement of the converted amount to debt in the balance sheet of NBAB and payment of compensation for unpaid interest shall take place to the extent NBAB has distributable profits according to its most recent balance sheet. Interest shall accrue on the reconverted amount from the date of reconversion in accordance with these terms and conditions and the Final Terms.

#### ***Termination – Right to repayment***

An undated subordinated Loan may be terminated and the Holders may claim payment thereunder only in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of NBAB.

- 6.3 NBAB reserves the right to raise additional dated and undated subordinated loans and thereby provide that such additional loans (including interest thereon) in right of payment from the assets of NBAB rank, respectively, *pari passu* with dated and undated subordinated loans previously raised by NBAB.
- 6.4 Early redemption or repurchase of subordinated MTNs may not be made without the prior approval of the Swedish Financial Supervisory Authority.

#### **Section 7 Early Redemption and repurchase**

- 7.1 If specified in the Final Terms, the Issuing Bank shall be entitled to redeem MTNs early, in whole or in part, at the Early Redemption Amount together with accrued interest (if any), on the date or dates set out in the Final Terms. The Principal Amount of MTNs are reduced by the Reduction Amount on the Early Redemption Date.

The Issuing Bank shall notify the Holders of an early redemption not later than 10 days prior to the relevant redemption date. Such notice of early redemption is irrevocable.

- 7.2 If specified in the Final Terms, Holders shall be entitled to demand early redemption of MTNs at the Early Redemption Amount together with accrued interest (if any), on the date or dates set out in the Final Terms and subject to any conditions specified in the Final Terms.

Holders shall provide the Issuing Bank with an early redemption notice no later than 45 days prior to the relevant redemption date. Such notice of early redemption is irrevocable.

- 7.3 Upon early redemption of zero coupon MTNs, the relevant Loan shall be repaid in an amount determined on the Record Date in accordance with the following formula, unless otherwise stated in the Final Terms:

$$\frac{\text{Principal Amount}}{(1 + r)^t}$$

- $r$  = the ask rate (*säljränta*), expressed as a percentage, quoted by the Issuing Bank for Swedish Government Bonds with an outstanding term to maturity corresponding to the remaining term of the Loan. In the absence of such ask rate, the bid rate (*köpränta*) shall instead be used, as reduced by a market bid/ask spread, expressed in percentage points. The calculation shall be based on the closing quotation or such other Reference Interest Rate or Reference Yield as stated in the Final Terms.
- $t$  = the remaining term of the Loan, expressed as a number of days divided by 360 (whereby each month shall be deemed to consist of 30 days) or based on the actual number of days/actual number of days.

- 7.4 The Issuing Bank shall be entitled from time to time to repurchase MTNs in the market at the prevailing market price.

## Section 8 Withholding tax

Payment with respect to MTNs shall be made without deduction of taxes or charges, provided that the Issuing Bank is not obliged to effect such deductions according to Finnish or Swedish law, ordinances, regulations or similar or decisions by Finnish or Swedish public authorities. In the event the Issuing Bank is obliged to effect deduction in respect of such Finnish or Swedish taxes, the Issuing Bank shall pay such additional amounts as required to ensure that the Holders, on the due date, receive a net amount equal to the amount that the Holders would have received had no deduction been effected. Such additional amounts shall not, however, be paid where:

- (i) The Issuing Bank is NBAB and the Holder is liable to taxation in Sweden, or where the Issuing Bank is NBF and the Holder is liable to taxation in Finland;
- (ii) The Holder is liable to taxation in Sweden or Finland for any reason other than merely being a holder of rights under MTNs; or
- (iii) The Holder can avoid taxes by filing a certificate with the relevant authority evincing that the Holder is not liable to taxation in Finland and Sweden.

In addition, no such additional amount is payable to Holders where the tax deduction or the charge is imposed in accordance with EU Directive 2003/48/EC with respect to taxation of assets or any other such Directive as implements the conclusion presented by the ECOFIN meeting on 26-27 November 2000 and/or 14-15 December 2001, or any other Swedish or Finnish Act or regulation which implements the above-mentioned Directives or in any other manner is the result of the aforementioned meeting or Directives.

Where, due to changed circumstances, the Issuing Bank is obliged by law to effect deductions of taxes or charges, the Issuing Bank shall be entitled to effect an early redemption of all outstanding MTNs under a Loan. Redemption of MTNs shall then be made with an amount corresponding to the nominal amount of the MTNs plus any accrued interest up to and including the date of early termination date, unless otherwise stated in the Final Terms. In the event the Issuing Bank wishes to exercise its right of early redemption, the Issuing Bank shall notify the Holders in accordance with section 15 no later than 30 days prior to, and no earlier than 60 days prior to, the early termination date. In the event withholding tax is introduced in Finland and Sweden and, pursuant to such Finnish or Swedish withholding tax the Issuing Bank is obliged

to effect deductions as referred to in the first paragraph, the Issuing Bank reserves the right to obtain the following information regarding each Holder:

- (i) The Holder's name, personal identification number or other identification number as well as postal address; and
- (ii) The number of debt instruments held by the Holder and their nominal amount.

The information referred to above need only be provided in relation to debt instruments issued under this MTN Programme.

A request for information pursuant to this section 8 shall be submitted to VPC with sufficient time for VPC to handle the matter.

## **Section 9 Redemption and payment of interest or other yield**

- 9.1 Each Loan shall be repaid at the Redemption Amount (as specified in the Final Terms) on the Redemption Date. If specified in the Final Terms, the Redemption Date may be deferred to a later date pursuant to the conditions set out in the Final Terms ("**Deferred Redemption Date**").
- 9.2 If specified in the Final Terms, Structured MTNs may be non-principal protected instruments. If so, the Issuing Bank will upon the occurrence of a Credit Event or other circumstance specified in these terms and conditions be entitled to write down the Principal Amount of the Loan (including accrued interest) in whole or in part and thereby discharge its obligation to redeem the MTNs at an amount that is lower than the principal amount of the MTNs (or by no payment if the Loan is written down in whole). Irrespective of the amount of redemption payment the Principal Amount of the MTNs will on the Redemption Date be reduced by the Reduction Amount.
- 9.3 If specified in the Final Terms, certain MTNs may be amortising. If so, the Redemption Amount will be paid in instalments equal to the Amortisation Amount on one or several Amortisation Dates, as further set out in the Final Terms.
- 9.4 Interest or other yield that is payable pursuant to section 4 shall be paid on the relevant Interest Payment Date and on the Redemption Date.
- 9.5 Payment of the Redemption Amount and, where applicable, interest and other yield shall be made in the currency in which the Loan is denominated, unless otherwise specified in the Final Terms.

Where the currency of the Reference Asset differs from the currency in which the Loan is denominated, the Issuing Bank will effect a Currency Exchange. A Currency Effect may arise as a result of the Currency Exchange due to positive or negative changes of the relevant exchange rate.

Dual currency MTNs may be issued under the MTN Programme. Under dual currency MTNs, payment of principal, interest, yield or Redemption Amount may be made in different currencies.

- 9.6 Payment of the Redemption Amount and, where applicable, interest or other yield shall be made to any person who is a Holder on the fifth Business Day prior to the respective due date or such later Business Day prior to the due date if generally applicable on the Swedish bond market.

- 9.7 Provided that the Holder, through an Account Operator, has designated a bank account into which payment of the Redemption Amount, interest or other yield shall be made, payment will be made to such account through VPC on the respective due date. In no such designation is registered, VPC will, on the due date, deliver the relevant amount to the Holder on the registered address of the Holder as of the Record Date.

Loans with fixed interest, Inflation-Linked Interest, rate adjustment or zero coupon MTNs are subject to the Business Day Convention "Following Business Day", unless otherwise specified in the Final Terms. Interest will then be payable only up to and including the maturity date of the Loan.

Loans with variable interest (FRN) are subject to the Business Day Convention "Modified Following Business Day", unless otherwise specified in the Final Terms. Interest will then be calculated on an adjusted or unadjusted basis, as set out in the Final Terms.

Structured MTNs are subject to the Business Day Convention "Following Business Day", unless otherwise specified in the Final Terms.

If a Loan is subject to a Business Day Convention other than those specified above, or if the structure of the Loan and MTNs differ from those specified above, then the applicable Business Day Convention shall be specified and described in the Final Terms.

- 9.8 In the event that VPC is prevented to make payment in accordance with the above provisions due to a delay in performance by the Issuing Bank or for any other reason, VPC will make payment to each person that is registered as a Holder on the relevant Record Date as soon as payment is received from the Issuing Bank or the reason for delay has ceased.
- 9.9 If the Issuing Bank is prevented from making payments to the Holders through the VPC due to that VPC is affected by an event or circumstance set out in section 20, first paragraph, then the Issuing Bank is entitled to defer payment until such time as the event or circumstance affecting VPC has ceased. In such case, interest shall be payable in accordance with section 10.2.
- 9.9 If a person to whom payment was made in accordance with the above was not entitled to receive such payment, the Issuing Bank and VPC shall nevertheless be deemed to have discharged their respective payment obligations, unless the Issuing Bank or VPC had knowledge that payment was made to a person that was not entitled to receive the payment or if the Issuing Bank or VPC did not act with normal care.

## **Section 10 Default interest**

- 10.1 In the event of any default in payment, default interest is payable on the due and unpaid amount from the due date up to and including the day on which payment is made at a rate of interest equal to the average of one week STIBOR with respect to Loans denominated in SEK, one week EURIBOR with respect to Loans denominated in EUR and, with respect to Loans denominated in any other currency, the rate of interest stated in the Final Terms, in each case plus two percentage points. STIBOR and EURIBOR shall thereupon be established on the first Business Day of each calendar week during the period of default. Notwithstanding the aforesaid, the default interest rate on interest bearing Loans shall not (except in circumstances set out in section 10.2) be lower than the rate which applied to the

relevant Loan on the relevant due date plus two percentage points. Default interest is not capitalised.

- 10.2 If the default in payment under a Loan is due to any event or circumstance affecting the Dealers, the Issuing Bank or VPC as referred to in section 20, first paragraph, the default interest rate shall, with respect to an interest bearing Loan, not exceed the rate of interest which applied to the relevant Loan on the relevant due date (without addition of two percentage points) and, with respect to a non-interest bearing Loan, no default interest shall accrue or be payable.

### **Section 11 Prescription**

Claims against the Issuing Bank for the payment of a Redemption Amount shall be prescribed unless made within ten years after the relevant Redemption Date. Claims against the Issuing Bank for the payment of interest or other yield shall be prescribed unless made within three years after the relevant Interest Payment Date. The Issuing Bank shall upon prescription be entitled to keep any funds that may have been reserved by the Issuing Bank for such payments.

If the prescription period is interrupted (*preskriptionsavbrott*) a new prescription period of ten years will commence for claims in respect of Redemption Amounts and three years for claims in respect of interest amounts and other yield. Where the prescription period is interrupted through any acknowledgement, claim or reminder a new prescription period shall commence on the date of the interruption or, where the prescription period is interrupted through legal proceedings or the claims for payment is brought before in a court law, enforcement authority or in arbitration proceedings, bankruptcy (*konkurs*) proceedings or proceedings for a judicial composition with creditors (*offentligt ackord*), a new prescription period shall commence on the date on which a judgment or final decision is rendered or the procedure is otherwise terminated.

### **Section 12 Amendments to these terms and conditions, Programme Amount, etc.**

- 12.1 The Issuing Bank is entitled to make any amendment to these terms and conditions that is approved at a meeting of Holders or is approved by all Holders of the relevant MTNs. The Issuing Bank shall promptly notify the Holders of any amendment to the terms and conditions accordance with section 15.
- 12.2 The Banks and Dealers are entitled to agree on any increase or decrease in the Programme Amount. Furthermore, new Dealers may be appointed and an existing Dealer may be replaced or otherwise cease to be a Dealer under the MTN Programme.
- 12.3 In addition to the provisions of section 12.1 or as further set out in these terms and conditions, the Banks are entitled, without the consent of Dealers and the Holders, amend these terms and conditions the Final Terms in order to correct any manifest error or to the extent appropriate upon a change in applicable mandatory law.

### **Section 13 Meeting of Holders**

- 13.1 The Issuing Bank is entitled to convene a meeting of Holders. The Issuing Bank is obliged to convene a meeting of Holders upon a written request from a Dealer or from Holders representing not less than one-tenth of the Adjusted Loan Amount.
- 13.2 A written notice of a meeting of Holders shall be provided to the Holders through VPC no later than twenty Business Days prior to the meeting, with a copy to the Dealers. Such notice shall be dispatched in accordance with VPC's routines for notices to Holders in force from time to time. The notice shall contain (i) information regarding the time and place of the meeting, (ii) an agenda listing the matters to be addressed at the meeting and (iii) a description of the main content of

each proposed resolution. The matters shall be numbered. The meeting may not pass a resolution on any matter that is not listed in the notice to the meeting. The Issuing Bank shall send a copy of the notice to the Dealers.

- 13.3 In addition to the Holders, the Dealers and representatives of the Issuing Bank and their assistants, also board members, the managing director and other senior executives of the Issuing Bank and the Issuing Bank's auditors and advisors shall be entitled to attend a meeting of Holders.

A Holder is entitled to exercise its rights at the meeting of the Holders through a duly representative. A form of power of attorney will be provided by the Issuing Bank.

- 13.4 The Issuing Bank or the Representative of the Holders appointed in accordance with section 13.9 are entitled at all times to request an extract from the register of noteholders (*avstämningsregistret*) kept by VPC in respect of the relevant Loan. The Issuing Bank shall procure that an extract from the register as at the end of the fifth Business Day prior to the meeting of Holders (the "**Claims Register**") is available at the meeting.

- 13.5 The Issuing Bank shall appoint a chairman at the meeting. The chairman shall prepare a list of Holders that are present (or duly represented) with right to vote at the meeting, with information on the proportion of the adjusted Loan Amount that is held by each respective Holder (the "**Voting Register**"). Only a person noted in the Claims Register or who is to be regarded as a Holder according to section 13.10 is entitled to vote at the meeting and shall be included in the Voting Register. A nominee (*förvaltare*) in respect of nominee registered holdings of MTNs (*förvaltarregistrerade innehav*) shall be deemed present at the meeting with the proportion of the Adjusted Loan Amount which the nominee declares itself to represent at the meeting. The Issuing Bank or another company in the Nordea Group shall not be entitled to vote and shall not be included in the Voting Register.

- 13.6 The chairman shall procure that minutes are kept at the meeting of Holders, recording the participants at the meeting, the matters addressed at the meeting, voting results and resolutions that are passed. The Voting Register shall be recorded in, or appended to, the minutes. The minutes shall be signed by the chairman and be verified by at least one additional person appointed by the meeting and shall thereafter be submitted to the Issuing Bank. The minutes shall be distributed to the Holders no later than ten Business Days after the meeting, in accordance with section 15. Any new or amended Final Terms or Terms and Conditions shall be appended to the minutes and be submitted to VPC by the Issuing Bank. The minutes shall be safe kept by the Issuing Bank.

- 13.7 The meeting of Holders constitute a quorum when Holders representing not less than one-fifth of the Adjusted Loan Amount are present (or represented) at the meeting. However, the quorum at a meeting for passing a resolution on any of the following matters ("**Extraordinary Resolutions**") is at hand if Holders representing at least one-half of the Adjusted Loan Amount are present (or represented) at the meeting:

- (a) approval of an agreement with the Issuing Bank or another party with respect to a change of the Redemption Date, reduction of the Principal Amount, change in relevant currency of Loan (unless the change in currency is effected by operation of law), change of Interest Payment Date or any other term and condition relating to interest or other yield;



- 
- (b) approval of a substitution of debtor, other than a substitution that the Issuing Bank is entitled to effect with the Holders' consent pursuant to section 14; and
    - (c) a resolution to amend this section 13.
  - 13.8 If the meeting of Holders has been convened and the necessary proportion of the Adjusted Loan Amount represented at the meeting has not been reached for the meeting to constitute a relevant quorum within thirty minutes of the scheduled opening of the meeting, the meeting shall be adjourned for ten Business Days. Where the meeting forms a quorum with respect to certain, but not all, matters which are to be resolved upon at the meeting, the meeting may be adjourned after resolutions have been passed on those matters for which the meeting constituted a quorum. A notice that the meeting has been adjourned and details of the time and place for the continued meeting shall promptly be dispatched to the Holders through VPC. An adjourned meeting of Holders constitutes a quorum when resumed if any Holder entitled to vote is present (or represented) at the meeting (irrespective of the number of MTNs held by the Holder) within thirty minutes from the scheduled opening of the resumed meeting. The Voting Register prepared in accordance with section 13.5 shall continue to apply also when an adjourned meeting is resumed.
  - 13.9 Resolutions at meetings of Holders are passed by voting. Each Holder entitled to vote shall have one vote per each MTN held by the Holder. A nominee in respect of nominee-registered MTNs (but not other Holders) is entitled to split the votes on a specific matter (e.g. by partly voting for and partly against a proposed resolution). An Extraordinary Resolution is passed by three-quarter majority of the votes cast or, when an adjourned meeting is resumed, by simple majority. Any other resolution is passed by simple majority of the votes cast. Such other resolutions may, *inter alia*, constitute:
    - (a) a consent to a proposed amendment to the terms and conditions of the Loan, provided that the amendment does not require an Extraordinary Resolution;
    - (b) appointment of a representative ("**Representative**") of Holders in matters relating to the MTNs both before and outside courts of law or enforcement authorities;
    - (c) directives and instructions to the Representative concerning the Representative's exercise of rights and obligations as representative of the Holders; and
    - (d) appointment of a committee which shall protect the Holders' interest and exercise the Holders' voting rights pursuant to this section 13.
  - 13.10 The nominee in respect of nominee-registered MTNs shall be deemed to be the Holder of such MTNs unless the beneficial owner of the MTNs is present at the meeting of Holders (in person or through a duly authorised representative with power of attorney) and presents the meeting with a certificate from the nominee confirming that the beneficial owner was a holder of the MTNs five Business Days prior to the meeting and the size of such person's holding. In such event the beneficial owner shall be deemed to be the Holder for the purpose of this section 13.
  - 13.11 Any resolution passed at a duly convened and conducted meeting of Holders shall be binding on all the Holders, whether or not they are present (or represented) at the meeting and irrespective of whether or how they voted at the meeting. Holders

that have voted in favour of a resolution passed at a meeting of Holders shall not be held liable for any damage that the resolution may cause another Holder.

