



## NORDEA BANK AB (PUBL)

*(Incorporated with limited liability in the Kingdom of Sweden)*

## NORDEA BANK FINLAND PLC

*(Incorporated with limited liability in the Republic of Finland)*

**€10,000,000,000**

### **Structured Note Programme**

Nordea Bank AB (publ) ("**NBAB**") and Nordea Bank Finland Plc ("**NBF**", together with NBAB, the "**Issuers**" and each an "**Issuer**") have established a €10,000,000,000 Structured Note Programme (the "**Programme**"). Each of the Issuers may from time to time issue notes (the "**Notes**") under the Programme on an unsubordinated basis, which expression shall include Bearer Notes and Registered Notes (each as defined below), denominated in any currency as may be agreed with the relevant Dealer(s) (as defined below). Notes issued pursuant to the Programme may include Notes issued in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**") and Notes designated by an Issuer as "**VP Notes**", "**VPS Notes**", "**Finnish Notes**" or "**Swedish Notes**" in the applicable Final Terms. The maximum amount of all Notes from time to time outstanding will not exceed €10,000,000,000 (or its equivalent in other currencies at the time of agreement to issue, subject as further set out herein). For the purposes of calculating amounts outstanding under the Programme, all calculations will be made in euro.

Notes may be issued under the Programme which have a denomination of less than €100,000 or its equivalent in other currencies. The Notes will be issued on a continuing basis to one or more of the Dealers specified herein and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**").

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and European law pursuant to the Prospectus Directive. Application will be made to the Irish Stock Exchange for Notes issued under the Programme during the period of twelve months after the date hereof to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Main Securities Market**"). The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC on markets in financial instruments ("**MiFID**"). Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of MiFID and/or which are to be offered to the public in any Member State of the European Economic Area. This Base Prospectus constitutes a base prospectus for the purposes of the Prospectus Directive.

It is expected that this Base Prospectus will be submitted to the SIX Swiss Exchange Ltd (the "**SIX Swiss Exchange**") for registration as an "issuance programme" for the listing of bonds on the SIX Swiss Exchange in accordance with the listing rules of the SIX Swiss Exchange (the "**SIX Listing Rules**"). If approved, in respect of any Tranche (as defined herein) of Notes to be listed on the SIX Swiss Exchange during the 12 months from the date of this Base Prospectus, this Base Prospectus, together with the relevant Final Terms, will constitute the listing prospectus for purposes of the SIX Listing Rules.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer.

Notes will be issued (i) on the general terms and conditions set out under "*Terms and Conditions of the Notes – Part 1: General Conditions*" (the "**General Conditions**"), as completed by a final terms document (the "**Final Terms**"), and (ii) may also be subject to certain additional conditions set out under "*Terms and Conditions of the Notes – Part 2: Additional Conditions for Certain Structured Notes*", "*Terms and Conditions of the Notes – Part 3: Additional Conditions for Credit-Linked Notes*" and "*Terms and Conditions of the Notes – Part 4: Additional Conditions for Fund-Linked Notes*", if so specified in the applicable Final Terms (the "**Additional Conditions**", and together with the General Conditions, the "**Terms and Conditions**").

There are certain risks related to any issue of Notes under the Programme which investors should ensure they fully understand (see "*Risk Factors*" below). This Base Prospectus is drawn up in the English language. In case there is any discrepancy between the English text and the Swedish text the English text stands approved for the purposes of approval under the Prospectus (Directive 2003/71/EC) Regulations 2005.

Arranger  
**Nordea**

The date of this Base Prospectus is 16 April 2013

This Base Prospectus, including the Annexes hereto, which form part of this Base Prospectus, should be read and construed together with any supplements hereto and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the relevant Final Terms.

Copies of each Final Terms will be available from the specified offices of each of the Paying Agents and (in the case of Notes which may be in registered form) from the specified office of the Registrar and each of the Transfer Agents (see "*Terms and Conditions of the Notes*" herein).

Each of the Issuers has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus (including for this purpose, each relevant Final Terms) contains all information which is (in the context of the Programme and the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme and the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Each of the Issuers accepts responsibility for the information 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.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by any of the Issuers or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by any of the Issuers or any Dealer.

The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the financial information contained in this Base Prospectus, or any other financial statements or any further information supplied in connection with the Notes. The Dealers accept no liability in relation to the financial information contained in this Base Prospectus or any other financial statements or their distribution or with regard to any other information supplied in connection with the Notes. The statements made in this paragraph are without prejudice to the responsibility of each of the Issuers in its capacity as an Issuer under the Programme.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by each of the Issuers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes see "*Subscription and Sale*".

**THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

**THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY INCLUDE NOTES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF BEARER NOTES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). SEE "SUBSCRIPTION AND SALE".**

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by any of the Issuers, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of each Issuer.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the "**European Economic Area**" which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering/placement contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, **provided that** any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, none of the Issuers nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for an Issuer or any Dealer to publish or supplement a prospectus for such offer.

**In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or any persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) or (person(s) acting on behalf of any Stabilisation Manager(s) in accordance with all applicable laws and rules.**

In this Base Prospectus, references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars; references to "**Euro**", "**euro**", "**EUR**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended; references to "**sterling**" are to Pounds Sterling; references to "**Yen**" are to Japanese Yen; references to "**SEK**" are to Swedish Krona; references to "**NOK**" are to Norwegian Krone; and references to "**DKK**" are to Danish Krone.

The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

## IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF NOTES

In the context of any offer of Notes that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Public Offer**"), the Issuers have requested the Central Bank to provide a certificate of approval in accordance with Article 18 of the Prospectus Directive (a "**passport**") in relation to the passporting of the Base Prospectus to the competent authorities of Norway, Sweden, Finland, Denmark, Estonia, Latvia, Lithuania, the United Kingdom, France, Germany, Austria and Luxembourg (the "**Host Member States**"). Even though the Issuers have elected to passport this Base Prospectus into the Host Member States, it does not mean that they will choose to make any Public Offer in the Host Member States. Investors should refer to the Final Terms for any issue of Notes to see whether the relevant Issuer has elected to make a public offer of Notes in either the Republic of Ireland or a Host Member State (each a "**Public Offer Jurisdiction**").

Each of the Issuers accepts responsibility in the Public Offer Jurisdictions for which it has given consent referred to herein for the content of this Base Prospectus in relation to any person (an "**Investor**") to whom an offer of any Notes is made by any Dealer or other financial intermediary to whom any of the Issuers has given its consent to use this Base Prospectus (such Dealer or other financial intermediary, an "**Authorised Offeror**"), where the offer is made during the period for which that consent is given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus. However, none of the Issuers has any responsibility for any of the actions of an Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

If so specified in the applicable Final Terms in respect of any Tranche of Notes, each of the Issuers consents to the use of this Base Prospectus in connection with a Public Offer of the relevant Notes during the Offer Period specified in the relevant Final Terms (the "**Offer Period**") either: in the Public Offer Jurisdictions specified in the relevant Final Terms by any financial intermediary which satisfies the following conditions and any additional conditions specified in the relevant Final Terms:

- (i) it is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC); and
- (ii) executes a distribution agreement with the relevant Issuer whereby it agrees to be bound by the Authorised Offeror Terms and it either publishes on its website (if it has one), or discloses in any materials that it provides to potential investors in connection with the Public Offer, the following statement (with the information in square brackets completed with the relevant information):

"We, *[insert legal name of financial intermediary]*, are a financial intermediary authorised under the Markets in Financial Instruments Directive (Directive 2004/39/EC) to make offers of securities such as the *[insert title of the relevant Notes]* (the "**Notes**") described in the Final Terms dated *[insert date]* (the "**Final Terms**") published by *[Nordea Bank AB (publ)/Nordea Bank Finland Plc]* (the "**Issuer**"). We refer to the offer of the Notes in *[insert relevant Public Offer Jurisdiction(s)]* during the Offer Period specified in the Final Terms (the "**Public Offer**"). In consideration for the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the Public Offer on the Authorised Offeror Terms specified in the Base Prospectus and subject to the conditions to such consent, we hereby accept such offer. Accordingly, we are using the Base Prospectus in connection with the Public Offer in accordance with the consent of the Issuer on the Authorised Offeror Terms and subject to the conditions of such consent."

The "**Authorised Offeror Terms**" are that the relevant financial intermediary:

- (a) represents, warrants and undertakes for the benefit of each of the Issuers that it will, at all times in connection with the relevant Public Offer:
  - (A) act in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**");

- (B) comply with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a Dealer;
  - (C) ensure that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and is fully and clearly disclosed to investors or potential investors;
  - (D) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;
  - (E) comply with applicable anti-money laundering, anti-bribery and "know your client" Rules, and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
  - (F) retain investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the Issuers or directly to the appropriate authorities with jurisdiction over either Issuer in order to enable each of the Issuers to comply with anti-money laundering, anti-bribery and "know your client" Rules applying to the Issuers;
  - (G) ensure that it does not, directly or indirectly, cause either Issuer to breach any Rule or subject either Issuer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
  - (H) comply with any further requirements relevant to the Public Offer as specified in the applicable Final Terms;
  - (I) not convey or publish any information that is not contained in or entirely consistent with this Base Prospectus as completed by the applicable Final Terms; and
  - (J) if it conveys or publishes any communication (other than this Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the relevant Issuer for the purposes of the relevant Public Offer) in connection with the relevant Public Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuers, that such financial intermediary is solely responsible for such communication and that neither of the Issuers accepts any responsibility for such communication and (C) does not, without the prior written consent of the Issuers, use the legal or publicity names of either of the Issuers or any other name, brand or logo registered by an entity within the Nordea Group, except to describe the relevant Issuer as issuer of the relevant Notes; and
- (b) undertakes to indemnify each of the Issuers (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements; and
- (c) agrees and accepts that:
- (A) the contract between the Issuers and the financial intermediary formed upon acceptance by the financial intermediary of the Issuers' offer to use this Base Prospectus with its consent in connection with the relevant Public Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising

out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law; and

- (B) the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly submits to the exclusive jurisdiction of the English courts.

or, by the financial intermediaries specified in the relevant Final Terms, in the Public Offer Jurisdictions specified in the relevant Final Terms and subject to the relevant conditions specified in the relevant Final Terms, for so long as they are authorised to make such offers under the Markets in Financial Instruments (Directive 2004/39/EC). An Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if it does so, such Issuer will publish the above information in relation to them on its website.

The consent referred to above relates to Public Offers occurring within 12 months from the date of this Base Prospectus.

**Any Authorised Offeror who wishes to use this Base Prospectus in connection with a Public Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website (if it has one), or otherwise disclose to potential investors, that it is using this Base Prospectus for such Public Offer in accordance with the consent of the relevant Issuer and the conditions attached thereto. Authorised Offerors may act through one or more agents or affiliates, provided that the Authorised Offeror shall at all times remain liable to the Issuer for the acts or omissions of the relevant agent or affiliate, and any failure to comply with the Authorised Offeror Terms.**

To the extent specified in the relevant Final Terms, an offer may be made during the relevant Offer Period by any of the relevant Issuer or any relevant Authorised Offeror in any relevant Public Offer Jurisdiction(s) and subject to any relevant conditions, in each case all as specified in the relevant Final Terms.

None of the Issuers nor any of the Dealers has authorised the making of any Public Offer of any Notes by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes unless (1) the offer is made by an Authorised Offeror as described above or (2) the offer is otherwise made in circumstances falling within an exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such unauthorised offers are not made by or on behalf of any Issuer, any Dealer or any Authorised Offeror and none of the Issuers, any Dealer or any Authorised Offeror has any responsibility or liability for the actions of any person making such offers.

**An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the "Terms and Conditions of the Public Offer"). Neither of the Issuers will be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the relevant time. None of the Issuers, any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.**

## RATINGS

As of the date of this Base Prospectus, the long term (senior) debt ratings of each of the Issuers are:

| Rating Agency                     | Rating |
|-----------------------------------|--------|
| Moody's Investors Service Limited | Aa3    |

| <b>Rating Agency</b>                                    | <b>Rating</b>      |
|---------------------------------------------------------|--------------------|
| Standard & Poor's Credit Market Services Europe Limited | AA- <sup>(1)</sup> |
| Fitch Ratings Limited                                   | AA-                |
| DBRS Ratings Limited                                    | AA                 |

<sup>(1)</sup> Under review for downgrade as of the date of this Base Prospectus.

Moody's Investors Service Limited, Standard & Poor's Credit Market Services Europe Limited, Fitch Ratings Limited and DBRS Ratings Limited are all established in the European Union (the "EU") and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**").

Tranches of Notes to be issued under the Programme will not be separately rated.

The European Securities and Markets Authority ("**ESMA**") is obliged to maintain on its website, at <http://www.esma.europa.eu/page/list-registered-and-certified-CRAs>, a list of credit rating agencies registered and certified in accordance with the CRA Regulation. This list must be updated within five working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation. Therefore, such list is not conclusive evidence of the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EU and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EU but is endorsed by a credit rating agency established in the EU and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EU, but which is certified under the CRA Regulation.

**A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

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## SUMMARY OF THE BASE PROSPECTUS

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and these Issuers. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and relevant Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".

In particular Elements in italics denote placeholders for completing the issue specific summary relating to a Tranche of Notes for which such issue specific summary is to be prepared.

Words and expressions defined in the sections entitled "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meanings in this summary.

|     |                      | Section A – Introduction and Warnings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A.1 | <b>Introduction:</b> | <i>This summary should be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member States, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. No civil liability will attach to the Issuers in any such Member State 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 or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| A.2 | <b>Consent:</b>      | <p>Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a <b>"Public Offer"</b>.</p> <p><i>Not applicable; the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency)./The Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the Notes by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) (an <b>"Authorised Offeror"</b>) on the following basis: (a) the relevant Public Offer must occur during the period from and including [•] to but excluding [ ] (the <b>"Offer Period"</b>) in [•] [and [•]] (the <b>"Public Offer Jurisdiction(s)"</b>) and (b) the relevant Authorised Offeror must have agreed to the Authorised Offeror Terms [and satisfy the following additional conditions: [•]]./The Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the Notes by [•](an <b>"Authorised Offeror"</b>) on the following basis: (a) the relevant Public Offer must occur during the period from and including [•] to but excluding [ ] (the <b>"Offer Period"</b>) in [•] [and [•]] (the <b>"Public Offer Jurisdiction(s)"</b>) and (b) the relevant Authorised Offeror must have agreed to the Authorised Offeror Terms [and satisfy the following additional conditions: [•]].</i></p> |
|     |                      | <b>Authorised Offerors will provide information to an Investor on the terms and conditions of the Public Offer of the relevant Notes at the time such Public Offer is made by the Authorised Offeror to the Investor.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| <b>Section B – Issuers</b> |                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>B.1</b>                 | <b>Legal names of the Issuers:</b>              | Nordea Bank AB (Publ)<br><br>Nordea Bank Finland Plc                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                            | <b>Commercial names of the Issuers:</b>         | Nordea                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>B.2</b>                 | <b>Domicile and legal forms of the Issuers:</b> | <p>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. The principal legislation under which NBAB operates is the Swedish Companies Act and the Swedish Banking and Financing Business Act.</p> <p>NBF is a company with limited liability pursuant to the Finnish Companies Act. NBF is registered in the trade register with business identity code 1680235-8. NBF has its head office in Helsinki at the following address: Aleksanterinkatu 36 B, 00100 Helsinki, Finland. The principal legislation under which NBF operates is the Finnish Companies Act and the Finnish Act on Commercial Banks and Other Credit Institutions in the form of a limited company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>B.4b</b>                | <b>Trends:</b>                                  | Not applicable. There are no clear trends affecting the Issuers or the markets in which they operate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>B.5</b>                 | <b>The Group:</b>                               | <p>NBAB is the parent company of the Nordea Group. The Nordea Group is the largest financial services group in the Nordic markets (Denmark, Finland, Norway and Sweden) measured by total income (based on research by Nordea Markets (Nordea Bank Finland Plc)), with additional operations in Poland, Russia, the Baltic countries and Luxembourg, as well as branches in a number of other international locations. The three main subsidiaries of Nordea Bank are Nordea Bank Danmark A/S in Denmark, NBF in Finland and Nordea Bank Norge ASA in Norway.</p> <p>NBAB believes that the Nordea Group has the largest customer base of any financial services group based in the Nordic markets (based on research by Nordea Markets (Nordea Bank Finland Plc)) with approximately 11 million customers across the markets in which it operates, including approximately 9.0 million household customers in its customer programme and approximately 0.6 million active corporate customers, in each case as of 31 December 2012. As of the same date, the Nordea Group had total assets of EUR 677 billion and Tier 1 capital of EUR 24.0 billion, and was the largest Nordic-based asset manager with EUR 218 billion in assets under management.</p> |
| <b>B.9</b>                 | <b>Profit Forecasts and Profit Estimates:</b>   | Not Applicable. The Issuers do not make a profit forecast or profit estimate in the Base Prospectus.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>B.10</b>                | <b>Audit Report Qualifications:</b>             | Not Applicable. There are no qualifications in the audit reports for the Issuers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| B.12                                                                                         | Selected Key Financial Information:              | <p>The tables below show certain selected summarised financial information which, without material changes, is derived from, and must be read together with, the Issuers' audited consolidated financial statements for the year ending 31 December 2012 set out in the annexes to this Base Prospectus and the auditor's reports and notes thereto.</p> <p>NBAB – selected key financial information:</p> <table><tr><th></th><th>2012</th><th>2011</th></tr><tr><td></td><td colspan="2">(EUR Millions)</td></tr><tr><td colspan="3"><b>Income Statement</b></td></tr><tr><td>Total operating income .....</td><td>10,236</td><td>9,501</td></tr><tr><td>Net profit for the year .....</td><td>3,126</td><td>2,634</td></tr><tr><td colspan="3"><b>Balance Sheet</b></td></tr><tr><td>Total assets .....</td><td>677,420</td><td>716,204</td></tr><tr><td>Total liabilities.....</td><td>649,204</td><td>690,084</td></tr><tr><td>Total equity.....</td><td>28,216</td><td>26,120</td></tr><tr><td>Total liabilities and equity .....</td><td>677,420</td><td>716,204</td></tr><tr><td colspan="3"><b>Cash Flow Statement</b></td></tr><tr><td>Cash flow from operating activities before changes in operating assets and liabilities .....</td><td>6,633</td><td>3,103</td></tr><tr><td>Cash flow from operating activities .....</td><td>19,754</td><td>3,730</td></tr><tr><td>Cash flow from investing activities.....</td><td>774</td><td>7,565</td></tr><tr><td>Cash flow from financing activities .....</td><td>-170</td><td>-2,509</td></tr><tr><td>Cash flow for the year.....</td><td>20,358</td><td>8,786</td></tr><tr><td>Change.....</td><td>20,358</td><td>8,786</td></tr></table> <p>NBF – selected key financial information:</p> <table><tr><th></th><th>2012</th><th>2011</th></tr><tr><td></td><td colspan="2">(EUR Millions)</td></tr><tr><td colspan="3"><b>Income Statement</b></td></tr><tr><td>Total operating income .....</td><td>2,824</td><td>2,644</td></tr><tr><td>Net profit for the year .....</td><td>1,186</td><td>1,101</td></tr><tr><td colspan="3"><b>Balance Sheet</b></td></tr><tr><td>Total assets .....</td><td>341,947</td><td>399,287</td></tr><tr><td>Total liabilities.....</td><td>332,668</td><td>387,667</td></tr><tr><td>Total equity.....</td><td>9,279</td><td>11,620</td></tr><tr><td>Total liabilities and equity .....</td><td>341,947</td><td>399,287</td></tr><tr><td colspan="3"><b>Cash Flow Statement</b></td></tr><tr><td>Cash flow from operating activities before changes in operating assets and liabilities.....</td><td>-441</td><td>674</td></tr><tr><td>Cash flow from operating activities .....</td><td>18,720</td><td>469</td></tr><tr><td>Cash flow from investing activities.....</td><td>333</td><td>3,180</td></tr><tr><td>Cash flow from financing activities .....</td><td>-3,526</td><td>-692</td></tr><tr><td>Cash flow for the year.....</td><td>15,527</td><td>2,957</td></tr><tr><td>Change.....</td><td>15,527</td><td>2,957</td></tr></table> <p>There has been no material adverse change in the ordinary course of business or in the prospects or condition of NBAB or NBF since 31 December 2012, being the date of its last published audited financial statements.</p> <p>There has been no significant change in the financial or trading position of NBAB or NBF which has occurred since 31 December 2012, being the date of its last published audited financial statements.</p> |  | 2012 | 2011 |  | (EUR Millions) |  | <b>Income Statement</b> |  |  | Total operating income ..... | 10,236 | 9,501 | Net profit for the year ..... | 3,126 | 2,634 | <b>Balance Sheet</b> |  |  | Total assets ..... | 677,420 | 716,204 | Total liabilities..... | 649,204 | 690,084 | Total equity..... | 28,216 | 26,120 | Total liabilities and equity ..... | 677,420 | 716,204 | <b>Cash Flow Statement</b> |  |  | Cash flow from operating activities before changes in operating assets and liabilities ..... | 6,633 | 3,103 | Cash flow from operating activities ..... | 19,754 | 3,730 | Cash flow from investing activities..... | 774 | 7,565 | Cash flow from financing activities ..... | -170 | -2,509 | Cash flow for the year..... | 20,358 | 8,786 | Change..... | 20,358 | 8,786 |  | 2012 | 2011 |  | (EUR Millions) |  | <b>Income Statement</b> |  |  | Total operating income ..... | 2,824 | 2,644 | Net profit for the year ..... | 1,186 | 1,101 | <b>Balance Sheet</b> |  |  | Total assets ..... | 341,947 | 399,287 | Total liabilities..... | 332,668 | 387,667 | Total equity..... | 9,279 | 11,620 | Total liabilities and equity ..... | 341,947 | 399,287 | <b>Cash Flow Statement</b> |  |  | Cash flow from operating activities before changes in operating assets and liabilities..... | -441 | 674 | Cash flow from operating activities ..... | 18,720 | 469 | Cash flow from investing activities..... | 333 | 3,180 | Cash flow from financing activities ..... | -3,526 | -692 | Cash flow for the year..... | 15,527 | 2,957 | Change..... | 15,527 | 2,957 |
|----------------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------|------|--|----------------|--|-------------------------|--|--|------------------------------|--------|-------|-------------------------------|-------|-------|----------------------|--|--|--------------------|---------|---------|------------------------|---------|---------|-------------------|--------|--------|------------------------------------|---------|---------|----------------------------|--|--|----------------------------------------------------------------------------------------------|-------|-------|-------------------------------------------|--------|-------|------------------------------------------|-----|-------|-------------------------------------------|------|--------|-----------------------------|--------|-------|-------------|--------|-------|--|------|------|--|----------------|--|-------------------------|--|--|------------------------------|-------|-------|-------------------------------|-------|-------|----------------------|--|--|--------------------|---------|---------|------------------------|---------|---------|-------------------|-------|--------|------------------------------------|---------|---------|----------------------------|--|--|---------------------------------------------------------------------------------------------|------|-----|-------------------------------------------|--------|-----|------------------------------------------|-----|-------|-------------------------------------------|--------|------|-----------------------------|--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|                                                                                              | 2012                                             | 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 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|                                                                                              | (EUR Millions)                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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 |       |             |        |       |
| <b>Income Statement</b>                                                                      |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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 |       |             |        |       |
| Total operating income .....                                                                 | 10,236                                           | 9,501                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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 |       |             |        |       |
| Net profit for the year .....                                                                | 3,126                                            | 2,634                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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 |       |             |        |       |
| <b>Balance Sheet</b>                                                                         |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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 |       |             |        |       |
| Total assets .....                                                                           | 677,420                                          | 716,204                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              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 |       |             |        |       |
| Total liabilities.....                                                                       | 649,204                                          | 690,084                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              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 |       |             |        |       |
| Total equity.....                                                                            | 28,216                                           | 26,120                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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 |       |             |        |       |
| Total liabilities and equity .....                                                           | 677,420                                          | 716,204                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              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 |       |             |        |       |
| <b>Cash Flow Statement</b>                                                                   |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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 |       |             |        |       |
| Cash flow from operating activities before changes in operating assets and liabilities ..... | 6,633                                            | 3,103                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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 |       |             |        |       |
| Cash flow from operating activities .....                                                    | 19,754                                           | 3,730                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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 |       |             |        |       |
| Cash flow from investing activities.....                                                     | 774                                              | 7,565                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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 |       |             |        |       |
| Cash flow from financing activities .....                                                    | -170                                             | -2,509                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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 |       |             |        |       |
| Cash flow for the year.....                                                                  | 20,358                                           | 8,786                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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 |       |             |        |       |
| Change.....                                                                                  | 20,358                                           | 8,786                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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 |       |             |        |       |
|                                                                                              | 2012                                             | 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 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 |       |             |        |       |
|                                                                                              | (EUR Millions)                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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 |       |             |        |       |
| <b>Income Statement</b>                                                                      |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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 |       |             |        |       |
| Total operating income .....                                                                 | 2,824                                            | 2,644                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         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 |       |             |        |       |
| Net profit for the year .....                                                                | 1,186                                            | 1,101                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         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 |       |             |        |       |
| <b>Balance Sheet</b>                                                                         |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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 |       |             |        |       |
| Total assets .....                                                                           | 341,947                                          | 399,287                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       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 |       |             |        |       |
| Total liabilities.....                                                                       | 332,668                                          | 387,667                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              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 |       |             |        |       |
| Total equity.....                                                                            | 9,279                                            | 11,620                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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 |       |             |        |       |
| Total liabilities and equity .....                                                           | 341,947                                          | 399,287                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       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 |       |             |        |       |
| <b>Cash Flow Statement</b>                                                                   |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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 |       |             |        |       |
| Cash flow from operating activities before changes in operating assets and liabilities.....  | -441                                             | 674                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           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 |       |             |        |       |
| Cash flow from operating activities .....                                                    | 18,720                                           | 469                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  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 |       |             |        |       |
| Cash flow from investing activities.....                                                     | 333                                              | 3,180                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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 |       |             |        |       |
| Cash flow from financing activities .....                                                    | -3,526                                           | -692                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          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 |       |             |        |       |
| Cash flow for the year.....                                                                  | 15,527                                           | 2,957                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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 |       |             |        |       |
| Change.....                                                                                  | 15,527                                           | 2,957                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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 |       |             |        |       |
| B.13                                                                                         | Recent Events:                                   | Not Applicable for either Issuer. There have been no recent events particular to either Issuer which are to a material extent relevant to the evaluation of such Issuer's solvency since the publication of the relevant Issuer's audited financial statements for the year ended 31 December 2012.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |      |      |  |                |  |                         |  |  |                              |        |       |                               |       |       |                      |  |  |                    |         |         |                        |         |         |                   |        |        |                                    |         |         |                            |  |  |                                                                                              |       |       |                                           |        |       |                                          |     |       |                                           |      |        |                             |        |       |             |        |       |  |      |      |  |                |  |                         |  |  |                              |       |       |                               |       |       |                      |  |  |                    |         |         |                        |         |         |                   |       |        |                                    |         |         |                            |  |  |                                                                                             |      |     |                                           |        |     |                                          |     |       |                                           |        |      |                             |        |       |             |        |       |
| B.14                                                                                         | Dependence upon other entities within the Group: | Not Applicable. Neither NBAB nor NBF is dependent upon other entities within the Nordea Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |      |      |  |                |  |                         |  |  |                              |        |       |                               |       |       |                      |  |  |                    |         |         |                        |         |         |                   |        |        |                                    |         |         |                            |  |  |                                                                                              |       |       |                                           |        |       |                                          |     |       |                                           |      |        |                             |        |       |             |        |       |  |      |      |  |                |  |                         |  |  |                              |       |       |                               |       |       |                      |  |  |                    |         |         |                        |         |         |                   |       |        |                                    |         |         |                            |  |  |                                                                                             |      |     |                                           |        |     |                                          |     |       |                                           |        |      |                             |        |       |             |        |       |

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| B.15                                                     | The Issuer's Principal Activities:                     | <p>The Nordea Group's organisational structure is built around three main business areas: Retail Banking, Wholesale Banking and Wealth Management. In addition to these business areas, the Nordea Group's organisation includes the business unit Group Operations and Other Lines of Business, together with Group Corporate Centre and Group Risk Management which are the other central parts of the Nordea Group's organisation.</p> <p>As a universal bank, the Nordea Group offers a comprehensive range of banking and financial products and services to household and corporate customers, including financial institutions. The Nordea Group's products and services comprise a broad range of household banking services, including mortgages and consumer loans, credit and debit cards, and a wide range of savings, life insurance and pension products. In addition, the Nordea Group offers a wide range of corporate banking services, including business loans, cash management, payment and account services, risk management products and advisory services, debt and equity-related products for liquidity and capital raising purposes, as well as corporate finance, institutional asset management services and corporate life and pension products. The Nordea Group also distributes general insurance products. With approximately 1,000 branch office locations (including approximately 210 branch office locations in Poland, Russia and the Baltic countries), call centres in each of the Nordic markets, and a highly competitive net bank, the Nordea Group also has the largest distribution network for customers in the Nordic markets. The Nordea Group is present in 19 countries around the world.</p> <p>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.</p> <p>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. NBF holds a licence to conduct banking operations in accordance with the Finnish Act on Credit Institutions.</p> |                                    |     |                                                          |     |                        |                                             |                       |    |
| B.16                                                     | Controlling Persons:                                   | Not Applicable. To the best of NBAB's knowledge, the Nordea Group is not directly or indirectly owned or controlled by any single person or group of persons acting together. NBF is a direct, wholly-owned subsidiary of NBAB.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                    |     |                                                          |     |                        |                                             |                       |    |
| B.17                                                     | Ratings assigned to the Issuer or its Debt Securities: | <p>As of the date of this Base Prospectus, the long term (senior) debt ratings of each of the Issuers are:</p> <table><tr><td>Moody's Investors Service Limited:</td><td>Aa3</td></tr><tr><td>Standard &amp; Poor's Credit Market Services Europe Limited:</td><td>AA-</td></tr><tr><td>Fitch Ratings Limited:</td><td>AA- (under review for a possible downgrade)</td></tr><tr><td>DBRS Ratings Limited:</td><td>AA</td></tr></table> <p>The Issuers' credit ratings do not always mirror the risk related to individual Notes issued under the Programme.</p> <p><i>The Notes to be issued have not been rated</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Moody's Investors Service Limited: | Aa3 | Standard & Poor's Credit Market Services Europe Limited: | AA- | Fitch Ratings Limited: | AA- (under review for a possible downgrade) | DBRS Ratings Limited: | AA |
| Moody's Investors Service Limited:                       | Aa3                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                    |     |                                                          |     |                        |                                             |                       |    |
| Standard & Poor's Credit Market Services Europe Limited: | AA-                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                    |     |                                                          |     |                        |                                             |                       |    |
| Fitch Ratings Limited:                                   | AA- (under review for a possible downgrade)            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                    |     |                                                          |     |                        |                                             |                       |    |
| DBRS Ratings Limited:                                    | AA                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                    |     |                                                          |     |                        |                                             |                       |    |

| Section C – The Notes |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| C.1                   | <p><b>Description of Type and Class of Securities:</b></p> | <p><b>Issuance in Series:</b> Notes are issued in series (each a "<b>Series</b>") and Notes of each Series will all be subject to identical terms (except issue price, issue date and interest commencement date, which may or may not be identical) whether as to currency, denomination, interest or maturity or otherwise, save that a Series may comprise Notes in bearer form and in registered form. Further tranches of Notes (each a "<b>Tranche</b>") may be issued as part of an existing Series.</p> <p><i>The Series number of the Notes is [ ]. [The Tranche number is [ ].]</i></p> <p><b>Forms of Notes:</b> Notes may be issued in bearer or in registered form. Notes in bearer form will not be exchangeable for Notes in registered form and Notes in registered form will not be exchangeable for Notes in bearer form.</p> <p><i>The Notes are in bearer form/The Notes are in registered Form.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                       |                                                            | <p>Notes may be specified in the applicable Final Terms as "<b>VP Notes</b>". VP Notes will be issued in uncertificated and dematerialised book entry form, with the legal title thereto being evidenced by book entries in the register for such VP Notes kept by VP Securities A/S on behalf of the Issuer (the "<b>Danish Note Register</b>"). Title to VP Notes will not be evidenced by any physical note or document of title. Definitive Notes will not be issued in respect of any VP Notes. Nordea Bank Danmark A/S will act as the VP Issuing Agent in respect of VP Notes.</p> <p>Notes may be specified in the applicable Final Terms as "<b>VPS Notes</b>". VPS Notes will be issued pursuant to a registrar agreement with Nordea Bank Norge ASA as VPS Paying Agent and will be registered in uncertificated and dematerialised book entry form with the Norwegian Central Securities Depository (<i>Verdipapirsentralen</i> ASA and referred to herein as the "<b>VPS</b>").</p> <p>Notes may be specified in the applicable Final Terms as "<b>Swedish Notes</b>". Swedish Notes will be issued in uncertificated and dematerialised book entry form, with the legal title thereto being evidenced by book entries in the register for such Swedish Notes kept by Euroclear Sweden on behalf of the relevant Issuer. Title to Swedish Notes will not be evidenced by any physical note or document of title. Definitive Notes will not be issued in respect of any Swedish Notes. Nordea Bank AB (publ) will act as the Swedish Issuing Agent in respect of Swedish Notes.</p> <p>Notes may be specified in the applicable Final Terms as "<b>Finnish Notes</b>". Finnish Notes will be issued in uncertificated and dematerialised book entry form, with the legal title thereto being evidenced by book entries in the register for such Finnish Notes kept by Euroclear Finland on behalf of the relevant Issuer. Title to Finnish Notes will not be evidenced by any physical note or document of title. Definitive Notes will not be issued in respect of any Finnish Notes. Nordea Bank Finland Plc will act as the Finnish Issuing Agent in respect of Finnish Notes.</p> <p><b>Swiss Franc Notes:</b> Swiss Franc Notes will be denominated in Swiss francs, issued in bearer form and will be represented exclusively by a Permanent Global Note which shall be deposited with SIX SIS AG, Olten, Switzerland, or such other depositary as may be approved by the SIX Regulatory Board of the SIX Swiss Exchange. The Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances;</p> |

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|     |                                          | <p><b>Security Identification Number(s):</b> In respect of each Tranche of Notes, the relevant security identification number(s) will be specified in the relevant Final Terms.</p> <p><i>The Notes will be cleared through [ ]. The Notes have been assigned the following securities identifiers: [ ].</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| C.2 | <b>Currency of the Securities Issue:</b> | <p>U.S. dollars, euro, sterling, Swedish Krona, Norwegian Krone, Danish Krone and Yen and/or such other currency or currencies as may be determined at the time of issuance, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Notes may, subject to such compliance, be issued as dual currency Notes.</p> <p><i>The currency of the Notes is [ ].</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| C.5 | <b>Free Transferability:</b>             | <p>This Base Prospectus contains a summary of certain selling restrictions in the United States, the European Economic Area, the United Kingdom, Denmark, Finland, The Netherlands, Norway, Sweden, the Republic of Ireland and Japan.</p> <p>The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "<b>Securities Act</b>") and may not be offered and sold within the United States or to, or for the account or benefit of U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.</p> <p>In relation to each member state of the European Economic Area which has implemented the Prospectus Directive, including the Kingdom of Sweden (each, a "<b>Relevant Member State</b>"), each dealer appointed in relation to the Programme (each a "<b>Dealer</b>") has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "<b>Relevant Implementation Date</b>") it has not made and will not make an offer of Notes to the public in that Relevant Member State except with the consent of the Issuer given in accordance with Element A.2 above.</p> <p>Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "<b>FSMA</b>") with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.</p> <p>Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of public offering, unless in compliance with the Danish Securities Trading Act (Consolidated Act No. 883 of 9 August 2011, as amended) (in Danish: <i>Værdipapirhandelsloven</i>) and Executive Orders issued thereunder.</p> <p>Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, in respect of any offers or sales of Notes in Ireland, that it will comply with: the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998; the provisions of the Companies Acts 1963 to 2012 (as amended), the Central Bank Acts 1942 to 2011 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act</p> |

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|  |  | <p>1989; and the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.</p> <p>Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (<i>personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers</i>), and/or (b) qualified investors (<i>investisseurs qualifiés</i>) all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French Code <i>monétaire et financier</i>.</p> <p>Notes which qualify as "derivative instruments" within the meaning of Section 2 of the SMA, Directive 2004/39/EC (MiFID Directive) and Commission Regulation No EC/1287/2006 (MiFID Implementation Regulation), all as amended from time to time, may only be offered in Estonia after assessment of the suitability and appropriateness of the relevant structured instrument to the investor in accordance with applicable Estonian and European Union law.</p> <p>Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been offered and will not be offered in Lithuania by way of a public offering, unless in compliance with all applicable provisions of the laws of Lithuania and in particular in compliance with the Law on Securities of the Republic of Lithuania of 18 January 2007 No X-1023 and any regulation or rule made thereunder, as supplemented and amended from time to time.</p> <p>The Notes have not been registered under the Financial Instruments Market Law of Latvia and may not be publicly offered or sold in Latvia. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in Latvia other than in accordance with the laws of the Republic of Latvia.</p> <p>Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of public offering, unless in compliance with the Danish Securities Trading etc. Act (<i>Værdipapirhandelsloven</i>), as amended from time to time, and Executive Orders issued thereunder.</p> |
|  |  | <p>Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will not publicly offer the Notes or bring the Notes into general circulation in Finland other than in compliance with all applicable provisions of the laws of Finland and especially in compliance with the Finnish Securities Market Act (495/1989) and any regulation or rule made thereunder, as supplemented and amended from time to time.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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|     |                                                                                                   | <p>Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all laws, regulations and guidelines applicable to the offering of Notes in Norway. Notes denominated in Norwegian Krone may not be offered or sold within Norway or to or for the account or benefit of persons domiciled in Norway, unless the regulation relating to the offer of VPS Notes and the registration in the VPS has been complied with.</p> <p>The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA") and each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.</p> <p>Zero Coupon Notes in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam by NYSE Euronext in full compliance with the Dutch Savings Certificates Act (<i>Wet inzake spaarbewijzen</i>) of 21 May 1985 (as amended) and its implementing regulations.</p>                                                                                                                                                                                                                                                                                                                                                        |
| C.8 | <b>The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:</b> | <p><b>Status of the Notes:</b> The Notes constitute unsecured and unsubordinated obligations of the relevant Issuer and rank <i>pari passu</i> without any preference among themselves and at least <i>pari passu</i> with all other outstanding unsecured and unsubordinated obligations of the relevant Issuer, present and future.</p> <p><b>Denominations:</b> Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to (i) a minimum denomination of €1,000 (or its equivalent in any other currency); and (ii) compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p><i>The Notes are issued in denomination(s) of [ ].</i></p> <p><b>Negative Pledge:</b> None.</p> <p><b>Cross Default:</b> None.</p> <p><b>Taxation:</b> All payments in respect of the Notes will be made without withholding or deduction of taxes unless required by Swedish or Finnish laws, regulations or other rules, or decisions by Finnish or Swedish public authorities. In the event that any of the Issuers is obliged to effect deductions or withholdings of Finnish or Swedish tax for someone who is not subject to taxation in Sweden or Finland, such Issuer will pay additional amounts to ensure that, on the due date, the relevant holders of Notes receive a net amount equal to the amount which the holders would have received but for the deductions or withholdings, subject to customary exceptions.</p> <p><b>Governing Law:</b> One of English law, Finnish law, Swedish law, Danish law or Norwegian law governs the Notes and all non-contractual obligations arising out of or in connection with the Notes, except that (i) the registration of VP Notes in the VP are governed by Danish law; (ii) the registration of VPS Notes in the VPS are governed by Norwegian law; (iii) the registration of Swedish Notes in Euroclear Sweden are governed by Swedish law; and (iv) the registration on Finnish Notes in Euroclear Finland is governed by Finnish law.</p> |



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|     |                                                                                                                                                         | <i>The Notes are governed by [English law/ Finnish law/ Danish law/ Swedish law/ Norwegian law].</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|     |                                                                                                                                                         | <b>Enforcement of Notes in Global Form:</b> In the case of Global Notes, individual investors' rights against the relevant Issuer will be governed by a deed of covenant dated 16 April 2013 (the " <b>Deed of Covenant</b> "), a copy of which will be available for inspection at the specified office of Citibank, N.A., London Branch as fiscal agent (the " <b>Fiscal Agent</b> ").                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| C.9 | <b>The Rights Attaching to the Securities (Continued), Including Information as to Interest, Maturity, Yield and the Representative of the Holders:</b> | <p><b>Interest:</b> Notes may be interest bearing or non-interest bearing. Interest (if any) may:</p> <ul style="list-style-type: none"> <li>- accrue at a fixed rate or a floating rate;</li> <li>- be inflation-protected, whereby the amount of interest payable is linked to the consumer price index;</li> <li>- be linked to whether a Credit Event (as defined below) occurs in respect of the selected obligations of a number of specified reference entities ("<b>Credit Linked Note</b>" or "<b>CLN</b>");</li> <li>- be cumulative provided certain performance thresholds are reached;</li> <li>- be linked to the performance of a specified reference rate (which may be an interest rate or an inflation measure) during a specified period as compared to a number of pre-determined strike/barrier levels, with such interest amount also being subject (in certain cases) to caps/floors;</li> <li>- be linked to the performance of a basket of underlying assets (each a "<b>Reference Asset</b>" and together the "<b>Basket</b>") or a specific Reference Asset within the Basket (for example, the worst performing Reference Asset) as compared to a pre-determined strike level; and/or</li> <li>- be linked to the percentage of Reference Assets within the Basket that are above a pre-determined barrier level on each business day up to and including the relevant interest payment date (each an "<b>Interest Payment Date</b>").</li> </ul> <p>In respect of CLNs, a Credit Event is a corporate event which typically makes the creditor of the Reference Entity worse off (e.g. bankruptcy or failure to pay). If a Credit Event occurs in respect of a Reference entity, the nominal amount used for calculation of the interest payable may be reduced. Please refer to Element C.10 for a description of the four types of CLN structures (Non-Tranching CLN, Tranching CLN, Nth to Default CLN and Nth &amp; Nth+1 to Default CLN).</p> <p>In respect of Coupon-bearing Autocallable Notes, if the return generated by the Basket of Reference Assets on any valuation date (each a "<b>Valuation Date</b>") is above one or more pre-determined levels, then interest (the "<b>Coupon</b>") will be payable on the Notes. The amount of any Coupon will depend on the barrier level which is reached, and which of the following structures is selected as applicable to the Notes:</p> <ul style="list-style-type: none"> <li>- <i>Flat Coupon:</i> the Coupon will be the principal amount of the Notes multiplied by the relevant Coupon rate.</li> </ul> |