- 13.12 The Issuing Bank is entitled to adopt and prescribe further rules of procedure for the meeting of Holders, in addition to the provisions set out in this section 13.
- 13.13 The Issuing Bank shall reimburse the Representative and VPC for all costs incurred by them in connection with a meeting of Holders, irrespective of whom initiated the meeting.
- 13.14 A request for a meeting of Holders to be convened shall be submitted to Nordea Bank AB (publ) and be marked to the attention of Debt and Structured Finance Legal and Group Treasury. Such request shall state that the matter is urgent.

#### **Section 14 Substitution of debtor**

The Issuing Bank may, having given not less than thirty nor more than sixty days' notice to the Holders in accordance with section 15, without the consent of any Holder, transfer all its obligations under a Loan to another bank in the Nordea Group (which bank will assume the obligations of the Issuing Bank), provided that the transferee bank has the same or better credit rating than the Issuing Bank and further provided that the transfer does not materially affect the Holders' possibility to receive payment under the Loan. Notwithstanding the aforesaid, NBAB has an unconditional right to substitute NBF and assume NFBs obligations under a Loan.

If a Loan is transferred from the Issuing Bank to another bank in the Nordea Group (including NBAB), the terms and conditions of the Loan shall apply between each Holder and such transferee bank and the transferee bank shall confirm to the Holders and the Dealers by notice in accordance with section 15 that the transferee bank assumes all of the Issuing Bank's obligations under the Loan.

#### **Section 15 Notices**

Notices shall be provided to Holders in respect of a Loan at their address as registered with VPC.

The Issuing Bank shall, where applicable, as soon as possible after determination thereof notify Holders of Initial- and Final Prices, Redemption Amounts (if different from Principal Amounts) and Additional Amounts, Base CPI, Final CPI, Inflation-Protected Principal and interest amounts, as well as other parameters on which the Issuing Bank has undertaken to provide information pursuant to these terms and conditions.

Information regarding prices and changes in prices during the term of a Structured MTN may be obtained at Nordea Bank AB (publ) branch offices or as otherwise specified in the Final Terms.

#### **Section 16 Confidentiality**

The Issuing Bank reserves the right, with respect to Structured MTNs or MTNs in relation to which any other bank in the Nordea Group has acted as Dealer, to request and obtain from VPC the following information relating to an account in the VPC noteholders register: (i) the Holder's name, personal identification number or other identification number as well as postal address, (ii) [the aggregate of MTNs and the terms and conditions of such MTNs] and (iii), where applicable, the number of MTNs and their nominal amount.

#### **Section 17 Listing**

If it is specified in the Final Terms that an application will be made for the Loan to be admitted to listing, trading and/or quotation with a securities exchange and/or other quotation system, the

Issuing Agent or the Issuing Bank will submit an appropriate application for such admission with The OMX Nordic Exchange in Stockholm or such other securities exchange or marketplace as specified in the Final Terms. The Issuing Bank shall take any measures that may be required in order to maintain the relevant admission for the entire term of the Loan.

### **Section 18 Right to cancel an offer of MTNs; Further issues of MTN**

The Issuing Bank is entitled to cancel an offer of MTNs under a Loan upon the occurrence of any event of an economic, financial or political nature which in the opinion of the Issuing Bank could jeopardize a successful offering of the relevant Loan.

The Issuing Bank may from time to time create and issue further tranches of MTNs in relation to a Loan having the same terms and conditions as the Loan (or the same terms and conditions except for the amount of first payment of interest (if any) and the price of such further MTNs upon issue). Such further tranches of MTNs will be consolidated and form a single series with the outstanding MTNs in respect of the Loan. Any references in the terms and conditions to Loan or MTNs will, unless the context otherwise requires, include all MTNs in the series after consolidation with the MTNs issued in the further issue.

### **Section 19 Nominee registration**

The relevant nominee (*förvaltaren*) shall for the purpose of these terms and conditions be deemed to be the holder of MTNs which are nominee-registered (*förvaltarregistrerade*) pursuant to the Swedish Financial Instruments Accounts Act, except as otherwise explicitly provided in section 13.10.

### **Section 20 Limitation of liability etc.**

The Dealers, the Issuing Bank and VPC shall not, in connection with the exercise or purported exercise of its obligations in respect of a Loan, be held liable for any damage arising out of any Swedish or foreign legal enactment, or any measure undertaken by a Swedish or foreign public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance. The reservation in respect of strikes, lockouts, boycotts and blockades applies even if an aforementioned entity takes such measures, or is subject to such measures.

The Dealers, the Issuing Bank or VPC shall not be held liable for any other damage or loss incurred if such entity has exercised due care. The aforementioned entities shall not in any case be held responsible for any indirect damage, consequential damage and/or loss of profit.

Should there be an obstacle for the Dealers, the Issuing Bank or VPC to take any action pursuant to these terms and conditions due to any circumstance set out in the first paragraph, such action may be postponed until the obstacle has been removed.

The aforesaid shall apply unless otherwise provided in the Swedish Financial Instruments Accounts Act (1998:1479).

### **Section 21 MTNs issued under Danish and Finnish law**

MTNs that are expressed to be governed by Danish law or Finnish law are subject to the Terms and Conditions as amended pursuant to annex 1.

Any reference in these Terms and Conditions to VPC shall, with appropriate amendments and in applicable parts, apply also in relation to any other clearing organisation or institution that is responsible for maintaining and administering a register of Holders and their holdings of MTNs and which performs clearing and settlement in respect of MTNs, as may be further specified in the Final Terms.

---

**Section 22 Governing law and jurisdiction**

The Terms and Conditions shall be governed by, and construed in accordance with the laws of the country stated in the Final Terms and MTNs shall be deemed to be issued under such law. The Final Terms may specify Swedish, Finnish or Danish law as the governing law.

If Swedish law is specified in the Final Terms as the governing law, then disputes concerning the interpretation or application of these terms and conditions shall be settled in Swedish courts. The Stockholm District Court shall be court of first instance.

If Finnish law is specified in the Final Terms as the governing law, then disputes concerning the interpretation or application of these terms and conditions shall be settled in Finnish courts. The court of first instance shall be *Helsingen käräjoikeus*.

If Danish law is specified in the Final Terms as the governing law, then disputes concerning the interpretation or application of these terms and conditions shall be settled by Danish courts. The court of first instance shall be *Sø-og Handelsretten* in Copenhagen.

---

These Terms and Conditions have prepared in three (3) original counterparts of which the Dealers have each received one.

It is hereby confirmed that the above Terms and Conditions are binding on us.

Stockholm, 4 June 2008

NORDEA BANK FINLAND Abp

NORDEA BANK AB (publ)

## **ANNEX 1 TO GENERAL TERMS FOR MTNS ISSUED UNDER DANISH LAW OR FINISH LAW**

Sections and paragraphs referred to in this Annex 1 are references to the corresponding sections and paragraphs in the Terms and Conditions.

### **MTNS ISSUED UNDER FINNISH LAW**

The Terms and Conditions for MTNs that are expressed to be governed by Finnish law shall apply as amended by the terms set out below.

#### **Section 1 Definitions**

*The following definitions shall amend or replace the corresponding definitions in the Terms and Conditions.*

"Account Operator"	means an institution to which APK has granted a licence to act as an account operator and conduct registrations in the securities register pursuant to the Finnish Securities System Act (826/1991) and APK's regulations;
"APK"	means Finlands Värdepapperscentral Ab,
"MTNs"	means any publicly traded debt instrument in the form of securities issued by NBF under this MTN Programme;
"Securities Account"	means an account pursuant to the Finnish Securities System Act (826/1991) and the Finnish Securities Accounts Act (827/1991);

#### **Section 3 Registration of MTNs**

*Sections 3.1 and 3.2 shall be replaced by the following provision:*

"MTNs shall on behalf of the Holder be registered on a Securities Account, consequently, no physical securities will be issued. A request for a registration measure regarding MTNs shall be addressed to the Account Operator."

#### **Section 9 Redemption and payment of interest or other yield**

*Sections 9.6 and 9.7, first paragraph shall be replaced by the following provision:*

"The Redemption Amount and, where applicable, interest or other yield shall be paid on the Redemption Date pursuant to the Finnish Securities System Act (826/1991) and the Finnish Securities Accounts Act (827/1991) as well as APK's rules and provisions to those persons who are entitled to the payments. APK's rules and provisions in force from time to time are available at [www.apk.fi](http://www.apk.fi)."

#### **Section 11 Prescription**

*Section 11, first paragraph shall be replaced by the following:*

"The right to payment of any Principal Amount and interest or other yield shall be prescribed three years after the Redemption Date or the Interest Payment Date. Funds reserved for any payment which is prescribed shall inure to the Issuing Bank."

### **Section 13 Meeting of Holders**

*Section 13.2, first and second sentences shall be replaced by the following:*

"Notice to attend meetings of Holders shall be published not later than 20 Business Days prior to the meeting of Holders in accordance with section 15 below. Notices shall be sent to Holders pursuant to section 15 below."

*Section 13.4, first sentence is deleted.*

*Section 13.6, fourth sentence shall be replaced by the following:*

"A copy of the minutes shall be available at the Issuing Bank no later than ten Business Days after the meeting of Holders."

*Section 13.8, second sentence shall be replaced by the following:*

"Notice that the meeting of Holders has been adjourned and a new notice to attend a meeting of Holders when resumed shall be sent to Holders in accordance with section 15 below."

*Section 13.9, third sentence shall be replaced by the following:*

"Notice to attend pursuant to section 13.2 shall be sent to Holders in accordance with section 15 below."

### **Section 15 Notices**

*Section 15, first paragraph shall be replaced by the following:*

"Notices regarding outstanding MTNs shall be published by NBF in a national daily newspaper in the jurisdictions in which MTNs have been offered to the public or on the Issuing Bank's website [www.nordea.fi/masslån](http://www.nordea.fi/masslån) or on any other website as stated separately in the Final Terms for the respective MTNs. Written notice may also be sent to Holders at the address registered in the Issuing Bank's register. Where MTNs have been issued as dematerialised securities, notice to Holders may be sent via APK and Account Operators. Notices shall be deemed received by Holders on the day on which they are published in a national daily newspaper, on a relevant website or in APK or, where the notice has been sent through a written letter, on the seventh day after despatch of the letter. Notice to NBF shall be deemed duly delivered the day after despatch where sent to NBF, Aleksis Kivis katu 9, Treasury/Markets, Helsinki, FI-00020 NORDEA (or another address as notified to Holders) and notices to NBAB shall be deemed duly delivered on the day after despatch where sent to NBAB."

*Section 15, third paragraph shall be replaced by the following:*

"Information regarding prices and changes in prices during the term of a Structured MTNs may be obtained at the Issuing Bank's head office."

### **Section 19 Nominee registration**

*Section 19 shall be replaced by the following:*

"The Finnish Securities System Act (826/1991) and the Finnish Securities Accounts Act (827/1991) as well as APK's regulations and provisions shall apply to nominee-registered MTNs."

## **Section 20 Limitation of liability, etc.**

*Section 20, final paragraph shall be deleted.*

## **MTNS ISSUED UNDER DANISH LAW**

The Terms and Conditions for MTNs that are expressed to be governed by Danish law shall apply as amended by the terms set out below.

### **Section 1 Definitions**

*The following definitions shall amend or replace the corresponding definitions in the Terms and Conditions.*

"Business Day"	Business Day Sweden, Business Day Finland and/or Business Day Denmark or a day other than a Saturday or Sunday or public holiday, on which commercial banks and domestic capital markets are open for business in the jurisdiction stated in the Final Terms;
"Business Day Denmark"	A day other than a Saturday or Sunday or public holiday, on which commercial banks and domestic capital markets are open for business in Denmark;
"MTNs"	Debt instruments issued by the Issuing Bank in the form of a note under this MTN Programme;

### **Section 11 Prescription**

*Section 11, first paragraph shall be replaced by the following:*

The right to payment of Principal Amounts shall be prescribed twenty years after the Redemption Date. The right to payment of interest or other yield shall be prescribed five years after the respective Interest Payment Date. Funds reserved for any prescribed payments shall inure to the Issuing Bank.

### **Section 13 Meeting of Holders**

*Section 13.2, first and second sentences shall be replaced by the following:*

"Notice to attend meetings of Holders shall be published not later than 20 Business Days prior to the meeting of Holders in accordance with section 15. Notices shall be sent to Holders in accordance with section 15 below."

*Section 13.6, fourth sentence shall be replaced by the following:*

"A copy of the minutes shall be available at the Issuing Bank no later than ten Business Days after the meeting of Holders."

*Section 13.8, second sentence shall be replaced by the following:*

"Notice that the meeting of Holders has been adjourned and new notice to attend a meeting of Holders when resumed shall be sent to Holders in accordance with section 15 below."

**Section 15 Notices**

*Section 15, first paragraph shall be replaced by the following:*

"Notices regarding issued MTNs shall be published by the Issuing Bank in a national daily newspaper in the jurisdictions in which MTNs have been offered to the public or on the Issuing Bank's website as stated separately in the Final Terms for the respective MTNs. Written notice may also be sent to Holders at the address registered in the Issuing Bank's register. Notices shall be deemed received by Holders on the day after publication in a national daily newspaper or on the relevant website and on the seventh day after the letter has been sent."

*Section 15, third paragraph shall be replaced by the following:*

"Information regarding prices and changes in prices during the term of a Structured MTNs may be obtained at the Issuing Bank's head office."

**Section 19 Nominee registration**

*Section 19 shall be deleted and the subsequent numbering adjusted.*

**Section 20 Limitation of liability, etc.**

*Section 20, final paragraph shall be deleted.*



## ANNEX 2 TO GENERAL TERMS - FURTHER DEFINITIONS FOR CREDIT-LINKED NOTES

The definitions below may be applied and included in the Final Terms for MTNs linked to credits or baskets of credits of companies or Sovereigns such as states, municipalities or county councils. In addition to these definitions, further definitions may apply and will then be set out in the Final Terms (or appended thereto) for the relevant Loan. The definitions below may be amended in the Final Terms.

Credit Event:	<p>The occurrence of one or more of the following events unless otherwise stated in the Final Terms:</p> <p>a) in relation to a Reference Entity which is not a Sovereign: (i) Failure to Pay, (ii) Restructuring or (iii) Bankruptcy (<i>konkurs</i>);</p> <p>b) in relation to a Reference Entity which is a Sovereign: (i) Failure to Pay, (ii) Repudiation/moratorium or (iii) Restructuring and, in relation to east European and central Asian Sovereigns, also (iv) Obligation Acceleration;</p> <p>whereupon a Credit Event shall be deemed to exist notwithstanding that the event is directly or indirectly caused by, or an obligation is contested by reference to, any of the following: (i) lack of authority, lack of legal capacity, lack of capacity to enter into legal relations or similar in respect of a Reference Entity; (ii) actual or alleged invalidity, illegality or unenforceability of Debt Obligations; (iii) applicable law, regulations, public authority decisions, judgments, court decisions, decisions of arbitrators or similar procedures or the implementation of, or amendment to, or interpretation of applicable law or regulations on order of any court of arbitration or public authority; or (iv) the introduction of, or changes to, currency regulations, monetary restrictions or similar provisions by any monetary or other authority (including central banks).</p>
Repudiation/Moratorium:	<p>The occurrence of (a) and (b) below:</p> <p>a) an authorised officer of the Sovereign or its authorised officials;</p> <p>(i) disaffirms, disclaims, rejects or otherwise contests the Debt Obligation or its validity or enforceability, in whole or in part; or</p> <p>(ii) declares or imposes a moratorium or otherwise declares or determines that payments under the MTNs shall be suspended, discontinued or deferred, irrespective of whether made pursuant to law or through actual measures, and the measure relates to a total amount in the Debt Obligation of not less than an amount stated in the Final Terms ("Possible Repudiation/Moratorium"); and</p> <p>b) on or before the Repudiation/Moratorium's Calculation Date (as defined below), a Failure to Pay or Restructuring occurs in relation to the Debt Obligation, irrespective of the size of the relevant amount.</p>
Replacement Reference	As specified in the Final Terms.

Company:

Bankruptcy (*konkurs*):

means that a Reference Entity:

- (a) is dissolved (other than through a consolidation, amalgamation or merger);
- (b) becomes insolvent, is unable to pay its debts as they fall due, suspends payments or admits or declares in writing in judicial proceedings, administrative proceedings, regulatory proceedings or otherwise admits or declares a general inability to pay its debts as they fall due;
- (c) generally assigns, settles, reconstruct or take similar measures with respect to assets or liabilities to the benefit of its creditors;
- (d) institutes or has instituted against it a proceeding seeking a judgment or decision regarding insolvency, inability to pay or bankruptcy (*konkurs*), or any other decision pursuant to bankruptcy-, insolvency- or similar statutes or regulations which affect the creditors' rights, or a petition to dissolve or place the Reference Entity into liquidation (*likvidation*) has been filed and such proceedings or such a petition
  - (i) result in a judgment or a decision of insolvency, inability to make payment or bankruptcy (*konkurs*), a judgment or a decision which generally affects the creditors' rights, or a decision to place the Reference Entity into liquidation (*likvidation*); or
  - (ii) is not withdrawn, dismissed, discharged, stayed or restrained or generally restricted within thirty days after the proceedings have been commenced or the petition filed;
- (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of a trustee (including every form of bankruptcy (*konkurs*) or insolvency administration), receiver, investigator, administrator or other similar office with respect to the Reference Entity and all or a significant part of the Reference Entity's assets;
- (g) has a secured party take possession of all or substantially all of the Reference Entity's assets, or the Reference Entity becomes the subject of execution, attachment or other similar measure or procedure with respect to all or a significant part of its assets, and such creditor retains possession or such procedure is not, dismissed, discharged or stayed within thirty days; or
- (h) causes or is subject to an event or circumstance which, according to law applicable to the Reference Entity, has an analogous effect to any of the events specified in clauses (a) – (g).