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|  |  | <ul style="list-style-type: none"> <li>- <i>Memory Coupon</i>: the Coupon will be the principal amount of the Notes multiplied by the relevant Coupon rate and multiplied by the number of immediately preceding Interest Payment Dates for which a Coupon has not been paid.</li> <li>- <i>Plus Flat Coupon</i>: the Coupon will be the principal amount of the Notes multiplied by the higher of the relevant Coupon rate and a pre-determined bonus factor.</li> <li>- <i>Plus Memory Coupon</i>: the Coupon will be the principal amount of the Notes multiplied by the higher of: a) a predefined bonus factor, and b) the relevant Coupon rate multiplied by the number of immediately preceding Interest Payment Dates for which a Coupon has not been paid.</li> </ul> <p>The applicable interest rate or its method of calculation may differ from time to time or be constant for any Series of Notes. Notes may have a maximum interest rate, a minimum interest rate, or both. The length of the interest periods for the Notes may also differ from time to time or be constant for any Series of Notes.</p> <p><i>The Notes do not bear interest./The Notes are interest-bearing:</i></p> <p><i>Interest basis; [ ]</i></p> <p><i>Nominal interest rate: [ ].</i></p> <p><i>Interest Commencement Date: [ ].</i></p> <p><i>Interest Payment Date(s): [ ].</i></p> <p><i>Description of underlying Reference Rate: [ ].]</i></p> <p><i>Information about the past and further performance of the Reference Rate can be obtained from: [ ].</i></p> <p><i>[Margin: +/- [ ].]</i></p> <p><i>[Maximum Rate of Interest: [ ].]</i></p> <p><i>[Minimum Rate of Interest: [ ].]</i></p> <p><i>[Day Count Fraction: [ ].]</i></p> <p><b>Maturities:</b> Any maturity subject to a minimum maturity of 30 days and subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p><i>[Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed on [ ].]</i></p> <p><b>Redemption:</b> The Issuer shall redeem the Notes at their redemption amount (the "<b>Redemption Amount</b>") and on the redemption date(s) (the "<b>Redemption Date</b>") specified in the Final Terms. The Redemption Amount will be determined in accordance with one or more of the performance structures specified below in Element C.10, and the Final Terms will specify which of the performance structures is applicable to each Series of Notes.</p> |
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|      |                               | <p>Early redemption of Notes may be permitted (i) upon the request of the relevant Issuer or the holder of the Notes in accordance with the Conditions, <b>provided that</b> such early redemption is applicable pursuant to the Final Terms or (ii) if the relevant Issuer has or will become obliged to pay certain additional amounts in respect of the Notes as a result of any change in the tax laws of the relevant Issuer's jurisdiction of incorporation.</p> <p>Where one of the "Autocallable" performance structures applies, if the return generated by the Basket or particular Reference Asset(s) is at or above a pre-determined barrier level on any Valuation Date, then the relevant Issuer will redeem the Notes early on the next following early redemption date at an amount equal to the Principal Amount of the Note together with (if any) a pre-determined coupon.</p> <p>If selected as applicable in the Final Terms, the amount payable upon early redemption (the "<b>Early Redemption Amount</b>") may be reduced by an amount determined by the Calculation Agent which is equal to the sums of the costs, expenses, tax and duties incurred by the Issuer in connection with the early redemption.</p> <p><i>Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at [par/their Redemption Amount of [ ] per Calculation Amount]/an amount calculated in accordance with the performance structure specified in Element C.10 below].</i></p> <p><i>The Redemption Date is [ ]/The Notes are redeemable in Instalments on [•].</i></p> <p><b>Issue Price:</b> The issue price of each Tranche of Notes to be issued under the Programme will be determined by the relevant Issuer at the time of issuance in accordance with prevailing market conditions.</p> <p><i>The Issue Price of the Notes is: [•].</i></p> <p><b>Yield:</b> The yield of each Tranche of Notes will be calculated on the basis of the relevant issue price at the relevant issue date. It is not an indication of future yield.</p> <p><i>Based upon the Issue Price of [ ], at the Issue Date the anticipated yield of the Notes is [ ] per cent. per annum.</i></p> <p><b>Representative of the Noteholders:</b> Not Applicable. There is no representative appointed to act on behalf of the Noteholders.</p> <p><b>Replacement of Reference Asset, early calculation of the Redemption Amount or the amendment to the Conditions:</b> Where specified as applicable in the relevant Final Terms, the relevant Issuer may replace a Reference Asset, perform an early calculation of the Redemption Amount or make any amendment to the Conditions as the Issuer deems necessary, if certain events occur, including market disruption, hedging disruption, a change in law, price corrections and other material developments affecting one or more of the underlying Reference Asset(s).</p> |
| C.10 | <b>Derivative Components:</b> | <p>The performance structures described below determine the manner in which the performance of the relevant Reference Asset(s) or Reference Entities affects the yield and/or the Redemption Amount in respect of the Notes. The Issuer may elect to combine two or more performance structures in any issue of Notes:</p> <p><i>"Par" structure:</i> the Redemption Amount is equal to the Principal Amount of the Notes.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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|  |  | <p><i>"Basket Long" structure:</i> the Redemption Amount is the sum of the Principal amount of the Notes and an additional return which is equal to the Principal Amount of the Notes multiplied by (i) an amount that reflects the performance of the Basket (the <b>"Basket Return"</b>) and (ii) a ratio which is used to determine the holders' exposure to the performance of the respective Reference Assets (the <b>"Participation Ratio"</b>). The performance of a Reference Asset is determined by reference to the amount by which the final price exceeds the initial price of the Reference Asset (the <b>"Reference Asset Return"</b>). The final price of a Reference Asset is often determined on the basis of an average value of the Reference Asset during the term of the Notes (i.e. there are several valuation points during the term), but it may also be determined on the basis of a single valuation. The Reference Asset Return or Banker Return may also be subject to a floor which acts as a minimum level of performance.</p> <p><i>"Basket Short" structure:</i> the Redemption Amount is the sum of the Principal Amount of the Notes and an additional amount equal to the Principal Amount multiplied by (i) the aggregate return generated by the Basket and (ii) the Participation Ratio. If the performance of the Reference Assets within the Basket is positive, this will have a negative impact on the aggregate return generated by the Basket and, therefore, the return that is payable to Noteholders. If the performance of the Reference Assets within the Basket is negative, this will have a positive impact on the aggregate return generated by the Basket and, therefore, the return that is payable to Noteholders.</p> <p><i>"Barrier outperformance" structure:</i> if the performance of the Basket exceeds a specified barrier level (a price cap), the Redemption Amount will be a pre-determined maximum Basket return. If the specified barrier level is not exceeded, the Redemption Amount will be equal to the Principal Amount.</p> <p><i>"Barrier underperformance" structure:</i> if the performance of the Basket falls below a specified barrier level (a price floor), the Redemption Amount will be a pre-determined maximum Basket return. If the specified barrier level is not breached, the Redemption Amount will be equal to the Principal Amount.</p> <p><i>"Best of/Worst of" Barrier Outperformance" Structure:</i> This is the same as the "Barrier Outperformance" Structure, save that the observation of the barrier level and the calculation of the Redemption Amount will be determined by reference to the performance of the Nth Best performing Reference Asset rather than the Basket as a whole.</p> <p><i>"Best of/Worst of" Barrier Underperformance" Structure:</i> This is the same as the "Barrier Underperformance" Structure, save that the observation of the barrier level and the calculation of the Redemption Amount will be determined by reference to the performance of the Nth Best performing Reference Asset rather than the Basket as a whole.</p> <p><i>"Max" structure:</i> the Redemption Amount is calculated in the same manner as one of the other performance structures set out herein, but such amount is subject to a pre-determined maximum redemption amount, which acts as a cap on the investor's possible return.</p> |
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|  | <p><i>"Autocallable Structure – Long"</i>: if the Basket Return is equal to or below a pre-determined barrier level on the final Valuation Date, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the Basket Return. If the Basket Return is at or above a pre-determined barrier level on the final Valuation Date, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount equal to the Principal Amount of the Notes multiplied by the Participation Ratio 2 and the higher of (i) Basket Return and (ii) a pre-determined minimum return. If the return generated by the Basket is at or above both a pre-determined barrier level and a pre-determined coupon barrier level on the final Valuation Date, a Coupon (if any) shall also be payable (please refer to Element C.9 for details regarding the Coupon). The Notes will also be subject to early redemption if the return generated by the Basket exceeds the relevant barrier level on any Valuation Date prior to the final Valuation Date.</p> <p><i>"Autocallable Structure – Short"</i>: this structure is similar to the "Autocallable Structure – Long", with the difference being that the positive performance of the Reference Assets within the Basket will have a negative impact on the return on the Notes.</p> <p><i>"Best of/Worst of Autocallable" structure</i>: this is similar to the Autocallable Structure-Long, except that the Redemption Amount (and any early redemption) is determined by reference to the closing price of the Nth best performing Reference Asset rather than the Basket as a whole. The value of N will be specified in the applicable Final Terms.</p> <p><i>"Replacement Basket" structure</i>: the Redemption Amount is calculated in a similar manner to the Basket Long structure, with the difference being that the returns generated by the best performing Reference Assets are replaced with a pre-determined value for the purposes of determining the overall performance of the Basket.</p> <p><i>"Locally Capped Basket" structure</i>: the Redemption Amount is calculated in a similar manner to the Basket Long structure, with the difference being that the return generated by each Reference Asset is subject to a pre-determined maximum percentage value for the purposes of determining the overall performance of the Basket.</p> <p><i>"Rainbow Basket" structure</i>: the Redemption Amount is calculated in a similar manner to the Basket Long structure, with the difference being that the weightings of each Reference Asset within the Basket are determined by reference to the relative performance of each Reference Asset. The returns of each Reference Asset are measured separately at maturity and ranked based on the relative performance. The weightings for each Reference Asset will correspond to the weightings set out against the relative ranking in the applicable Final Terms.</p> <p><i>"Booster" structures</i>: Booster structures have an enhanced positive or negative return, based on the performance of the underlying Reference Asset(s). The investor's exposure to the performance of the Reference Assets may be increased or decreased through the application of different participation ratios. The return will be added to, or subtracted from, the Principal Amount for the purposes of calculating the Redemption Amount payable at maturity. As a result, a Noteholder may in certain circumstances receive less than the Principal Amount upon their final redemption. In a "Booster Long" Structure, the positive performance of the Reference Assets will have a positive effect on the return on the Notes. In a "Booster Short" Structure, the positive performance of the Reference Asset will have a negative effect on the return on the Notes.</p> |
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|  |  | <p><i>"Booster Risk Barrier Short" structure:</i> the Redemption Amount will depend on the return generated by the Basket as compared to a pre-determined barrier level on the final Valuation Date and the initial value of the Basket. If the Basket Return is below the barrier level on any Valuation Date and at or above the initial basket level on any Valuation Date, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the principal amount of the Notes by the Participation Ratio and the Basket Return. If the Basket Return is at or above the barrier level on any Valuation Date but below the initial basket level on the final Valuation Date, the Redemption Amount will be equal to the Principal Amount. If the Basket Return is below both the barrier level and the initial basket level on any Valuation Date, the Redemption Amount will be calculated by reference to the Basket Return and a separate participation ratio, which will result in a Redemption Amount which is less than the Principal Amount. If the performance of a Reference Asset within the Basket is positive, this will have a negative impact on the overall return generated by the Basket. If the performance of a Reference Asset within the Basket is negative, this will have a positive impact on the overall return generated by the Basket and therefore on the amount payable in respect of the redemption of the Notes.</p> <p><i>"Booster Risk Barrier Long" structure:</i> the Redemption Amount is calculated in a similar matter to the "Booster Risk Barrier Short" structure. The difference is that where the performance of a Reference Asset within the Basket is positive, this will have a positive impact on the overall return generated by the Basket. If the performance of a Reference Asset within the Basket is negative, this will have a negative impact on the overall return generated by the Basket and therefore on the amount payable in respect of the redemption of the Notes.</p> <p><i>"Bonus Booster Short" structure:</i> the Redemption Amount is calculated in a similar manner to the "Booster Risk Barrier Short" structure, with the difference being that if the return generated by the Basket is never below the barrier level, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount equal to the higher of (i) a pre-determined coupon level and (ii) an amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the Basket Return. The positive performance of the Reference Assets within the Basket will have a negative impact on the overall return generated by the Basket.</p> <p><i>"Bonus Booster Long" structure:</i> the Redemption Amount is calculated in a similar manner to the "Bonus Booster Short" structure. The difference is that where the performance of a Reference Asset within the Basket is positive, this will have a positive impact on the overall return generated by the Basket. If the performance of a Reference Asset within the Basket is negative, this will have a negative impact on the overall return generated by the Basket.</p> <p><i>"Cliquet" structure:</i> the Redemption Amount will be the sum of the Principal Amount plus an additional return that is based upon the accumulated sum of the relative percentage changes in the underlying Basket for a number of pre-determined valuation periods during the term of the Notes. The following features may also be used: (i) the relative changes in the underlying Basket can be locally capped/floored for each valuation period; (ii) the accumulated sum of the relative changes can be subject to a global cap/floor; and (iii) the product may have a lock-in feature which means that if the cumulative return on any valuation date has reached a pre-determined lock-in level, the additional return will be at least equal to the lock-in level.</p> |
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|  |  | <p><i>"Reverse Cliquet" structure:</i> this is very similar to the "Cliquet" structure but the additional return payable is calculated by subtracting the relative percentage changes in the underlying Basket (for a number of pre-determined valuation periods) from a pre-defined initial coupon.</p> <p><i>"Replacement Cliquet" structure:</i> this is very similar to the "Cliquet" structure, the difference being that the returns generated by a certain number of the best performing valuation periods are replaced by a pre-defined figure.</p> <p><i>"Reverse Replacement Cliquet" structure:</i> this is very similar to the "Reverse Cliquet" structure, the difference being that the returns generated by a certain number of the best performing valuation periods are replaced by a pre-defined figure.</p> <p><i>"Rainbow Replacement Cliquet" structure:</i> the performance of each individual Reference Asset is calculated on the same basis as the "Cliquet" structure. The difference here is that the weighting of each Reference Asset within the basket is determined after the performance of each Reference Asset is known, following the principle that the best performing underlying is given the highest weight and so forth.</p> <p><i>"Reverse Convertible" structure:</i> if the Basket Return is at or above the initial basket level, the Redemption Amount will be equal to the Principal Amount of the Notes. If the Basket Return is below the initial basket level, the Redemption Amount will be equal to the Principal Amount less an amount calculated by multiplying the Principal Amount by the Participation Ratio and the Basket Return, thereby producing a Redemption Amount which is less than the Principal Amount of the Notes. A positive performance of the Reference Assets within the Basket will have a positive effect on the overall Basket return, conversely the negative performance of the individual Reference Assets will have a negative effect on the overall Basket return.</p> <p><i>"Reverse Convertible Risk Barrier" structure:</i> if the sum of the Basket Return and 1 is equal to or above the Initial Basket Level on the final Valuation Date, the Redemption Amount will be equal to the Principal Amount of the Notes.</p> <p>If the sum of the Basket Return and 1 is below the Barrier Level on any Valuation Date, and on the final Valuation Date the Basket Return is below the Initial Basket Level, the Redemption Amount will be calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the Basket Return and adding the resulting amount to the Principal Amount of the Notes (in this case the Redemption Amount will be less than the Principal Amount of the Notes).</p> <p><i>"Worst of Reverse Convertible" structure:</i> the Redemption Amount is calculated in the same manner as the "Reverse Convertible" structure, except that the possible negative payout is determined by reference to the performance of the worst performing Reference Asset (as opposed to the aggregate performance of the Basket).</p> <p><i>Up and In Long:</i> The Up and In Long is a barrier put option. At maturity, the Holder receives an additional return, calculated as the product of the Participation Ratio, the Principal Amount of the Notes, and the difference between the Basket Return and the Basket Strike Level, if the Basket has, on any Valuation Date during the lifetime of the Notes, performed at or above the predefined Barrier Level. If the Barrier Level is not reached on any Valuation Date, the additional amount will equal zero and the Redemption Amount will equal the Principal Amount of the Notes. The Barrier Level is always higher than the Basket Strike Level.</p> |
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|  |  | <p><i>Up and Out Put Option:</i> The Up and Out Put Option is a barrier put option. At maturity, the Holder receives an additional return, calculated as the product of the Participation Ratio, the Principal Amount of the Notes, and the difference between the Basket Return and the Basket Strike Level, or, if higher, a pre-specified coupon level, if the Basket has, on any Valuation Date during the lifetime of the Notes, performed at or above the predefined Barrier Level. If the Barrier Level is not reached on any Valuation Date, the additional amount will equal zero and the Redemption Amount will equal the Principal Amount of the Notes. The Barrier Level is always higher than the Basket Strike Level.</p> <p><i>Equity Accumulating Asian Rainbow Option:</i> This structure is very similar to the Rainbow Basket, but the weights of the underlying Reference Assets are set on the Issue Date and are afterwards recalculated based upon the performance of the individual Reference Assets in the Basket. On each subsequent Valuation Date, the weight for each Reference Asset is recalculated so that the best performing Reference Asset will receive the highest weighting for the next Valuation Period, the second best will receive the second highest weighting and so forth.</p> <p><i>Down and Out Basket Long:</i> The Down and Out Basket Long Structure is a barrier call option. At maturity, the Holder receives an additional return, calculated as the product of the Participation Ratio, the Principal Amount of the Notes, and the difference between the Basket Return and the Basket Strike Level, if the Basket has not, on any Valuation Date during the lifetime of the Notes, fixed at or below a predefined Barrier Level. This means that if the Barrier Level is breached on any Valuation Date, the additional payout equals zero and the Redemption Amount will equal the Principal Amount of the Notes.</p> <p><i>Worst of Digital Memory Coupon:</i> The Worst of Digital Memory Coupon option is a memory coupon type of option with a digital payout condition. The accumulated face value of the payments (i.e. the "accrued coupon") can never decrease, and so the structure can either pay out the total accrued amount after the final Valuation Date (Worst of Digital Coupon Memory Structure 1), or, alternatively, the additional accrued coupon after each Valuation Date (Worst of Digital Coupon Memory Structure 2).</p> <p><i>Worst of Call Option:</i> The Worst of Call Option Structure gives the Holder an exposure to the worst performing Reference Asset in the Basket. The additional amount payable to the Holder will be the greater of zero, and the Reference Asset Return of the worst performing Reference Asset.</p> <p><i>Outperformance Option:</i> The Outperformance Option offers the investor the possibility of a ranked return on a Basket of underlying Reference Assets. Whereas the pay out of a normal Basket structure is dependent on the absolute performance of Basket consisting of one or more Reference Assets, the pay out of an outperformance structure is dependent on the relative performance of two Baskets, not on the absolute performance of either Basket.</p> <p><i>"Non-Tranched CLN" and "Tranched CLN" structures:</i> the Redemption Amount and, if relevant, interest payments, are based on the weighted losses in the same or different portfolios of Reference Entities as a result of the occurrence of one or more Credit Events. For Tranched CLNs, the occurrence of a Credit Event may have no impact or a more proportional impact on the Redemption Amount and, if relevant, interest payments. The Tranche feature is used to determined the portion of losses to which a Holder will be exposed in the event of a Credit Event affecting one or more Reference Entities.</p> |
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|  |  | <p><i>"Nth to Default" and "Nth and Nth+1 to Default" structures:</i> the Redemption Amount and, if relevant, interest payments, are based on the number and potentially the order of Credit Events in the same Reference Entity portfolio. For Nth to Default CLNs, while the occurrence of the N-1 Credit Events has no impact on the Redemption Amount and (if any) interest payments, the Nth Credit Event will have a more than proportional impact on these figures. Similarly, for the Nth and Nth+1 to Default CLNs, the impact of the Nth and Nth+1 Credit Events will have a more than proportional impact.</p> <p><i>Digital Long</i></p> <p>If the Basket Return on the final Valuation Date exceeds the Basket Strike Level, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount equal to the Principal Amount of the Notes multiplied by the Coupon.</p> <p>If the Basket Return does not exceed the Basket Strike Level on the final Valuation Date, the Redemption Amount will be the Principal Amount of the Notes.</p> <p>The positive performance of the Reference Assets may have a positive or negative effect on the return on the Notes, depending on the calculation of the underlying Basket Return.</p> <p><i>[The underlying Basket Return Structure is the Long/Short Structure]</i></p> <p><i>[Not Applicable]</i></p> <p><i>Digital Short</i></p> <p>If the Basket Return on the final Valuation Date is below the Basket Strike Level, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount equal to the Principal Amount of the Notes multiplied by the Coupon.</p> <p>If the Basket Return on the final Valuation Date is equal to or above the Basket Strike Level, the Redemption Amount will be the Principal Amount of the Notes.</p> <p>The positive performance of the Reference Assets may have a positive or negative effect on the return on the Notes, depending on the calculation of the underlying Basket Return.</p> <p><i>[The underlying Basket Return Structure is the Long/Short Structure]</i></p> <p><i>[Not Applicable]</i></p> |
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|  |  | <p><i>Worst of Digital Long</i></p> <p>If the Reference Asset Return of the worst performing Reference Asset on the final Valuation Date exceeds the relevant Barrier Level, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount equal to the Principal Amount of the Notes multiplied by the Coupon.</p> <p>If the Reference Asset Return of the worst performing Reference Asset on the final Valuation Date does not exceed the relevant Barrier Level, the Redemption Amount will be the Principal Amount of the Notes.</p> <p>The "worst performing" Reference Asset will be the Reference Asset with the lowest Reference Asset Return.</p> <p>The positive performance of the Reference Assets may have a positive or negative effect on the return on the Notes, depending on the calculation of the underlying Basket Return.</p> <p><i>[The underlying Basket Return Structure is the Long/Short Structure]</i></p> <p><i>[Not Applicable]</i></p> <p><i>Worst of Digital Short</i></p> <p>If the Reference Asset Return of the worst performing Reference Asset on the final Valuation Date is below the relevant Barrier Level, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount equal to the Principal Amount of the Notes multiplied by the Coupon.</p> <p>If the Reference Asset Return of the worst performing Reference Asset on the final Valuation Date is equal to or above the relevant Barrier Level the Redemption Amount will be the Principal Amount of the Notes.</p> <p>The "worst performing" Reference Asset will be the Reference Asset with the lowest Reference Asset Return</p> <p>The positive performance of the Reference Asset may have a positive or negative effect on the return on the Notes, depending on the calculation of the underlying Reference Asset Return.</p> <p><i>[The underlying Reference Asset Return Structure is the Long/Short Structure]</i></p> <p><i>[Not Applicable]</i></p> <p>"Series of Digitals": the Redemption Amount is affected by the percentage of Reference Assets within the Basket that are above a pre-determined barrier level on each business day up to and including the relevant Valuation Date.</p> |
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|  |  | <p><i>"Delta 1 Structure"</i>: the Redemption Amount will be equal to the redemption proceeds received upon a redemption of all Reference Assets in the Basket by the holder of such Reference Assets less (i) a structuring fee payable to the Issuer and (ii) any applicable taxes. A Delta 1 Structure effectively replicates the gains or losses that an investor would realise through a direct holding of the relevant Reference Assets. If it is not possible for the hedging entity to redeem the Reference Assets before the scheduled maturity date or if the hedging entity determines that it will not receive the full amount of the redemption proceeds before the scheduled maturity date, a deferred redemption will occur and the Issuer may make a partial redemption of the Notes as and when the relevant hedging party receives a material part of the redemption proceeds, or cancel the Notes without making any payment to the holders if the Issuer determines that the redemption proceeds will not be received prior to the specified long-stop date.</p> <p><i>"TOM Cumulative Strategy"</i>: if specified as applicable, the Redemption Amount will only be affected by the underlying performance of the Basket during certain periods during the lifetime of the Notes. During the other periods, the Redemption Amount will be linked to a pre-determined reference rate.</p> <p><i>The TOM Cumulative Strategy is Applicable/Not Applicable</i></p> <p><i>FX Components</i>: if FX components are applied to one or more performance structures set out above, the Basket Return or the Reference Asset Return may be adjusted by multiplying them by a factor which reflects the variation in one or more foreign exchange rates during the relevant time periods being measured or observed.</p> <p><i>[The FX Component is applicable to the Basket Return/Reference Asset Return]</i></p> <p><i>[The FX Component is Not Applicable]</i></p> <p><i>Best of/Worst of Modifier</i>: if the Best Of/Worst Of Modifier is applied to one or more performance structures set out above, then the relevant observations, valuations and calculations of the Redemption Amount shall be determined by reference to the performance of the Nth best performing Reference Asset, rather than the Basket as whole. N will be a pre-determined value that is specified in the Final Terms.</p> <p><i>[the Best of/Worst of Modifier is Applicable and the value of N is: [ ]/Not Applicable]</i></p> <p><i>"Inflation Linker 2"</i>: the Redemption Amount will be the Principal Amount of the Notes, multiplied by the higher of 1 and the result obtained by dividing the Inflation Rate on the final Valuation Date by the Inflation Rate on the Initial Valuation Date.</p> <p><i>Combination of Structures</i>: the Issuer may elect to combine one or more of the performance structures described above in relation to a particular issue of Notes. In such a case, the total Redemption Amount payable to Noteholders will equal the sum of the various Redemption Amounts that are applicable, multiplied in each case by a fraction which represents the overall share of the total return which the Issuer intends each performance structure to contribute.</p> <p><i>Not Applicable/Combination of Structures is Applicable, the relevant Performance Structures are listed below</i></p> |
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|                            |                                                        | <p><i>"Minimum Redemption Amount":</i> if a minimum redemption amount is applicable, the Redemption Amount will be the greater of (i) the amount calculated in accordance with one of the performance structures outlined above and (ii) the product of the Principal Amount and a pre-determined minimum redemption level determined by the Issuer on the Issue Date.</p> <p><i>Not Applicable/the Minimum Redemption Amount is [ ]</i></p> <p><i>"Inflation-Protected Principal":</i> if specified as applicable, the Redemption Amount determined in accordance with the performance structures outlined above will be multiplied by the performance of a specified inflation measure, such as the consumer price index, during the term of the Note.</p> <p><i>The applicable performance structure(s) is/are: [ ].</i></p>                                                                                                                                      |
| <b>C.11</b><br><b>C.21</b> | <b>Listing and Trading:</b>                            | <p>Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the official list and to trading on the regulated market of the Irish Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer.</p> <p><i>The Notes are unlisted Notes./Application will be made for the Notes to be admitted to listing on [ ] and to trading on [ ] effective as of [ ].</i></p>                                                                                                                                                                                 |
| <b>C.15<sup>1</sup></b>    | <b>Value of the Notes and Value of the Underlying:</b> | <p>The value of the Notes will be determined by reference to the value of the underlying and the performance structure that is applicable to the Notes. Details on the various performance structures and the relationship between the value of the Notes and the value of the underlying in each case are set out in Element C.10.</p> <p><i>Details of the applicable performance structure and the return on the Notes are set out in Element C.10.</i></p> <p>The structure of the Notes may contain a participation ratio which is used to determine the exposure to the respective Reference Asset(s), i.e. the proportion of the change in value which accrues to the investor in each individual Note. The Participation Ratio is set by the relevant Issuer and is determined by, among other things, the term, volatility, market interest rate and expected return on the Reference Asset.</p> <p><i>The [indicative] Participation Ratio is: [ ]</i></p> |
| <b>C.16</b>                | <b>Exercise Date or Final Reference Date:</b>          | <p>Subject to early redemption, the exercise date (or the final Redemption Date) will be the maturity date of the Notes.</p> <p><i>The maturity date of the Notes is: [•]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

<sup>1</sup> Elements c.15-20 (inclusive) should be deleted in the case of a straight debt issuance.

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| <b>C.17</b> | <b>Settlement Procedure:</b>                    | <p>The date(s) upon which the performance of a Reference Asset is measured or observed ("<b>Valuation Date(s)</b>" or the "<b>Observation Date(s)</b>") will be set out in the relevant Final Terms.</p> <p><i>The Valuation Date(s) are: [ ]</i></p> <p><i>[The Observation Date(s) are: [ ]]</i></p> <p>Settlement of any Notes that are represented by a Global Note shall take place on the relevant Redemption Date and will be effected by the relevant Issuer paying the Redemption Amount to the relevant Paying Agents for onward transmission to Euroclear and Clearstream, Luxembourg. Investors will receive their redemption monies through their accounts in Euroclear and Clearstream, Luxembourg in accordance with the standard settlement procedures of Euroclear and Clearstream, Luxembourg.</p> <p>In respect of Notes that are in definitive form, payment of the Redemption Amount will be made against presentation and surrender of the individual Note at the specified office of any paying agent or registrar.</p> <p>Settlement of VP Notes shall take place in accordance with the VP Rules, settlement of VPS Notes shall take place in accordance with the VPS Rules, settlement of Swedish Notes shall take place in accordance with the Euroclear Sweden Rules and settlement of Finnish Notes shall take place in accordance with the Euroclear Finland Rules.</p> <p><i>Settlement of the Notes shall take place: [ ]</i></p> |
| <b>C.18</b> | <b>The Return:</b>                              | <p>The return or Redemption Amount that is payable to investors will be determined by reference to the performance of the underlying Reference Assets/Entities within a particular interest structure or performance structure that is applicable to the Notes. Details on the various interest and performance structures are set out in elements C.9 and C.10.</p> <p><i>Details of the applicable interest and performance structure(s) and the return on the Notes are set out in Elements C.9 and C.10.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>C.19</b> | <b>Exercise Price or Final Reference Price:</b> | <p>The final reference price of the relevant Reference Asset(s) will have an impact on the Redemption Amount that is payable to investors. The final reference price will be determined on the applicable Valuation Date(s) set out in the relevant Final Terms.</p> <p><i>The Final Reference Price of the Reference Assets will be calculated as the [closing price]/[average of the closing prices] as published by [•] on each of the [•], [•] and [•].</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>C.20</b> | <b>Type of Underlying:</b>                      | <p>The underlying may constitute one or a combination of the following: equities, indices, reference credits, indices, funds, commodities or currencies.</p> <p><i>The type of underlying is: [ ].</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Section D - Risks |                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| D.2               | <b>Risks Specific to the Issuers:</b> | <p>In purchasing Notes, investors assume the risk that the relevant Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the relevant Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the relevant Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the relevant Issuer's control. The Issuers have identified in the Base Prospectus a number of factors which could materially adversely affect its respective business and ability to make payments due under the Notes. These factors include:</p> <p><b><i>Risks relating to current macroeconomic conditions</i></b></p> <p>Risks related to the European economic crisis have had, and may continue to have, a negative impact on global economic activity and the financial markets. If these conditions continue to persist, or should there be any further turbulence in these or other markets, this could have a material adverse effect on the Nordea Group's ability to access capital and liquidity on financial terms acceptable to the Nordea Group.</p> <p>Furthermore, the Nordea Group's performance is significantly influenced by the general economic condition in the countries in which it operates, in particular the Nordic markets (Denmark, Finland, Norway and Sweden). Negative economic developments and conditions in the markets in which it operates can adversely affect its business, financial condition and results of operations, and measures implemented by the Nordea Group might not be satisfactory to reduce any credit, market and liquidity risks.</p> <p><b><i>Risks relating to the Nordea Group's credit portfolio</i></b></p> <p>Adverse changes in the credit quality of the Nordea Group's borrowers and counterparties or a decrease in collateral values are likely to affect the recoverability and value of the Nordea Group's assets and require an increase in its individual provisions and potentially in collective provisions for impaired loans. A significant increase in the size of the Nordea Group's allowance for loan losses and loan losses not covered by allowances would have a material adverse effect on the Nordea Group's business, financial condition and results of operations.</p> <p>The Nordea Group is exposed to counterparty credit risk, settlement risk and transfer risk on transactions executed in the financial services industry and its transactions in financial instruments. If counterparties default on their obligations, this could have a material adverse effect on the Nordea Group's business, financial condition and results of operations.</p> <p><b><i>Risks relating to market exposure</i></b></p> <p>The value of financial instruments held by Nordea Group are sensitive to volatility of and correlations between various market variables, including interest rates, credit spreads, equity prices and foreign exchange rates. Write-downs or realise impairment charges may have a material adverse effect on the Nordea Group's business, financial condition and results of operations, while the performance of financial markets and volatile market conditions could result in a significant decline in the Nordea Group's trading and investment income, or result in a trading loss.</p> |

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|  |  | <p><b><i>The Nordea Group is exposed to structural market risk</i></b></p> <p>The Nordea Group is exposed to structural interest income risk when there is a mismatch between the interest rate re-pricing periods, volumes or reference rates of its assets, liabilities and derivatives. It is also exposed to currency translation risk primarily as a result of its Swedish and Norwegian banking businesses, as it prepares its consolidated financial statements in its functional currency, the euro. Any mismatch in any given period in the event of changes in interest rates, or failure to successfully hedge currency risk exposure, could have a material adverse effect on the Nordea Group's financial condition and results of operations.</p> <p><b><i>Risks relating to liquidity and capital requirements</i></b></p> <p>A substantial part of the Nordea Group's liquidity and funding requirements is met through reliance on customer deposits, as well as ongoing access to wholesale lending markets, including issuance of long-term debt market instruments such as covered bonds. Turbulence in the global financial markets and economy may adversely affect the Nordea Group's liquidity and the willingness of certain counterparties and customers to do business with the Nordea Group.</p> <p>The Nordea Group's business performance could be affected if the capital adequacy ratios it is required to maintain under the European Capital Requirements Directive (comprising Directive 2006/48/EC and Directive 2006/49/EC) are reduced or perceived to be inadequate.</p> <p>The Nordea Group's funding costs and its access to the debt capital markets depend significantly on its credit ratings. A reduction in credit ratings could adversely affect the Nordea Group's access to liquidity and its competitive position, and therefore, have a material adverse effect on its business, financial condition and results of operations.</p> <p><b><i>Other risks relating to the Nordea Group's business</i></b></p> <p>The Nordea Group's business operations are dependent on the ability to process a large number of complex transactions across different markets in many currencies and operations are carried out through a number of entities. Although the Nordea Group has implemented risk controls and taken other actions to mitigate exposures and/or losses, there can be no assurances that such procedures will be effective in controlling each of the operational risks faced by the Nordea Group, or that the Nordea Group's reputation will not be damaged by the occurrence of any operational risks.</p> <p>The Nordea Group's operations in Poland, Russia and the Baltic countries – markets which are typically more volatile and less developed economically and politically than markets in Western Europe and North America – present various risks that do not apply, or apply to a lesser degree, to its businesses in the Nordic markets. Additionally, some of these markets are typically more volatile and less developed economically and politically than markets in Western Europe and North America.</p> <p>The Nordea Group's performance is, to a large extent, dependent on the talents and efforts of highly skilled individuals, and the continued ability of the Nordea Group to compete effectively and implement its strategy depends on its ability to attract new employees and retain and motivate existing employees. Any loss of the services of key employees, particularly to competitors, or the inability to attract and retain highly skilled personnel in the future could have an adverse effect on the Nordea Group's business.</p> |
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|     |                                     | <p>There is competition for the types of banking and other products and services that the Nordea Group provides and there can be no assurances that the Nordea Group can maintain its competitive position.</p> <p><b><i>Risks relating to the legal and regulatory environments in which the Nordea Group operates</i></b></p> <p>The Nordea Group is subject to substantial regulation and oversight by a number of different regulators as well as laws and regulations, administrative actions and policies in each of the jurisdictions in which it operates, all of which are subject to change, and compliance with which may from time to time require significant costs.</p> <p>The Nordea Group may incur substantial costs in monitoring and complying with new capital adequacy and recovery and resolution requirements, which may also impact existing business models. In addition, there can also be no assurances that breaches of legislation or regulations by the Nordea Group will not occur and, to the extent that such a breach does occur, that significant liability or penalties will not be incurred.</p> <p>In the ordinary course of its business, the Nordea Group is subject to regulatory oversight and liability risk and is involved in a variety of claims, disputes, legal proceedings and governmental investigations in jurisdictions where it is active. These types of claims and proceedings expose the Nordea Group to monetary damages, direct or indirect costs (including legal costs), direct or indirect financial loss, civil and criminal penalties, loss of licences or authorisations, or loss of reputation, as well as the potential for regulatory restrictions on its businesses.</p> <p>The Nordea Group's activities are subject to tax at various rates around the world computed in accordance with local legislation and practice. Legislative changes or decisions by tax authorities may impair the present or previous tax position of the Nordea Group.</p> |
| D.3 | <b>Risks Specific to the Notes:</b> | <p>There are also risks related to any issue of Notes under the Programme and specific types of Notes, which prospective investors should carefully consider and make sure they understand prior to making any investment decision with respect to the Notes, including:</p> <ul style="list-style-type: none"> <li>• <i>Complexity of the product</i> – the performance structure for structured Notes is sometimes complex and may contain mathematical formulae or relationships which, for an investor, may be difficult to understand and compare with other investment alternatives. In addition, the relationship between yield and risk may be difficult to assess.</li> <li>• <i>Notes which are not principal protected</i> – Notes that are not principal protected may be issued under the Programme. If the Note is not principal protected, there is no guarantee that the return that an investor receives on the Notes upon their redemption will be greater than or equal to the principal amount.</li> <li>• <i>Pricing of structured Notes</i> – the pricing of structured notes is normally decided by the relevant Issuer rather than being determined on the basis of negotiated terms. There may, therefore, be a conflict of interest between the relevant Issuer and the investors, to the extent that the relevant Issuer is able to influence pricing and is looking to make a gain or avoid a loss in relation to the underlying Reference Assets. The Issuer does not have a fiduciary duty to act in the best interests of Noteholders.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                             |



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|  |  | <ul style="list-style-type: none"> <li>• <i>Performance of the Reference Assets</i> – with structured Notes, the Noteholder's right to yield and sometimes the repayment of principal depends on the performance of one or more Reference Assets and the applicable performance structure. The value of a structured Note will be affected by the value of the Reference Assets at specific points during the term of the relevant Notes, the intensity of the price fluctuations of the Reference Asset(s), expectations regarding future volatility, market interests rates and expected distributions on the Reference Asset(s).</li> <li>• <i>Currency fluctuations.</i> Foreign exchange rates may be affected by complex political and economic factors, including relative rates of inflation, interest rate levels, the balance of payments between countries, the extent of any governmental surplus or deficit and the monetary, fiscal and/or trade policies pursued by the governments of the relevant currencies. Currency fluctuations may affect the value or level of the Reference Assets in complex ways. If such currency fluctuations cause the value or level of the Reference Assets to vary, the value or level of the Notes may fall. If the value or level of one or more Reference Asset(s) is denominated in a currency that is different from the currency of the Notes, investors in the Notes may be subject to increased foreign exchange risk. Previous foreign exchange rates are not necessarily indicative of future foreign exchange rates.</li> <li>• <i>Equities as Reference Assets</i> – equity-linked Notes are not sponsored or promoted by the Issuer of the equities. The equity Issuer does not, therefore, have an obligation to take into account the interests of the investors in the Notes and so the actions of such equity Issuer could adversely affect the market value of the Notes. The investor in the Notes is not entitled to receive any dividend payments or other distributions to which a direct holder of the underlying equities would otherwise be entitled.</li> <li>• <i>Indices as Reference Assets</i> – Notes that reference indices as Reference Assets may receive a lower payment upon redemption of such Notes than an investor would have received if he or she had invested directly in the equities/assets that comprise the index. The sponsor of any index can add, delete, substitute components or make methodological changes that could affect the level of such index and hence the return that is payable to investors in the Notes.</li> <li>• <i>Commodities as Reference Assets</i> – trading in commodities is speculative and may be extremely volatile as commodity prices are affected by factors that are unpredictable, such as changes in supply and demand relationships, weather patterns and government policies. Commodity contracts may also be traded directly between market participants "over-the-counter" in trading facilities that are subject to minimal or no substantive regulation. This increases the risks relating to the liquidity and price histories of the relevant contracts. Notes that are linked to commodity future contracts may provide a different return than Notes linked to the relevant physical commodity, as the price of a futures contract on a commodity will generally be at a premium or at a discount to the spot price of the underlying commodity.</li> </ul> |
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|            |                                  | <ul style="list-style-type: none"> <li>• <i>Exposure to a basket of Reference Assets</i> – where the underlying is a basket of Reference Assets, the investors bear the risk of the performance of each of the basket constituents. Where there is a high level of interdependence between the individual basket constituents, any move in the performance of the basket constituents will exaggerate the performance of the Notes. Moreover, a small basket or an unequally weighted basket will generally leave the basket more vulnerable to changes in the value of any particular basket constituent. Any calculation or value that involves a basket with "best of" or "worst of" features may produce results that are very different to those that take into account the performance of the basket as a whole.</li> <li>• <i>Credit-Linked Notes</i> – an investment in credit-linked Notes entails exposure to the credit risk of a particular Reference Entity or basket of Reference Entities in addition to that of the relevant Issuer. A fall in the creditworthiness of a Reference Entity can have a significant adverse impact on the market value of the related Notes and any payments of principal/interest due. Upon the occurrence of a Credit Event, the relevant Issuer's obligation to pay principal may be replaced by an obligation to pay other amounts calculated by reference to the value of the Reference Entity. As none of the Reference Entities contributed to the preparation of the Base Prospectus, there can be no assurance that all material events or information regarding the financial performance and creditworthiness of Reference Entities have been disclosed at the time the Notes are issued.</li> <li>• <i>Automatic early redemption</i> – certain types of Notes will be automatically redeemed prior to their scheduled maturity date if certain conditions are met. In some circumstances, this may result in a loss of part or all an investor's investment.</li> <li>• <i>Notes subject to optional redemption by the Issuer</i> – an optional redemption feature is likely to limit the market value of the Notes.</li> <li>• <i>Notes issued at a substantial discount or premium</i> – the market value of Notes of this type tends to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.</li> </ul> <p>There are also certain risks relating to the Notes generally, such as modification and waivers, the risk of withholding pursuant to the EU Savings Directive and change of law.</p> |
| <b>D.6</b> | <b>Risk Warning:<sup>2</sup></b> | An investment in relatively complex securities such as the Notes involves a greater degree of risk than investing in less complex securities. In particular, in some cases, investors may stand to lose the value of their entire investment or part of it, as the case may be.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

<sup>2</sup> To be deleted in the case of a straight debt issuance.

| Section E - Offer |                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>E.2b</b>       | <b>Reasons for the Offer and Use of Proceeds:</b> | <p>Unless otherwise specified, the net proceeds of any issue of Notes will be used for the general banking and other corporate purposes of the Issuers and the Nordea Group.</p> <p><i>The net proceeds of the issue will be used for: [ ]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>E.3</b>        | <b>Terms and Conditions of the Offer:</b>         | <p><i>Not applicable; the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency)./A Public Offer of the Notes will take place in the Public Offer Jurisdiction(s) during the Offer Period. [Summarise details of the Public Offer included in the "Distribution–Public Offer" and "Terms and Conditions of the Offer" items in Part B of the Final Terms.]</i></p> <p>Any investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation and settlement arrangements.</p> |
| <b>E.4</b>        | <b>Interests Material to the Issue:</b>           | <p>Dealers or Authorised Offerors may be paid fees in relation to the issue of the Notes under the Programme.</p> <p><i>So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer./[ ]</i>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>E.7</b>        | <b>Estimated Expenses:</b>                        | <p>It is not anticipated that the relevant Issuer will charge any expenses to investors in connection with any issue of Notes. Other Authorised Offerors may, however, charge expenses to investors. Any expenses chargeable by an Authorised Offeror to an investor shall be charged in accordance with any contractual arrangements agreed between the Investor and such Authorised Offeror at the time of the relevant offer. Such expenses (if any) will be determined on a case by case basis.</p> <p><i>No expenses are being charged to an investor in the Notes by the Issuer [or any Authorised Offeror]./The Authorised Offeror(s) will charge expenses to investors. The estimated expenses chargeable to investors by the Authorised Offeror(s) are [ ]</i>.</p>              |

**Denna sammanfattning är en inofficiell översättning av den sammanfattning som återfinns omedelbart före detta avsnitt och investerare skall läsa och ta till sig den engelska versionen av sammanfattningen då denna kan avvika från den svenska översättningen.**

## **SAMMANFATTNING AV GRUNDPROSPEKTET**

Sammanfattningar består av informationskrav vilka redogörs för i ett antal punkter. Punkterna är numrerade i avsnitt A–E (A.1–E.7).

Denna sammanfattning innehåller alla de punkter som krävs i en sammanfattning för aktuella typer av värdepapper och emittenter. Eftersom vissa punkter inte är tillämpliga för denna typ av värdepapper och emittenter, kan det finnas luckor i punkternas numrering.

Även om det krävs att en punkt inkluderas i en sammanfattning för aktuella typer av värdepapper och för den relevanta emittenten, är det möjligt att ingen relevant information kan ges rörande punkten. Informationen har då ersatts med angivelsen ”Ej tillämpligt”.

Särskilt punkter i kursiv stil betecknar utrymmen för att färdigställa den emissionsspecifika sammanfattningen för en Tranch av Lån för vilka en sådan emissionsspecifik sammanfattning ska förberedas.

Ord och uttryck som definieras i avsnitten som kallas ”Allmänna Villkor” eller på andra ställen i detta Grundprospekt har samma betydelse i denna sammanfattning.

|            |                  | <b>Avsnitt A – Inledning och varningar</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A.1</b> | <b>Inledning</b> | Denna sammanfattning ska läsas som en inledning till detta Grundprospekt och varje beslut om att en placering i dessa Lån ska baseras på en bedömning av Grundprospektet i dess helhet av investeraren. Om ett yrkande gällande informationen i detta Grundprospekt framförs inför domstol i en Medlemsstat i det Europeiska Ekonomiska Samarbetsområdet kan käranden enligt den nationella lagstiftningen i Medlemsstaterna bli skyldig att stå för kostnaderna för att översätta Grundprospektet innan de rättsliga förfarandena inleds. Inget civilrättsligt ansvar kommer kunna göras gällande mot Emittenterna i någon sådan Medlemsstat enbart på grund av denna sammanfattning, inklusive alla översättningar av den, såvida den inte är vilseledande, felaktig eller oförenlig när den läses tillsammans med de andra avsnitten av detta Grundprospekt eller om den inte innehåller, när den läses tillsammans med de andra avsnitten i detta Grundprospekt, relevant information för att hjälpa investerare att fatta beslut om att investera i Lånen. |
| <b>A.2</b> | <b>Samtycke:</b> | Vissa Trancher av Lån med valörer om mindre än € 100 000 (eller ett motsvarande värde i någon annan valuta) kan komma att erbjudas under omständigheter där det inte finns något undantag från förpliktelsen enligt Prospektdirektivet att publicera ett prospekt. Alla sådana erbjudanden kallas ett <b>”Erbjudande till Allmänheten”</b> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | <p><i>Ej tillämpligt; Lånen upptas i valörer om minst € 100 000 (eller ett motsvarande värde i annan valuta)./Emittenten samtycker till användning av detta Grundprospekt i samband med ett Erbjudanden till Allmänheten av Lånen av en finansiell mellanhand som är behörig att lämna sådana erbjudanden enligt direktivet om Marknader för Finansiella Instrument (direktiv 2004/39/EG) (en "<b>Behörig Säljare</b>") på följande förutsättningar: (a) det relevanta Erbjudandet till Allmänheten måste inträffa under perioden från och med [•] till men inte inklusive [ ] ("<b>Erbjudandeperioden</b>") i [•] [och [•]] ("<b>Erbjudanden till Allmänheten - Jurisdiktioner</b>") och (b) den relevanta Behöriga Säljaren måste ha godkänt Villkoren för Behöriga Säljare [och uppfylla följande ytterligare villkor: [•]]./Emittenten samtycker till användning av detta Grundprospekt i samband med ett Erbjudande till Allmänheten av Lånen av [•] (en "<b>Behörig Säljare</b>") på följande förutsättningar: (a) det relevanta Erbjudandet till Allmänheten måste inträffa under perioden från och med [•] till men inte inklusive [ ] ("<b>Erbjudandeperioden</b>") i [•] [och [•]] ("<b>Erbjudanden till Allmänheten - Jurisdiktioner</b>") och (b) den relevanta Behöriga Säljaren måste ha godkänt Villkoren för Behöriga Säljare [och uppfylla följande ytterligare villkor: [•]]</i></p> <p><b>Behöriga Säljare kommer lämna information till en Investerares i enlighet med villkoren för Erbjudandet till Allmänheten för de relevanta Lånen vid tidpunkten för när ett sådant Erbjudande till Allmänheten lämnas från den Behöriga Säljaren till Investeringen.</b></p> |
|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| Avsnitt B – Emittenter |                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>B.1</b>             | <b>Registrerad firma för Emittenterna:</b>   | Nordea Bank AB (Publ)<br><br>Nordea Bank Finland Plc                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                        | <b>Handelsbeteckning för Emittenterna:</b>   | Nordea                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>B.2</b>             | <b>Säte och bolagsform för Emittenterna:</b> | <p>NBAB är ett publikt aktiebolag med organisationsnummer 516406-0120. Sätet är i Stockholm på följande adress: Smålandsgatan 17, 105 71 Stockholm. Den huvudsakliga lagstiftningen som reglerar NBAB:s verksamhet är aktiebolagslagen och lagen om bank- och finansieringsrörelse.</p> <p>NBF är ett aktiebolag enligt den finska aktiebolagslagen. NBF är registrerat i handelsregistret med registreringsnummer 1680235-8. NBF har sitt säte i Helsingfors på följande adress: Aleksanterinkatu 36 B, SF-00100 Helsingfors, Finland. Den huvudsakliga lagstiftningen som reglerar NBF:s verksamhet är den finska aktiebolagslagen och den finska lagen om affärsbanker och andra kreditinstitut i aktiebolagsform.</p> |
| <b>B.4b</b>            | <b>Kända trender:</b>                        | Ej tillämpligt. Det finns inte några tydliga trender som påverkar Emittenterna eller de marknader de verkar på.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>B.5</b>             | <b>Koncernbeskrivning:</b>                   | NBAB är moderbolaget i Nordea-koncernen. Nordea-koncernen är den största koncernen som erbjuder finansiella tjänster på den nordiska marknaden (Danmark, Finland, Norge och Sverige) mätt i totala intäkter (baserat på undersökningar av Nordea Markets (Nordea Bank Finland Plc)), med ytterligare verksamhet i Polen, Ryssland, de baltiska länderna och Luxemburg, samt filialer på ett antal andra internationella platser. De tre största dotterbolagen till Nordea Bank är Nordea Bank Danmark A/S i Danmark, NBF i Finland och Nordea Bank Norge ASA i Norge.                                                                                                                                                     |

|             |                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                                                        | NBAB anser att Nordea-koncernen har den största kundbasen för en koncern som erbjuder finansiella tjänster inom den nordiska marknaden (baserat på undersökningar av Nordea Markets (Nordea Bank Finland Plc)) med cirka 11 miljoner kunder inom marknaderna som koncernen har verksamhet i, inklusive cirka 9,0 miljoner hushållskunder i sitt kundprogram och cirka 0,6 miljoner aktiva företagskunder, per den 31 december 2012. Per samma datum var de totala tillgångarna för Nordea-koncernen EUR 677 miljarder och primärkapitalet uppgick till EUR 24,0 miljarder, och var den största Norden-baserade kapitalförvaltaren med EUR 218 miljarder i förvaltrade tillgångar. |
| <b>B.9</b>  | <b>Resultat-prognoser och resultat-uppskattningar:</b> | Ej tillämpligt. Emittenterna gör inte någon resultatprognos eller resultatuppskattning i Grundprospektet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>B.10</b> | <b>Eventuella anmärkningar i revisionsberättelsen:</b> | Ej tillämpligt. Det finns inte några anmärkningar för Emittenterna i deras revisionsberättelser.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>B.12</b> | <b>Utvald central finansiell information:</b>          | Tabellerna nedan visar viss utvald finansiell information i sammandrag som, utan väsentliga ändringar har hämtats från och måste läsas tillsammans med Emittenternas respektive reviderade koncernredovisning för det år som slutar den 31 december 2012, som finns bilagda till detta Grundprospekt, och revisorernas rapporter och kommentarer därtill.                                                                                                                                                                                                                                                                                                                         |

|                                                                                                                      |                                      | <p>NBAB – utvald central finansiell information:</p> <table> <tr> <th></th><th>2012</th><th>2011</th></tr> <tr> <td></td><td colspan="2">(Miljoner EUR)</td></tr> <tr> <td><b>Resultaträkning</b></td><td></td><td></td></tr> <tr> <td>Summa rörelseintäkter</td><td>10 236</td><td>9 501</td></tr> <tr> <td>Årets resultat</td><td>3 126</td><td>2 634</td></tr> <tr> <td><b>Balansräkning</b></td><td></td><td></td></tr> <tr> <td>Summa tillgångar</td><td>677 420</td><td>716 204</td></tr> <tr> <td>Summa skulder</td><td>649 204</td><td>690 084</td></tr> <tr> <td>Summa eget kapital</td><td>28 216</td><td>26 120</td></tr> <tr> <td>Summa skulder och eget kapital</td><td>677 420</td><td>716 204</td></tr> <tr> <td><b>Kassaflödesanalys</b></td><td></td><td></td></tr> <tr> <td>Kassaflöde från den löpande verksamheten före förändringar av den löpande verksamhetens tillgångar och skulder .....</td><td>6 633</td><td>3 103</td></tr> <tr> <td>Kassaflöde från den löpande verksamheten .....</td><td>19 754</td><td>3 730</td></tr> <tr> <td>Kassaflöde från investeringsverksamheten .....</td><td>774</td><td>7 565</td></tr> <tr> <td>Kassaflöde från finansieringsverksamheten .....</td><td>-170</td><td>-2 509</td></tr> <tr> <td>Årets kassaflöde.....</td><td>20 358</td><td>8 786</td></tr> <tr> <td>Förändring .....</td><td>20 358</td><td>8 786</td></tr> </table> <p>NBF – utvald central finansiell information:</p> <table> <tr> <th></th><th>2012</th><th>2011</th></tr> <tr> <td></td><td colspan="2">(Miljoner EUR)</td></tr> <tr> <td><b>Resultaträkning</b></td><td></td><td></td></tr> <tr> <td>Summa rörelseintäkter .....</td><td>2 824</td><td>2 644</td></tr> <tr> <td>Årets resultat.....</td><td>1 186</td><td>1 101</td></tr> <tr> <td><b>Balansräkning</b></td><td></td><td></td></tr> <tr> <td>Summa tillgångar.....</td><td>341 947</td><td>399 287</td></tr> <tr> <td>Summa skulder .....</td><td>332 668</td><td>387 667</td></tr> <tr> <td>Summa eget kapital .....</td><td>9 279</td><td>11 620</td></tr> <tr> <td>Summa skulder och eget kapital .....</td><td>341 947</td><td>399 287</td></tr> <tr> <td><b>Kassaflödesanalys</b></td><td></td><td></td></tr> <tr> <td>Kassaflöde från den löpande verksamheten före förändring av den löpande verksamhetens tillgångar och skulder .....</td><td>-441</td><td>674</td></tr> <tr> <td>Kassaflöde från den löpande verksamheten .....</td><td>18 720</td><td>469</td></tr> <tr> <td>Kassaflöde från investeringsverksamheten .....</td><td>333</td><td>3 180</td></tr> <tr> <td>Kassaflöde från finansieringsverksamheten .....</td><td>-3 526</td><td>-692</td></tr> <tr> <td>Årets kassaflöde.....</td><td>15 527</td><td>2 957</td></tr> <tr> <td>Förändring .....</td><td>15 527</td><td>2 957</td></tr> </table> <p>Det har inte inträffat några väsentliga negativa förändringar i den normala affärsverksamheten eller i prospekten eller i tillståndet för NBAB eller NBF sedan den 31 december 2012, vilket är datumet för deras senaste publicerade reviderade årsredovisning.</p> <p>Det har inte inträffat någon betydande förändring av NBAB:s eller NBF:s handels- eller finansiella position sedan den 31 december 2012, vilket är datumet för deras senaste publicerade reviderade årsredovisning.</p> |  | 2012 | 2011 |  | (Miljoner EUR) |  | <b>Resultaträkning</b> |  |  | Summa rörelseintäkter | 10 236 | 9 501 | Årets resultat | 3 126 | 2 634 | <b>Balansräkning</b> |  |  | Summa tillgångar | 677 420 | 716 204 | Summa skulder | 649 204 | 690 084 | Summa eget kapital | 28 216 | 26 120 | Summa skulder och eget kapital | 677 420 | 716 204 | <b>Kassaflödesanalys</b> |  |  | Kassaflöde från den löpande verksamheten före förändringar av den löpande verksamhetens tillgångar och skulder ..... | 6 633 | 3 103 | Kassaflöde från den löpande verksamheten ..... | 19 754 | 3 730 | Kassaflöde från investeringsverksamheten ..... | 774 | 7 565 | Kassaflöde från finansieringsverksamheten ..... | -170 | -2 509 | Årets kassaflöde..... | 20 358 | 8 786 | Förändring ..... | 20 358 | 8 786 |  | 2012 | 2011 |  | (Miljoner EUR) |  | <b>Resultaträkning</b> |  |  | Summa rörelseintäkter ..... | 2 824 | 2 644 | Årets resultat..... | 1 186 | 1 101 | <b>Balansräkning</b> |  |  | Summa tillgångar..... | 341 947 | 399 287 | Summa skulder ..... | 332 668 | 387 667 | Summa eget kapital ..... | 9 279 | 11 620 | Summa skulder och eget kapital ..... | 341 947 | 399 287 | <b>Kassaflödesanalys</b> |  |  | Kassaflöde från den löpande verksamheten före förändring av den löpande verksamhetens tillgångar och skulder ..... | -441 | 674 | Kassaflöde från den löpande verksamheten ..... | 18 720 | 469 | Kassaflöde från investeringsverksamheten ..... | 333 | 3 180 | Kassaflöde från finansieringsverksamheten ..... | -3 526 | -692 | Årets kassaflöde..... | 15 527 | 2 957 | Förändring ..... | 15 527 | 2 957 |
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|                                                                                                                      | 2012                                 | 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
|                                                                                                                      | (Miljoner EUR)                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| <b>Resultaträkning</b>                                                                                               |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Summa rörelseintäkter                                                                                                | 10 236                               | 9 501                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Årets resultat                                                                                                       | 3 126                                | 2 634                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| <b>Balansräkning</b>                                                                                                 |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Summa tillgångar                                                                                                     | 677 420                              | 716 204                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Summa skulder                                                                                                        | 649 204                              | 690 084                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Summa eget kapital                                                                                                   | 28 216                               | 26 120                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Summa skulder och eget kapital                                                                                       | 677 420                              | 716 204                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| <b>Kassaflödesanalys</b>                                                                                             |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Kassaflöde från den löpande verksamheten före förändringar av den löpande verksamhetens tillgångar och skulder ..... | 6 633                                | 3 103                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Kassaflöde från den löpande verksamheten .....                                                                       | 19 754                               | 3 730                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Kassaflöde från investeringsverksamheten .....                                                                       | 774                                  | 7 565                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Kassaflöde från finansieringsverksamheten .....                                                                      | -170                                 | -2 509                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Årets kassaflöde.....                                                                                                | 20 358                               | 8 786                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Förändring .....                                                                                                     | 20 358                               | 8 786                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
|                                                                                                                      | 2012                                 | 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
|                                                                                                                      | (Miljoner EUR)                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| <b>Resultaträkning</b>                                                                                               |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Summa rörelseintäkter .....                                                                                          | 2 824                                | 2 644                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Årets resultat.....                                                                                                  | 1 186                                | 1 101                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| <b>Balansräkning</b>                                                                                                 |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Summa tillgångar.....                                                                                                | 341 947                              | 399 287                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Summa skulder .....                                                                                                  | 332 668                              | 387 667                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Summa eget kapital .....                                                                                             | 9 279                                | 11 620                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Summa skulder och eget kapital .....                                                                                 | 341 947                              | 399 287                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| <b>Kassaflödesanalys</b>                                                                                             |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Kassaflöde från den löpande verksamheten före förändring av den löpande verksamhetens tillgångar och skulder .....   | -441                                 | 674                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Kassaflöde från den löpande verksamheten .....                                                                       | 18 720                               | 469                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Kassaflöde från investeringsverksamheten .....                                                                       | 333                                  | 3 180                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Kassaflöde från finansieringsverksamheten .....                                                                      | -3 526                               | -692                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Årets kassaflöde.....                                                                                                | 15 527                               | 2 957                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| Förändring .....                                                                                                     | 15 527                               | 2 957                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| <b>B.13</b>                                                                                                          | <b>Nyligen inträffade händelser:</b> | Ej tillämpligt för någon av Emittenterna. Det har inte nyligen förekommit några särskilda händelser för någon av Emittenterna som väsentligen påverkar bedömningen av respektive Emittents solvens sedan publiceringen av respektive Emittents reviderade årsredovisning för året som avslutades den 31 december 2012.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |
| <b>B.14</b>                                                                                                          | <b>Koncernberoende:</b>              | Ej tillämpligt. Vare sig NBAB eller NBF är beroende av andra enheter inom Nordea-koncernen.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |      |      |  |                |  |                        |  |  |                       |        |       |                |       |       |                      |  |  |                  |         |         |               |         |         |                    |        |        |                                |         |         |                          |  |  |                                                                                                                      |       |       |                                                |        |       |                                                |     |       |                                                 |      |        |                       |        |       |                  |        |       |  |      |      |  |                |  |                        |  |  |                             |       |       |                     |       |       |                      |  |  |                       |         |         |                     |         |         |                          |       |        |                                      |         |         |                          |  |  |                                                                                                                    |      |     |                                                |        |     |                                                |     |       |                                                 |        |      |                       |        |       |                  |        |       |

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|----------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----|----------------------------------------------------------|-----|------------------------|------------------------------------------------------|-----------------------|----|
| B.15                                                     | Emittenternas huvudsakliga verksamhet:                                           | <p>Nordea-koncernens organisationsstruktur är byggd kring tre huvudaffärsområden: ”Retail Banking”, ”Wholesale Banking” och ”Wealth Management”. Utöver dessa affärsområden innehåller Nordea-koncernens organisation affärsenheten Group Operations and Other Lines of Business, tillsammans med Group Corporate Centre och Group Risk Management som är de andra centrala delarna av Nordea-koncernens organisation.</p> <p>Nordea-koncernen är en universell bank och erbjuder därmed ett omfattande sortiment av bank- och finansprodukter samt tjänster till hushåll och företagskunder, inklusive finansinstitut. Nordea-koncernens produkter och tjänster består av ett brett sortiment av banktjänster för hushållen, t.ex. bolån och konsumentlån, kredit- och bankkort och ett stort antal olika sparformer, livförsäkringar och pensionsprodukter. Dessutom har Nordea-koncernen ett brett sortiment av banktjänster för företag, inklusive affärslån, kontanthantering, betalnings- och kontotjänster, riskhanteringsprodukter och rådgivningstjänster, skuld- och kapitalrelaterade produkter för likviditet och kapitalanskaffning samt företagsfinansiering, hanteringstjänster för institutionella tillgångar och livförsäkrings- och pensionsprodukter för företag. Nordea-koncernen distribuerar även allmänna försäkringsprodukter. Nordea-koncernen har också det största distributionsnätverket för kunder på den nordiska marknaden, med cirka 1 000 filialkontor (inklusive cirka 210 filialkontor i Polen, Ryssland och de baltiska staterna), telefonsupportcentraler i alla de nordiska länderna och en mycket konkurrenskraftig internetbank. Nordea-koncernen finns i 19 länder runt om i världen.</p> <p>NBAB utför bankverksamhet i Sverige inom ramen för Nordea-koncernens affärsorganisation. NBAB utvecklar och marknadsför finsansiella produkter och tjänster till privatkunder, företagskunder och den offentliga sektorn.</p> <p>NBF utför bankverksamhet i Finland som en del av Nordea-koncernen och dess verksamhet är helt integrerad i Nordea-koncernens verksamhet. NBF har tillstånd att bedriva bankverksamhet enligt den finska kreditinstitutionslagen.</p> |                                    |     |                                                          |     |                        |                                                      |                       |    |
| B.16                                                     | Personer med direkt eller indirekt ägande/kontroll:                              | Ej tillämpligt. Såvitt NBAB känner till är inte Nordea-koncernen direkt eller indirekt ägd eller kontrollerad av någon enstaka person eller grupp av personer som agerar tillsammans. NBF är ett helägt dotterbolag till NBAB.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                    |     |                                                          |     |                        |                                                      |                       |    |
| B.17                                                     | Kreditvärdighetsbetyg som har tilldelats Emittenten eller dess skuld-instrument: | <p>Per datumet för detta Grundprospekt är kreditvärderingen för långfristig skuld för var och en av Emittenterna följande:</p> <table><tr><td>Moody’s Investors Service Limited:</td><td>Aa3</td></tr><tr><td>Standard &amp; Poor’s Credit Market Services Europe Limited:</td><td>AA-</td></tr><tr><td>Fitch Ratings Limited:</td><td>AA- (under granskning för en eventuell nedgradering)</td></tr><tr><td>DBRS Ratings Limited:</td><td>AA</td></tr></table> <p>Emittenternas kreditvärderingar återger inte alltid risken som är förknippad med enskilda Lån under Programmet.</p> <p><i>Lånen som ska emitteras har inte kreditvärderats.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Moody’s Investors Service Limited: | Aa3 | Standard & Poor’s Credit Market Services Europe Limited: | AA- | Fitch Ratings Limited: | AA- (under granskning för en eventuell nedgradering) | DBRS Ratings Limited: | AA |
| Moody’s Investors Service Limited:                       | Aa3                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                    |     |                                                          |     |                        |                                                      |                       |    |
| Standard & Poor’s Credit Market Services Europe Limited: | AA-                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                    |     |                                                          |     |                        |                                                      |                       |    |
| Fitch Ratings Limited:                                   | AA- (under granskning för en eventuell nedgradering)                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                    |     |                                                          |     |                        |                                                      |                       |    |
| DBRS Ratings Limited:                                    | AA                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                    |     |                                                          |     |                        |                                                      |                       |    |



| Avsnitt C – Lånen |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| C.1               | Beskrivning av värdepappers typ och klass: | <p><b>Emission i serier:</b> Lånen utfärdas i serier (var och en benämnd som en "Serie") och Lånen i varje Serie kommer att få identiska villkor (utom pris, lånedatum och räntestartdatum, som kan men inte behöver vara identiska) vad gäller valuta, valörer, ränta eller förfallodag eller annat, förutom att en Serie kan bestå av Lån i innehavarform och i registrerad form. Ytterligare trancher av Lån (var och en benämnd som en "<b>Tranch</b>") kan emitteras som en del av en befintlig Serie.</p> <p><i>Serienumret för Lånen är [ ]. [Tranchnumret är [ ].]</i></p> <p><b>Former för Lånen:</b> Lånen kan ges ut i innehavarform eller i registrerad form. Lån i innehavarform kommer inte att kunna bytas ut till Lån i registrerad form och Lån i registrerad form kommer inte att kunna bytas ut till Lån i innehavarform.</p> <p><i>Lånen är i innehavarform/Lånen är i registrerad form.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                   |                                            | <p>Lån kan i de tillämpliga Slutliga Villkoren specificeras som "<b>VP-Lån</b>". VP-Lån kommer att ges ut i kontoförd och dematerialiserad form, med äganderätten bestyrkt genom införandet i registret för sådana VP-Lån vilka förs av VP Securities A/S för Emittentens räkning (det "<b>Danska Värdepappersregistret</b>"). Äganderätten till VP-Lån kommer inte bestyrkas av något fysiskt papper eller dokument. Definitiva Lån kommer inte att ges ut avseende några VP-Lån. Nordea Bank Danmark A/S kommer att agera som VP-Administrerande Institut när det gäller VP-Lån.</p> <p>Lån kan specificeras i de tillämpliga Slutliga Villkoren som "<b>VPS-Lån</b>". VPS-Lån ges ut enligt ett registratoravtal med Nordea Bank Norge ASA som VPS-Betalningsagent och kommer att registreras i kontoförd och dematerialiserad form hos norska värdepapperscentralen (<i>Verdipapirsentralen</i> ASA och kallas här "<b>VPS</b>").</p> <p>Lån kan specificeras i de tillämpliga Slutliga Villkoren som "<b>Svenska Lån</b>". Svenska Lån kommer att ges ut i kontoförd och dematerialiserad form, med äganderätten bestyrkt genom införande i registret för sådana Svenska Lån som förs av Euroclear Sweden för den relevanta Emittentens räkning. Äganderätten till Svenska Lån bestyrks inte av något fysiskt värdepapper eller dokument. Definitiva Lån kommer inte att ges ut avseende några Svenska Lån. Nordea Bank AB (publ) kommer att agera som Svenskt Administrerande Institut när det gäller Svenska Lån.</p> <p>Lån kan specificeras i de tillämpliga Slutliga Villkoren som "<b>Finska Lån</b>". Finska Lån kommer att ges ut i kontoförd och dematerialiserad form, med äganderätten bestyrkt genom införande i registret för sådana Finska Lån som förs av Euroclear Finland för den relevanta Emittentens räkning. Äganderätten till Finska Lån bestyrks inte av något fysiskt värdepapper eller dokument. Definitiva Lån kommer inte att ges ut avseende några Finska Lån. Nordea Bank Finland Plc kommer att agera som Finskt Administrerande Institut när det gäller Finska Lån.</p> <p><i>Lån i Schweiziska Franc:</i> Lån kommer vara ges ut i Schweiziska Franc, ges ut i innehavarform och representeras exklusivt av ett Permanent Globalt Lån som deponeras hos SIX SIS AG, Olten, Schweiz, eller annan sådan depositarie enligt vad som godkänns av SIX Regulatory Board vid SIX Swiss Exchange. Det Permanenta Globala Lånet kommer endast att vara utbytbart mot definitiva Lån under vissa begränsade omständigheter.</p> |