Basket:

the group of Reference Entities set forth in the Final Terms.

Public Source:	a public source such as Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, NihonKezain Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review (or a replacement publication or electronic public source), the main source of business news in the relevant Reference Entity's jurisdiction and every other internationally recognised or electronically displayed public source.
Sovereign:	means a state or its administrative organs or political subdivisions (such as the government, ministries, civil service and suchlike), agencies conducting business operations, authorities, central bank, municipalities, cities, or other units which may enjoy legal immunity.
Restructuring:	<p>(a) Restructuring means, with respect to one or more Debt Obligations, that (A) either voluntarily by the Reference Entity or a court of law, arbitral board, central bank, authority or other body with regulatory power, an agreement is reached with the holder(s) of Debt Obligations with binding effect on all holders of Debt Obligations with the purpose set forth in any of items (i) – (v) below; or (B) that the Reference Company or a court of law, arbitral board, central bank, authority or other body with regulatory power publishes or orders one or more of the measures mentioned in points (i) – (v) below with binding effect on all holders of Debt Obligations. In addition, it is assumed that the Debt Obligation(s) that are subject to the measure(s) in points (i) – (v) below equals or exceeds, in total, the amount specified in the Final Terms at the time the Credit Event occurs.</p> <p>(i) a reduction in the rate or amount of interest or the amount of scheduled interest accruals;</p> <p>(ii) a reduction in any amount of principal, charges or similar amounts which fall due for payment at maturity or another scheduled payment date;</p> <p>(iii) a postponement or other deferral of (A) the due date for payment of interest or date for interest calculation or (B) the due date for payment of principal, charges or similar amounts;</p> <p>(iv) a change in the ranking in priority of payment of any Debt Obligation causing the subordination of such Debt Obligation to any other Debt Obligation; or</p> <p>(v) a change in the currency (or composition of currencies) in which payment of interest, principal or charges under the Debt Obligation shall be made, provided the change is made to any currency other than a currency which is:</p> <p>(A) legal tender in any of the G7 countries (including additional G7 countries, where new members are admitted to the G7 group); or</p> <p>(B) legal tender in any country which, at the time of the change in question, is an OECD member and the domestic currency of which has a long-term rating of at least AAA by Standard &amp; Poor's, a division of The MacGraw-Hill Companies, Inc (or any successor to</p>

their rating operations), at least Aaa by Moody's Investor Service, Inc (or any successor to their rating operations) or at least AAA by Fitch Ratings (or any successor to their rating operations).

(b) None of the following shall constitute a Restructuring:

(i) payment in euros of interest or principal in relation to a Debt Obligation determined in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community;

(ii) in the event any of the measures referred to in points (a) (i)-(v) above occurs, is agreed upon or is announced as a consequence of an administrative, accounting, or tax adjustment or other technical adjustment occurring in the ordinary course of business;

(iii) where any of the events mentioned in points (a) (i)-(v) above occurs, is agreed upon or is announced in circumstances where such event is not a direct or indirect consequence of a deterioration in the credit rating or financial condition of the Reference Company.

(c) In paragraphs (a) and (b) above, "Debt Obligation" also includes the Reference Company acting as provider of a guarantee undertaking or surety, whereupon "Reference Company" in paragraph (a) shall mean the debtor under the obligation for which the guarantee or surety is issued and in paragraph (b) shall mean the Reference Company.

Reference Company:	each entity (including Replacement Reference Company) which from time to time constitutes a Reference Entity.
Reference Entity:	each Reference Company and Sovereign which from time to time is included in a Basket.
Debt Obligation:	means each Reference Entity's current, future, conditional or other payment obligations under (a) agreements having the commercial effect of borrowings, e.g. loan agreements, notes or commercial paper (irrespective of term to maturity) or financing limits, payment obligations regarding deposits or letters of credit and (b) guarantees or other sureties or commitments which the Reference Company has provided or provides with respect to the payment obligations of a third party.
Obligation Acceleration:	one or more Debt Obligations in an aggregate amount of at least the amount specified in the Final Terms have become due and payable before they would otherwise become due and payable (through acceleration or any other reason) as a result of, or on the basis of the occurrence of a default or other similar condition or event relating to the Reference Entity (and such breach of contract does not relate to Failure to Pay).
Failure to Pay:	a Reference Company's or a Sovereign's failure to pay when due, in accordance with the terms and conditions for one or more Debt Obligations, any amount due for payment provided the amount which is due and payable or the total of the amounts that are due and payable equals or exceeds the amount specified in the Final Terms.

**Successor:** means one or more companies which (directly or indirectly) succeed to 25% or more of the Debt Obligations through a Succession Event and less than 25% of the Debt Obligations remain with the Reference Entity, in which case such company shall constitute a Successor in lieu of the Reference Entity. Where any company succeed to 75% or more of the Debt Obligations through a Succession Event, such company alone shall constitute a Successor. Where one or more companies individually succeed to less than 25% of the Debt Obligations through a Succession Event and the Reference Entity ceases to exist, the company or companies that succeed to the largest portion of the Debt Obligations shall constitute a Successor.

The Issuing Bank shall perform any calculations and assessments required to determine whether the thresholds set forth above have been met and shall notify the parties of any such determination. The Issuing Bank shall perform the appropriate adjustments of the Final Terms to reflect a Successor and the scope of the Debt Obligations as well as any other amendments that the Issuing Bank deems necessary upon the occurrence of a Succession Event.

**Succession Event:** Means any merger, consolidation, transfer of assets or liabilities, demerger or other similar event pursuant to which one company assumes the obligations of another company, by law or agreement.

## **Form of Final Terms**

**for the loan no. [ ] (the “Loan”)**

**made under Nordea Bank AB (publ)’s and Nordea Bank Finland Abp’s**

### **Swedish MTN Programme**

The Loan shall be governed by the Terms and Conditions for the above-referenced MTN Programme dated 4 June 2008 and the terms and conditions set out below. The Terms and Conditions are set out in the Banks’ Base Prospectus for the MTN Programme. Terms used but not defined in these Final Terms shall have the same meaning as set out in the Terms and Conditions.

Full information on the Issuing Bank and the offer of the MTNs is only available on the basis of the combination of these Final Terms and the Base Prospectus (including and supplements thereto published from time to time). The Base Prospectus (and any supplements) is available for viewing at [www.nordea.com](http://www.nordea.com).

## **INFORMATION REGARDING THE LOAN**

### **Type of Loan**

[Brief description/summary of the Loan and of the underlying reference assets.]

[If non-principal-protected MTNs]

**The MTNs are not capital protected. As described in the Base Prospectus the repayment of the invested amount is therefore subject to the performance of the Reference Asset(s) and an investor risks losing all or part of the invested amount in the event of performance which is to the disadvantage of the investor.]**

### **The Reference Asset/ the Reference Assets**

[A short description of the type of asset and, if relevant, the structure of possible baskets and indexes and if relevant participation ratio, investment area, credit risks and other essential information.]

[If the Reference Asset is a fund consider the following; [The Fund is not subject to Swedish fund legislation, the underlying reference fund has not been approved by the Swedish Financial Supervisory Authority and the Swedish Financial Supervisory Authority does not exercise any supervision.]/ [The fund has been approved by the Swedish Financial Supervisory Authority in accordance with the Swedish Act on Investment Funds (2004:46) and is subject to supervision by the Swedish Financial Supervisory Authority.]]

### **Calculation of yield**

[Brief description of yield/performance structure as well as computation example]

### **Past yield**

[Brief description of the past performance of the reference assets, if possible]

**The past performance of corresponding investments is not to be regarded as an indication, guarantee or undertaking regarding future yield.**

This section contains a brief summary description of certain terms applicable to the Loan [and relevant reference assets] and is only indented to facilitate the investor's understanding of the terms and conditions applicable to the Loan. The complete terms and conditions are set out in the Terms and Conditions and the Final Terms for the Loan and this summary section does not form part of the terms and conditions of the Loan.

## **RISK FACTORS**

### **General Risks**

**An investment in the Loan carries certain risks. Potential investors are therefore urged to read the information regarding risks which is provided under the heading, Risk factors, on pages 12-21 of the Base Prospectus.**

### **[Risks associated with structured MTNs**

As described in the Base Prospectus the yield structure for structured MTNs is sometimes complex and may contain mathematical formulae or relationships which are difficult for the investor to comprehend and compare with other investment alternatives. The connection between yield and risk may be difficult for a layman to assess. The yield structure may sometimes contain leverage effects as a consequence of which even small changes in the performance of reference assets may have very large consequences as regards the value of, and the yield on, the MTNs. Past performance of corresponding investments is not to be regarded as an indication of future yield. With respect to certain reference assets, information is lacking regarding past performance; for example, this is the case with respect to certain funds.]

### **[Specific risks associated with the Loan**

In addition to those risks listed in pages [ ] of the Base Prospectus the following risks are associated with this Loan.

[A brief description is provided here of the risks specifically associated with the type of notes in question as well as the performance structure of the Loan. *The risks addressed herein must relate to the risks described in the Base Prospectus.*]]

## **OTHER INFORMATION**

Dealer: [x]

Offering: [Limited group of investors/public offering]  
[Syndicated/non-syndicated/sales group]

ISIN codes: [ ] [Tranche 1] NB [ ] [Loan number] [ISIN]  
[ ] [Tranche 2] NB [ ] [Loan number] [ISIN]

Supplementary  
Sales Restrictions: [x]

Timetable: [An application for subscription must reach Nordea not later than [ ]. Funds for payment must be available on the Issue Date on the relevant account stated in the application.]

Total cost:	<p>[In connection with the issuance of this type of Loan, the Issuing Bank incurs costs for, among other things, production, distribution, licences, stock exchange listing and risk management. In order to cover these costs, the Issuing Bank charges brokerage fees and commission. [The commission is included in the price and amounts to a maximum of [ ] per cent per year, calculated on the Nominal Amount of the Loan.]]</p> <p>Investors should be attentive to the fact that different parties on the market have different conditions for influencing the price of the financial instruments included in the products.</p>
Brokerage fees:	[Brokerage fees are payable in the amount of [ ] on the total amount.]
Use of loan proceeds:	[Stated only if the use of proceeds differs from what is stated on page 80 of the Base Prospectus.]
Conflict of interests:	<i>[Specify only in case there are conflicts of interest in relation to the MTN that are not disclosed in the Base Prospectus]</i>
Tax aspects:	<p><i>[Insert a brief description of the tax treatment of an investment in the Loan if the particular structure of the Loan is such that it is not already addressed in the Base Prospectus.]</i></p> <p><b>This description does not constitute tax advice. The description is not exhaustive but, rather, intended as general information regarding certain rules. Holders must make their own assessment of the tax consequences that may arise and, in conjunction therewith, consult with tax advisors.]</b></p>
Incentive:	<p>[the structured products supplied by Issuing Bank contain reference to <i>[fund units/ other Reference Asset]</i> administered by <i>[fund management company]</i>. The Issuing Bank receives commission from <i>[fund management company/other]</i> as a result of structured product being issued with reference to <i>[fund units/other Reference Asset]</i>. The commission is determined as:</p> <ul style="list-style-type: none"> <li>• Compensation at one occasion, at the time of sales in the form if a percentage of the capital invested (does the percentage increase?)</li> <li>• A yearly compensation based on the capital invested during the year.</li> <li>• A combination of both</li> <li>• [other]</li> </ul>
Right to cancel the issue:	[In addition to the right to cancel an issue pursuant to the Terms and Conditions Nordea reserves the right to cancel the issue if the total subscribed amount is less than [ ]. The Issuing Bank will suspend the issue where the Index Figure for the respective Tranche on the Issue Date cannot be established at a minimum of [ ] in respect of [Tranche 1] and [ ] in respect of [Tranche 2].]



Licences: [Not applicable] *[Specify in Appendix A to the Final Terms if the particular issue requires a licence on terms that must be disclosed.]*

As stated in the Base Prospectus each investor must assess the suitability of an investment in the Loan in light of his own financial situation. Each investor should, in particular, possess sufficient knowledge and experience to make an appropriate assessment of the relevant MTN, of the advantages and disadvantages of an investment in the relevant MTN and of the information provided or referred to in the Base Prospectus, as well as any supplements to the Base Prospectus and the Final Terms for the MTN.

## FINAL TERMS

Issuing Bank: [Nordea Bank Finland/Nordea Bank AB (publ);

Loan: The loan with number [ ] and consisting of a series which is designated [ ];

Tranche: [The series consists of one tranche/two tranches, [1] and [2].];

Issue Date: Means the [ ]. Where such day is not a Business Day, a Business Day pursuant to the Business Day Convention;

Payment Date: [Stated if other than the Issue Date];

Redemption Date: Means the [ ]. Where such a day is not a Business Day, a Business Day pursuant to the Business Day Convention;

Principal Amount: [The principal amount of the Loan] / [An amount determined on or prior to the Payment Date and notified immediately thereafter]];

Redemption Amount: [Principal Amount/Principal Amount and Supplemental Amount/other];

Price: [ ];

Denomination: Nominal amount [ ];

Currency: [SEK/Euro/other currency] [different currency interest coupons and principal amount, referred to as *dual currency*];

Ranking of MTNs: [Unsubordinated MTNs/dated subordinated MTNs/undated subordinated MTNs];

Type of MTNs: [Principal protected/Non-principal protected]  
[Zero Coupon/yield paid during the term]

*[Specify if the MTNs are Structured MTN and, if so, the type of Structured MTN. The type of Structured MTN is relevant for the applicability of section 5.1 (Market Disruption and Disruption), 5.2 (Calculation Adjustment), 5.3 (Corrections) and 5.4 (Extraordinary Events). The terms set out in the Terms and Conditions are standardised and may need to be amended pursuant to these Final Terms. This is particularly so in relation to Structured MTN that are not specifically addressed in section*

*5.1 in the Terms and Conditions and with respect to Mixed-portfolio MTN and other MTN the structure of which combines several types of reference assets. Specify as follows:* [MTN are Structured MTN and constitute Equity-linked MTN / Reverse-convertible MTN / Credit-linked MTN / Fund-linked MTN / Commodity-linked MTN / Currency-linked MTN / Index-linked MTN / Mixed-portfolio MTN / *other type of MTN*]

Yield structure: [Fixed interest / Interest adjustment / FRN /Inflation-Linked interest /Zero Coupon / Structured MTNs];

**Terms relating to interest payment**

Interest Rate: [ ]

Interest Base Rate: [ ]

Interest Margin: [ ]

Interest Step-up: [ ]

Interest Determination Date: [ ]

Interest Payment Date: [ ]

Day Calculation Convention: [Stated if other than as stated in the Terms and Conditions]

Interest Period: [ ]

Business Day Convention: [State applicable Business Day Convention pursuant to 8.7 of the Terms and Conditions or another appropriate Business Day Convention [ ]. [For FRNs, state if interest is calculated on an adjusted or unadjusted basis].]

**Further terms, where applicable, for MTNs with Inflation-Linked Interest:**

Base CPI: [The date for determination of Final CPI is [ ] or Base CPI where determined prior to the Issue Date]

Final CPI: [The date for determination of Final CPI is [ ].]