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|     |                                      | <p><b>ISIN-nummer:</b> Avseende varje Tranch av Lån kommer relevanta ISIN-nummer att anges i de tillämpliga Slutliga Villkoren.</p> <p><i>Lånen kommer att clearas via [ ]. Lånen har tilldelats följande ISIN: [ ].</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| C.2 | <b>Valuta för emissionen av Lån:</b> | <p>US dollar, euro, brittiska pund, svenska kronor, norska kronor, danska kronor och yen och/eller annan sådan valuta eller andra valutor enligt beslut som fattas vid tidpunkten för emissionen, i enlighet med alla rättsliga och/eller regulatoriska och/eller centralbankskrav. Lånen kan, i enlighet med efterlevnaden av sådana krav, ges ut som Lån i dubbla valutor.</p> <p><i>Valutan för Lånen är [ ].</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| C.5 | <b>Fri rätt till överlåtelse:</b>    | <p>Detta Grundprospekt innehåller en sammanfattning av vissa säljrestriktioner inom USA, det Europeiska Ekonomiska Samarbetsområdet, Storbritannien, Danmark, Finland, Nederländerna, Norge, Sverige, Republiken Irland och Japan.</p> <p>Lånen har inte och kommer inte att registreras under United States Securities Act of 1933 ("Securities Act") och får inte erbjudas eller säljas inom USA eller till, eller för amerikanska medborgares räkning förutom i vissa transaktioner som är undantagna från registreringskraven i Securities Act.</p> <p>För varje medlemsstat i det Europeiska Ekonomiska Samarbetsområdet som har implementerat prospektdirektivet, inklusive konungariket Sverige (envar en "Relevant Medlemsstat"), har varje emissionsinstitut som utsetts under Programmet (envar ett "Emissionsinstitut") utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer att behöva utfästa och godkänna, att från och med det datum då Prospektdirektivet implementeras i den Relevanta Medlemsstaten ("Relevanta Implementeringsdatumet"), har Emissionsinstitutet inte gjort och kommer inte att göra något erbjudande om Lån till allmänheten i den Relevanta Medlemsstaten utom med Emittentens samtycke lämnat i enlighet med avsnitt A.2 ovan.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer att behöva utfästa och godkänna, att det har uppfyllt och kommer att uppfylla alla tillämpliga bestämmelser Financial Services and Markets Act 2000 ("FSMA") avseende alla handlingar som utförs gällande Lån i, från eller på annat sätt involverande Storbritannien.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och alla ytterligare Emissionsinstitut som utses under Programmet kommer att behöva utfästa och godkänna, att det inte har erbjudit eller sålt och inte kommer att erbjuda, sälja eller leverera några Lån direkt eller indirekt till konungariket Danmark genom ett erbjudande till allmänheten, förutom om det sker i enlighet med den danska värdepappershandelslagen (konsoliderad lag nr 883 av den 9 augusti 2011, såsom ändrad) (på danska: <i>Værdipapirhandelsloven</i>) och andra bestämmelser utfärdade därunder.</p> |

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|  | <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer att behöva utfästa och godkänna, avseende erbjudanden eller försäljning av Lån i Irland, att det kommer att uppfylla: villkoren i Europeiska Gemenskapernas (Marknader för Finansiella Instrument) Förordning 2007 (nr 1 till 3) (såsom ändrad), inklusive, utan begränsning, Förordning 7 och 152 därav eller andra förhållningsregler som används i samband därmed och villkoren i Investor Compensation Act 1998; villkoren i Companies Acts 1963 to 2012 (såsom ändrad), Central Bank Acts 1942 to 2011 (såsom ändrad) och varje annan förhållningsregel som utfärdats under avsnitt 117(1) i Central Bank Act 1989; och villkoren i Market Abuse (Direktiv 2003/6/EG) Direktivet 2005 (såsom ändrad) och varje regel som utfärdats enligt avsnitt 34 i Investment Funds, Companies and Miscellaneous Provisions Act 2005 av Central Bank of Ireland.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att de inte har erbjudit eller sålt, eller kommer erbjuda eller sälja, direkt eller indirekt, Lån till allmänheten i Frankrike och att det inte har distribuerat eller orsakat distribution, och att det inte kommer att distribuera eller orsaka distribution av Grundprospektet, de relevanta Slutliga Villkoren eller någon annan typ av erbjudandematerial relaterat till Lånen, till allmänheten i Frankrike, och att sådant erbjudande och sådan försäljning och distribution i Frankrike har och endast kommer göras till (a) leverantörer av investeringstjänster relaterade till portföljhantering för tredjeparts konton (<i>personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers</i>), och/eller (b) kvalificerade investerare (<i>investisseurs qualifiés</i>), samtliga såsom definierade, och i enlighet med, artiklarna L.411-1, L.411-2 och D.411-1 i den franska lagen <i>monétaire et financier</i>.</p> <p>Lån som faller in under begreppet "derivatinstrument" enligt Avsnitt 2 i SMA, Direktivet 2004/39/EC (MiFID-direktivet) och Kommissionens förordning Nr. EC/1287/2006 (Implementeringsföreskrifter för MiFID), samtliga såsom ändrade från tid till annan, får endast erbjudas i Estland efter lämplighets- och vederbörlighetsbedömning av det relevanta strukturerade instrumentet för investeraren i enlighet med tillämplig estnisk och europeisk lagstiftning.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att Lånen inte har erbjudits eller kommer erbjudas i Litauen genom erbjudande till allmänheten såvida detta inte är i enlighet med alla tillämpliga bestämmelser under Litauens lagar och i synnerhet i enlighet med Lagen om Värdepapper i Republiken Litauen från 18 januari 2007 Nr. X-1023 och alla föreskrifter eller regler som gjorts därunder, såsom ändrad från tid till annan.</p> <p>Lånen har inte registrerats under Lagen om Marknaden för Finansiella Instrument i Lettland och kan således inte erbjudas eller säljas till allmänheten i Lettland. Varken Emittenten eller något av Emissionsinstitutet har godkänt, eller får godkänna, att Lån erbjuds i Lettland annat än i enlighet med lagarna i Republiken Lettland.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att det inte har erbjudit eller sålt och ej heller kommer erbjuda, sälja eller leverera något av Lånen direkt eller indirekt i Danmark genom erbjudande till allmänheten, såvida detta ej sker i enlighet med den danska Lagen om Värdepappershandel (<i>Værdipapirhandelsloven</i>), såsom ändrad från tid till annan, och verkställande beslut som utfärdats därunder.</p> |
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|     |                                                                                                       | <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att det inte kommer erbjuda Lånen till allmänheten i Finland, såvida detta inte sker i enlighet med alla tillämpliga Finska lagbestämmelser och särskilt i enlighet med den Finska Värdepapperslagen (495/1989) och varje bestämmelse därunder, såsom ändrad från tid till annan.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att det kommer lyda alla tillämpliga lagar, bestämmelser och riktlinjer för erbjudande av Lånen i Norge. Lån i norska Krone kan inte erbjudas eller säljas inom Norge eller till personer med hemvist i Norge, eller för deras vägnar, såvida inte föreskriften relaterad till erbjudandet av VPS-Lån och registrering i VPS har åtgämts.</p> <p>Lånen har inte och kommer inte att registreras under Lagen om Finansiella Instrument och Handel i Japan (Lag Nr. 25 från 1948, såsom ändrad, "FIEA") och varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att de inte kommer erbjuda eller sälja några Lån, direkt eller indirekt, i Japan eller till, eller till fördel för, bofasta personer i Japan, eller till andra för att återerbjudanden eller återsäljning, direkt eller indirekt, i Japan eller till, eller till förmån för, bofasta personer i Japan, förutom i enlighet med ett undantag från registreringskraven i, och även i övrigt i enlighet med FIEA och varje annan tillämplig lag, föreskrift och riktlinje från myndigheterna i Japan.</p> <p>Nollkuponslån av definitiv form kan endast överlåtas och accepteras, direkt eller indirekt, inom, från eller till Nederländerna genom försorgen av antingen Emittenten eller ett medlemsföretag i Euronext Amsterdam by NYSE Euronext i full överensstämmelse med den Nederländska lagen om Besparingscertifikat (<i>Wet inzake spaarbewijzen</i>) från 21 maj 1985 (såsom ändrad) och dess implementeringsföreskrifter.</p> |
| C.8 | <b>Rättigheter kopplade till Lånen, inklusive rangordning och begränsningar av sådana rättigheter</b> | <p><b>Lånens status:</b> Lånen utgör icke-säkerställda och icke-efterställda förpliktelser för den relevanta Emittenten och rangordnas <i>pari passu</i> utan någon preferens mellan sig själva och minst <i>pari passu</i> gentemot alla övriga av den relevanta Emittentens nuvarande och framtida utestående icke-säkerställda och icke-efterställda förpliktelser.</p> <p><b>Valörer:</b> Lån kommer ges ut i sådana valörer som kan finnas angivna i de relevanta Slutliga Villkoren, föremål för (i) en lägsta valör om €1 000 (eller dess motsvarighet i andra valutor), och (ii) i enlighet med alla tillämpliga juridiska och/eller regulatoriska och/eller centralbankskrav.</p> <p><i>Lånen är utställda i valör(erna) [ ].</i></p> <p><b>Åtagande att inte ställa säkerhet:</b> Ingen.</p> <p><b>Korsvisa uppsägningsgrunder:</b> Ingen.</p> <p><b>Beskattning:</b> Alla betalningar med hänsyn till Lånen kommer göras utan källskatt eller avdrag för skatt såvida inte detta fordras av svensk eller finsk lag, föreskrifter eller andra regler, eller beslut från finska eller svenska myndigheter. I händelse av att någon av Emittenterna måste göra avdrag för eller undanhållande av finsk eller svensk skatt för någon som inte omfattas av beskattning i Sverige eller Finland kommer Emittenten betala ett tilläggsbelopp för att säkerställa att de relevanta innehavarna av Lån, vid förfallodagen, kommer erhålla ett nettobelopp som är lika med det belopp som innehavarna skulle ha erhållit om det inte vore för avdragen eller de undanhållna beloppen, förutom i enlighet med vissa sedvanlig undantag.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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|  |  | <p><b>Gällande lag:</b> Lånen och alla icke-avtalsenliga förpliktelser som uppstår ur eller i samband med Lånen styrs av antingen brittisk lagstiftning, finsk lagstiftning, svensk lagstiftning, dansk lagstiftning eller norsk lagstiftning, förutom att (i) registreringen av VP-Lån i VP styrs av dansk lagstiftning, (ii) registreringen av VPS-Lån i VPS styrs av norsk lagstiftning, (iii) registreringen av Svenska Lån i Euroclear Sweden styrs av svensk lagstiftning, och (iv) registreringen av Finska Lån i Euroclear Finland styrs av finsk lagstiftning.</p> <p><i>Lånen styrs av [brittisk lagstiftning / finsk lagstiftning / dansk lagstiftning / svensk lagstiftning / norsk lagstiftning].</i></p> <p><b>Verkställighet av Lån i Global Form:</b> Gällande Globala Lån kommer den individuella investerarens rättigheter mot den relevanta Emittenten att styras av ett sidosavtal daterad till 15 april 2013 ("Sidosavtalet") av vilket det kommer finnas en kopia tillgängligt för inspektion på det angivna kontoret för Citibank, N.A., London Branch som fiscal agent ("Fiscal Agent").</p> |
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| C.9 | <p><b>Rättigheter kopplade till Lånen (fortsättning), inklusive information angående Ränta, Förfallodag, Avkastning och Representant för Innehavarna:</b></p> | <p><b>Ränta:</b> Lån kan vara räntebärande eller icke-räntebärande. Ränta (om så förekommer) kan:</p> <ul style="list-style-type: none"> <li>- utgå baserad på fast kurs eller rörlig kurs;</li> <li>- vara inflationsskyddad, varigenom det räntebelopp som ska betalas är kopplat till konsumentprisindex;</li> <li>- vara länkade till huruvida en Kredithändelse (så som definieras nedan) inträffar med avseende på de valda förpliktelserna för ett antal specificerade referensenheter ("<b>Kreditlänkade Lån</b>" eller "<b>CLN</b>");</li> <li>- vara kumulativa, förutsatt att vissa värdeutvecklingströsklar har uppnåtts;</li> <li>- vara länkade till utvecklingen för en specificerad referenskurs (som skulle kunna vara en räntekurs eller en inflationsåtgärd) under en specificerad period jämfört med ett antal förbestämda lösenpris/barriärnivåer, där ett sådant räntebelopp också kan vara föremål (i vissa fall) för tak/golv;</li> <li>- vara länkade till prestationen hos en korg med underliggande tillgångar (envar en "<b>Referenstillgång</b>" och tillsammans "<b>Korg</b>") eller en specifik Referenstillgång i Korgen (till exempel Referenstillgången med sämst värdeutveckling) jämfört med en förbestämd lösenprisnivå; och/eller</li> </ul> |
|     |                                                                                                                                                               | <ul style="list-style-type: none"> <li>- vara länkade till den procentandel av Referenstillgångarna i Korgen som är ovanför en förbestämd barriärnivå vid varje arbetsdag, upp till och inkluderande det relevanta räntebetalningsdatumet (vart och ett utgörande en "<b>Räntebetalningsdag</b>").</li> </ul> <p>Vad gäller CLN-er, är en Kredithändelse en bolagshändelse som vanligtvis gör att fordringsägaren för Referensenheten hamnar i en sämre sits (t.ex. konkurs eller underlåtenhet att betala). Om en Kredithändelse inträffar för en Referensenhet, kan det nominella belopp som används för beräkning av ränta som ska betalas minskas. Se avsnitt C.10 för en beskrivning av de fyra typerna av CLN-strukturer (Non-tranched CLN, Tranched CLN, N:th to Default CLN och N:th &amp; N:th +1 to Default CLN).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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|  | <p>Med avseende på Autocallable-Lån med kupong, om den avkastning som genereras av Korgen med Referenstillgångar vid någon värderingsdag (vart och ett utgörande en "<b>Värderingsdag</b>") är ovanför en eller flera förbestämda nivåer kommer ränta ("<b>Kupongen</b>") att vara betalningsbar på Lånen. Beloppet för varje Kupong kommer att bero på den barriärnivå som har uppnåtts, och vilken av följande strukturer som väljs som tillämplig(a) för Lånen:</p> <ul style="list-style-type: none"> <li>- <i>Flat Kupong:</i> Kupongen kommer att utgöra kapitalbeloppet för Lånen multiplicerat med den relevanta Kupongnivån.</li> <li>- <i>Memory Kupong:</i> Kupongen kommer att utgöra kapitalbeloppet på Lånen multiplicerat med den relevanta Kupongnivån och multiplicerat med antalet omedelbart föregående Räntebetalningsdagar för vilka Kupong inte har betalats.</li> <li>- <i>Plus Flat Kupong:</i> Kupongen kommer att utgöra kapitalbeloppet på Lånen multiplicerat med det högre av den relevanta Kupongnivån och en förbestämd bonusfaktor.</li> <li>- <i>Plus Memory Kupong:</i> Kupongen kommer att utgöra kapitalbeloppet på Lånen multiplicerat med det högre av: a) en förbestämd bonusfaktor och b) den relevanta Kupongnivån, multiplicerad med antalet omedelbart föregående Räntebetalningsdagar för vilka Kupong inte har betalats.</li> </ul> <p>Den tillämpliga räntesatsen eller dess beräkningsmetod kan variera vid olika tidpunkter eller vara konstant för en Serie av Lån. Lån kan ha en maxränta, minimiränta eller både och. Ränteperiodernas längd för Lånen kan också variera vid olika tidpunkter eller vara konstant för en Serie Lån.</p> <p><i>Lånen har ingen ränta./Lånen är räntebärande:</i></p> <p><i>Räntebas: [ ].</i></p> <p><i>Nominell räntesats: [ ].</i></p> <p><i>Räntans startdatum: [ ].</i></p> <p><i>Räntebetalningsdag(ar): [ ].</i></p> <p><i>Beskrivning av underliggande Referenskurs: [ ].</i></p> <p><i>Information om Referenskursens tidigare och fortsatta utveckling kan inhämtas från: [ ].</i></p> <p><i>[Marginal: +/- [ ].]</i></p> <p><i>[Högsta Räntesats: [ ].]</i></p> |
|  | <p><i>[Lägst Räntesats: [ ].]</i></p> <p><i>[Dagberäkningsmetod: [ ].]</i></p> <p><b>Förfallotidpunkter:</b> Varje förfallotidpunkt är föremål för en minsta förfallotid på 30 dagar och är, i relation till specifika valutor, föremål för efterlevnad med alla tillämpliga juridiska och/eller regulatoriska och/eller centralbankskrav.</p> <p><i>[Såvida de inte dessförinnan blivit inlösta eller köpta och upphävda kommer Lånen att bli inlösta [ ].]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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|  | <p><b>Återbetalning:</b> Emittenten ska återbetala in Lånen för deras återbetalningsbelopp ("<b>Återbetalningsbelopp</b> ") och på den/de återbetalningsdag(ar) ("<b>Återbetalningsdag</b>") som specificeras i de Slutliga Villkoren. Återbetalningsbeloppet kommer att fastställas i enlighet med en eller flera av de värdeutvecklingsstrukturer som specificeras nedan i avsnitt C.10, och de Slutliga Villkoren kommer att specificera vilken av värdeutvecklingsstrukturerna som är tillämplig på varje Serie av Lån.</p> <p>Förtida återbetalning av Lån kan eventuellt bli tillåtet (i) på begäran av den relevanta Emittenten eller innehavaren av Lån, i enlighet med Villkoren, <b>förutsatt att</b> sådan förtida återbetalning är tillämplig i enlighet med de Slutliga Villkoren eller (ii) om den relevanta Emittenten har eller kommer att bli tvungen att betala vissa tillkommande belopp med avseende på Lånen som ett resultat av någon eventuell ändring av skattelagarna i jurisdiktionen där den relevanta Emittenten har sitt säte.</p> <p>Där en av värdeutvecklingsstrukturerna "Autocall" gäller kommer, om den avkastning som skapas av Korgen eller viss(a) Referenstillgång(ar) är lika med eller ovanför en förbestämd barriärnivå vid varje Värderingsdag, den relevanta Emittenten att återbetala Lånen i förtid på nästkommande förtida återbetalningsdag med ett belopp som är lika med Lånens Kapitalbelopp, tillsammans med en förbestämd kupong (om sådan finns).</p> <p>Om valt som tillämpligt i de Slutliga Villkoren kan det belopp som ska betalas vid förtida återbetalning ("<b>Förtida Återbetalningsbelopp</b>") reduceras med ett belopp som fastställs av Beräkningsagenten, som är lika med summorna av de kostnader, utgifter, skatter och tullavgifter som Emittenten ådragit sig i samband med den förtida Återbetalningen.</p> <p><i>Såvida inte dessförinnan återbetalda, eller köpta och upphävda, kommer Lånen att bli återbetalade med [par/deras Återbetalningsbelopp om [ ] per Beräkningsbelopp]/ett belopp beräknat i enlighet med den värdeutvecklingsstruktur som finns specificerad i avsnitt C.10 nedan].</i></p> <p><i>Återbetalningsdagen är [ ]/Lånen är återbetalningsbara genom Avbetalningar på [•].</i></p> <p><b>Pris:</b> Priset för varje Tranch av Lån som ska ges ut under Programmet kommer att fastställas av den relevanta Emittenten vid tiden för när Lånen ges ut, i enlighet med rådande marknadsförhållanden.</p> <p><i>Priset för Lånen är: [•].</i></p> <p><b>Avkastning:</b> Avkastningen på varje Tranch av Lån kommer att beräknas på grundval av det relevanta priset på det relevanta lånedatumet. Det är inte en indikation om framtida avkastning.</p> |
|  | <p><i>Baserat på Priset på [ ] på Lånedatumet, är den förväntade avkastningen från Lånen [ ] procent per år.</i></p> <p><b>Representant för Innehavarna:</b> Ej tillämpligt. Det finns ingen representant utsedd som ska agera på uppdrag av Innehavarna.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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|      |                      | <p><b>Ersättning av Referenstillgång, förtida beräkning av Återbetalningsbeloppet eller tillägg till Villkoren:</b> Där så är specificerat som tillämpligt i de relevanta Slutliga Villkoren får den relevanta utgivaren byta ut en Referenstillgång, utföra en förtida beräkning av Återbetalningsbeloppet eller göra eventuellt tillägg till Villkoren i den mån Emittenten bedömer detta som nödvändigt, om vissa händelser inträffar, inklusive marknadsavbrott, avbrott i riskhantering, förändring i lagstiftning, priskorrigeringar och andra relevanta utvecklingar som påverkar en eller fler av den/de underliggande Referenstillgången(arna).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| C.10 | Derivat-komponenter: | <p>De värdeutvecklingsstrukturer som beskrivs nedan bestämmer på vilket sätt värdeutvecklingen hos den/de relevanta Referenstillgången(arna) eller Referensenheterna påverkar avkastningen och/eller Återbetalningsbeloppet för Lånen. Emittenten kan välja att kombinera två eller fler värdeutvecklingsstrukturer när Lån ges ut:</p> <p><i>"Par" struktur:</i> Återbetalningsbeloppet är lika med Lånens Kapitalbelopp.</p> <p><i>"Basket Long" struktur:</i> Återbetalningsbeloppet är summan av Lånens Kapitalbelopp och ett ytterligare belopp som är lika med Lånens Kapitalbelopp multiplicerat med (i) ett belopp som återspeglar Korgens avkastning ("<b>Korgavkastningen</b>") och (ii) en ratio som används för att bestämma innehavarens exponering mot utvecklingen för de olika Referenstillgångarna ("<b>Deltagandegrad</b>"). Utvecklingen för en Referenstillgång bestäms med hänvisning till det belopp med vilket det slutliga priset överstiger Referenstillgångens startkurs ("<b>Referenstillgångsavkastning</b>"). Det slutliga priset på en Referenstillgång bestäms ofta på grundval av ett genomsnittsvärde på Referenstillgången under Lånens giltighetstid (dvs. det finns flera värderingstidpunkter under giltighetstiden), men det kan även bestämmas på grundval av en enda värdering. Referenstillgångsavkastningen eller Bankavkastningen kan dessutom bli föremål för ett golv, vilket agerar som en lägsta nivå för utveckling.</p> <p><i>"Basket Short" struktur:</i> Återbetalningsbeloppet är summan av Lånens Kapitalbelopp och ett ytterligare belopp som är lika med Lånens Kapitalbelopp multiplicerat med (i) den sammantagna avkastningen som skapats av Korgen och (ii) Deltagandegraden. Om Referenstillgångarnas utveckling inom Korgen är positiv kommer detta att få en negativ inverkan på den sammantagna avkastning som skapats av Korgen och därför den avkastning som ska betalas till Innehavarna. Om Referenstillgångarnas prestation inom Korgen är negativ kommer detta att få en positiv inverkan på den sammantagna avkastning som skapats av Korgen och därför den avkastning som ska betalas till Innehavarna.</p> <p><i>"Barriär Outperformance" struktur:</i> om Korgens utveckling överstiger en specificerad barriärnivå (ett pristak), kommer Återbetalningsbeloppet att utgöra en förbestämd maximal Korgavkastning. Om den specificerade barriärnivån inte överskrids kommer Återbetalningsbeloppet att vara lika med Lånens Kapitalbelopp.</p> <p><i>"Barriär Underperformance" struktur:</i> om korgens utveckling faller under en specificerad barriärnivå (ett prisgolv), kommer Återbetalningsbeloppet att utgöra en förbestämd maximal Korgavkastning. Om den specificerade barriärnivån inte överskrids kommer Återbetalningsbeloppet att vara lika med Lånens Kapitalbelopp.</p> |



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|  |  | <p><i>"Best of/Worst of" Barriär</i> struktur: Detta är detsamma som "Barriär Outperformance" strukturen, förutom att observationen av barriärnivån och beräkningen av Återbetalningsbeloppet kommer att bestämmas med hänvisning till värdeutvecklingen hos Referenstillgången med den N:th Bästa värdeutvecklingen snarare än Korgen som helhet.</p> <p><i>"Best of/Worst of" Barriär Underperformance</i> struktur: Detta är detsamma som "Barriär Underperformance" strukturen, förutom att observationen av barriärnivån och beräkningen av Återbetalningsbeloppet kommer att bestämmas med hänvisning till värdeutvecklingen hos den Referenstillgång med den N:th Bästa värdeutvecklingen snarare än korgen som helhet.</p> <p><i>"Max"</i> struktur: Återbetalningsbeloppet beräknas på samma sätt som en av de andra värdeutvecklingsstrukturerna som anges häri, men är föremål för ett förbestämt maximalt återbetalningsbelopp, vilket agerar som ett tak på investerarens möjliga avkastning.</p> <p><i>"Autocallstruktur Long"</i>: Om Korgavkastningen på den slutliga Värderingsdagen är lika med eller under en förbestämd barriärnivå, kommer Återbetalningsbeloppet att vara summan av Lånens Kapitalbelopp och ett ytterligare belopp som beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och Korgavkastningen. Om Korgavkastningen på den slutliga Värderingsdagen är på eller över en förbestämd Barriärnivå, kommer Återbetalningsbeloppet att vara summan av Lånens Kapitalbelopp och ett ytterligare belopp som är lika med Lånens Kapitalbelopp multiplicerat med Deltagandegraden 2 och det högre av (i) Korgavkastningen och (ii) en förbestämd lägsta avkastning. Om den avkastning som genereras av Korgen är på eller över både en förbestämd Barriärnivå och en förbestämd Kupongbarriärnivå på den slutliga Värderingsdagen ska en Kupong (om det finns någon) också betalas (se avsnitt C.9 för detaljerad information angående Kupongen). Lånen kommer dessutom att vara föremål för förtida återbetalning om den avkastning som genereras av Korgen överstiger den relevanta barriärnivån på någon Värderingsdag före den slutliga Värderingsdagen.</p> <p><i>"Autocallstruktur Kort"</i>: denna struktur liknar "Autocallstruktur Long" med den skillnaden att den positiva utvecklingen för Referenstillgångarna inom Korgen kommer att ha en negativ inverkan på Lånens avkastning.</p> <p><i>"Best of/Worst of Autocallable"</i> struktur: detta är detsamma som "Autocallstruktur Long", förutom att Återbetalningsbeloppet (och all eventuell förtida återbetalning) bestäms med hänvisning till slutpriset hos den N:th bäst presterande Referenstillgången snarare än Korgen som helhet. Värdet på N kommer att specificeras i de tillämpliga Slutliga Villkoren.</p> <p><i>"Replacement Basket"</i> struktur: Återbetalningsbeloppet beräknas på liknande sätt som för Basket Long-strukturen, med skillnaden att de avkastningar som genereras av Referenstillgångarna med bäst värdeutveckling ersätts med ett förbestämt värde för syftet att bestämma Korgens totala värdeutveckling.</p> <p><i>"Locally Capped Basket"</i> struktur: Återbetalningsbeloppet beräknas på liknande sätt som för Basket Long-strukturen, med skillnaden att den avkastning som genereras av varje Referenstillgång är föremål för ett förbestämt maximalt procentvärde för syftet att bestämma Korgens totala värdeutveckling.</p> |
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|  |  | <p><i>"Rainbow Basket" struktur:</i> Återbetalningsbeloppet beräknas på liknande sätt som Basket Long-strukturen, med skillnaden att viktningen för varje Referenstillgång i Korgen bestäms med hänvisning till den relativa värdeutvecklingen hos varje Referenstillgång. Avkastningen från varje Referenstillgång mäts separat på förfallodagen och rangordnas baserat på deras relativa värdeutveckling. Viktningen för varje Referenstillgång kommer att motsvara de viktningar som anges för den relativa rangordningen i de tillämpliga Slutliga Villkoren.</p> <p><i>"Booster" strukturer:</i> Boosterstrukturer har en förbättrad positiv eller negativ avkastning som baseras på utvecklingen i den underliggande Referenstillgången eller de underliggande Referenstillgångarna. Investerarens exponering mot utvecklingen i Referenstillgången kan öka eller minska genom tillämpning av olika deltagandegrader. Avkastningen kommer att tilläggas, eller dras av, Kapitalbeloppet i syfte att beräkna det betalbara Återbetalningsbeloppet vid förfallodagen. Som en följd kan en Innehavare under vissa förhållanden mottaga mindre än Kapitalbeloppet vid Lånens slutliga återbetalning. Inom en "Booster Long"-struktur kommer den positiva utvecklingen för Referenstillgångarna ha en positiv effekt på avkastningen på Lånen. I en "Booster Short"-struktur kommer en positiv utveckling i för Referenstillgångarna ha en negativ effekt på avkastningen på Lånen.</p> <p><i>"Booster Riskbarriär Short" struktur:</i> Återbetalningsbeloppet kommer bero på den avkastning som genererats av Korgen i jämförelse med en förbestämd barriärnivå för den slutliga Värderingsdagen och Korgs startvärde. Om Korgavkastningen ligger under barriärnivån på någon Värderingsdag och på eller över Korgs startvärde på någon Värderingsdag kommer Inlösenbeloppet vara summan av Lånens Kapitalbelopp och ett ytterligare som beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och Korgavkastningen. Om Korgavkastningen är på eller över barriärnivån på någon Värderingsdag men under Korgs startvärde vid den slutliga Värderingsdagen kommer Återbetalningsbeloppet vara det samma som Kapitalbeloppet. Om Korgavkastningen ligger under både barriärnivån och Korgs startvärde på någon Värderingsdag kommer Återbetalningsbeloppet beräknas med referens till Korgavkastningen och en separat deltagandegrad, vilket kommer resultera i ett Återbetalningsbelopp som är lägre än Kapitalbeloppet. Om utvecklingen för en Referenstillgång inom Korgen är positiv kommer detta ha en negativ inverkan på den totala avkastningen som genereras av Korgen. Om utvecklingen i en Referenstillgång inom Korgen är negativ kommer detta ha en positiv inverkan på den totala avkastningen som genereras av Korgen och således på det belopp som ska betalas vid återbetalning av Lånen.</p> <p><i>"Stimulerande Riskbarriär Long" struktur:</i> Återbetalningsbeloppet beräknas på ett liknande sätt som i "Booster Riskbarriär Short"-strukturen. Skillnaden är att när utvecklingen för en Referenstillgång inom Korgen är positiv kommer detta ha en positiv inverkan på den totala avkastningen som genereras av Korgen. Om utvecklingen för en Referenstillgång inom Korgen är negativ kommer detta ha en negativ inverkan på den totala avkastningen som genereras av Korgen och således på beloppet som ska betalas vid återbetalning av Lånen.</p> |
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|  | <p><i>"Bonus Booster Short"</i> struktur: Återbetalningsbeloppet beräknas på ett liknande sätt som i "Booster Riskbarriär Short"-strukturen med skillnaden att om avkastningen som genereras av Korgen aldrig ligger under barriärnivån kommer Återbetalningsbeloppet vara summan av Lånens Kapitalbelopp och ett tilläggsbelopp som är lika med det högre av (i) en förbestämd kupongnivå och (ii) ett belopp som beräknas genom att multiplicera Kapitalbeloppet med Deltagandegraden och Korgavkastningen. En positiv utveckling för Referenstillgångarna inom Korgen kommer ha en negativ inverkan på den totala avkastningen som genereras av Korgen.</p> <p><i>"Bonus Booster Long"</i> struktur: Återbetalningsbeloppet beräknas på ett liknande sätt som i "Bonus Booster Short"-strukturen. Skillnaden är att när utvecklingen för en Referenstillgång inom Korgen är positiv kommer detta ha en positiv inverkan på den totala avkastningen som genereras av Korgen. Om utvecklingen i en Referenstillgång inom Korgen är negativ kommer detta ha en negativ inverkan på den totala avkastningen som genereras av Korgen.</p> <p><i>"Periodsumme"</i>-struktur Återbetalningsbeloppet kommer vara summan av Kapitalbeloppet plus en ytterligare avkastning som baseras på den ackumulerade summan av de relativa procentuella ändringarna i den underliggande Korgen för ett antal förbestämda värderingsperioder under löptiden för Lånen. Följande funktioner kan även användas: (i) de relativa ändringarna i den underliggande Korgen kan lokalt tilldelas tak/golv-nivåer för varje värderingsperiod, (ii) den ackumulerade summan av de relativa ändringarna kan bli föremål för ett globalt tak/golv, och (iii) produkten kan ha en lock-in-funktion som innebär att den ytterligare avkastningen minst kommer vara lika med lock-in-nivån om den ackumulerade avkastningen på någon värderingsdag har nått en förbestämd lock-in-nivå.</p> <p><i>"Omvänd Periodsumme"</i> struktur: denna är väldigt lik "Periodsumme"-strukturen, men den ytterligare avkastningen beräknas genom att subtrahera de relativa procentuella ändringarna i den underliggande Korgen (för ett antal förbestämda värderingsperioder) från en förbestämd startkupong.</p> <p><i>"Ersättande Periodsumme"</i> struktur: denna är väldigt lik "Periodsumme"-strukturen där skillnaden ligger i att avkastningarna som genereras av ett visst antal av värderingsperioderna med bäst utveckling byts ut mot ett förbestämt belopp.</p> <p><i>"Omvänd Ersättande Periodsumme"</i> struktur: denna är väldigt lik "Omvänd Periodsumme"-strukturen där skillnaden är att avkastningarna som genereras av ett visst antal av värderingsperioderna med bäst utveckling byts ut mot ett förbestämt belopp.</p> <p><i>"Rainbow Ersättande Periodsumme"</i> struktur: utvecklingen i varje individuell Referenstillgång beräknas på samma grund som "Periodsumme"-strukturen. Skillnaden här är att vägningen av varje Referenstillgång inom korgen bestäms efter det att utvecklingen i varje Referenstillgång är känd, enligt principen att den bäst presterande underliggande ges högst vikt och så vidare.</p> <p><i>"Omvänd konvertibel"</i> struktur: om Korgavkastningen ligger på eller över korgens startnivå, kommer Återbetalningsbeloppet vara lika med Lånens Kapitalbelopp. Om Korgens avkastning ligger under korgens startnivå kommer Återbetalningsbeloppet att vara lika med Kapitalbeloppet minus ett belopp som beräknas genom att multiplicera Kapitalbeloppet med Deltagandegraden och Korgavkastningen och därmed få fram ett Återbetalningsbelopp som är lägre än Lånens Kapitalbelopp. En positiv utveckling i Referenstillgångarna inom Korgen kommer ha en positiv inverkan på Korgens totala avkastning och tvärtom kommer en negativ utveckling i de individuella Referenstillgångarna ha en negativ inverkan på Korgens totala avkastning.</p> |
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|  |  | <p><i>"Omvänd Konvertibel Riskbarriär" struktur:</i> om summan av Korgens avkastning och 1 är lika med eller över Korgs Startnivå vid den slutliga Värderingsdagen kommer Återbetalningsbeloppet att vara lika med Kapitalbeloppet.</p> <p>Om summan av Korgens avkastning och 1 ligger under Barriärnivån på någon Värderingsdag, och om Korgavkastningen vid den slutliga Värderingsdagen ligger under Korgs Startnivå kommer Återbetalningsbeloppet beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och Korgavkastningen och beloppet som ges kommer att adderas till Lånens Kapitalbelopp (i det här fallet kommer Återbetalningsbeloppet vara lägre än Kapitalbeloppet).</p> <p><i>"Worst of Omvänd Konvertibel"-struktur:</i> Återbetalningsbeloppet beräknas på samma sätt som i "Omvänd Konvertibel"-strukturen, förutom att den möjliga negativa utbetalningen bestäms med referens till utvecklingen för Referenstillgången med sämst värdeutveckling (i motsats till den totala utvecklingen i Korgen).</p> <p><i>Up and In Long:</i> Up and In Long är en barriäroption. Vid förfallodagen mottar Innehavaren en ytterligare avkastning som beräknas genom att multiplicera Deltagandegraden med Lånens Kapitalbelopp och med differensen mellan Korgavkastningen och Korglösennivån om Korgen, på någon Värderingsdag under Lånens löptid, har utvecklats på eller över den förbestämda Barriärnivån. Om Barriärnivån inte har nåtts vid någon Värderingsdag kommer tilläggsbeloppet vara lika med noll och Återbetalningsbeloppet kommer vara lika med Lånens Kapitalbelopp. Barriärnivån är alltid högre än Korgenlösenprisnivån.</p> <p><i>Up and out Long:</i> Up and out Long är en barriäroption. Vid förfallodagen mottar Innehavaren en ytterligare avkastning som beräknas genom att multiplicera Deltagandegraden med Kapitalbeloppet och med differensen mellan Korgavkastningen och Korgenslösennivån, eller, om det är högre, en förbestämd kupongnivå om Korgen, vid någon Värderingsdag under Lånens löptid, har utvecklats på eller över den förbestämda Barriärnivån. Om Barriärnivån inte har nåtts vid någon Värderingsdag kommer tilläggsbeloppet vara lika med noll och Återbetalningsbeloppet kommer vara lika med Lånens Kapitalbelopp. Barriärnivån är alltid högre än Korgenslösennivån.</p> <p><i>Equity Ackumulerande Asian Regnbågsoption:</i> Denna struktur är väldigt lik Regnbågskorgen, men vikten av de underliggande Referenstillgångarna bestäms på Lånedatum och omräknas därefter baserat på utvecklingen för de individuella Referenstillgångarna i Korgen. På varje efterföljande Värderingsdag omräknas vikten för varje Referenstillgång så att Referenstillgången med bäst utveckling kommer motta den högsta viktningen för nästa Värderingsperiod, den andra bästa kommer motta den andra högsta viktningen och så vidare.</p> <p><i>Down and Out Basket Long:</i> Down and Out Basket Long-strukturen är en barriäroption. Vid förfallodagen mottar Innehavaren en ytterligare avkastning som beräknas som produkten av Deltagandegraden, Lånens Kapitalbelopp och differensen mellan Korgavkastningen och Korglösennivån, om Korgen inte, vid någon Värderingsdag under Lånens löptid, har fixerats på eller över en förbestämd Barriärnivå. Detta innebär att om Barriärnivån överträds på någon Värderingsdag kommer tilläggsutbetalningen att bli lika med noll och Återbetalningsbeloppet kommer vara lika med Lånens Kapitalbelopp.</p> |
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|  | <p><i>Worst of Digital Memory Coupon:</i> Worst of Digital Memory Coupon är en typ av memorykupongoption med ett digitalt utbetalningsvillkor. Det ackumulerade nominella värdet på utbetalningarna (dvs. den ”upplupna kupongen”) kan inte minska, varför strukturen antingen betalar ut det totala upplupna beloppet efter den slutliga Värderingsdagen (Worst of Digital Kupong Memory 1), eller alternativt den upplupna tilläggskupongen efter varje Värderingsdag (Worst of Digital Kupong Memory 2).</p> <p><i>Worst of Calloption:</i> Worst of Calloption-strukturen ger Innehavaren en exponering mot Referenstillgången med sämst värdeutveckling i Korgen. Tilläggsbeloppet som ska betalas till Innehavaren kommer vara det högre av noll och Referenstillgångsavkastningen för Referenstillgången med sämst värdeutveckling.</p> <p><i>Outperformance Option:</i> Outperformance Option erbjuder investeraren möjligheten till en graderad avkastning på en Korg med underliggande Referenstillgångar. Medan utbetalningen från en vanlig Korgstruktur är beroende av den absoluta utvecklingen för en Korg som består av en eller flera Referenstillgångar beror utbetalningen i en Outperformancesstruktur på den relativa utvecklingen för två Korgar, inte på den absoluta utvecklingen för varje Korg.</p> <p><i>”Non-Tranched CLN” och ”Tranched CLN” strukturer:</i> Återbetalningsbeloppet och, om tillämpligt, ränteutbetalningarna, baseras på de viktade förlusterna i samma eller olika portföljer av Referensenheter som ett resultat av att en eller flera Kredithändelser inträffar. För Tranched CLN:er kan det förekomma att en Kredithändelse inte har någon inverkan eller en mer proportionerlig inverkan på Återbetalningsbeloppet och, om relevant, ränteutbetalningar. Tranchfunktionen används för att bestämma andelen av förluster som en Innehavare kommer vara exponerad mot i händelse av att en Kredithändelse som påverkar en eller flera Referensenheter.</p> <p><i>”N:th to Default” och ”N:th och N:te+1 to Default”-strukturer:</i> Återbetalningsbeloppet och, om tillämpligt, ränteutbetalningarna, baseras på antalet och potentiellt ordningsföljden Kredithändelser i samma Referensenhetsportfölj. Gällande N:th to Default-CLN:er, har inträffandet av N-1 Kredithändelser inte någon inverkan på Återbetalningsbeloppet och (om några) ränteutbetalningar, samtidigt som N:th Kredithändelsen kommer ha en mer än proportionerlig inverkan på dessa siffror. På samma sätt gällande N:th och N:th+1 to Default-CLN:erna kommer inverkan från den N:th och N:th+1 Kredithändelsen ha en mer än proportionerlig inverkan.</p> <p><i>Digital Long</i></p> <p>Om Korgavkastningen vid den slutliga Värderingsdagen överstiger Korgenlösennivån kommer Återbetalningsbeloppet vara summan av Lånens Kapitalbelopp och ett ytterligare belopp som är lika med Lånens Kapitalbelopp multiplicerat med Kupongen.</p> <p>Om Korgavkastningen inte överstiger Korgenlösennivån vid den slutliga Värderingsdagen kommer Återbetalningsbeloppet vara Lånens Kapitalbelopp.</p> <p>Den positiva utvecklingen i Referenstillgångarna kan ha en positiv eller negativ inverkan på avkastningen på Lånen, beroende på beräkningen av den underliggande Korgavkastningen.</p> <p>[Den underliggande Korgavkastningsstrukturen är den Långa/Korta strukturen]</p> <p>[Ej tillämpligt]</p> |
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|  |  | <p><i>Digital Short</i></p> <p>Om Korgavkastningen vid den slutliga Värderingsdagen understiger Korglösennivån kommer Återbetalningsbeloppet vara Lånens Kapitalbelopp och ett ytterligare belopp som är lika med Lånens Kapitalbelopp multiplicerat med Kupongen.</p> <p>Om Korgavkastningen är lika med eller överstiger Korglösennivån vid den slutliga Värderingsdagen kommer Återbetalningsbeloppet vara Lånens Kapitalbelopp.</p> <p>Den positiva utvecklingen i Referenstillgångarna kan ha en positiv eller negativ inverkan på avkastningen på Lånen, beroende på beräkningen av den underliggande Korgavkastningen.</p> <p><i>[Den underliggande Korgavkastningsstrukturen är den Långa/Korta strukturen]</i></p> <p><i>[Ej tillämpligt]</i></p> <p><i>Worst of Digital Long</i></p> <p>Om Referenstillgångsavkastningen för Referenstillgången med sämst värdeutveckling vid den slutliga Värderingsdagen överstiger den relevanta Barriärnivån kommer Återbetalningsbeloppet vara Lånens Kapitalbelopp och ett ytterligare belopp som är lika med Lånens Kapitalbelopp multiplicerat med Kupongen.</p> <p>Om Referenstillgångsavkastningen för Referenstillgången med sämst värdeutveckling vid den slutliga Värderingsdagen inte överstiger den relevanta Barriärnivån kommer Återbetalningsbeloppet vara Lånens Kapitalbelopp.</p> <p>Referenstillgången med ”sämst värdeutveckling” kommer vara Referenstillgången med den lägsta Referenstillgångsavkastningen.</p> <p>Den positiva utvecklingen i Referenstillgångarna kan ha en positiv eller en negativ inverkan på avkastningen på Lånen, beroende på beräkningen av den underliggande Korgavkastningen.</p> <p><i>[Den underliggande Korgavkastningsstrukturen är den Långa/Korta strukturen]</i></p> <p><i>[Ej tillämpligt]</i></p> |
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|  |  | <p><i>Worst of Digital Short</i></p> <p>Om Referenstillgångsavkastningen på Referenstillgången med sämst värdeutveckling vid den slutliga Värderingsdagen ligger under den relevanta Barriärnivån kommer Återbetalningsbeloppet vara Lånens Kapitalbelopp och ett ytterligare belopp som är lika med Lånens Kapitalbelopp multiplicerat med Kuponen.</p> <p>Om Referenstillgångsavkastningen för Referenstillgången med sämst värdeutveckling vid den slutliga Värderingsdagen är lika med eller över den relevanta Barriärnivån kommer Återbetalningsbeloppet vara Lånens Kapitalbelopp.</p> <p>Referenstillgången med sämst värdeutveckling kommer vara Referenstillgången med lägst Referenstillgångsavkastning</p> <p>Den positiva utvecklingen i Referenstillgången kan ha en positiv eller negativ inverkan på Lånens avkastning beroende på beräkningen av den underliggande Referenstillgångsavkastningen.</p> <p><i>Den underliggande Referenstillgångsavkastningsstrukturen är den Långa/Korta strukturen]</i></p> <p><i>[Ej tillämpligt]</i></p> <p><i>"Series of Digitala":</i> Återbetalningsbeloppet påverkas av den procentandel av Referenstillgångarna inom Korgen som ligger över en förbestämd barriärnivå på varje bankdag fram till och med den relevanta Värderingsdagen.</p> <p><i>"Delta 1 struktur":</i> Återbetalningsbeloppet kommer vara lika med det återbetalningsbelopp som Innehavaren av sådana Referenstillgångar mottar vid en inlösen av alla Referenstillgångar i Korgen minus (i) en betalbar struktureringsavgift till Emittenten och (ii) alla tillämpliga skatter. En Delta 1-struktur speglar i praktiken vinsterna eller förlusterna som en investerare skulle göra genom ett direkt ägande av de relevanta Referenstillgångarna. Om hedgingparten inte kan inlösa Referenstillgångarna innan det planerade förfallodatumet, eller om hedgingparten fastställer att den inte kommer motta det totala beloppet av återbetalningsbeloppen innan det planerade förfallodatumet, kommer en uppskjuten återbetalning ske och Emittenten kan göra en delvis inlösen av Lånen när och som den relevanta hedgingparten mottar en väsentlig del av återbetalningsbeloppen, eller upphäva Lånen utan att göra någon betalning till innehavarna om Emittenten fastställer att återbetalningsbeloppen inte kommer mottas tidigare än det specificerade long stop-datumet.</p> <p><i>"TOM Ackumulerande Struktur":</i> om detta är tillämpligt kommer Återbetalningsbeloppet endast påverkas av den underliggande utvecklingen av Korgen under vissa perioder under Lånens löptid. Under andra perioder kommer Inlösenbeloppet vara länkat till en förbestämd referenskurs.</p> <p><i>TOM Ackumulerande Strukturen är tillämplig/ej tillämplig.</i></p> |
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|  |  | <p><i>Valutakomponenter:</i> om Valuta-komponenterna tillämpas på en eller flera värdeutvecklingsstrukturer angivna ovan kan Korgavkastningen eller Referenstillgångsavkastningen justeras genom att de multipliceras med en faktor som återspeglar variationen i en eller flera utländska valutakurser under de relevanta tidsperioderna som mäts eller observeras.</p> <p>[Valutakomponenten är tillämplig på Korgavkastningen/Referenstillgångsavkastningen]</p> <p>[Valutakomponenten är ej tillämplig]</p> <p><i>Best of/Worst of Modifier:</i> om Best of/Worst of Modifier tillämpas på en eller flera värdeutvecklingsstrukturer angivna ovan ska de relevanta iakttagelserna, värderingarna och beräkningarna av Återbetalningsbeloppet fastställas med referens till utvecklingen av den N:th bäst presterande Referenstillgången, istället för till Korgen som helhet. N kommer att vara ett förbestämt värde som finns angivet i de Slutliga Villkoren.</p> <p>[Best of/Worst of Modifierare är tillämpligt och värdet av N är: [ ]/Ej tillämpligt]</p> <p><i>"Inflation Linker 2":</i> Återbetalningsbeloppet kommer vara Lånens Kapitalbelopp multiplicerat med det högsta av 1 och resultatet som fås genom att dela Inflationstakten vid den slutliga Värderingsdagen med Inflationstakten på Startdagen.</p> <p><i>Kombinationer av Strukturer:</i> Emittenten kan välja att kombinera en eller flera av värdeutvecklingsstrukturerna som beskrivs ovan i samband med ett utgivande av Lån. I ett sådant fall kommer det totala Återbetalningsbeloppet som ska betalas till till Innehavare vara summan av de olika tillämpliga Återbetalningsbeloppen i varje fall multiplicerat med en andel som motsvarar den totala andelen av den sammanlagda avkastningen som Emittenten avser att varje värdeutvecklingsstruktur bidrar.</p> <p><i>Ej tillämpligt/Kombination av Strukturer är tillämpligt, de relevanta Värdeutvecklingsstrukturerna finns angivna nedan.</i></p> <p><i>"Lägsta Återbetalningsbelopp":</i> om ett lägsta återbetalningsbelopp är tillämpligt kommer Återbetalningsbeloppet vara det större av (i) det beräknade beloppet i enlighet med en av värdeutvecklingsstrukturerna angivna ovan och (ii) produkten av Kapitalbeloppet och en förbestämd lägsta återbetalningsnivå som fastställts av Emittenten vid Lånedatum.</p> <p><i>Ej tillämpligt/Lägsta Återbetalningsbeloppet är [ ]</i></p> <p><i>"Inflationsskyddat Kapitalbelopp":</i> om detta är tillämpligt kommer Återbetalningsbeloppet som fastställts i enlighet med de angivna värdeutvecklingsstrukturerna ovan att multipliceras med utvecklingen i ett angivet inflationsmått, såsom konsumentprisindex, under Lånens löptid.</p> <p><i>De(n) tillämpliga värdeutvecklingsstrukturen(-erna) är [ ].</i></p> |
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| <b>C.11</b><br><b>C.21</b> | <b>Upptagande till handel på en reglerad marknad:</b> | <p>Ansökningar har gjorts för att Lånen inom en period av tolv månader från detta datum ska bli godkända för notering på den officiella listan och för handel på den reglerade marknaden Irish Stock Market Exchange. Programmet tillåter även att Lån utfärdas på förutsättningen att de inte kommer bli godkända för listning, handel och/eller notering av någon behörig myndighet, aktiebörs och/eller marknadssystem eller godkännas för listning, handel och/eller notering på sådan annan eller ytterligare behörig myndighet, aktiebörs och/eller marknadssystem som kan avtalas om med den relevanta Emittenten.</p> <p><i>Lånen är icke-noterade Lån./Ansökan kommer göras för Lånen för att godkännas för notering på [ ] och för handel på [ ] med verkan från [ ].</i></p>                                                                                                                                                                                                                                                       |
| <b>C.15<sup>3</sup></b>    | <b>Lånens värde och värdet för det underliggande:</b> | <p>Värdet på Lånen kommer att bestämmas med referens till värdet av det underliggande och den värdeutvecklingsstruktur som är tillämplig för Lånen. Uppgifter om de olika värdeutvecklingsstrukturerna och förhållandet mellan Lånens värde och värdet av det underliggande finns angivet i avsnitt C.10.</p> <p><i>Detaljer om den tillämpliga värdeutvecklingsstrukturen och avkastningen på Lånen finns angivet i avsnitt C.10.</i></p> <p>Lånens struktur kan innehålla en deltagandegrad som används för att fastställa exponeringen mot respektive Referenstillgång(ar), dvs. proportionen av ändring i värdet som tillfaller investeraren i varje individuellt Lån. Deltagandegraden bestäms av den relevanta Emittenten och fastställs genom, bland annat, löptiden, volatiliteten, marknadsräntan och den förväntade Referenstillgångsavkastningen.</p> <p><i>Den [indikativa] Deltagandegraden är: [ ]</i></p>                                                                                                                      |
| <b>C.16</b>                | <b>Inlösen- eller förfallodag:</b>                    | <p>Med förbehåll för en förtida återbetalning, kommer inlösendagen (eller den slutliga Återbetalningsdagen) vara Lånens förfallodag.</p> <p><i>Lånens återbetalningsdag är: [•]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>C.17</b>                | <b>Avräkningsförfarande:</b>                          | <p>Dagen eller dagarna då värdeutvecklingen i en Referenstillgång mäts eller observeras ("<b>Värderingsdag(ar)</b>" eller "<b>Observationsdag(ar)</b>") kommer anges i de relevanta Slutliga Villkoren.</p> <p><i>Värderingsdagen(-arna) är: [ ]</i></p> <p><i>[Observationsdagen(-arna) är:[ ]]</i></p> <p>Avräkning av Lån som representeras av ett Globalt Lån ska ske på den relevanta Återbetalningsdagen och kommer att genomföras genom att den relevanta Emittenten betalar Återbetalningsbeloppet till de relevanta Betalningsagenterna för vidare överföring till Euroclear och Clearstream, Luxemburg. Investerare kommer motta sina återbetalningssummor till sina konton i Euroclear och Clearstream, Luxemburg, i enlighet med sedvanliga avräkningsförfaranden hos Euroclear och Clearstream, Luxemburg.</p> <p>Med hänsyn till Lån av definitiv typ kommer betalning av Återbetalningsbeloppet göras mot presentation och överlämnande det individuella Lånet vid det angivna betalningsagent- eller registratorkontoret.</p> |

<sup>3</sup> Avsnitt c.15 till och med 20 bör avlägsnas när det gäller utgivande av enkelt lån.