**Further terms, where applicable, for Structured MTNs:** *Specify if necessary e.g. in relation to a Credit-linked MTN if additional definitions other than as set out in annex 2 to the Terms and Conditions are needed.*

Reference Asset(s): [ ] [ ] [ ] [ ]

Fund: [ ]

Additional Amount: [Comprises the higher of:

---

	Principal Amount x Index Figure x Basket Performance
	and
	zero.
	The Additional Amount shall be rounded-down to the nearest whole number of kronor.]
Index Figure:	[Determined for the respective Tranche by the Issuing Bank not later than the Issue Date.]
Basket Performance:	[Means the total of each Reference Asset's Net Asset Value multiplied by the Reference Asset's Performance.]
Performance:	[Calculation of the Reference Asset's Performance.]
Net Asset Value:	[Means for each Reference Asset the net asset value upon calculation of the Basket Performance as follows: [ ] [ ] [ ] [ ]
Measurement Period:	[x]
Period Yield:	[The [annual] percentage yield determined by the Issuing Bank not later than the Issue Date];
Yield Period:	[x]
Range:	[x]
Price Cap:	[x] [The price determined by the Issuing Bank not later than the Issue Date]
Price Floor:	[x] [The price determined by the Issuing Bank not later than the Issue Date]
Determined Price:	[x] [The price determined by the Issuing Bank not later than the Issue Date]
Limit:	[x] [The limit determined by the Issuing Bank not later than the Issue Date]
Max Yield:	[x] [The maximum yield determined by the Issuing Bank not later than the Issue Date]
Minimum Yield:	[x] [The minimum yield determined by the Issuing Bank not later than the Issue Date]
Start Date:	[ ] [or where such a day is not a [Stock Exchange Day/Business Day], [Stock Exchange Day/Business Day] in accordance with the stated [Stock Exchange Day or Business Day Convention], taking into account the provisions regarding Market Disruption
Initial Price:	[x] [Means for each Reference Asset, the Closing Price on the Start Date as determined by [the Calculation Agent/Issuing Bank]]

Final Price:	[x] [Means for each Reference Asset, the Closing Price on the Closing Days as determined by [the Calculation Agent/Issuing Bank] on the Valuation Day]
Closing Price:	[x] [Means the value of each Reference Asset at the Valuation Time as determined by [the Calculation Agent/Issuing Bank]]
Closing Day(s)	[ ] [or where such day is not a [Stock Exchange Day/Business Day], [Stock Exchange Day/Business Day in accordance with the stated [Stock Exchange Day or Business Day Convention] taking into account the provisions regarding Market Disruption]
Valuation Time:	[x] [means for each Reference Asset, the time when its official Closing Price is published]
Valuation Day:	[ ] [or, where such day is not a [Stock Exchange Day/Business Day], [Stock Exchange Day/Business Day in accordance with the stated [Stock Exchange Day or Business Day Convention] taking into account the provisions regarding Market Disruption]
Stock Exchange Day:	[means the applicable Stock Exchange Day pursuant to the Terms and Conditions] [other] [ <b><i>state if Stock Exchange Day is for all Reference Assets or for each respective Reference Asset</i></b> ]
Stock Exchange Day Conventions:	<p>[The Following Stock Exchange Day. This entails that if a Stock Exchange Day occurs on a day on which the exchange is not open for trading, it shall be deferred to the following Stock Exchange Day.]</p> <p>[Modified Following Stock Exchange Day. This entails that if a Stock Exchange Day occurs on a day on which an exchange is not open for trading, it shall be deferred to the immediately following Stock Exchange Day in the same calendar month unless that day falls in the next calendar month, in which case the relevant day shall occur on the immediately preceding Stock Exchange Day.]</p> <p>[Preceding Stock Exchange Day. This entails that where a Stock Exchange Day occurs on a day on which an exchange is not open for trading, it shall be brought forward to the immediately preceding Stock Exchange Day.]</p>
Stock Exchange:	<p>For each Reference Asset, means the following exchanges:</p> <p>With respect to [x]      With respect to [x]      With respect to [x]      With respect to [x]</p> <p>[x]                      [x]                      [x]                      [x]</p> <p>or another stock exchange or other stock exchanges which may be added or replace such stock exchange.</p>
Options or Futures Exchange:	<p>For each Reference Asset, means the following exchanges:</p> <p>With respect to [x]      With respect to [x]      With respect to [x]      With respect to [x]</p> <p>[x]                      [x]                      [x]                      [x]</p> <p>or another Options or Futures exchange or other Options or Futures exchanges which may be added or replace such Futures exchange.</p>

Reference Source:	[x] [For each Reference Asset, means the source for determination of the Closing Price if the Reference Source is not a Stock Exchange or an Options or Futures Exchange]
Replacement Reference Source:	[Specify in relation to Equity-linked MTN, Fund-linked MTN and Index-linked MTN as well as for other MTN of relevant]
Requirement for determination of Closing Price:	<p><b><i>Stated always where the Closing Price is based on trades or unofficial reference sources.</i></b></p> <p>[The Closing Price shall mean that price determined by [the Issuing Bank/ Calculation Agent] where the transaction satisfies the following requirements:</p> <p>The transaction has been carried out at [a price/a rate] which is neither significantly superior nor inferior to [the rate/the price] applied by an independent professional [x]trader on the [x]market.</p> <p>Upon request (the Issuing Bank/Calculation Agent] shall prove that the [x]market traded [the Reference Asset/Reference Assets] at [a price/a rate] at the level of the values used as basis of the relevant determination.]</p>
Base Currency:	[ ]
Currency Exchange:	Currency exchange from the Base Currency to the Currency is carried out by the Issuing Bank not later than [ ] after the Issuing Bank has received payment under the Reference Asset.
Currency Effect:	Payment of [Interest/Early Redemption Amount/Redemption Amount] may be affected by a Currency Effect.
Credit Event:	[Specify if necessary in relation to a Credit-linked MTN. Consider if the definitions set out in annex 2 to the Terms and Condition need amendment.]
Fund Events	<b><i>[To be stated for all fund-linked notes and based on an individual review of the fund rules.</i></b> With respect to Fund-Linked Notes, further special rules may apply; the necessity of special rules is determined from case to case.]
Effect of Fund Events	<b><i>[To be stated for all fund-linked notes if Fund Events is applicable]</i></b>
Notices to Holders:	[Stated if other than as set forth in section 4.1 f), fourth paragraph or section 15 of the Terms and Conditions.]
Market Disruption/Disruption:	[Specify for Structured MTN][The following provisions, which are set out in section 5.1 in the Terms and Conditions, apply to the MTN. <i>Insert relevant provision in section 5.1</i> ] / [Section 5.1 in the Terms and Conditions apply to the MTN, amended as follows. <i>Use this alternative if the wording in section 5.1 need amendment for the purpose of the particular MTN</i> ]
Changed calculation:	[Specify for certain Structured MTN, see section 5.2 in the Terms and Conditions.][The following provisions, which are set out in

	section 5.2 in the Terms and Conditions, apply to the MTN. <i>Insert relevant provision in section 5.2</i> / [Section 5.2 in the Terms and Conditions apply to the MTN, amended as follows. <i>Use this alternative if the wording in section 5.2 need amendment for the purpose of the particular MTN</i> ]
Correction:	[Specify for certain Structured MTN, see section 5.3 in the Terms and Conditions.][The following provisions, which are set out in section 5.3 in the Terms and Conditions, apply to the MTN. <i>Insert relevant provision in section 5.3</i> / [Section 5.3 in the Terms and Conditions apply to the MTN, amended as follows. <i>Use this alternative if the wording in section 5.3 need amendment for the purpose of the particular MTN</i> ]
Extraordinary Events:	[Specify for certain Structured MTN, see section 5.4 in the Terms and Conditions.][The following provisions, which are set out in section 5.4 in the Terms and Conditions, apply to the MTN. <i>Insert relevant provision in section 5.4</i> / [Section 5.4 in the Terms and Conditions apply to the MTN, amended as follows. <i>Use this alternative if the wording in section 5.4 need amendment for the purpose of the particular MTN</i> ]
Replacement Reference Asset	<p><i>The following wording is applied with respect to Equity-linked MTN and Fund-linked MTN as well as for other types of MTN where relevant.</i></p> <p>[x]/asset set by the Issuing Bank [replaces the Reference Asset under certain conditions stated in these terms. A Replacement Reference Asset shall replace a Reference Asset commencing the date determined by the Issuing Bank.]</p>

### **Terms relating to Early Redemption/Redemption**

Early Redemption:	[Applicable]
Early Redemption Date:	[x]
Early Redemption Level:	[x]
Early Redemption Amount:	[x]
Reference Yield:	[x]
Reference Interest:	[x]
Amortisation:	[Applicable/Not applicable]
Amortisation Dates:	[x]
Amortisation Amount:	[x]
Redemption Amount:	[MTNs' nominal amount] [and Additional Amount] [other]
Deferred Redemption Date:	[x]

Business Day Convention: [State applicable Business Day Convention pursuant to 9.7 of the Terms and Conditions or other applicable Business Day Convention [ ].]

Interest on arrears: [Specify Applicable Interest Base Rate, if other than EURIBOR or STIBOR]

**General Terms and  
Conditions relating to  
MTNs**

Administrator: [ ]

Calculation Agent: [ ] [*Specify only if an entity other than the Issuing Bank*]

Clearing: [VPC, APK, VP Euroclear or other]

Listing: Application will be made to  
[Stockholm/Helsinki/Copenhagen/other] for listing

Business Day: [Business Day Sweden/Business Day Finland/or another  
Business Day]

Applicable law: [Swedish/Finnish/Danish]

Other applicable terms: [x]

**LIABILITY**

The Issuing Bank hereby confirms that the above supplemental terms and conditions (Final Terms) are applicable to the Loan together with the Terms and Conditions, and undertakes to make payment in accordance therewith.

Stockholm/Helsinki, [ ]

[Nordea Bank Finland Abp/Nordea Bank AB (publ)]

### **Use of proceeds**

[In March 2004, NBAB's board of directors resolved to raise loans under the MTN Programme on a continuing basis]. In August 2007 it was decided that the programme amount would be raised to one hundred billion Swedish Krona.

In April 2002, NBF's board of directors resolved to include NBF as an issuer under the then Nordea Bank Sverige's MTN Programme and raise loans under the aforementioned programme on a continuing basis. In August 2007 it was decided that the programme amount would be raised to one hundred billion Swedish Krona.

Loans raised under the MTN Programme constitute a part of the Banks' and Nordea Group's long-term financing and the net proceeds of any issue of MTNs will be used for the general banking and other corporate purposes of the Banks and the Nordea Group but may also be used for other purposes.

NBAB has an international EMTN Programme listed in London. Loans raised under the EMTN Programme are a part of the long-term financing and the net proceeds of any issue of notes thereunder will be used for the general banking and other corporate purposes of the Banks and the Nordea Group but may also be used for other purposes.



### **Admission to trading; clearing and settlement**

MTNs issued under the MTN Programme will, where so agreed and upon issue, be registered on the OMX Nordic Exchange in Stockholm and on the stock exchanges in Helsinki and Copenhagen or another stock exchange or marketplace. MTNs issued under the MTN Programme are linked to VPC AB's ("**VPC**") account-based book entry system and, accordingly, no physical securities will be issued. Clearing and settlement in conjunction with trading will take place in the VPC system. Certain loans under the MTN Programme will also be linked to the account-based book entry systems in Finland (APK) and Denmark (the VP system). References to VPC in this Base Prospectus shall, with appropriate amendments and in applicable parts, be deemed to include also any other clearing organisation or institution that is responsible for maintaining and administering a register of Holders and which performs clearing and settlement.

MTN Holders are the persons registered on a VP account (or its equivalent in Finland and Denmark) as creditors and therefore entitled to receive payment under MTN.

The Banks may provide for loans to be subject to clearing and settlement in Euroclear and/or Clearstream, Luxembourg. Investors holding MTNs through Euroclear (the clearing system operated by Euroclear Bank S.A./N.V., "**Euroclear**") or Clearstream (the clearing system operated by Clearstream Banking, société anonyme, Luxembourg, "**Clearstream, Luxembourg**") Euroclear and/or Clearstream, Luxembourg or their nominees will be registered as Holders on VP accounts.

### **Dealers**

The Dealers have, in a Dealer Agreement dated 18 April 2002 as amended and supplemented, undertaken to offer MTNs on the capital market on behalf of the Banks, subject to that:

- (i) no impediment or limitation exists pursuant to law or similar from any Swedish or foreign government, central bank or other public authorities; and
- (ii) MTNs may be placed in the primary market at normal market terms.

A Dealer may undertake in a separate agreement between the Issuing Bank and the Dealer, with respect to a particular Loan, to quote bid prices for sale of MTNs and, when the Dealer's own holdings of the relevant MTNs so allow, to offer to purchase MTNs and provide quotes therefore.

## Taxation

**The description below does not constitute tax advice. The description is not exhaustive but rather intended as general information regarding certain applicable rules. Holders must make their own assessment of the tax consequences of an investment in MTNs and, in conjunction therewith, consult with tax advisors.**

### Taxation in Sweden

VPC or its nominee (in case of nominee-registered MTNs) perform a preliminary tax withholding, at present 30 % of paid interest, for private individuals that are subject to taxation in Sweden and Swedish estates of deceased persons. No withholding of tax in Sweden is made in respect of interest payments to any person other than a private individual that is subject to Swedish taxation or a Swedish estate of deceased person.

No deduction of withholding tax or other tax in Sweden is made in respect of other payments than interest payments.

Further and more detailed information regarding the tax treatment of a specific product issued under the MTN Programme may be provided in the Final Terms.

### Taxation in Finland

According to current Finnish law, interest on notes issued to the public in Finland constitutes income pursuant to the act on withholding tax for interest income for private individuals that are subject taxation in Finland and Finnish estates of deceased persons. The withholding tax on interest income is at present 28%. According to the act on withholding tax for interest income, index-linked yield is treated as interest income. Where notes are sold prior to the due date, any capital gains and payment of accrued interest (*eftermarknadsgottgörelse*) is taxed in at the tax rate applicable to capital income, at present 28%.

Payments of interest in accordance with the Terms and Conditions are not subject to withholding tax in Finland provided that the recipient is not subject to taxation in Finland.

### Taxation in Denmark

Holders who receive interest income or any other form of yield are subject to taxation in Denmark on such income provided that the Holder is a private person domiciled in Denmark, a private person domiciled outside Denmark who spends at least six months per year in Denmark, a company with a registered office in Denmark or a company the management functions of which are located in Denmark.

Payment of interest, any other form of yield and/or principal is made, under applicable Danish law, without deduction of taxes or other charges.

Further and more detailed information regarding the tax treatment of a specific product issued under the MTN Programme may be provided in the Final Terms.

### **Council Directive 2003/48/EC of 3 June 2003 on taxation of income from savings in the form of interest payments**

Under Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income (which has been implemented in Sweden, Finland and Denmark), each Member States is required, from

---

1 July 2005, to provide to the tax authorities of another Member State details of payments of interest or similar income paid by a person within its jurisdiction to, or collected by such person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments. A number of non EU countries (including Switzerland) have with effect from the same date agreed to adopt measures similar to those set forth in Directive 2003/48/EC with respect to exchange of information or withholding tax.

### Specific sales- and other restrictions

With the exception of the approval by the Swedish Financial Supervisory Authority of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Regulation (/809/2004/EG) and the Swedish Financial Instruments Trading Act (1991:980), neither the Banks nor the Dealers have undertaken any action, and will not take any action in any country or jurisdiction, that would permit a public offering of MTNs, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required; other than with respect to a country or jurisdiction within the EEA to which the Base Prospectus is passported in accordance with Chapter 2, section 35 of the Financial Instruments Trading Act (1991:980) and article 17 and 18 of the Prospectus Directive by the Banks requesting the Swedish Financial Supervisory Authority to issue a certificate to the relevant authorities confirming approval of the Base Prospectus and its compliance with the Prospectus Directive 2003/71/EC of 4 November 2003. Such notification and passporting has been made to the relevant authorities in Finland, Denmark, Estonia, Latvia and Lithuania. A further notification will be procured for the purpose of public offerings of MTNs or admission of MTNs to trading in Luxembourg. Further passporting and notification of relevant authorities in other jurisdictions within the EEA may be made.

Persons into whose possession this Base Prospectus of Final Terms comes are required by the Banks and the Dealers to comply with all applicable laws, regulations and rules in each jurisdiction where they purchase, offer, sell or deliver MTNs or hold or distribute such offering material, in each case at their own expense.

Selling restrictions may be supplemented or modified with the agreement of the Issuing Bank. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular loan under the MTN Programme) or (in any other case) in a supplement to this Base Prospectus.

MTNs issued under the MTN Programme may not be offered or sold in Australia, Canada, Japan, New Zealand or South Africa or in any other country or jurisdiction other than in accordance with all applicable laws, regulations and rules. Further, the Base Prospectus may not be distributed to or within any of the above-mentioned jurisdictions other than in accordance with all applicable laws, regulations and rules.

#### UNITED STATES

**MTNs have not been, and will not be, registered in accordance with the U.S. Securities Act of 1933 and may not be offered or sold within the United States or to, on behalf of, or for the benefit of, persons domiciled in the United States other than in accordance with Regulation S or exemptions from the registration requirements of U.S. Securities Act of 1933. The terms used in this paragraph have the same meaning as pursuant to Regulation S of the U.S. Securities Act of 1933.**

## The Nordea Group

### Overview

The Nordea Group (Nordea Bank AB (publ) ("**NBAB**") and its subsidiaries) is a financial group in the Nordic and Baltic Sea region (below the "**Nordea Group**", the "**Group**" or "**Nordea**"). The Nordea Group's parent company, "**NBAB**", is a Swedish limited liability company incorporated under Swedish law. NBAB's shares are listed and traded on the Stockholm, Copenhagen and Helsinki Stock exchanges.

The Nordea Group's head office is located in Stockholm at Smålandsgatan 17, SE-105 71 Stockholm, Sweden.

As per 31 December 2007, the Nordea Group's assets totalled EUR 389 billion. As of the same date, the Nordea Group had approximately 10 million customers in the Nordic region and on the new European markets, of which 6.8 million are personal customers and 0.7 million are active corporate customers.

On 31 December 2007, the Nordea Group had approximately 1,300 local branch offices of which more than 180 are located in the new European markets. In addition, the Group has a very large number of telephone and Internet customers. The Nordea Group is very active within e-based financial services and, at the end of 2007, had approximately 4.9 million users of such services.

In addition, the Nordea Group acts as an asset manager within the Nordic region and Baltic Sea region with EUR 157 billion in assets under management as per 31 December 2007. The Nordea Group also provides life insurance products.

### The Formation of the Nordea Group

Nordea was created through international mergers between four large Nordic financial institutions which gradually resulted in the creation of a single unit. Nordea's predecessors were Nordea Bank Sverige AB (publ) (formerly Nordbanken AB (publ)) in Sweden, ("**Nordea Bank Sverige**"), which, on 1 March 2004, merged with the Group's parent company and underwent a change of name to Nordea Bank AB (publ); Nordea Bank Danmark A/S (formerly Unibank A/S) in Denmark, ("**Nordea Bank Danmark**"); Nordea Bank Finland (formerly Merita Bank Abp) in Finland, ("**Nordea Bank Finland**"); and Nordea Bank Norge ASA (formerly Christiania Bank og Kreditkasse ASA) in Norway, ("**Nordea Bank Norge**").