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|             |                                                 | <p>Avräkning av VP-Lån ska ske i enlighet med VP-reglerna, avräkning av VPS-Lån ska ske i enlighet med VPS-reglerna, avräkning av Svenska Lån ska ske i enlighet med Euroclear Swedens regler och avräkning av Finska Lån ska ske i enlighet med Euroclear Finlands regler.</p> <p><i>Avräkning av Lån ska ske: [ ]</i></p>                                                                                                                                                                                                                  |
| <b>C.18</b> | <b>Avkastning:</b>                              | <p>Avkastningen eller Återbetalningsbeloppet som ska betalas till Investerna kommer fastställas med referens till värdeutvecklingen för de underliggande Referenstillgångarna/-enheterna inom en specifik räntestruktur eller värdeutvecklingsstruktur som är tillämplig för Lånen. Detaljer om olika ränte- och värdeutvecklingsstrukturer finns angivna i avsnitt C.9 och C.10.</p> <p><i>Detaljer kring de(n) tillämpliga ränte- och utvecklingsstrukturen(-erna) och avkastningen på Lånen finns angivna i avsnitt C.9 och C.10.</i></p> |
| <b>C.19</b> | <b>Optionskurs eller Slutligt Referenspris:</b> | <p>Det slutliga referenspriset på de(n) relevanta Referenstillgången(-arna) kommer ha en inverkan på Återbetalningsbeloppet som ska betalas till Investerna. Det slutliga referenspriset kommer fastställas på de(n) tillämpliga Värderingsdagen(-arna) som anges i de relevanta Slutliga Villkoren.</p> <p><i>Det Slutliga Referenspriset på Referenstillgångarna kommer att beräknas som [stängningskurs]/[genomsnittliga slutkurser] som publicerats av [•] på vardera av [•], [•] och [•].</i></p>                                       |
| <b>C.20</b> | <b>Typ av underliggande:</b>                    | <p>Det underliggande kan utgöra en, eller en kombination, av följande: aktier, tillgångar, index, referenskrediter, index, fonder, råvaror eller valutor.</p> <p><i>Typ av underliggande är: [ ].</i></p>                                                                                                                                                                                                                                                                                                                                    |

| <b>Avsnitt D - Risker</b> |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <b>D.2</b>                | <b>Risker specifika för Emittenterna:</b> | <p>Vid förvärv av Lån påtar sig investerna risken att den relevanta Emittenten kan bli insolvent eller på annat sätt bli oförmögen att betala förfallna belopp hänförliga till Lånen. Det finns ett stort antal faktorer som var för sig eller tillsammans kan leda till att den relevanta Emittenten blir oförmögen att betala förfallna belopp hänförliga till Lånen. Det är möjligt att identifiera alla sådana faktorer eller fastställa vilka faktorer som är mest troliga att inträffa, eftersom den relevanta Emittenten kan vara ovetande om alla relevanta faktorer samt att vissa faktorer som denne för närvarande inte anser vara relevanta kan komma att bli relevanta till följd av händelser som inträffar och som befinner sig utanför den relevanta Emittentens kontroll. Emittenterna har i Grundprospektet identifierat ett antal faktorer som avsevärt skulle kunna inverka negativt på dess respektive verksamhet och förmåga att under Lånen betala förfallna belopp. Dessa faktorer innefattar:</p> <p><b><i>Risker med anknytning till aktuella makroekonomiska förhållanden</i></b></p> <p>Risker med anknytning till den europeiska ekonomiska krisen har haft och kan även i fortsättningen komma att ha, en negativ påverkan på den globala ekonomin och finansmarknaderna. Om förhållandena kvarstår, eller om turbulens uppstår på dessa eller andra marknader, kan det på ett betydande sätt negativt påverka Nordea-koncernens förmåga att få tillgång till kapital och likviditet på ekonomiska villkor som Nordea-koncernen kan acceptera.</p> |

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|  |  | <p>Vidare påverkas Nordea-koncernens resultat på ett betydande sätt av det allmänna ekonomiska läget i de länder där den bedriver verksamhet, i synnerhet på de nordiska marknaderna (Danmark, Finland, Norge och Sverige). En negativ utveckling för ekonomin och marknadsförhållanden där koncernen bedriver verksamhet, kan negativt påverka koncernens verksamhet, finansiella tillstånd och verksamhetsresultat och det åtgärder som Nordea-koncernen vidtar kan visa sig otillräckliga för att minska kredit-, marknads- och likviditetsrisker.</p> <p><b><i>Risker med anknytning till Nordea-koncernens kreditportfölj</i></b></p> <p>Negativa ändringar i kreditvärdigheten hos Nordea-koncernens låntagare och motparter, eller en minskning i värdet för säkerheter, kommer sannolikt påverka Nordea-koncernens återhämtningsmöjligheter och värdet av dess tillgångar, vilket kan kräva en ökning av företagets enskilda regler och eventuellt i de kollektiva reglerna för dåliga lån. En betydande ökning i storleken på Nordeas avsättningar för låneförluster och låneförluster som inte täcks av avsättningar, skulle på ett betydande sätt negativt påverka Nordea-koncernens verksamhet, finansiella läge och verksamhetsresultat.</p> <p>Nordea-koncernen är exponerad för motparter kreditrisker, förlikningsrisker och överlåtelse risker i förhållande till transaktioner som genomförs inom sektorn för finansiella tjänster och denna sektors handel med finansiella instrument. Om motparterna inte klarar att fullgöra sina åtaganden kan detta på ett betydande sätt negativt påverka Nordea-koncernens verksamhet, ekonomiska läge och verksamhetsresultat.</p> <p><b><i>Risker med anknytning till marknadsexponering</i></b></p> <p>Värdet på finansiella instrument som ägs av Nordea-koncernen är känsliga för volatiliteten i, och korrelationer mellan, olika marknadsvariabler, bland annat räntor, kreditspridningar, aktiepriser och utländska valutakurser. Nedskrivningar eller avskrivningar som kostnadsförts kan på ett betydande sätt negativt påverka Nordea-koncernens verksamhet, ekonomiska läge och verksamhetsresultat, medan finansmarknadens resultat och volatila marknadsförhållanden kan resultera i en betydande minskning i Nordea-koncernens handels- och investeringsinkomster, eller leda till en handelsförlust.</p> <p><b><i>Nordea-koncernen är utsatt för strukturella marknadsrisker</i></b></p> <p>Nordea-koncernen är utsatt för strukturell ränteinkomstrisk när det råder ett missförhållande mellan perioder då räntesatser förändras, volymer eller referensräntor för sina tillgångar, skulder och derivat. Nordea-koncernen är även utsatt för valutakonverteringsrisk som uppstår genom företagets svenska och norska bankverksamheter när den sammanställer koncernens konsoliderade årsredovisning i sin funktionella valuta, euron. Om ett missförhållande råder under en viss period, vid ändringar i räntan, eller om valutariskexponeringen inte hedgas tillräckligt, kan det på ett betydande sätt få en negativ påverkan för Nordea-koncernens ekonomiska läge och verksamhetsresultat.</p> |
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|  |  | <p><b>Risker med anknytning till likviditets- och kapitalkrav</b></p> <p>En betydande andel av Nordea-koncernens likviditets- och finansieringskrav uppfylls genom insättningar från kunder, samt även en kontinuerlig tillgång till marknader för storskaliga lån, bland annat utfärdandet av långfristiga skuldebrev, t.ex. säkerställda obligationer. Turbulens på de globala finansmarknaderna och ekonomin kan negativt påverka Nordea-koncernens likviditet och villigheten hos vissa motparter och kunder att göra affärer med Nordea-koncernen.</p> <p>Nordea-koncernens verksamhetsresultat kan påverkas om de kapitaltäckningskrav som företaget måste upprätthålla enligt European Capital Requirements Directive (Europeiska direktivet om kapitalkrav) (bestående av direktiv 2006/48/EG och direktiv 2006/49/EG), minskas eller uppfattas som otillräckliga.</p> <p>Nordea-koncernens finansieringskostnader och företags tillgång till skuldkapitalmarknader påverkas på ett betydande sätt av dess kreditbetyg. En sänkning av kreditbetyget kan negativt påverka Nordea-koncernens tillgång till likviditet och dess konkurrensläge, och därför på ett betydande sätt negativt påverka företags verksamhet, ekonomiska tillstånd och verksamhetsresultat.</p> <p><b>Andra risker med anknytning till Nordea-koncernens verksamhet</b></p> <p>För att Nordea-koncernens verksamhet ska fungera måste företaget kunna genomföra ett stort antal komplexa transaktioner på olika marknader i många valutor. Transaktioner genomförs genom många olika enheter. Trots att Nordea-koncernen har implementerat riskkontroller och vidtagit andra åtgärder för att minska exponeringen och/eller förlusterna, finns inga garantier för att sådana procedurer kommer att vara effektiva i att hantera de olika verksamhetsrisker som Nordea-koncernen står inför, eller att Nordea-koncernens rykte inte skadas genom förekomsten av operationell risk.</p> <p>Nordea-koncernens verksamheter i Polen, Ryssland och Baltikum – marknader som vanligen är mer volatila och mindre ekonomiskt och politiskt utvecklade än marknaderna i Västeuropa och Nordamerika – innebär olika risker som inte gäller, eller gäller i mindre grad, för företags verksamheter i Norden. Vidare är vissa av dessa marknader vanligtvis mer volatila och mindre utvecklade rent ekonomiskt och politiskt än marknader i Västeuropa och Nordamerika.</p> <p>Nordea-koncernens resultat bygger till stor del på dess anställdas höga kompetens och yrkesskicklighet. Nordea-koncernens fortsatta förmåga att konkurrera effektivt och implementera sin strategi är beroende av förmågan att dra till sig nya anställda och att behålla och motivera befintliga anställda. Förluster av vissa nyckelpersoner, särskilt om de går över till konkurrenter, eller en oförmåga att dra till sig och behålla högkompetent personal i framtiden, kan få en negativ effekt på Nordea-koncernens verksamhet.</p> <p>Det råder konkurrens om de olika typer av banktjänster och produkter som Nordea-koncernen erbjuder. Det finns inga garantier för att Nordea-koncernen kommer att behålla sin konkurrensposition.</p> <p><b>Risker med anknytning till lagar och regulatoriska krav på området där Nordea-koncernen bedriver sin verksamhet</b></p> <p>Nordea Group måste följa ett stort antal regler och kontrolleras av olika myndigheter, såväl som lagar och bestämmelser, administrativa påbud och policyer i de olika jurisdiktioner som företaget verkar, vilka alla kan ändras. Detta kan vid var tid för förändring innebära betydande utgifter.</p> |
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|     |                                    | <p>Nordea-koncernen kan ådra sig betydande kostnader för kontroller och uppfyllandet av nya kapitalkrav, samt krav på återvinning och upplösning, vilket även kan påverka befintliga affärsmodeller. Vidare finns inga garantier om att brott mot lagar och bestämmelser av Nordea-koncernen inte sker eller att, om ett sådant brott sker, företaget inte får betala stora skadestånd eller böter.</p> <p>Under normal drift av verksamheten gäller för Nordea-koncernen att det förekommer risker med anknytning till myndigheters kontroller och skadestånd. Nordea-koncernen är föremål för många olika anspråk, tvister, processer och statliga utredningar i jurisdiktioner där företaget är aktivt. Dessa slags anspråk och processer utsätter Nordea-koncernen för risker för monetära skadestånd, direkta eller indirekta förluster (bl.a. rättskostnader), direkt eller indirekt ekonomisk förlust, civilrättsliga och straffrättsliga sanktioner, förlust av licenser eller goodwill-skada, samt även risken för restriktioner för verksamhetens fortsatta drift.</p> <p>Nordea-koncernens verksamhet beskattas olika runt om i världen i enlighet med lokala lagar och praxis. Lagändringar eller beslut av skattemyndigheterna kan skada Nordea-koncernens nuvarande eller tidigare skatteläge.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| D.3 | <b>Risker specifika för Lånen:</b> | <p>Risker finns även i samband med emission av Lånen under Programmet och särskilda typer av Lån, vilka potentiella investerare noga ska beakta, så att de är införstådda i dessa risker innan ett investeringsbeslut fattas med avseende på Lånen, bland annat följande:</p> <ul style="list-style-type: none"> <li>• <i>Produktens komplexitet</i> – avkastningsstrukturen för strukturerade Lån är ibland komplex och kan innehålla matematiska formler eller samband som, för en investerare, kan vara svåra att förstå och jämföra med andra investeringsalternativ. Noteras bör att relationen mellan avkastning och risk kan vara svår att utvärdera.</li> <li>• <i>Lån vars kapitalbelopp inte är garanterat</i> – Lån vars kapitalbelopp inte är garanterade får emitteras enligt Programmet. Om Lånen kapitalbelopp inte är garanterade, finns ingen garanti för att avkastningen som en investerare får på Lånen vid inlösen kommer att överstiga eller vara lika med kapitalbeloppet.</li> <li>• <i>Prissättning av strukturerade Lån</i> – Prissättningen av strukturerade Lån bestäms vanligen av Emittenten ifråga, och inte utifrån förhandlade villkor. Det kan därför uppstå en intressekonflikt mellan Emittenten ifråga och investerarna, i det att Emittenten ifråga kan påverka prissättningen och försöker generera en vinst eller undvika en förlust i relation till de underliggande referenstillgångarna. Emittenten har ingen skyldighet att agera i Innehavarnas intresse.</li> <li>• <i>Referenstillgångarnas värdeutveckling</i> – Med strukturerade Lån är Innehavarnas rätt till avkastning och ibland återbetalningen av kapitalbeloppet, beroende av hur bra värdeutvecklingen är för en eller flera referenstillgångar och den gällande avkastningsstrukturen. Värdet på strukturerade tillgångar påverkas av värdet på referenstillgångarna vid vissa tidpunkter under värdepapprens löptid, hur starkt priserna hos referenstillgångarna varierar, förväntningarna angående den framtida volatiliteten, marknadsräntorna och förväntade utdelningar på referenstillgångarna.</li> </ul> |

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|  |  | <ul style="list-style-type: none"> <li>• <i>Valutafluktuationer.</i> Växelkurserna för utländska valutor kan påverkas av komplexa politiska och ekonomiska faktorer, inklusive relativa inflationstakter, betalningsbalansen mellan länder, storleken på regeringars budgetöverskott eller budgetunderskott och den monetära, skatte- och/eller handelspolitiska policy som följs av de relevanta valutornas regeringar. Valutafluktuationer kan påverka värdet eller nivån hos Referenstillgångarna på komplexa sätt. Om sådana valutafluktuationer får värdet eller nivån hos Referenstillgångarna att variera, så kan värdet eller nivån på Lånen falla. Om värdet eller nivån hos en eller flera Referenstillgång(ar) är utfärdad(e) i en valuta som är annan än valutan i vilken Lånen är utfärdade, så kan investerarna vara utsatta för en ökad risk som kommer från växelkurser för främmande valutor. Tidigare växelkurser för utländska valutor är inte nödvändigtvis indikationer beträffande framtida växelkurser för utländska valutor.</li> <li>• <i>Aktier som Referenstillgångar</i> – aktielänkade Lån är inte sponsrade eller främjade av Emittenten av aktierna. Emittenten av aktierna har därför inte någon skyldighet att beakta intresset för dem som investerat i Lånen varför åtgärder tagna av en sådan Emittent av aktier skulle kunna negativt påverka Lånens marknadsvärde. Den som investerat i Lånen har inte rätt att få några utbetalningar eller andra utdelningar till vilka en direkt ägare av de underliggande aktierna annars skulle ha rätt.</li> <li>• <i>Index som Referenstillgångar</i> – Lån som baserar sig på index som Referenstillgångar kan få lägre betalning vid inlösen av sådana Lån än om han eller hon hade investerat direkt i de aktier/tillgångar som utgör indexet. Sponsorn av vilket som helst index kan lägga till, ta bort eller ersätta komponenter eller göra metodändringar som kan påverka nivån på sådant index och därmed den avkastning som skall betalas till investerare i Lånen.</li> <li>• <i>Råvaror som Referenstillgångar</i> – att handla i råvaror är spekulativt och kan vara extremt volatilt eftersom råvarupriser påverkas av faktorer som är oförutsägbara, såsom ändringar i relationerna mellan tillgång och efterfrågan, vädermönster och regeringars politik. Råvarukontrakt kan även handlas direkt mellan marknadsaktörer ”over-the-counter” på handelsplatser som är föremål för minimal eller ingen substantiell reglering. Detta ökar riskerna som sammanhänger med likviditets- och prishistorik för de relevanta kontrakten. Lån som är länkade till terminskontrakt för råvaror kan ge en annan avkastning än Lån som är länkade till den relevanta fysiska råvaran, eftersom priset på ett terminskontrakt för en råvara allmänt innefattar en premie eller en rabatt jämfört med dagspriset för den underliggande råvaran.</li> <li>• <i>Exponering mot en korg av Referenstillgångar</i> – där det underliggande är en korg av Referenstillgångar, bär investerarna risken för värdeutvecklingen för var och en av delarna som korgen innehåller. Där det är en hög nivå av ömsesidigt beroende mellan de individuella delarna av korgens innehåll, så kan en ändring i värdeutvecklingen hos korgens delar överdriva värdeutvecklingen i Lånen. Dessutom kan en liten korg eller en olikartad viktad korg göra korgen sårbar för ändringar i värdet hos vilken som helst av de specifika korgkomponenterna. Varje beräkning eller värde som berör en korg med ”bästa av” eller ”sämsta av”-inslag kan producera resultat som skiljer sig mycket från dem som tar hänsyn till korgens värdeutveckling i dess helhet.</li> </ul> |
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|            |                                 | <ul style="list-style-type: none"> <li>• <i>Kreditlänkade Lån</i> – en investering i kreditlänkade Lån för med sig en exponering mot kreditrisken hos en specifik Referenstillgång eller korg av Referensenheter utöver den från den relevanta Emittenten. En reduktion av kreditvärdigheten hos en Referensenhet kan ha en väsentlig negativ effekt på marknadsvärdet för de relevanta Lånen och betalningarna av kapitalbeloppet och upplupen ränta. När en Kredithändelse inträffar, så kan den relevanta Emittentens skyldighet att betala kapitalbeloppet ersättas av en skyldighet att betala andra belopp beräknade med referens till värdet hos Referensenheten. Eftersom inga av Referensenheterna bidrog till framställandet av Grundprospektet, så finns ingen garanti för att alla väsentliga händelser eller informationer som relaterar till finansiell värdeutveckling eller kreditvärdigheten hos Referensenheterna har offentliggjorts vid den tidpunkt då Lånen emitterades.</li> <li>• <i>Automatisk Förtida Återbetalning</i> – vissa typer av Lån kan automatiskt återbetalas före deras planerade förfallodatum om vissa villkor är uppfyllda. I en del fall kan detta resultera i en förlust av en del eller hela investerarens investering.</li> <li>• <i>Lån som är föremål för valfri återbetalning av Emittenten</i> – en valfri återbetalning kan sannolikt minska Lånens marknadsvärde.</li> <li>• <i>Lån emitterade med väsentlig rabatt eller premie</i> – marknadsvärdet av Lånen av denna typ tenderar att fluktuera mer i relation till allmänna ändringar i räntesatser än priser för konventionella räntebärande värdepapper.</li> </ul> <p>Det finns också vissa risker rörande Lånen i allmänhet, såsom modifikationer och undantag, risken för kvarhållande i enlighet med Rådets Sparanddirektiv (2003/48/EG) och lagändringar.</p> |
| <b>D.6</b> | <b>Riskvarning:<sup>4</sup></b> | En investering i relativt komplexa värdepapper, såsom Lånen, för med sig en högre risk än att investera i mindre komplexa värdepapper. Speciellt, i en del fall, kan investerare förlora värdet av hela sin investering eller delar därav, från fall till fall.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| <b>Sektion E - Erbjudande</b> |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>E.2b</b>                   | <b>Motiv till Erbjudandet och användning av intäkterna:</b> | Om ej annat anges, kommer nettointäkterna från Lånen att användas för allmänna bank- och företagsändamål hos Emittenten och Nordea-koncernen.<br><br><i>Nettointäkterna kommer att användas till: [ ]</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>E.3</b>                    | <b>Villkor för Erbjudandet:</b>                             | <i>Inte tillämpligt; Lånen emitteras i värden på åtminstone €100,000 (eller motsvarande belopp i annan valuta)./Ett Erbjudande av Lånen till allmänheten kommer att givas i "Erbjudanden till Allmänheten-Jurisdiktioner" under Erbjudandeperioden [Sammanfatta detaljer för "Erbjudanden till Allmänheten" som är inkluderade i "Distribution – Erbjudanden till Allmänheten" och "Villkor för Lånen", punkterna i Del B av de Slutliga Villkoren.] En Investerare som avser att införskaffa eller införskaffar Lånen från en Auktoriserad Säljare kommer att göra detta, och erbjudanden och försäljning av Lånen till en investerare gjorda av en Auktoriserad Säljare kommer att göras, i enlighet med villkor och andra arrangemang som föreligger mellan en sådan Auktoriserad Säljare och sådan investerare inklusive pris, allokering och arrangemang för betalning</i> |

<sup>4</sup> Att avlägsnas i fall av utfärdande av enkelt lån.

|            |                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                                                                 | och leverans.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>E.4</b> | <b>Relevanta intressen/intresse konflikter för Erbjudandet:</b> | <p>Handlare och Auktoriserade Säljare kan betalas genom avgifter i samband med emissionen av Lånen inom detta Program.</p> <p><i>Såvitt Emittenten känner till, har ingen person involverad i emissionen av Lånen något intresse som är relevant för Erbjudandet./[ ].</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>E.7</b> | <b>Beräknade kostnader:</b>                                     | <p>Det förväntas inte att den relevanta Emittenten kommer att debitera några utgifter till investerare i samband med någon emission av Lån. Andra Auktoriserade Säljare kan emellertid debitera utgifter till investerare. Utgifter som är debiterbara för en Auktoriserad Säljare skall debiteras i enlighet med kontraktsmässiga arrangemang som överenskommits mellan Investeraren och en aktuell Auktoriserad Säljare vid tiden för det relevanta erbjudandet. Sådana utgifter (om några) skall fastställas från fall till fall.</p> <p><i>Emittenten [eller någon Auktoriserad Säljare] debiterar inte investerare för några utgifter./Den Auktoriserade Säljaren/na kommer att debitera investerarna för utgifter. De uppskattade utgifterna som debiteras investerarna av de Auktoriserade Säljarna är [ ].</i></p> |



## RISK FACTORS

*An investment in the Notes involves a degree of risk. Prospective investors should carefully consider the risks set forth below and the other information contained in this Base Prospectus prior to making any investment decision with respect to the Notes. The risks described below could have a material adverse effect on the Nordea Group's business, financial condition and results of operations or the value of the Notes. Additional risks and uncertainties, including those of which the Nordea Group's management is not currently aware or deem immaterial, may also potentially have an adverse effect on the Nordea Group's business, results of operations, financial condition or future prospects or may result in other events that could cause investors to lose all or part of their investment.*

*Words and expressions defined in the "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meanings in this section.*

*Prospective investors should note that the risks relating to the Issuers, the industry in which they operate and the Notes summarised in the section of this Base Prospectus headed "Summary" are the risks that the Issuers believe to be the most relevant to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Issuers face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Base Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.*

*Each of the Issuers believes that the factors described below present the principal risks inherent in investing in the Notes issued under the Programme, but the inability of the relevant Issuer to pay interest or principal on or in connection with any Notes may occur for other reasons and neither of the Issuers represents that the statements below regarding the risks of holding any Notes is exhaustive.*

### **Risks Relating to Current Macroeconomic Conditions**

#### ***Disruptions and volatility in the global financial markets may adversely impact the Nordea Group.***

From August 2007 through the early part of 2009, the global financial system experienced unprecedented credit and liquidity conditions and disruptions leading to a reduction in liquidity, greater volatility, general widening of spreads and, in some cases, lack of price transparency in money and capital markets interest rates. Following a period of stabilisation in 2010 and the first half of 2011, the recovery was adversely affected by turmoil and disruptions in the capital markets that were triggered by high sovereign budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain. Despite rescue packages provided to certain of these countries during the past years, uncertainty over the outcome of these measures and worries about sovereign finances continued to persist, which, together with concerns about the overall stability and sustainability of the euro area, resulted in further volatility in the global credit and liquidity markets. Reflecting these concerns, Standard & Poor's, Moody's and Fitch downgraded the credit ratings of several EU countries in the beginning of 2012. Market concerns over the direct and indirect exposure of European banks and insurers to these countries as well as to each other also resulted in a widening of credit spreads, increased costs of funding and negative credit ratings outlook for some European financial institutions. Even though market conditions improved somewhat in the latter part of 2012, the developments in the financial markets were driven mainly by central bank initiatives and markets remained volatile with uncertainty about future macroeconomic developments. It cannot be excluded that, for example, a further deterioration of public finances of certain European countries would lead to new funding uncertainty, resulting in increased volatility, and a potential tightening of liquidity conditions in the future widening credit spreads. For example, the rescue package offered to Cyprus in March 2013 resulted in increased market volatility and speculation about the stability of the euro area. Risks related to the European economic crisis have also had, and are likely to continue to have, a negative impact on global economic activity and the financial markets. If these conditions continue to persist, or should there be any further turbulence in these or other markets, this could have a material adverse effect on the Nordea Group's ability to access capital and liquidity on financial terms acceptable to the Nordea Group. Further, any of the foregoing factors could have a material adverse effect on the Nordea Group's business, financial condition and results of operations.

***Negative economic developments and conditions in the markets in which the Nordea Group operates can adversely affect the Nordea Group's business and results of operations.***

The Nordea Group's performance is significantly influenced by the general economic condition in the countries in which it operates, in particular the Nordic markets (Denmark, Finland, Norway and Sweden) and, to a lesser degree, in Poland, Russia and the Baltic countries. Following the weakened economic environment and the turmoil in the global financial markets, in 2008 and 2009, which was reflected in declining economic growth, increasing rates of unemployment as well as decreasing asset values in these countries, the economic conditions in the Nordic region have, in general, developed more favourably relative to the rest of Europe, benefiting from generally sound public finances. However, there have been differences between countries within the region. For example, in 2012, Norway maintained strong growth and the Swedish economy also continued to grow, albeit at a slower pace compared to the previous few years, while Finland experienced negative growth. Denmark, which has been affected more deeply by the financial crisis and economic slowdown than the other Nordic economies, followed many euro area countries into a recession. Adverse economic developments of the kind described above have affected and may continue to affect the Nordea Group's business in a number of ways, including, among others, the income, wealth, liquidity, business and/or financial condition of the Nordea Group's customers, which, in turn, could further reduce the Nordea Group's credit quality and demand for the Nordea Group's financial products and services. As a result, any or all of the conditions described above could continue to have a material adverse effect on the Nordea Group's business, financial condition and results of operations, and measures implemented by the Nordea Group might not be satisfactory to reduce any credit, market and liquidity risks.

**Risks Relating to the Nordea Group's Credit Portfolio**

***Deterioration in counterparties' credit quality may affect the Nordea Group's financial performance.***

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Nordea Group's businesses. The Nordea Group makes provisions for loan losses in accordance with IFRS; however, the provisions made are based on available information, estimates and assumptions and are subject to uncertainty, and there can be no assurances that the provisions will be sufficient to cover the amount of loan losses as they occur. Adverse changes in the credit quality of the Nordea Group's borrowers and counterparties or a decrease in collateral values, are likely to affect the recoverability and value of the Nordea Group's assets and require an increase in the Nordea Group's individual provisions and potentially in collective provisions for impaired loans, which in turn would adversely affect the Nordea Group's financial performance. In particular, the Nordea Group's exposure to corporate customers is subject to adverse changes in credit quality should the economic environment in the Nordea Group's markets deteriorate. For example, following the negative economic development in Russia and the Baltic countries in 2008 and 2009, credit risk associated with certain borrowers and counterparties in these markets increased. The prolonged difficult economic environment also negatively affected the shipping and offshore sector and certain customer groups in Denmark in 2011 and 2012. The ability of the Nordea Group's borrowers in Poland, Russia, Latvia and Lithuania to repay their loans may also be indirectly affected by foreign exchange risk as loans to customers in these countries typically are denominated in euro or U.S. dollars, though customers typically derive their main income in local currencies. Further, actual loan losses vary over the business cycle. A significant increase in the size of the Nordea Group's allowance for loan losses and loan losses not covered by allowances would have a material adverse effect on the Nordea Group's business, financial condition and results of operations.

***The Nordea Group is exposed to counterparty credit risk.***

The Nordea Group routinely executes transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, funds and other institutional and corporate clients. Many of these transactions expose the Nordea Group to the risk that the Nordea Group's counterparty in a foreign exchange, interest rate, commodity, equity or credit derivative contract defaults on its obligations prior to maturity when the Nordea Group has an outstanding claim against that counterparty. Due to volatility in foreign exchange and fixed income markets during the past years, this risk has remained at an elevated level compared to the period preceding the global financial and economic crisis. This credit risk may also be exacerbated when the collateral held by the Nordea Group cannot be realised or is liquidated at prices not sufficient to recover the full amount of the counterparty exposure. Any of the foregoing could have a material adverse effect on the Nordea Group's business, financial condition and results of operations.