After the Group's parent company had adopted the name Nordea AB (publ) at the end of 2000, the name "Nordea" was gradually introduced and adopted by the banks within the Group and, by December 2001, the banks and branch offices within the Group had adopted the name Nordea.

### Legal structure

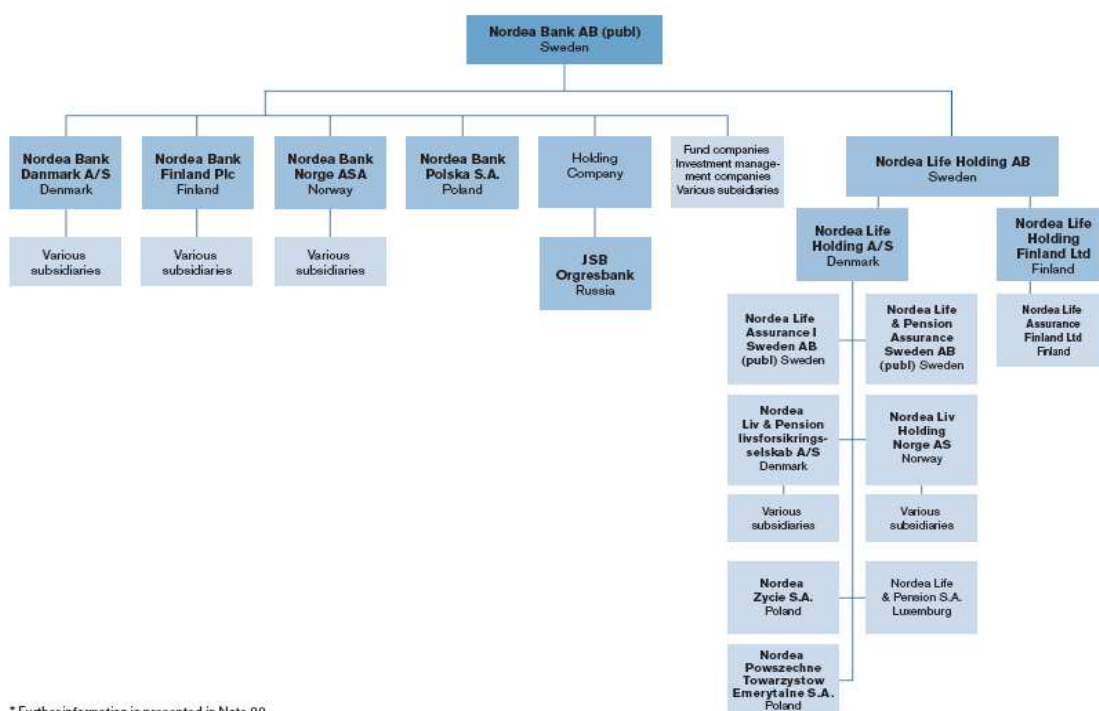
Following the completion of the merger between the predecessors of Nordea Bank Sverige and Nordea Bank Finland in 1998, the Group's legal structure has been further developed. To improve operating capacity, reduce risk exposure and enhance capital efficiency, the Nordea Group's Board of Directors commenced a radical change in the Group's legal structure in June 2003.

The internal restructuring commenced in 2003 when Nordea AB (publ) acquired Nordea Bank Sverige, Nordea Bank Danmark and Nordea Bank Norge from Nordea Bank Finland. At the same

time, Nordea AB (publ) also acquired Nordea North America, Inc. from Nordea Bank Finland. Nordea AB (publ), the parent company of the Nordea Group, was re-established as a bank and the name was changed to Nordea Bank AB (publ). Thereafter, Nordea Bank Sverige merged with NBAB. The merger was registered at the Swedish Patent and Registration Office (currently the Swedish Companies Registration Office) on 1 March 2004.

Nordea aims at continuous simplification of its legal structure and as regards the Nordic banks the aim is that NBAB will be converted into a European company, a "*Societas Europaea*" ("**SE**") in accordance with the European Company Statute. The conversion is conditional on, among other things, Nordea obtaining necessary approvals from the relevant authorities. The conversion is expected to result in improved operational efficiency, reduced operational risk as well as enhanced capital efficiency. Following a review made by the European Commission on the issues relating to the operation of deposit guarantee schemes in the EU and the EEA countries Nordea has established a dialogue with the legislators and supervisory authorities in the Nordic countries with the purpose of diminishing the obstacles for the conversion into a European Company with the current set-up. The final conversion process in itself is estimated to take up to one year from start to execution.

The organisational chart below describes the principal legal entities of the Nordea Group as at 31 December 2007

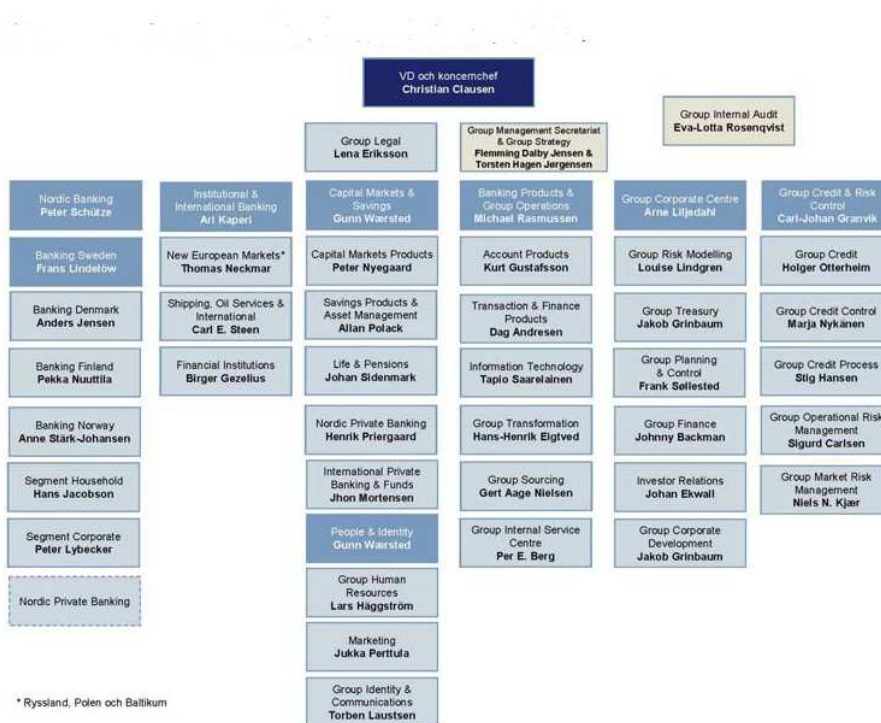


## Business Organisation of the Nordea Group

### Generally

Nordea has divided its operations into three business areas focusing on customer relations: Nordic Banking, Private Banking and Institutional & International Banking and two product areas focusing on products and services: Banking & Capital Markets Products and Savings & Life Products. The business areas operate as separate profit units.

The central units within the Nordea Group as of 1 June 2008 are described in the organisational chart below.

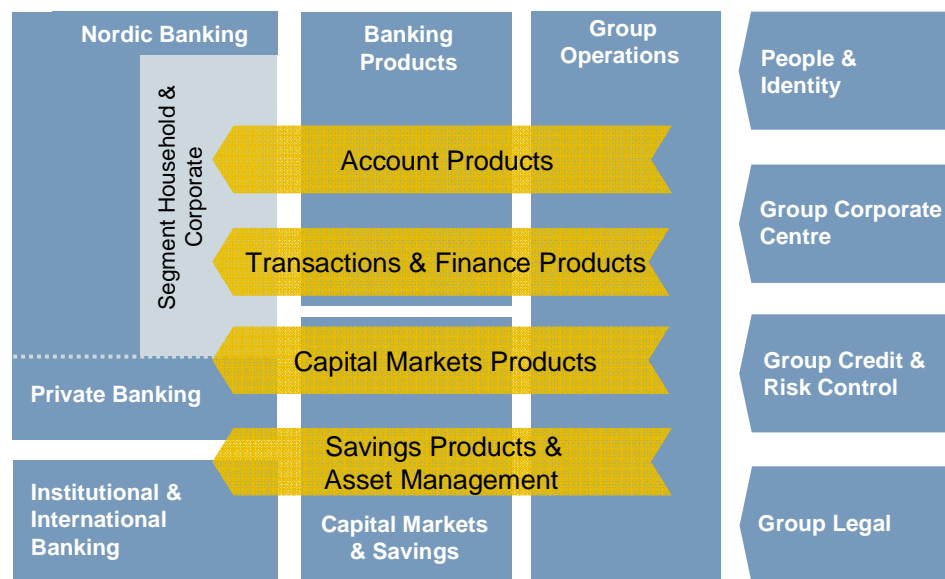


Customer relationship management is a key concept within Nordea. The Group's total business relations with customers are reported in the income statement and balance sheet for the respective customer responsible unit.

Capital allocation is based on the internal framework for calculating economic capital, which reflects each business unit's actual risk exposure considering credit and market risk, insurance risk as well as operational and business risk. The economic capital is allocated to the business areas according to risks taken.

## Integrated Group Operation Model

In 2007 Nordea implemented a new operating model and organisation focusing on cross-organisational transparency, team work and efficiency. The new operating model is characterised by strong customer orientation, a simple and transparent delivery process and clear responsibilities.



### Customer areas

The customer segment units are responsible for the customer relationship process, including the segmentation strategy, concepts, contract policy and front end systems as well as coordination of product launches and activities with the product responsible units.

#### *Nordic Banking*

Nordic Banking is the largest of the customer areas in Nordea. Nordic Banking is responsible for customer relations and retail to private and corporate customers in the Nordic region. Nordic Banking develops cross-boarder customer strategies, sales processes and customer concepts for these segments.

The business is operated through 13 regional banking units in the four Nordic markets and includes also Corporate Merchant Banking. The customers are served through a number of full-service branches, household branches and typically a corporate service unit for the large corporate customers. Product specialists are supporting sales in all branches in the region. Distribution is integrated with Nordic Private Banking, focussing on affluent and high-net-worth customers requiring more sophisticated investment services.

#### *Private Banking*

Nordea operates the Private Banking business through an integrated model with Nordic Banking. The integrated operating model enables Nordea to fully leverage the distribution and customer net worth of the whole Group as well as all of the investment and product wrapping competencies in the Group.



---

### *Institutional & International Banking*

Institutional & International Private Banking has the global customer responsibility for financial institutions as well as for shipping, offshore and oil companies. New European Markets service Nordea's customers in Poland, the Baltic countries and Russia, with full-service banking activities in all markets.

The Financial Institutions Division is organised in three units: Banks, Funds & Investment Banks and Institutions. The business units service customers in the global banking industry, fund and asset management industry and investment banking as well as the insurance and life & pension industry. The Financial Institutions Division is also responsible for the securities services of Nordea. The Shipping, Oil Services & International Division provides a diversified range of financial services to its global customer base through Nordea's offices in Oslo, Bergen, Copenhagen, Gothenburg, Helsinki, London, New York and Singapore. The centre of competencies is located in Oslo.

### *Other customer operations*

The Customer operations, which are not included in Nordic Banking or Institutional and International Banking are included under Other Customer operations as well as result that have not been allocated to any of the customer areas. These include International Private Banking and Funds as well as customer operations within Life and Other. The customer operations "Other" mainly includes the result in Markets, which is not allocated to Nordic Banking or Institutional and International Banking.

## **Product Areas**

The product and service delivery chain has been streamlined by organising all products and related processing into two new product areas, Banking Products & Group Operations and Capital Markets & Savings with a simplified governance structure for the interface between customer and product units. Within these, two new product areas four product divisions have been formed: Account Products, Transaction & Finance Products, Capital Markets Products and Savings Products & Asset Management. The product divisions are responsible for sales support, advisory tools and product concepts, specialist competences and product development as well as the production and delivery of the various products and services.

### **Banking Products & Group Operations**

The creation of the new combined product and operations area Banking Products & Group Operations aims at increasing focus on high quality and efficiency in product deliveries technology and support. The two product areas within Banking Products & Group Operations are described below.

#### *Account Products*

The division Account Products is responsible for Nordea's product offerings within deposits, credits and loan products and the Private Netbank, as well as cash handling services such as night safes for corporate customers. The division is also responsible for the mortgage subsidiaries Nordea Kredit in Denmark, Nordea Hypotek in Sweden and Norgeskreditt in Norway. The division is organised in three units: Deposit Products, Credit & Loan Products, and Private Netbank. Each unit is responsible for product development and delivery within its area.

#### *Transaction and Finance Products*

Transaction and Finance Products division consists of four units, each representing a value chain: Cash Management, Trade & Project Finance, Cards and Specialised Financial Services.

The division is responsible for the product offering within e.g. transaction products and services, working capital related services, corporate e-channels, trade, sales and transaction related financing, and asset based lending. Each unit is responsible for sales and customer support, product development and processing.

### **Capital Markets and Savings**

The purpose of the new product area Capital Markets & Savings is to support the product development and the management of the product portfolio

#### *Capital Markets Products*

The division Capital Markets Products (“CMP”) is responsible for handling trading, research and sales within areas such as Foreign Exchange, Fixed Income, Equities, Structured Products, Commodities, Capital Markets services, Financial Advisory and Corporate Finance. CMP’s products are offered to corporates and financial institutions and through Savings & Asset Management to personal customers. The activities in CMP are customer driven.

#### *Savings Products and Asset Management*

The Savings Products & Asset Management product division is responsible for delivering all savings products to personal customers, including private banking customers. The savings product offering to personal customers consists of savings account products, investment products like investments funds, structured products, equity trading and fixed income products, as well as life insurance and pension products. The Savings Products & Asset Management product division is also responsible for Nordea’s asset management offerings to large corporate and institutional customers.

### **Life and Pensions**

Life & Pensions cover product development and packaging of life insurance and pension products to Nordic and Polish corporate and personal customers. The customers are served through Nordic Banking branches, Life & Pensions own sales force or via tied agents and brokers.

### **The Nordea Group's strategy**

Nordea has evolved from being four major national banks into one leading Nordic bank. The next step is to create an even better Nordea. Nordea’s strategic framework for the next step in this transformation is based on four cornerstones:

- Strong profit orientation
- Ambitious vision and ambitious targets
- Strong customer-orientated values and culture
- Clear growth strategy

A strong profit orientation is the foundation for generating results and making room for investments in future growth. Customer satisfaction paves the way for income growth, which is translated into net profit through:

- Resource optimisation
- Prudent risk management
- Efficient asset management

Nordea's vision had been refined to better reflect the ambition of becoming a great company and to emphasise the people dimension: *The leading Nordic bank, acknowledged for its people, creating superior value for customers and shareholders.*

In 2007, Nordea has prioritised the work to define and implement uniform values throughout the organisation. Nordea's ambition is that the values are reflected in all aspects of the operations to the benefit of all stakeholders.

Nordea's strategy for profitable organic growth has four pillars:

- Increase business with existing Nordic customers and attract new customers in the upper segments
- Invest in New European Markets
- Exploit selected Global and European business lines
- Higher level of operational efficiency

The growth strategy is supported by a number of group strategic initiatives, each with substantial impact on income growth or operational efficiency. In 2007, nine such initiatives has been given high priority in the overall resource allocation.

### **Recent Developments**

The 2008 annual general meeting of shareholders in NBAB (the “**AGM**”) mandated the board of directors of Nordea to, for a period until the next Annual General Meeting, decide on acquisition of shares in the company on a regulated market where NBAB's shares are listed or by means of an acquisition offer directed to all shareholders in the company. Acquisitions may be made up to a number not exceeding the equivalent of ten per cent of the total number of shares in the company. The purpose of the acquisition of own shares is to facilitate an adjustment of NBAB's capital structure to prevailing capital requirements and to use own shares as payment for or financing of acquisitions of companies or businesses.

The AGM furthermore resolved to authorise the board of directors, for the period until the next AGM, to use shares in the company as consideration for, or finance of, acquisitions of companies or businesses. Transfer of shares may be made outside a regulated market up to the number of shares in the company that at any time are held by the company. Transfers of own shares shall be made at an assessed market value and may take place with deviations from the shareholders' preferential right.

#### *Acquisition of own shares within securities operations*

The AGM resolved that Nordea, in its securities business, up until the next AGM, may purchase own shares, however, with the limitation that such shares must never exceed one per cent of the total number of shares in NBAB. The price shall equal the market price prevailing at the time of purchase.

#### *Long Term Incentive Programme for managers and key employees*

The 2007 annual general meeting of shareholders in NBAB decided to introduce a Long Term Incentive Programme 2007 (“**LTIP 2007**”). Similar long-term incentive programmes were intended to be launched in the coming years. The AGM of 2008 therefore resolved to introduce a Long Term Incentive Programme 2008 (“**LTPI 2008**”) based on the same principles as LTIP 2007 and also comprising up to 400 managers and other key employees in the Nordea Group.

The main objective of the Long Term Incentive Programmes is to strengthen Nordea's ability to retain and recruit the best talent for key leadership positions. The programmes are combined

matching and performance programmes, which require the participants to invest in Nordea shares. Remuneration, with a capped maximum gain, depends among other things on the achievement of Nordea's financial goals.

### **Earnings during the first quarter of 2008**

The interim report for the first quarter 2008 shows an operating profit for the first three months of 2008 of EUR 885 million, as compared to 895 million for the corresponding period in 2007. The earnings of the period amounted to EUR 687 million which equals EUR 0.26 per share and the return on equity for the first three months amounted to 15.8 percent. The net interest income amounted to EUR 1,181 millions for the first three months compared to EUR 1,004 million for the same period in 2007. The total costs amounted to EUR 1,055 million, which was an increase compared with the same period the preceding year when the total net expenses amounted to EUR 992 million. The net credit losses amounted to EUR 21 million (to be compared with positive credit losses of EUR 13 million during the first quarter 2007).

### **Basel II**

Basel II comprises the new capital adequacy regulations which came into force in 2007. The regulations are based on a three pillar approach. The first pillar comprises capital requirements, the second pillar addresses regulatory supervision and the third pillar contains transparency requirements.

Nordea has obtained regulatory approval to use the basic IRB Approach (Internal Ratings Based Approach) from year 2007 for calculation of capital requirements for credit risks, and the Standardised Approach for operational risks, in its corporate- and institutional portfolio.

The effects of Basel II will be achieved gradually over time since the Basel II capital floors limit the banks' possibilities to decrease their capital requirement. During 2008, risk-weighted assets may not be less than 90 per cent of the amount which is calculated in accordance with Basel I. In 2009, the lower limit will be reduced to 80 per cent. In 2010, the Basel I capital floors will be replaced by the first pillar in Basel II (capital requirements). At the same time, Nordea's internal capital will function as the target capital level. When Nordea introduces the IRB Approach also for the Retail-portfolios, the risk weighted assets of Nordea are expected to decrease by approximately 35 per cent according to Pillar 1.

Pillar 2 in the Basel II framework addresses evaluations by the regulatory authorities and contains two main processes: the Internal Capital Adequacy Assessment Process ("ICAAP") and the Supervisory Review and Evaluation Process ("SREP"). The Internal Capital Adequacy Assessment shall ensure that the financial institution has sufficient available capital to meet the minimum capital requirements, even under stressed scenarios. The Internal Capital Adequacy Assessment process covers everything from daily risk management to more strategic capital management.

One of the most important cornerstones in ICAAP is the institution's internal assessment of capital requirements. In Nordea, this is equivalent to assessing the economic capital ("EC").

## Nordea Bank AB (publ)

### Operational Overview

Nordea Bank AB (publ) (“NBAB”) has operated as a part of the Nordea Group since 1998, which was formed as a result of the merger between Merita and Nordbanken. The merger between Merita and Nordbanken has been addressed in detail above; see “**The Nordea Group – Formation of the Nordea Group.**”

NBAB conducts banking operations in Sweden within the scope of the Nordea Group’s business organisation. NBAB develops and markets financial products and services to personal customers, corporate customers and the public sector.

### Legal Structure and Subsidiaries

Nordea Bank Sverige AB (publ) was a wholly owned subsidiary of NBAB (formerly Nordea AB (publ) (“**Nordea AB**”)) until 1 March 2004, when Nordea Bank Sverige merged with NBAB (see above “**The Nordea Group – Legal structure**” for further information). NBAB was incorporated on 8 October 1997 in accordance with Swedish law. NBAB’s registered office is located in Stockholm, Sweden. NBAB is subject to the Swedish Companies Act (2005:551) and is licensed to conduct banking operations in accordance with the Banking and Finance Business Act (2004:297). NBAB is registered at the Swedish Companies Registration Office under the name Nordea Bank AB. NBAB is a public (publ) limited liability company with registration no. 516406-0120. The head office is located in Stockholm at the following address: Smålandsgatan 17, 105 71 Stockholm (telephone no. +46 8- 614 70 00). NBAB has a number of directly and indirectly owned subsidiaries. The main subsidiaries are stated under “**The Nordea Group – Legal Structure**” above.

### Share Capital and Shareholders

NBAB’s share capital amounted to 2,597,228,227 euro per 31 December 2007 with a total number of shares being 2 597 228 227. NBAB’s share capital may be issued in two share classes; ordinary shares and class C shares. Each ordinary share carries one vote and each class C share carries one tenth of one vote.

The NBAB share is listed on the stock exchanges in Stockholm, Copenhagen and Helsinki. As of the end of December 2007 NBAB had approximately 465,000 registered shareholders. Out of these 184,000 are registered in Denmark, approximately 187,000 in Finland and approximately 94,000 in Sweden. The table below shows details of NBAB’s five largest registered shareholders at the end of March 2008:

<i>Owner</i>	<i>Number of shares, millions</i>	<i>Percentage of capital and votes</i>
The Swedish State	515.6	19.9
Sampo Oyj	260.0	10.0
Nordea Danmark Fonden	102.5	3.9
Swedbank Robur Fonder	72.2	2.8
SHB/SPP Fonder	51.6	2.0

To the best of NBAB’s knowledge, there are no shareholder agreements which give individual shareholders or any group of shareholders control over NBAB.

## Board of Directors

According to NBAB's articles of association, the Board of Directors shall consist of at least six and no more than 15 members. The members of the Board are appointed for a term of office of one year.

Lars G Nordström left his position as President and Group Chief Executive Officer in connection with NBAB's annual general meeting, which was held on 13 April 2007 and had been succeeded by Christian Clausen. Christian Clausen has been Head of the Asset Management & Life business area and has been a member of Nordea's Group Executive Management since 2001.

As of the date of the Base Prospectus, the Board of Directors consists of the following members:

Hans Dalborg, Chairman

Timo Peltola, Vice Chairman

Marie Ehrling

Tom Knutzen

Lars G Nordström

Ursula Ranin

Björn Savén

Stine Bosse

Svein Jacobsen

Heidi M Petersen

Björn Wahlroos

In addition, the Board of Directors includes the following employee representatives (one of whom at any time is an alternate member) appointed by the trade unions:

Nils Q. Kruse (alternate member commencing from 1 May 2007)

Kari Ahola

Steinar Nickelsen

Bertel Finskas

According to NBAB's articles of association, in conjunction with appointments to the Board of Directors the objective shall be that the Board, as a whole, possesses the requisite knowledge and experience regarding social, commercial and cultural conditions in the regions and on the markets on which the Group conducts its main operations.

With the exception of the employee representatives, all Board members work outside the Nordea Group.

*Hans Dalborg:* Chairman of the Board of the Swedish Corporate Governance Board, Uppsala University and the Royal Swedish Academy of Engineering Sciences (IVA). Board member of Axel Johnson AB, the Stockholm Institute of Transition Economics and East European Economies, SITE) and the Stockholm Institute for Financial Research (SIFR). Member of the European Round Table of Financial Services (EFR).

*Timo Peltola:* Chairman of the Board of Neste Oil and AW-Energy Oy. Board member of TeliaSonera AB (publ), SAS AB. Member of the Advisory Board of CVC Capital Partners and Sveafastigheter AB.

*Lars G Nordström:* Chairman of the Board of the Finnish-Swedish Chamber of Commerce, the Royal Swedish Opera and the European Financial Management & Marketing Association (EFMA). Board member of TeliaSonera AB, Viking Line Abp and the Swedish-American Chamber of Commerce.

*Björn Savén:* Chairman and Vice President for Industri Kapital, Chairman of the British-Swedish Chamber of Commerce, Vice Chairman of Dynea Oyj, Konecranes Oyj and Attendo Care AB. Member of the Board of Minimax GmbH, Finnish-Swedish Chamber of Commerce and Member in the Royal Swedish Academy of Engineering Scientists (IVA).

*Marie Ehrling:* Board member of Securitas AB (publ), Oriflame Cosmetics SA, Safe Gate AB, Homemaid AB, Centre for Advanced Studies of Leadership at the Stockholm School of Economics and World Childhood Foundation.

*Tom Knutzen:* Group Chief Executive Officer of Danisco A/S, Board member of the Confederation of Danish Industries and the Confederation of Danish Employers in Copenhagen and of the Danish Academy of Technical Sciences (ATV).

*Ursula Ranin:* Board Member of Finnair Plc and UPM-Kymmene Oyj.

*Stine Bosse:* Vice President and Group Chief Executive Officer of TrygVesta A/S, Chairman of the Board of the Danish Insurance Association (DIA) and Hjerdebarnsfonden. Member of the Board of Grundfos Management A/S and Poul Due Jensens Fond.

*Svein Jacobsen:* Member of the board of Expert AS, Vensafe AS and Norse Cutting & Abandonement AS. Vice Chairman of the Board of Orkla ASA and Think Global AS. Member of the Advisory Board of CVC Capital Partners.

*Heidi M Petersen:* Chairman of the Sandefjord Lufthavn AS. Member of the Board of Aker Kvaerner ASA, Norsk Hydro ASA, Glamox ASA, Nortech Fpso ASA, Scan Geophysical ASA. Norwegian Energy Company ASA, Ocean Heavylift ASA, Skagerak Energy AS, Arendals Fossekompagni ASA, and AWilco Offshore AS.

*Björn Wahlroos:* Group Chief Executive Officer of Sampo Abp, Chairman of the Board of UPM-Kymmene Oyj. Member of the Board of Näringslivets Delegation EVA/ETLA and Mannerheim-stiftelsen.

*Steinar Nickelsen:* Employee representative

*Nils Q. Kruse:* Employee representative

*Kari Ahola:* Employee representative

*Bertel Finskas:* Employee representative

### **Group Executive Management**

The Group Executive Management consists of the following members:

<i>Name</i>	<i>Position</i>	<i>Positions outside the Group</i>
Christian Clausen	President and Group CEO	
Carl-Johan Granvik	Head of Group Credit and Risk Control, Chief Risk Officer, Regional Head Finland	Chairman of the Investment Committee (Placeringskommittén) of Sponsor Fund II. Board Member of Kelonia Oy Ab. Member of the Finnish ICC (International Chamber of Commerce ICC Finland). Chairman of Julius Stjernvalls Donationsfond. Board Member of Partiosäätiö Scoutstiftelsen r.s. Board Member of Sigrid Jusélius Foundation.
Ari Kaperi	Head of Institutional & International	Board Member of Luttokunta and Board member of Automatia.

	Banking	
Arne Liljedahl	Up until 1 October 2008 Head of Financing and Head of Group Corporate Centre	Deputy Chairman of the Swedish Bankers' Association. Deputy Board Member of the European Banking Federation. Member of the Swedish Financial Reporting Board. Chairman of Björn Wahlströms Stiftelse.
Frans Lindelöw	Deputy Head of Retail Banking	Deputy Member of the Swedish Bankers' Association.
Michael Rasmussen	Head of Banking Products & Group Operations	Chairman of Dansk Ejendomsfond A/S. Deputy Chairman of Danish International Investment Fund (IFU). Board Member of PBS A/S, Multi Data A/S, LR RealKredit A/S, The National Network (Det Nationale Netværk af Viksomhedsledere), Karl Petersen's och Hustrus Industrifond, Danmarks Skibskredit A/S and Danmarks Skibskredit A/S. Deputy Board Member of the Danish Bankers' Association (Finansrådet).
Peter Schütze	Head of Nordic Banking and Regional Head Denmark	Chairman of Danish ICC (International Chamber of Commerce) and the Danish Bankers' Association (Finansrådet). Board Member of the European Banking Federation, Copenhagen Business School, Nordea Danmark-fonden, Gaensefonden, Danmark-Amerika Fonden, Tietgen Fonden and Gösta Enboms Fond.
Gunn Waersted	Head of Capital Markets & Savings, Head of People & Identity and Regional Head Norway	Board Member of Norwegian Financial Services Association (FNH) and The Norwegian Deposit Guarantee Fund. Member of the Nomination Committé of Shibsted ASA and in Handelshøyskolen BI. Corporate Assembly to Orkla ASA. Member of the Council and Nomination Committé in Det Norske Veritas.
Fredrik Rystedt	As of 1 October 2008 Head of Finance and Head of Group Corporate Centre	

The business address of the Board of Directors and Group Executive Management is c/o Nordea Bank AB (publ), Smålandsgatan 17, SE-105 71 Stockholm.

No potential conflicts of interest exist between any duties to NBAB of a member of the Board of Directors or the Group Executive Management and the private interests and/or other duties of such persons.

#### **Audit Committee**

The audit committee assists the Board of Directors in its ongoing supervisory work by reviewing the Nordea Group's quarterly financial reporting, comments and conclusions of the external auditors regarding the Group's semi-annual and annual accounts, the external audit plan as well as the systems for internal control and the audit cooperation between the internal audit activities and the external auditors, as established by the Board of Directors, the CEO and



Group Executive Management. The audit committee is also responsible for supervising and evaluating the internal audit.

**Auditors**

Nordea's auditors are appointed by the general meeting. The auditors appointed by the 2007 AGM for the 2007-2011 financial years are:

KPMG Bohlins AB with Carl Lindgren as auditor-in-charge, Box 16106, SE-103 23 Stockholm.

The auditor is authorised by, and a member of, FAR SRS.

**Legal Proceedings**

NBAB is not subject to any legal proceeding which, in the opinion of management, will have a material negative effect on the financial position or profitability of NBAB or the Nordea Group as a whole. NBAB is, however, the subject of a number of claims in legal proceedings and other disputes in the normal course of its business.

**Material Agreements**

NBAB is not a party to any material agreement outside of its normal course of business which may result in another Group company obtaining a right or incurring an obligation which may materially affect the NBAB's ability to perform its obligations.

**Corporate Governance**

NBAB applies and adheres to generally adopted principles of corporate governance including the rules and principles set forth in the Swedish Code of Corporate Governance.

**NBAB's Recent Development**

For further information regarding the reorganisation of the Nordea Group and recent developments, see "The Nordea Group" above, the sections entitled "Legal Structure" and "Recent Developments".

No significant adverse changes to the Group's financial position or market position have occurred since 31 March 2008.

## Financial information, Nordea Bank AB (publ)

The tables below show certain selected summarised financial information which, without material changes, is derived from the Nordea Group's audited consolidated financial statements for the year ending 31 December 2007.

The Nordea Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS") as approved by the EU. In addition, requirements for supplementary disclosure in accordance with the Act (1995:1559) on Annual Reports in Credit Institutions and Securities Companies and the Swedish Financial Accounting Standards Council's recommendation RR 30:06 (Supplementary Reporting Rules for Groups), as well as the Swedish Financial Supervisory Authority's regulations (FFFS 2006:16), with supplement (FFFS 2007:28) have been applied.

The tables below shall be read together with the annual report, the auditor's report and the notes thereto.

### Income statement

EURm	Note	Group	
		2007	2006
<b>Operating income</b>			
Interest income		12,909	9,669
Interest expense		-8,627	-5,800
<b>Net interest income</b>	3	<b>4,282</b>	<b>3,869</b>
Fee and commission income		2,734	2,582
Fee and commission expense		-594	-508
<b>Net fee and commission income</b>	4	<b>2,140</b>	<b>2,074</b>
Net gains/losses on items at fair value	5	1,187	1,036
Profit from companies accounted for under the equity method	23	41	68
Dividends	6	22	6
Other operating income	7	214	312
<b>Total operating income</b>		<b>7,886</b>	<b>7,365</b>
<b>Operating expenses</b>			
General administrative expenses:			
Staff costs	8	-2,388	-2,251
Other expenses	9	-1,575	-1,485
Depreciation, amortisation and impairment charges of tangible and intangible assets	10, 25, 26	-103	-86
<b>Total operating expenses</b>		<b>-4,066</b>	<b>-3,822</b>
Loan losses	11	60	257
Disposals of tangible and intangible assets		3	8
<b>Operating profit</b>		<b>3,883</b>	<b>3,808</b>
Appropriations	12	-	-
Income tax expense	13	-753	-655
<b>Net profit for the year</b>		<b>3,130</b>	<b>3,153</b>
<b>Attributable to:</b>			
Shareholders of Nordea Bank AB (publ)		3,121	3,145
Minority interests		9	8

<b>Total</b>		<b>3,130</b>	<b>3,153</b>
Earnings per share, EUR	14	1.20	1.21
Earnings per share, after full dilution, EUR	14	1.20	1.21

### Balance Sheet

EURm	Note	Group	
		31 Dec 2007	31 Dec 2006
<b>Assets</b>			
Cash and balances with central banks		5,020	2,104
Treasury bills and other eligible bills	15	8,503	6,678
Loans and receivables to credit institutions	16	24,262	26,792
Loans and receivables to the public	16	244,682	213,985
Interest-bearing securities	17	35,472	29,066
Financial instruments pledged as collateral	18	4,790	10,496
Shares	19	17,644	14,585
Derivatives	20	31,498	24,207
Fair value changes of the hedged items in portfolio			
hedge of interest rate risk	21	-105	-37
Investments in group undertakings	22	-	-
Investments in associated undertakings	23	366	398
Intangible assets	25	2,725	2,247
Property and equipment	26, 27	342	307
Investment property	28	3,492	3,230
Deferred tax assets	13	191	382
Current tax assets		142	68
Retirement benefit assets	38	123	84
Other assets	29	7,724	10,726
Prepaid expenses and accrued income	30	2,183	1,572
<b>Total assets</b>		<b>389,054</b>	<b>346,890</b>
<b>Liabilities</b>			
Deposits by credit institutions	31	30,077	32,288
Deposits and borrowings from the public	32	142,329	126,452
Liabilities to policyholders	33	32,280	31,041
Debt securities in issue	34	99,792	83,417
Derivatives	20	33,023	24,939
Fair value changes of the hedged items in portfolio			
hedge of interest rate risk	21	-323	-401
Current tax liabilities		300	263
Other liabilities	35	22,860	22,177
Accrued expenses and prepaid income	36	2,762	2,008
Deferred tax liabilities	13	703	608
Provisions	37	73	104
Retirement benefit obligations	38	462	495
Subordinated liabilities	39	7,556	8,177
<b>Total liabilities</b>		<b>371,894</b>	<b>331,568</b>
<b>Untaxed reserves</b>	40	-	-
<b>Equity</b>	41		
Minority interests		78	46
Share capital		2,597	2,594

Other reserves		-160	-111
Retained earnings		14,645	12,793
<b>Total equity</b>		<b>17,160</b>	<b>15,322</b>
<b>Total liabilities and equity</b>		<b>389,054</b>	<b>346,890</b>
Assets pledged as security for own liabilities	42	17,841	18,136
Other assets pledged	43	6,304	3,053
Contingent liabilities	44	24,254	22,495
Commitments excluding derivatives	45	87,006	80,601
Derivative commitments	20.45	3,405,332	2 538 489

### Statement of Cash Flow

EURm	Group	
	2007	2006
<b>Operating activities</b>		
Operating profit	3,883	3,808
Adjustment for items not included in cash flow	-292	-954
Income taxes paid	-591	-632
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>3,000</b>	<b>2,222</b>
<b>Changes in operating assets</b>		
Change in treasury bills and other eligible bills	-1,601	554
Change in loans and receivables to credit institutions	2,091	6,182
Change in loans and receivables to the public	-30,365	-25,396
Change in interest-bearing securities	-6,109	-2,548
Change in financial assets pledged as collateral	5,706	1,178
Change in shares	-3,141	-1,688
Change in derivatives, net	924	878
Change in investment properties	-262	-283
Change in other assets	3,085	-946
<b>Changes in operating liabilities</b>		
Change in deposits by credit institutions	-2,438	2,567
Change in deposits and borrowings from the public	15,484	10,904
Change in liabilities to policyholders	1,238	2,512
Change in debt securities in issue	16,349	808
Change in other liabilities	458	4,121
<b>Cash flow from operating activities</b>	<b>4,419</b>	<b>1,065</b>
<b>Investing activities</b>		
Acquisition of group undertakings	-28	77
Sale of group undertakings	42	2
Acquisition of investments in associated undertakings	-9	-14
Sale of investments in associated undertakings	61	416
Acquisition of property and equipment	-157	-114
Sale of property and equipment	18	40
Acquisition of intangible assets	-119	-110
Sale of intangible assets	-	10
Purchase/sale of other financial xed assets	-159	-307
<b>Cash flow from investing activities</b>	<b>-351</b>	<b>0</b>
<b>Financing activities</b>		

Issued subordinated liabilities	-	1,281
Amortised subordinated liabilities	-315	-495
New share issue	3	-
Repurchase of own shares incl change in trading portfolio	8	3
Dividend paid	-1,271	-908
<b>Cash flow from financing activities</b>	<b>-1,575</b>	<b>-119</b>
<b>Cash flow for the year</b>	<b>2,493</b>	<b>946</b>
Cash and cash equivalents at the beginning of year	4,650	3,676
Exchange rate difference	-46	28
Cash and cash equivalents at the end of year	7,097	4,650
<b>Change</b>	<b>2,493</b>	<b>946</b>

### Credit rating

NBAB has received the following credit ratings for its long-term debt obligations:

	Moody's Investor Services Ltd	Standard & Poor's Ratings Services	Fitch Ratings	DBRS
<b>NBAB</b>				
Non-subordinated MTNs	Aa1	AA -	AA -	AA
Fixed term subordinated Notes	Aa2	A +	A +	AA (low)
Undated subordinated Notes	Aa2	A	A +	AA (low)

Neither the MTN Programme nor MTNs issued under the MTN Programme have or will receive a credit rating.

NBAB's credit rating does not always reflect the risks associated with individual loans under the MTN Programme. A credit rating does not constitute a recommendation to buy or sell or a recommendation to hold the investment. A credit rating may be subject to change or withdrawal at any time by the relevant rating agency.

Credit ratings are a way of evaluating credit risk. For more information regarding the import of the credit rating, visit [www.standardpoors.com](http://www.standardpoors.com), [www.moodys.com](http://www.moodys.com), [www.fitchratings.com](http://www.fitchratings.com) or [www.dbrs.com](http://www.dbrs.com).

## Nordea Bank Finland Abp

### Operational overview

Nordea Bank Finland Abp ("**NBF**") has, since 1998, been a part of the Nordea Group which was formed following the merger between Merita and Nordbanken. The merger between Merita and Nordbanken is addressed in detail above, see "The Nordea Group – Formation of the Nordea Group".

NBF conducts banking operations in Finland as a part of the Nordea Group and its operations are fully integrated into the Nordea Group's operations.

### Legal structure and subsidiaries

NBF is a wholly-owned subsidiary of NBAB. NBF was incorporated on 2 January 2002 in accordance with Finnish law. NBF has its registered office in Helsinki, Finland and is a company with limited liability pursuant to the Finnish Companies Act and holds a licence (oktroj) to conduct banking operations in accordance with the Credit Institutions Act. NBF is registered in the trading register with FO number 1680235-8. NBF has its head office in Helsinki at the following address: Aleksanterinkatu 36 B, 00100 Helsinki, Finland.

NBF has subsidiaries in Finland and abroad. The most significant subsidiary is Nordea Finans Finland Ab.

### Board of directors

According to the articles of association, NBF's board of directors shall consist of not less than five and not more than seven members, a chairman and a deputy chairman.

At the time of preparation of this Base Prospectus, NBF's board of directors consisted of the following members:

Christian Clausen, Chairman  
 Carl-Johan Granvik, Deputy Chairman and CEO of NBF  
 Arne Liljedahl  
 Michael Rasmussen  
 Peter Schütze

All board members are employed in the Nordea Group.

<i>Name</i>	<i>Position</i>	<i>Positions outside the Group</i>
Christian Clausen	President and Group CEO	
Carl-Johan Granvik	Head of Group Credit and Risk Control, Chief Risk Officer and regional Head Finland	Chairman of the Investment Committee (Placeringskommittén) of Sponsor Fund II. Board Member of Kelonia Oy Ab. Member of the Finnish ICC (International Chamber of Commerce ICC Finland). Chairman of Julius Stjernvalls Donationsfond. Board Member of Partiosäätiö Scoutstiftelsen r.s. Board Member of Sigrid Jusélius Foundation.
Arne Liljedahl	Up until 1 October	Deputy Chairman of the Swedish Bankers' Association.

	2008 Head of Financing and Head of Group Corporate Centre	Deputy Board Member of the European Banking Federation. Member of the Swedish Financial Reporting Board. Chairman of Björn Wahlströms Stiftelse.
Michael Rasmussen	Head of Banking Products & Group Operations	Chairman of Dansk Ejendomsfond A/S. Deputy Chairman of Danish International Investment Fund (IFU). Board Member of PBS A/S, Multi Data A/S, LR RealKredit A/S, The National Network (Det Nationale Netværk af Viksomhedsledere), Karl Petersen's och Hustrus Industrifond, Danmarks Skibskredit A/S and Danmarks Skibskredit A/S. Deputy Board Member of the Danish Bankers' Association (Finansrådet).
Peter Schütze	Head of Nordic Banking and Regional Head Denmark	Chairman of Danish ICC (International Chamber of Commerce) and the Danish Bankers' Association (Finansrådet). Board Member of the European Banking Federation, Copenhagen Business School, Nordea Danmark-fonden, Gaensefonden, Danmark-Amerika Fonden, Tietgen Fonden and Gösta Enboms Fond.

The address of the board members is c/o Nordea Bank Finland Abp, Alexandersgatan 36 B, 00100, Helsinki, Finland.

To the best knowledge of NBF, there are no potential conflicts of interest between any obligations to NBF of a member of the Board of Directors or the Group Executive Management and the private interests or other obligations of such persons in their executive positions.

### **Auditors**

NBF's auditors are elected at the annual general meeting of the shareholders. The auditors elected at the annual general meeting with respect to the years 2003, 2004, 2005, 2006 2007 and 2008 are as follows:

KPMG Oy Ab  
Mannherheimvägen 20 B, 00100 Helsinki, Finland  
CGR Raija-Leena Honkonen is the auditor-in-charge

### **Legal proceedings and arbitration**

NBF is not subject to any legal proceeding which, in the opinion of management, will have a material negative effect on the financial position or profitability of NBF or the Nordea Group as a whole. NBF is, however, the subject of a number of claims in legal proceedings and other disputes in the normal course of its business.

### **Material agreements**

NBF is not a party to any material agreement outside of its normal course of business which may result in another Group company obtaining a right or incurring an obligation which may materially affect the NBF's ability to perform its obligations.

**NBF's recent development**

For further information regarding the reorganisation of the Nordea Group and recent developments, see "The Nordea Group" above, the sections entitled "Legal Structure" and "Recent Developments".

No significant adverse changes to NBF's financial position or market position have occurred since 31 December 2007.



## Financial information, Nordea Bank Finland Abp

### Income statement

EURm	Note	Group 2007	2006
<b>Operating income</b>			
Interest income	3	4,909	3,604
Interest expense	3	-3,378	-2,211
<b>Net interest income</b>	3	1,531	1,393
Fee and commission income	4	532	497
Fee and commission expense	4	-217	-189
<b>Net fee and commission income</b>	4	315	308
Net gains/losses on items at fair value	5	541	430
Profit from companies accounted for under the equity method	21	2	31
Dividends	6	24	2
Other operating income	7	190	290
<b>Total operating income</b>		<b>2,603</b>	<b>2,454</b>
<b>Operating expenses</b>			
General administrative expenses:			
Staff costs	8	-515	-504
Other expenses	9	-375	-359
Depreciation, amortisation and impairment charges of tangible and intangible assets	10, 22, 23	-29	-18
<b>Total operating expenses</b>		<b>-919</b>	<b>-881</b>
Loan losses	11	20	63
Impairment of securities held as financial non-current asset		0	-2
Disposals of tangible and intangible assets		0	5
<b>Operating profit</b>		<b>1,704</b>	<b>1,639</b>
Income tax expense	12	-339	-358
<b>Net profit for the year</b>		<b>1,365</b>	<b>1,281</b>
<b>Attributable to:</b>			
Shareholders of Nordea Bank Finland Plc		1,363	1,279
Minority interests		2	2
<b>Total</b>		<b>1,365</b>	<b>1,281</b>

### Balance sheet

EURm	Note	Group 31 Dec 2007	31 Dec 2006
<b>Assets</b>			
Cash and balances with central banks		1,953	1,151
Treasury bills and other eligible bills	13	2,149	2,877
Loans and receivables to credit institutions	14	45,549	47,031
Loans and receivables to the public	14	60,597	52,463
Interest-bearing securities	15	2,215	1,161
Financial instruments pledged as collateral	16	-	100
Shares	17	1,465	603
Derivatives	18	30,731	23,692
Fair value changes of the hedged items in portfolio hedge of interest	19	-45	-54

rate risk

Investments in group undertakings	20	-	-
Investments in associated undertakings	21	76	83
Intangible assets	22	48	13
Property and equipment	23, 24	110	89
Investment property	25	4	4
Deferred tax assets	12	136	468
Current tax assets		21	12
Retirement benefit assets	34	59	52
Other assets	26	1,412	1,112
Prepaid expenses and accrued income	27	774	489
<b>Total assets</b>		<b>147,254</b>	<b>131,346</b>
<b>Liabilities</b>			
Deposits by credit institutions	28	26,789	29,233
Deposits and borrowings from the public	29	41,709	35,689
Debt securities in issue	30	29,635	22,680
Derivatives	18	32,012	24,057
Fair value changes of the hedged items in portfolio hedge of interest rate risk	19	-77	-147
Current tax liabilities		56	24
Other liabilities	31	3,970	3,790
Accrued expenses and prepaid income	32	979	758
Deferred tax liabilities	12	33	23
Provisions	33	45	39
Retirement benefit obligation	34	40	56
Subordinated liabilities	35	1,270	1,665
<b>Total liabilities</b>		<b>136,461</b>	<b>117,867</b>
<b>Equity</b>	36		
Minority interests		7	6
Share capital		2,319	2,319
Share premium account/Statutory reserve		599	599
Other reserves		2,929	2,899
Retained earnings		4,939	7,656
<b>Total equity</b>		<b>10,793</b>	<b>13,479</b>
<b>Total liabilities and equity</b>		<b>147,254</b>	<b>131,346</b>
Assets pledged as security for own liabilities	37	7,311	8,159
Other assets pledged	38	-	488
Contingent liabilities	39	13,201	8,441
Commitments	40	3,033,764	2,316,387

**Other notes**

Note 1 Accounting policies

Note 2 Segment reporting

Note 41 Classification of financial instruments

Note 42 Assets and liabilities at fair value

Note 43 Assets and liabilities in foreign currencies

Note 44 Obtained collaterals which are permitted to be

Note 45 Related-party transactions

Note 46 Mergers, disposals and dissolutions

## Cash flow statement

EURm	Group 2007	2006
<b>Operating activities</b>		
Operating profit	1,704	1,639
Adjustments for items not included in cash flow	-31	-475
Income taxes paid	-69	-54
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>1,604</b>	<b>1,110</b>
<b>Changes in operating assets</b>		
Change in treasury bills and other eligible bills	842	272
Change in loans and receivables to credit institutions	-353	-2,300
Change in loans and receivables to the public	-8,137	-6,160
Change in interest-bearing securities	-954	-280
Change in shares	-804	-246
Change in derivatives, net	902	516
Change in investment property	0	35
Change in other assets	-301	627
<b>Changes in operating liabilities</b>		
Change in deposits by credit institutions	-2,446	8,014
Change in deposits and borrowings from the public	6,020	597
Change in debt securities in issue	6,955	1,250
Change in other liabilities	183	822
<b>Cash flow from operating activities</b>	<b>3,511</b>	<b>4,257</b>
<b>Investing activities</b>		
Sale of investments in group undertakings	73	7
Dividends from associated companies	1	-
Acquisition of shares in associated companies	-5	-
Sale of shares in assoc companies	28	-
Acquisition of property and equipment	-69	370
Sale of property and equipment	6	-20
Acquisition of intangible assets	-33	-
Sale of intangible assets	0	4
Purchase/sale of other financial fixed assets	-4	-6
<b>Cash flow from investing activities</b>	<b>-3</b>	<b>355</b>
<b>Financing activities</b>		
Issued subordinated liabilities	-	-
Amortised subordinated liabilities	-415	-239
Dividend paid	-4,000	-
Other changes	-126	-5
<b>Cash flow from financing activities</b>	<b>-4,541</b>	<b>-244</b>
<b>Cash flow for the year</b>	<b>-1,033</b>	<b>4,368</b>
Cash and cash equivalents at the beginning of year	16,467	12,099
Exchange rate difference	0	-
Cash and cash equivalents at the end of year	15,434	16,467
<b>Change</b>	<b>-1,033</b>	<b>4,368</b>

### Credit rating

NBF has received credit ratings for its long-term debt obligations:

	Moody's Investor Services Ltd	Standard & Poor's Ratings Services	Fitch Ratings	DBRS
<b>NBF</b>				
Unsubordinated MTNs	Aa1	AA -	AA -	AA

Neither the MTN Programme nor MTNs issued under the MTN Programme have or will receive a credit rating.

NBAB's credit rating does not always reflect the risks associated with individual loans under the MTN Programme. A credit rating does not constitute a recommendation to buy or sell or a recommendation to hold the investment. A credit rating may be subject to change or withdrawal at any time by the relevant rating agency.

Credit ratings are a way of evaluating credit risk. For more information regarding the import of the credit rating, visit [www.standardpoors.com](http://www.standardpoors.com), [www.moodys.com](http://www.moodys.com), [www.fitchratings.com](http://www.fitchratings.com) or [www.dbrs.com](http://www.dbrs.com).

### **Information incorporated in the Base Prospectus by reference**

The following documents relating to NBAB are incorporated in the Base Prospectus by reference. The documents have been previously published and filed with the Swedish Financial Supervisory Authority.

1. Audited annual accounts for NBAB for 2007 (set forth on pages 84-139 of NBAB's annual report for 2007).
2. Audited annual accounts for NBAB for 2006 (set forth on pages 78-140 of NBAB's annual report for 2006).
3. Interim Report for the first quarter of 2008 (set forth on pages 1-41 of NBAB's Interim Report for the first quarter of 2008).

The following documents relating to NBF are incorporated in the Base Prospectus by reference. The documents have been previously published and filed with the Swedish Financial Supervisory Authority.

3. Audited annual accounts for NBF for 2007 (set forth on pages 34-103 of NBF's annual report for 2007).
4. Audited annual accounts for NBF for 2006 (set forth on pages 28-91 of NBF's annual report for 2006).

It should be noted that certain information in the above-mentioned documents may not be current.

### **Available documents**

Copies of the following documents will be provided/presented upon request during the period of validity of the Base Prospectus by NBAB at its head office on Smålandsgatan 17 in Stockholm or on [www.nordea.com](http://www.nordea.com).

- The Banks' certificates of registration and articles of association;
- All documents which are incorporated in the Base Prospectus by reference; and
- Annual reports and interim reports published by the Banks in 2006 and 2007  
(*financial information for the two most recent financial years prior to the year covered by the Base Prospectus*).

### **Supplements to the Base Prospectus**

Each new circumstance of significance, error or oversight which may affect the assessment of MTNs issued under this MTN Programme and which occurs or is noted after the Base Prospectus has been published shall be disclosed or rectified in a supplement to the Base Prospectus prepared by the respective Bank. Any supplements to the Base Prospectus must be approved by the Swedish Financial Supervisory Authority and thereafter be published.

---

**Addresses****Issuers**

Nordea Bank AB (publ)  
Smålandsgatan 17  
105 71 Stockholm  
[www.nordea.com](http://www.nordea.com)  
Tel: +46 8 614 70 00

Nordea Bank Finland Abp  
Aleksanterinkatu 36 B  
FIN-00020 Nordea  
Helsinki  
[www.nordea.com](http://www.nordea.com)  
Tel: +358 9 165 1

**Dealers**

Nordea Bank AB (publ)  
Nordea Markets  
Smålandsgatan 17  
105 71 Stockholm  
Tel: +46 8 614 90 56 (614 70 00)

Nordea Bank Danmark A/S  
Nordea Markets  
Christianbro  
Strandgade 3  
Tel: +45 33 33 16 04

Nordea Bank Finland Abp  
Nordea Markets  
Aleksanterinkatu 36 B  
FIN-00020 Nordea  
Helsinki  
Tel: +358 9 1651

**Central Securities Depository**

VPC AB  
Box 7822  
103 97 Stockholm  
Tel: +46 8 402 90 00

**Auditors****NBAB**

KPMG Bohlins AB (auditor appointed by the  
general meeting)  
Carl Lindgren, Auditor-in-Charge  
Box 16106  
103 23 Stockholm

**NBF**

KPMG Oy Ab  
Raija-Leena Honkonen, Auditor-in-Charge  
Mannerheimintie 20 B, 00100  
00100 Helsinki

## Põhiprospekti kokkuvõte

*Käesolevat kokkuvõtet käsitletakse Nordea võlakirjaprogrammi (MTN-programm) põhiprospekti (edaspidi “põhiprospekt”) tutvustusena ning kõik otsused MTN-programmi raames tehtud pakkumiste osas peavad tuginema kogu põhiprospekti ning vastavate võlakirjade tingimuste hinnangule ja analüüsile. Pank vastutab kokkuvõttes esitatud või sellest välja jäänud teabe eest üksnes juhul, kui see on põhiprospekti muude osadega võrreldes eksitav või ebaõige. Kui nõue seoses põhiprospektis sisalduva teabega esitatakse kohtusse väljaspool Rootsit, võib investor kohustuda kandma prospekti tõlkimise kulud.*

Emiteeriv pank	Nordea Bank AB (publ) („NBAB”) ja/või Nordea Bank Finland Plc („NBF”), edaspidi kumbki eraldi nimetatud “pank”, koos nimetatud „pangad”.
	Eelnimetatud Nordea Gruppi kuuluvate pankade tegevusala on pangandustegevus Rootsis ja Soomes. Pangad osutavad finantseerimisteenuseid eraklientidele, ettevõtetele ja avalikule sektorile.
	Nordea Grupi ning emiteerivate pankade finantsandmeid käsitletakse põhiprospekti lehekülgedel 85 – 110.
Korraldaja	NBAB
Vahendajad	NBAB, NBF ja Nordea Bank Danmark A/S või muud NBAB ja/või NBF’i poolt määratud vahendajad.
Programmi summa	100 000 000 000 Rootsi krooni.
MTN’d	Panga poolt MTN-programmi raames emiteeritud ühepoolised võlainstrumendid, mis on registreeritud vastavalt Rootsi finantsinstrumentide seadusele ( <i>Financial Instruments Accounts Act, SFS 1998:1479</i> ) või MTN-programmi raames NBAB poolt emiteeritud allutatud võlakirjad vastavalt põhiprospekti tingimustele ja võlakirja tingimustele.
Võlakirja tingimused	Võlakirjadele kohaldatakse põhiprospekti tingimusi (edaspidi „üldtingimused”) ja konkreetse võlakirja tingimusi (edaspidi „võlakirja tingimused”), koos nimetatud “tingimused” või “võlakirja tingimused”.
Pakkumine	Võlakirju pakutakse MTN-programmi raames institutsioonilistele kutselistele investoritele ja eraisikutele (edaspidi mõlemad “investor”) avalikel pakkumistel või suunatud pakkumistena. Võlakirju võib pakkuda üks pank või mitu ühiselt tegutsevat panka.
Vääring	Rootsi kroon või euro või muu võlakirja tingimustes toodud vääring.
Lunastamine	MTN-programmi alusel emiteeritud võlakirjad on pankade tingimusteta ja tagamata kohustused ning <i>pari passu</i> võrdsed panga kõigi muude tagamata kohustustega.
	MTN-programmi alusel võib NBAB emiteerida allutatud võlakirju

erinevate eesõigustega lunastamisel.

Lunastamistähtaeg	Mitte vähem kui üks kuu (30 päeva) ja võlakirja lõpptähtaega määramata.
Hind	Võlakirju võib emitteerida nimiväärtuses või sellest madalama või kõrgema hinnaga.
Edasised emissioonid	Pankadel on õigus vastava võlakirjaemissiooni raames emitteerida täiendavaid võlakirju täpselt samadel tingimustel, välja arvatud esimene intressimakse või võlakirja hind. Täiendavalt emitteeritud võlakirjad ühendatakse olemasolevatega ning need moodustavad ühtse võlakirja seeria.
Intressitootluse struktuur	<p>Pank võib emitteerida fikseeritud, ujuva, muutuva, ujuva pöörd- ja reaali- (inflatsiooni eest kaitstud) intressimääraga võlakirju, samuti nn. topeltväeringus võlakirju ning võlakirju, mille tootlikkus on seotud ühe või mitme alusvara väärtusega.</p> <p>NBAB võib määramata tähtajaga allutatud võlakirjalt intressi maksmise investori nõusolekuta edasi lükata, kui:</p> <ul style="list-style-type: none"><li>- NBAB'l tekib tegevuskahjum; või</li><li>- üldkoosolek on otsustanud omanikele dividende mitte maksta.</li></ul>
Ennetähtaegne lunastamine	<p>Kui võlakirja tingimustes ei ole sätestatud teisiti, lunastatakse võlakiri võlakirja lõpptähtpäeval. Kui see on tingimustega ette nähtud, siis tasutakse võlakirjast tulenev võlg (perioodiliste) osamaksetega. Pank võib üldtingimuste kohaselt emitteerida MTN-programmi raames inflatsiooni eest kaitstud võlakirju, nn. nullkupongiga võlakirju, tagamata põhisummaga võlakirju (mille puhul vähendatakse võlakirja lunastamishind nullini, olenemata sellest, kas võlakirjast tulenev võlg on tasutud või osaliselt või täielikult tasumata) ning võlakirju, mille lunastamishinna maksmine asendatakse üleandmiskohustusega.</p> <p>Võlakirja võib lunastada ennetähtaegselt kas emitendi või investori algatusel, kui ennetähtaegne lunastamine on võlakirja tingimustega ette nähtud.</p> <p>Allutatud võlakirjade ennetähtaegseks lunastamiseks võib olla vajalik Rootsi Finantsinspeksiooni nõusolek.</p>
Allikapõhine maksustamine	<p>Võlakirjadest tulenevad maksed tehakse summades, millest ei ole kinni peetud ega maha arvatud mistahes makse või tasusid, välja arvatud juhul, kui vastav kinnipidamise või mahaarvamise kohustus tuleneb Soome või Rootsi seadustest või Soome või Rootsi vastavat pädevust omavate ametiasutuste otsustest. Kui pank kohustub võlakirjadest tulenevatest maksetest tegema kinnipidamisi või mahaarvamisi Soome või Rootsi seaduste või Soome või Rootsi vastavat pädevust omavate ametiasutuste otsuste alusel isikute suhtes, kes ei ole Soome või Rootsi maksukohustuslased, maksab pank võlakirja lunastamisel investorile sellise summaga võrdse summa, kui kinnipidamisi või mahaarvamisi ei oleks tehtud.</p> <p>Kui vastavate õigusaktide kehtestamise või muutmise tagajärjel on pangad kohustatud hakkama võlakirjadest kinni pidama või maha</p>



arvama mistahes makse või tasusid, on pangal õigus võlakirjad ennetähtaegselt lunastada.

**Nimiväärtus** Nimiväärtus sätestatakse võlakirja tingimustes. MTN-programmi raames emiteeritakse võlakirju nimiväärtusega alla viiekümne tuhande euro (€50 000), välja arvatud NBF poolt emiteeritavad võlakirjad, mis emiteeritakse nimiväärtusega vähemalt tuhat eurot (€1000), või selle ekvivalent Rootsi kroonides või muus vääringus ning võlakirjad kuuluvad märkimisele nimiväärtuses või selle täiskordsetes.

**Rikkumised** Üldtingimuste kohaselt ei ole investoritel õigust nõuda võlakirja ennetähtaegset lunastamist emitendi mistahes kohustuste rikkumiste korral. Pangad võivad lunastada võlakirju ennetähtaegselt üldtingimustes sätestatud juhtudel ja korras.

**Vara koormamine** Pankadele ei laiene vara koormamise keeld ning pangad võivad piiranguteta anda tagatise või pantida oma vara teiste võlausaldajate kasuks.

**Krediidireiting** Krediidireitingud või reitingud on sõltumatute reitinguagentuuride hinnangud NBAB ja NBF suutlikkusele täita oma finantskohustusi.

Pangad on oma pikaajaliste finantseeringute kohta saanud järgmisi krediidireitinguid.

	Moody's Investor Services Ltd	Standard & Poor's Ratings Services	Fitch Ratings	DBRS
<b>NBAB</b>				
Allutamata võlakirjad	Aa 1	AA -	AA -	AA
Fikseeritud tähtajaga allutatud võlakirjad	Aa 2	A +	A +	AA (madal)
Määramata tähtajaga allutatud võlakirjad	Aa 2	A	A +	AA (madal)
<b>NBF</b>				
Allutamata võlakirjad	Aa 1	AA -	AA -	AA

MTN-programmi ja selle raames emiteeritud võlakirjade kohta ei ole krediidireitinguid antud.

Pankade krediidireitingud ei kajasta alati MTN-programmist tulenevate võlgadega seotud riske. Krediidireiting ei ole ostu- ega müügisoovitusega soovitus investeerimist hoida. Reitingu andnud agentuur võib krediidireitingu igal ajal peatada, seda alandada või tühistada.

Börsil registreerimine	<p>MTN-programm registreeritakse OMX Stockholmi börsil ning Helsingi ja Kopenhaageni börsidel ja/või mujal võlakirja tingimustes sätestatud börsidel või kauplemisskohtades.</p> <p>Võlakirja tingimustes sätestatakse, kas MTN-programmi raames emiteeritavad võlakirjad registreeritakse börsil. MTN-programmi raames emiteeritakse nii börsil registreeritud kui ka registreerimata võlakirju.</p>
Kohaldatav õigus	<p>Võlakirjadele kohaldatakse võlakirja tingimustes määratletud riigi õigust ja võlakirja tingimusi tõlgendatakse vastavalt sellele. Võlakirja tingimustes võidakse kohaldatava õigusena määratleda Rootsi, Soome või Taani õigus.</p>
Müügipiirangud	<p>Rootsi Finantsinspeksioon on heaks kiitnud põhiprospekti, mis on välja antud kooskõlas prospekti käsitleva määrusega (komisjoni määrus (EÜ) nr 809/2004) ja finantsinstrumentidega kauplemise seadusega (1991:980).</p> <p>MTN-programmi raames emiteeritavaid võlakirju ei registreerita vastavalt USA 1933. aasta väärtpaberiseadusele ning neid ei tohi pakkuda ega müüa USA-s. Lisaks ei tohi võlakirju pakkuda ega müüa Austraalias, Kanadas, Jaapanis, Uus-Meremaal ja Lõuna-Aafrikas. Samuti ei tohi põhiprospekti levitada eespool nimetatud riikidele ega riikides.</p>
Maksud	<p>VPC (<i>Rootsi Väärtpaberite Keskregister</i>) või esindaja (kui võlakirju hoitakse esindajakontol) peab Rootsis alaliselt elavate eraisikute ning Rootsi surnud isikute pärandvarast kinni esialgse maksu, mis hetkel on 30% makstud intressist.</p> <p>Kehtiva Soome õiguse kohaselt käsitletakse Soomes avalikel pakkumistel saadud intressi vastavalt intressitulult maksude kinnipidamise seadusele tuluna Soome maksukohustuslaste ja Soome surnud isikute pärandvara puhul. Intressitulult kinni peetav maks on hetkel 28%. Intressitulult maksude kinnipidamise seaduse kohaselt moodustab indeksikompensatsioon intressitulu.</p> <p>Füüsilisest isikust investor, kelle alaline elukoht on Taanis või kelle alaline elukoht on mujal, kuid ta viibib Taanis ühe aasta jooksul vähemalt 6 kuud või juriidiline isik, kelle asukoht on registreeritud Taanis või kelle juhtimisorganid asuvad Taanis, on Taani maksukohustuslane MTN-programmi alusel tehtavate väljamaksete suhtes.</p> <p>Vastavalt Euroopa Liidu Nõukogu direktiivile 2003/48/EÜ esitavad pangad intressimakseid puudutava teabe liikmesriikide maksuametitele isikute kohta, kelle alaline elukoht on väljaspool Rootsit või Soomet. MTN-programmi raames emiteeritud võlakirjadelt makstud intressist ei peeta üldtingimuste kohaselt Soomes või Rootsis kinni mingeid makse.</p>
Loovutamine	<p>Teatud juhtudel on pankadel õigus võlakirjast tulenevad õigused ja kohustused ilma investorit nõusolekuta loovutada/üle anda mistahes</p>

teisele Nordea Grupi pangale, teavitades sellest investorit.

NBAB-l on tingimusteta õigus võtta üle NBF poolt emiteeritud võlakirjadest tulenevad kohustused.

#### Arveldused

MTN-programmi alusel emiteeritud võlakirjade arveldused teostatakse VPC-s (*Rootsi Väärtpaberite Keskregister*), Soome arveldussüsteemis Finlands Värdepapperscentral Ab ja/või Taani arveldussüsteemis Vaerdipapircentralen ning võidakse registreerida Euroclearis või mõnes teises võlakirja tingimustes sätestatud arveldussüsteemis.

#### Võlakirjade struktuur

Käesoleva MTN-programmi raames võib pank emiteerida erineva struktuuriga võlakirju, näiteks:

- fikseeritud intressimääraga võlakiri
- ujuva intressimääraga võlakiri
- korrigeeritava intressiga võlakiri
- muutuva intressimääraga võlakiri
- inflatsiooni eest kaitstud võlakiri
- nn topeltvääringus võlakiri, mille puhul makstakse intress/põhisumma muus vääringus kui võlakirja vääring
- osamaksetena tasutava põhisummaga võlakiri
- nn. nullkupongiga võlakiri
- inflatsiooni eest kaitstud põhisummaga võlakiri
- tagamata põhisummaga võlakiri
- ennetähtaegse lunastamise õigusega võlakiri (emitendi/investori algatusel)
- võlakirjast tulenev maksekohustus asendatakse üleandmiskohustusega (*delivery obligation*)
- muudetava lunastamistähtajaga võlakiri
- allutatud võlakiri (üksnes NBAB)

Kahte või enamat eespool nimetatud struktuuri võidakse kasutada ka kombineeritult.

Võlakirja tootlikkus ja/või lunastamishind võivad sõltuda alusvara väärtusest. Selliseks alusvaraks võivad olla:

- aktsiad (sealhulgas noteerimata aktsiad)
- indeksid
- valuuta
- fondid/fondiosakud
- kaubad
- krediidiriskid
- kinnisvara
- muu võlakirja tingimustes määratletud vara

Võlakiri võib koosneda ka eespool nimetatud alusvarade kogumist või varade kombinatsioonist või nende vahelistest suhetest.

MTN-programmi raames emiteeritavate võlakirjade struktuuri käsitletakse põhjalikumalt põhiprospekti lehekülgedel 22 – 32.

#### Riskid

Klient peab võlakirjadesse investeerimisel arvestama investeerimistegevusest tulenevate riskidega. Järgnev loetelu ei ole ammendav; klient peab arvestama ka muude investeerimistegevusest

tulenevate riskidega ning hindama ja kaaluma investeerimisotsuse tegemisel põhjalikult nende võimalikku mõju ja tagajärgi.

Panga tegevusega seotud riskid on eelkõige krediidi- ja tururisk, aga ka muud riskid, nagu näiteks operatsioonirisk ja likviidsusrisk. Krediidirisk on risk, kui vastaspool ei suuda täita oma maksekohustusi. Tururisk on risk, et kliendi investeringute väärtus võib langeda vastaval väärtpaberiturul toimuvate hinnaliikumiste tõttu. Likviidsusrisk on risk, et klient võib saada kahju vastaval väärtpaberiturul likviidsuse puudumise tõttu, mis takistab kliendil väärtpaberite müüki soovitud ajal ja soovitud hinnaga. Operatsioonirisk on seotud puudustega teenustes, puuduliku sisekontrolli süsteemiga, ebaselge vastutuse jaotusega, puudulike tehniliste süsteemidega, mistahes kuritegudega ning äritegevuse katkemisega. Panga võime täita MTN-programmist tulenevaid kohustusi sõltub tema suutlikkusest täita oma finantskohustusi, mis on omakorda otseselt seotud panga äritegevusega.

Võlakirjadega seotud riskid hõlmavad muuhulgas intressi- ja valuutariski (kliendi investeringute väärtus võib väheneda intressimäärade muutumise, intressimäärade volatiilsuse muutumise, erinevate valuutade vaheliste valuutakursside muutumise jms tõttu), samuti mistahes muid asjaolusid, näiteks: kas võlakirjad on allutatud või mitte, kas pankadel on õigus võlakirju ennetähtaegselt lunastada, finantsinstrumentide keerukuse taset, seotud indeksite, muu alusvara või finantsturgude kõikumisi ning seda, kas lunastamishinna tasumine sõltub muudest teguritest peale pankade krediidiireitingute.

Lisaks kohalduvad investoritele nõuetekohaselt kokku kutsutud investorite üldkoosolekul vastu võetud otsused. Pangal on õigus tingimusi üldtingimustes sätestatud korras ühepoolsest muuta. Üldtingimustes sätestatud korras saab võlakirjast tulenevaid õigusi ja kohustusi loovutada või üle anda.

Mõned võlakirjadega seotud riskid ei sõltu panga tegevusest, näiteks tõhusa järelturu olemasolu, kliiringu- ja arveldussüsteemi nõuetekohane toimimine, samuti majanduse üldine olukord ja mistahes muudatused Rootsis ja kogu maailmas.

Täpsema ülevaate võlakirjadega seotud riskidest leiab põhiprospektist. Investor peaks ülevaatega põhjalikult tutvuma, nagu kogu muu põhiprospektis esitatud teabega.