As a consequence of its transactions in financial instruments, including foreign exchange rate and derivative contracts, the Nordea Group is also exposed to settlement risk and transfer risk. Settlement risk is the risk of losing the principal on a financial contract due to default by the counterparty or after when the Nordea Group has given irrevocable instructions for a transfer of a principal amount or security, but before receipt of the corresponding payment or security has been finally confirmed, and transfer risk is the risk attributable to the transfer of money from a country other than the country where a borrower is domiciled, which is affected by the changes in the economic conditions and political situation in the countries concerned.

## **Risks Relating to Market Exposure**

### ***The Nordea Group is exposed to market price risk.***

The Nordea Group's customer-driven trading operations (where positions, within certain defined limits, are taken) and its Treasury operations (where the Nordea Group holds investment and liquidity portfolios for its own account) are the key contributors to market price risk in the Nordea Group. The fair value of financial instruments held by the Nordea Group, including bonds (government, corporate and mortgage), equity investments, cash in various currencies, investments in private equity, hedge and credit funds, commodities and derivatives (including credit derivatives), are sensitive to volatility of and correlations between various market variables, including interest rates, credit spreads, equity prices and foreign exchange rates. To the extent volatile market conditions persist or recur, the fair value of the Nordea Group's bond, derivative and structured credit portfolios, as well as other classes, could fall more than estimated, and therefore cause the Nordea Group to record write-downs. Future valuations of the assets for which the Nordea Group has already recorded or estimated write-downs, which will reflect the then-prevailing market conditions, may result in significant changes in the fair values of these assets. Further, the value of certain financial instruments are recorded at fair value, which is determined by using financial models incorporating assumptions, judgments and estimations that are inherently uncertain and which may change over time or may ultimately be inaccurate. Any of these factors could require the Nordea Group to recognise further write-downs or realise impairment charges, which may have a material adverse effect on the Nordea Group's business, financial condition and results of operations. In addition, because the Nordea Group's trading and investment income depends to a great extent on the performance of financial markets, volatile market conditions could result in a significant decline in the Nordea Group's trading and investment income, or result in a trading loss, which in turn could have a material adverse effect on the Nordea Group's business, financial condition and results of operations.

### ***The Nordea Group is exposed to structural market risk.***

#### *Structural interest rate risk*

Like all banks, the Nordea Group earns interest from loans and other assets, and pays interest to its depositors and other creditors. The net effect of changes to the Nordea Group's net interest income depends on the relative levels of assets and liabilities that are affected by the changes in interest rates. The Nordea Group is exposed to structural interest income risk ("**SIIR**") when there is a mismatch between the interest rate re-pricing periods, volumes or reference rates of its assets, liabilities and derivatives. This mismatch in any given period in the event of changes in interest rates could have a material adverse effect on the Nordea Group's financial condition and results of operations.

#### *Structural foreign exchange risk*

The Nordea Group is exposed to currency translation risk primarily as a result of its Swedish and Norwegian banking businesses, as it prepares its consolidated financial statements in its functional currency, the euro. The Nordea Group's functional currency for its Danish banking business is the Danish krone, which is pegged to the euro. Because the Nordea Group shows translation differences between the local currency denominated equity positions of its fully consolidated subsidiaries, the euro effects arising from currency translation may reduce equity. In addition, because some of the Nordea Group's consolidated risk-weighted assets ("**RWA**"), against which the Nordea Group is required to hold a minimum level of capital, are denominated in local currencies, any significant depreciation of the euro against these local currencies would adversely impact the Nordea Group's capital adequacy ratios. While the Nordea Group, generally, follows a policy of hedging its foreign exchange risk by seeking to match the currency of its assets with the currency of the liabilities that fund them, there can be no assurances that the Nordea Group will be able to successfully hedge some or all of this currency risk exposure.

## **Risks Relating to Liquidity and Capital Requirements**

### ***Liquidity risk is inherent in the Nordea Group's operations.***

Liquidity risk is the risk that the Nordea Group will be unable to meet its obligations as they fall due or meet its liquidity commitments only at an increased cost. A substantial part of the Nordea Group's liquidity and funding requirements is met through reliance on customer deposits, as well as ongoing access to wholesale lending markets, including issuance of long-term debt market instruments such as covered bonds. The volume of these funding sources, in particular long-term funding, may be constrained during periods of liquidity stress. Turbulence in the global financial markets and economy may adversely affect the Nordea Group's liquidity and the willingness of certain counterparties and customers to do business with the Nordea Group, which may result in a material adverse effect on the Nordea Group's business and results of operations.

### ***The Nordea Group's business performance could be affected if its capital adequacy ratios are reduced or perceived to be inadequate.***

Under the European Capital Requirements Directive (comprising Directive 2006/48/EC and Directive 2006/49/EC (the "CRD"), the Nordea Group is required to maintain certain capital adequacy ratios. In addition, the Basel Committee on Banking Supervision has proposed a number of fundamental reforms to the regulatory capital framework for internationally active banks, the principal elements of which are set out in its papers released on 16 December 2010 "**Basel III**"). As of the date of this Base Prospectus, the CRD is in the process of being reformed to reflect the Basel III framework, including higher capital requirements.

Debt and equity investors, analysts and other market professionals may, nevertheless, require higher capital buffers than those required under current or proposed future regulations due to, among other things, the continued general uncertainty involving the financial services industry and the uncertain global economic conditions. Any such market perception, or any concern regarding compliance with future capital adequacy requirements, could increase the Nordea Group's borrowing costs, limit its access to capital markets or result in a downgrade in its credit ratings, which could have a material adverse effect on its results of operations, financial condition and liquidity. In addition, lower internal credit rating of customers, substantial market volatility, widening credit spreads, changes in the general capital adequacy regulatory framework or regulatory treatment of certain positions, changes in foreign exchange rates, decreases in collateral ratios as a consequence of the deterioration of the market value of underlying assets, or further deterioration of the economic environment, among other things, could result in an increase in the Nordea Group's RWA, which potentially may reduce the Nordea Group's capital adequacy ratios. If the Nordea Group were to experience a reduction in its capital adequacy ratios, and could not raise further capital, it would have to reduce its lending or investments in other operations. See also "**—Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates—The Nordea Group may incur substantial costs in monitoring and complying with new capital adequacy and recovery and resolution framework requirements**" and "**—Risks Relating to the Notes—The Notes are subject to certain uncertainties relating to regulatory changes**" below.

### ***The Nordea Group's funding costs and its access to the debt capital markets depend significantly on its credit ratings.***

There can be no assurances that NBAB or its principal subsidiaries will be able to maintain their current ratings or that the Nordea Group can retain current ratings on its debt instruments. A reduction in the current long-term ratings of NBAB or one of its principal subsidiaries may increase its funding costs, limit access to the capital markets and trigger additional collateral requirements in derivative contracts and other secured funding arrangements. Therefore, a reduction in credit ratings could adversely affect the Nordea Group's access to liquidity and its competitive position, and thus, have a material adverse effect on its business, financial condition and results of operations.

## **Other Risks Relating to the Nordea Group's Business**

### ***Operational risks, including risks in connection with investment advice, may affect the Nordea Group's business.***

The Nordea Group's business operations are dependent on the ability to process a large number of complex transactions across different markets in many currencies. The Nordea Group's operations are carried out through a number of entities. Operational losses, including monetary damages, reputational

damage, costs, and direct and indirect financial losses and/or write-downs, may result from inadequacies or failures in internal processes, systems (for example, information technology ("IT") systems), licences from external suppliers, fraud or other criminal actions, employee errors, outsourcing, failure to properly document transactions or agreements with customers, vendors, sub-contractors, co-operation partners and other third parties, or to obtain or maintain proper authorisation, or from customer complaints, failure to comply with regulatory requirements, including but not limited to anti-money laundering, data protection and antitrust regulations, conduct of business rules, equipment failures, failure to protect its assets, including intellectual property rights and collateral, failure of physical and security protection, natural disasters or the failure of external systems, including those of the Nordea Group's suppliers or counterparties and failure to fulfil its obligations, contractual or otherwise. Although the Nordea Group has implemented risk controls and taken other actions to mitigate exposures and/or losses, there can be no assurances that such procedures will be effective in controlling each of the operational risks faced by the Nordea Group, or that the Nordea Group's reputation will not be damaged by the occurrence of any operational risks. See also *"Description of the Nordea Group—Information Technology"*.

As a part of its banking and asset management activities, the Nordea Group provides its customers with investment advice, access to internally as well as externally managed funds and serves as custodian of third-party funds. In the event of losses incurred by its customers due to investment advice from the Nordea Group, or the misconduct or fraudulent actions of external fund managers, the Nordea Group's customers may seek compensation from the Nordea Group. Such compensation might be sought even if the Nordea Group has no direct exposure to such risks, or has not recommended such counterparties to its customers. Any claims in this respect could have a material adverse effect on the Nordea Group's reputation, business, financial condition and results of operations. See *"Description of the Nordea Group—Legal and Administrative Proceedings"*.

***The Nordea Group is subject to a variety of risks as a result of its operations, in particular in Poland, Russia and the Baltic countries.***

The Nordea Group's operations in Poland, Russia and the Baltic countries present various risks that do not apply, or apply to a lesser degree, to its businesses in the Nordic markets. Some of these markets are typically more volatile and less developed economically and politically than markets in Western Europe and North America. The Nordea Group faces economic and political risk, including economic volatility, recession, inflationary pressure, exchange rate fluctuation risk and interruption of business, as well as civil unrest, moratorium, imposition of exchange controls, sanctions relating to specific countries, expropriation, nationalisation, renegotiation or nullification of existing contracts, sovereign default and changes in law or tax policy. For example, as a result of the economic recession experienced by countries in the Baltic Region in 2008 and 2009, questions were raised about their ability to react to the weakened conditions in the local economies and the ability of such countries and their residents to continue to perform on their respective obligations. Even though the economic and political conditions in Poland, Russia and the Baltic countries have, in general, developed favourably in recent years, risks related to operating in these markets could impact the ability or obligations of the Nordea Group's borrowers to repay their loans and the ability of the Nordea Group to utilise collateral held as security and affect interest rates and foreign exchange rates, and could produce social instability and adversely impact levels of economic activity, which would have a material adverse effect on the Nordea Group's business, financial condition and results of operations in these countries.

***Profitability in the Nordea Group's life and pension business depends on regulations and guidelines in the countries in which it operates.***

In addition to insurance risk and investment risks related to its life insurance business common to all life insurance and pension providers, the Nordea Group's ability to generate profit from its insurance subsidiaries generally depends on the level of fees and other income generated by the insurance and pension business. The level of fees and other income which the Nordea Group may earn from its life insurance subsidiaries differs from country to country, depending on regulations and guidelines promulgated by the relevant financial services authorities on shareholder fees, IFRS bridging, profit sharing and solvency requirements.

***The Nordea Group could fail to attract or retain senior management or other key employees.***

The Nordea Group's performance is, to a large extent, dependent on the talents and efforts of highly skilled individuals, and the continued ability of the Nordea Group to compete effectively and implement its strategy depends on its ability to attract new employees and retain and motivate existing employees.

Competition from within the financial services industry, including from other financial institutions, as well as from businesses outside the financial services industry for key employees is intense. Any loss of the services of key employees, particularly to competitors, or the inability to attract and retain highly skilled personnel in the future could have an adverse effect on the Nordea Group's business.

***The Nordea Group faces competition in all markets.***

There is competition for the types of banking and other products and services that the Nordea Group provides and there can be no assurances that the Nordea Group can maintain its competitive position. If the Nordea Group is unable to provide competitive product and service offerings, it may fail to attract new customers and/or retain existing customers, experience decreases in its interest, fee and commission income, and/or lose market share, the occurrence of any of which could have a material adverse effect on its business, financial condition and results of operations.

**Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates**

***The Nordea Group is subject to substantial regulation and oversight by a number of different regulators.***

The SFSA is the main regulator of the Nordea Group's operations, although the Nordea Group's operations in Denmark, Finland, Norway, Poland, Russia, Estonia, Latvia, Lithuania, Germany, Isle of Man, Luxembourg, Singapore and the United States are subject to direct scrutiny from the local regulators in these jurisdictions. The Nordea Group is also subject to the oversight of regulators in each country where it has a branch or representative office, including China. The Nordea Group is subject to laws and regulations, administrative actions and policies in each of the jurisdictions in which it operates, all of which are subject to change, and compliance with which may from time to time require significant costs.

Areas where changes or developments in regulation and/or oversight could have an adverse impact include, but are not limited to (i) changes in monetary, interest rate and other policies, (ii) general changes in government and regulatory policies or regimes which may significantly influence investor decisions or may increase the costs of doing business in the Nordic markets, Poland, Russia and the Baltic countries, and such other markets where the Nordea Group carries out its business, (iii) changes in capital adequacy framework, imposition of onerous compliance obligations, restrictions on business growth or pricing and requirements to operate in a way that prioritises other objectives over shareholder value creation, (iv) changes in competition and pricing environments, (v) differentiation amongst financial institutions by governments with respect to the extension of guarantees to bank customer deposits and the terms attaching to such guarantees, (vi) expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership, (vii) further developments in the financial reporting environment, and (viii) other unfavourable political, military or diplomatic developments, in particular in Poland, Russia and the Baltic countries, producing legal uncertainty, which in turn may affect demand for the Nordea Group's products and services.

As a result of the recent global financial and economic crisis, a number of regulatory initiatives have been taken to amend or implement rules and regulations, which are likely to have an impact on the business of the Nordea Group. Such initiatives include, but are not limited to, requirements for liquidity, capital adequacy and handling of counterparty risks, regulatory tools provided to authorities to allow them to intervene in scenarios of distress and the introduction of a common system of financial transaction tax in the euro area. These or any other requirements, restrictions, limitations on the operations of financial institutions and costs involved could have a material adverse effect on the Nordea Group's business, financial condition and results of operations.

***The Nordea Group may incur substantial costs in monitoring and complying with new capital adequacy and recovery and resolution framework requirements.***

Basel III will be implemented in the European Economic Area by way of a proposed European Council Directive known as the Capital Requirements Directive and the direct application of a European Parliament and Council regulation (the "CRR") in each Member State of the European Economic Area (the "Capital Requirements Directive" and, together with the CRR, the "CRD IV"). The CRD IV is expected to be finalised in 2013 and implemented during 2014, based on the latest compromise text dated 27 March 2013 from the European Council and the European Parliament, which is expected to reflect the final form of the CRD IV. Although there is still some uncertainty regarding the final framework for new capital adequacy standards, the CRD IV will set higher capital and liquidity requirements on banks which will be required, among other things, to hold more core tier 1 capital. Further, the Swedish Ministry of

Finance, the SFSA and the Central Bank of Sweden ("**Riksbanken**") announced in November 2011 that higher capital standards than those set forth in the Basel III framework would be required from domestic systemically important banks ("**D-SIBs**"), which include the Nordea Group. The higher capital requirements and higher demands on liquidity will likely result in the Nordea Group, in common with other financial institutions, incurring substantial costs in monitoring and complying with these new requirements, which may also adversely affect the business environment in the financial sector. Furthermore, discussions are ongoing globally and in the EU concerning recovery and resolution regimes for credit institutions and investment firms, including the possible introduction of so-called "bail-in" capital, and ringfencing of specific activities, as well as the introduction of a single supervisory mechanism and a full banking union in the euro area. If implemented, these new requirements and supervisory structures may impact existing business models.

***Legal and regulatory claims arise in the conduct of the Nordea Group's business.***

In the ordinary course of its business, the Nordea Group is subject to regulatory oversight and liability risk. The Nordea Group carries out operations through a number of legal entities in a number of jurisdictions and is subject to regulation in each such jurisdiction. Regulations and regulatory requirements are continuously amended and new requirements are imposed on the Nordea Group, including, but not limited to, regulations on conduct of business, anti-money laundering, payments, consumer credits, capital requirements, reporting and corporate governance. There can be no assurances that breaches of regulations by the Nordea Group will not occur and, to the extent that such a breach does occur, that significant liability or penalties will not be incurred. The Nordea Group is involved in a variety of claims, disputes, legal proceedings and governmental investigations in jurisdictions where it is active. These types of claims and proceedings expose the Nordea Group to monetary damages, direct or indirect costs (including legal costs), direct or indirect financial loss, civil and criminal penalties, loss of licences or authorisations, or loss of reputation, as well as the potential for regulatory restrictions on its businesses, all of which could have a material adverse effect on the Nordea Group's business, financial condition and results of operations. Adverse regulatory actions against the Nordea Group or adverse judgments in litigation to which the Nordea Group is party could result in restrictions or limitations on the Nordea Group's operations or result in a material adverse effect on the Nordea Group's business, financial condition and results of operations.

***The Nordea Group is exposed to risk of changes in tax legislation as well as to increases in tax rates.***

The Nordea Group's activities are subject to tax at various rates around the world computed in accordance with local legislation and practice. The Nordea Group's business, including intra-group transactions, is conducted in accordance with the Nordea Group's interpretation of applicable laws, tax treaties, regulations and requirements of the tax authorities in the relevant countries. Nordea has obtained advice from independent tax advisors in this respect. However, there can be no assurances that its interpretation of applicable laws, tax treaties, regulations, or administrative practice is correct, or that such rules are not changed, possibly with retroactive effect. Legislative changes or decisions by tax authorities may impair the present or previous tax position of the Nordea Group.

**General Risks Relating to Notes**

***The Notes may not be suitable for all investors***

Each potential investor of the Notes must determine the suitability of that investment in light of such investor's own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;

- (d) understand thoroughly the terms of the relevant Notes and the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the investor's overall portfolio. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

***Investors may have to rely on the VP's, VPS's, Euroclear Finland's, Euroclear Sweden's or SIS's procedures (as the case may be) for transfer, payment and communication with the Issuer.***

Investors in VP Notes, VPS Notes, Finnish Notes, Swedish Notes or Swiss Franc Notes will have to rely on the relevant clearing system's or the relevant Issuing Agent's, as the case may be, procedures for transfer, payment and communication with the relevant Issuer.

VP Notes, VPS Notes, Finnish Notes or Swedish Notes issued under the Programme will not be evidenced by any physical note or document of title other than statements of account made by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be. Ownership of VP Notes, VPS Notes, Finnish Notes or Swedish Notes will be recorded and transfer effected only through the book entry system and register maintained by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

***The Notes may not be freely transferred.***

Neither NBAB nor NBF has registered, nor will either of them register, the Notes under the Securities Act or any other securities laws. Accordingly, the Notes are subject to certain restrictions on resale and other transfer thereof as set forth in the section entitled "*Subscription and Sale*." As a result of these restrictions, neither NBAB nor NBF can be certain of the existence of a secondary market for the Notes or the liquidity of such a market if one develops. Consequently, a Holder of Notes and an owner of beneficial interests in those Notes must be able to bear the economic risk of their investment in the Notes for the terms of the Notes.

***There is no active trading market for the Notes.***

The Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer. Although applications have been made for Notes issued under the Programme to be admitted to listing on the Official List of the Irish Stock Exchange and to trading on its Main Securities Market, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes. Holders of Notes should also be aware that, in view of the prevailing and widely reported global credit market conditions (which, to a certain extent, continue at the date hereof), the secondary market for the Notes and instruments of this kind may be illiquid. Neither NBAB nor NBF can predict when these circumstances will change.

***Cancelled or scaled down issue***

The Issuers reserve the right to cancel all or part of an offer of Notes prior to the relevant Issue Date upon the occurrence of certain circumstances, e.g. where the subscribed amount does not reach certain levels or where a participation ration cannot be determined at a certain level. The Issuers also reserve the right, in their sole discretion, to cancel an issue upon the occurrence of economic, financial or political events which may jeopardise a successful issue of Notes.



***Ratings may not always mirror the risk related to individual Notes.***

The Issuers' security ratings do not always mirror the risk related to individual Notes under the Programme. Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Such rating will not necessarily be the same as the rating(s) assigned to the relevant Issuer or to Notes already issued. One or more independent credit rating agencies may also assign credit ratings to the Notes, which may not necessarily be the same ratings as the relevant Issuer rating described in this Base Prospectus or any rating(s) assigned to Notes already issued. Such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A security rating is not a recommendation to buy, sell or hold securities or to keep the investment and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. In addition, real or anticipated changes in the relevant Issuer's credit ratings generally will affect the market value of the Notes.

***Noteholders are subject to credit risk on the relevant Issuer.***

Holders of the Notes issued under the Programme take a credit risk on the relevant Issuer. A holder's ability to receive payment under the Notes is dependent on the relevant Issuer's ability to fulfil its payment obligations, which in turn is dependent upon the development of the relevant Issuer's business. The risks relating to the Issuers' business are set out above.

***Notes may be redeemed prior to maturity.***

In the event that the relevant Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Sweden (in the case of Notes issued by NBAB) or Finland (in the case of Notes issued by NBF) or any political subdivision thereof or any authority therein or thereof having power to tax, the relevant Issuer may redeem all outstanding Notes in accordance with Condition 6 (*Taxation*).

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the relevant Issuer's option in certain other circumstances, the relevant Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate or yield as high as that of the relevant Notes.

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above and may in fact decrease below the price at which they can be redeemed. This also may be true prior to any redemption period.

***Risk of early redemption***

Notes may be mandatorily redeemed prior to their scheduled maturity date for a number of reasons, such as taxation events, or in the case of Credit-Linked Notes following a Credit Event, or certain early redemption events such as a disruption events specified in the relevant Conditions for those Notes. Early redemption may result in Noteholders receiving a lower return on investment and in some circumstances may result in a loss of part or all of their investment. Prospective investors should consider reinvestment risk in light of other investments available at that time.

***Notes may be issued at a substantial discount or premium.***

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility.

***Noteholders' rights and obligations may be amended at meetings of Noteholders.***

The terms and conditions of the Notes and the Fiscal Agency Agreement contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit certain defined majorities to make decisions that modify the terms and conditions applicable to a Series of

Notes and may affect the Noteholders' rights and obligations under the Notes, and that bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. At the meeting of Noteholders, the Noteholders also have authority to elect and give instructions to a representative to act on their behalf.

Each of the Issuers has the right to correct manifest errors in the terms and conditions without the Noteholders' consent and to make any amendment which the relevant Issuer does not consider to be materially prejudicial to the interests of Noteholders.

***The Notes are subject to certain uncertainties relating to regulatory changes.***

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State (as defined in Article 4-2 of the EU Savings Directive). In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the EU Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither of the Issuers nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Each of the Issuers is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive. Investors who are in any doubt as to their position should consult their professional advisers.

***The proposed financial transactions tax***

The European Commission recently published a draft Directive containing proposals for a common FTT to be introduced in the 11 participating Member States (of Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia).

The proposed common FTT imposes a charge on financial transactions including purchases and sales of financial instruments and structured products; this charge will be levied at not less than 0.1% of the sale price. The proposed FTT also imposes a charge on the conclusion of a derivative (also a financial transaction); this charge will be levied at not less than 0.01% of the nominal amount of the derivative. In both cases the charge is applied separately to each financial institution that is party to a transaction; if a financial institution does not pay the tax then its counterparty will be jointly and severally liable.

A charge to FTT will arise in a participating Member State if at least one party to a financial transaction is established (for the purposes of the draft Directive) in that Member State and a financial institution established in a participating Member State is a party to the transaction, for its own account, for the account of another person, or if the financial institution is acting in the name of a party to the transaction. It is important to be aware that a financial institution will be treated as established in a participating Member State if its seat is there, it is authorised there or it is acting via a branch in that Member State (as regards branch transactions), or for a particular transaction, merely because it is entering into the financial transaction with another person who is established in that Member State. Furthermore, a financial institution will be treated as established in a participating Member State in respect of a financial transaction if it is a party (for its own account or for the account of another person) or is acting in the

name of a party, to a financial transaction in respect of a structured product or financial instrument issued within that Member State.

There are limited exemptions to the proposed common FTT; one important exemption is the "primary market transactions" exemption which should cover the issuing, allotting, underwriting or subscribing for "financial instruments", which includes shares and bonds. There are no exemptions for financial intermediaries and brokers. There is an exemption for central counterparties, but persons transacting with central counterparties (e.g. clearing members) are not exempt. Accordingly the effective cumulative rate of the tax may be greatly in excess of the headline rates noted above.

Even though the common FTT is to be introduced only in the participating Member States, it can be seen from what is said above that it could impact financial institutions operating inside and outside the 11 participating Member States, and the common FTT could be payable on transfers of Notes issued under this Base Prospectus if the FTT is introduced and the conditions for a charge to arise are satisfied.

The proposed common FTT is still under review and it may therefore change before it is implemented. It is currently proposed that the common FTT should be introduced in the participating Member States on 1st January, 2014. Prospective Noteholders are strongly advised to seek their own professional advice in relation to the possible impact of the FTT.

***Changes in laws and regulations may affect the terms and conditions of the Notes.***

The terms and conditions of the Notes and all non-contractual obligations arising out of or in connection with the Notes are governed by English law, Finnish Law, Swedish Law, Norwegian Law or Danish Law (as specified in the applicable Final Terms) except that (i) the registration of VP Notes in the VP which will be governed by, and construed in accordance with, Danish law; (ii) the registration of VPS Notes in the VPS which will be governed by, and construed in accordance with, Norwegian law; (iii) the registration of Finnish Notes in Euroclear Finland will be governed by, and construed in accordance with, Finnish law; and (iv) the registration of Swedish Notes in the Euroclear Sweden Register which will be governed by, and construed in accordance with, Swedish law.

The Rome II Regulation (864/2007), which sets out a series of rules to be applied by the courts of EU member states (other than Denmark) for the purposes of determining the governing law of non-contractual obligations between parties in most civil and commercial matters does not apply in Norway or Denmark and therefore may not apply to Norwegian or Danish investors.

There can be no assurances as to the impact of any possible judicial decision or change to the laws of England, Sweden, Finland, Denmark or Norway or administrative practice after the date of this Base Prospectus.

***The Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples.***

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination (as defined in the relevant Final Terms) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination, would need to purchase a principal amount of the Notes such that its holding amounts to a Specified Denomination in order to be able to trade its holding of Notes or (in the case of Bearer Notes) obtain a Definitive Note if printed.

***Payments under the Notes may be subject to withholding tax pursuant to the U.S. Foreign Account Tax Compliance Act.***

With respect to (i) Notes (other than Notes that are classified as equity for U.S. federal income tax purposes) issued after the later of (a) 31 December 2013 and (b) the date that is six months after the date the term "foreign passthru payment" is defined in regulations published in the U.S. Federal Register (the "**Grandfather Date**"), or (ii) Notes issued before the Grandfather Date but materially modified after such date or (iii) Notes that are classified as equity for U.S. federal income tax purposes issued at any time, the Issuer may, under certain circumstances, be required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("**FATCA**") to withhold U.S. tax at a rate of 30 per cent. on all or a portion of payments of principal and interest which

are treated as "pass-thru payments" made on or after 1 January 2017 to an investor or any other financial institution through which payment on the Notes is made that is a non-U.S. financial institution that is not in compliance with FATCA. If applicable, FATCA will be addressed in the relevant Final Terms with respect to Notes issued after the Grandfather Date. The application of FATCA to interest, principal or other amounts paid on or with respect to the Notes is not currently clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of a Holder's failure to comply with FATCA, none of the Issuer, any paying agent or any other person would pursuant to the terms and conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, Holders may receive less interest or principal than expected. If the Issuer issues further Notes on or after the Grandfather Date pursuant to a reopening of a Series of Notes that was created on or before the Grandfather Date (the "**original Notes**") and such further Notes are not fungible with the original Notes for U.S. federal income tax purposes, payments on such further Notes may be subject to withholding under FATCA and, should the original Notes and the further Notes be indistinguishable for non-tax purposes, payments on the original Notes may also become subject to withholding under FATCA. This would likely have a negative impact on the market price of the original Notes.

#### ***Specific legal risks relating to certain Notes***

In relation to structured Notes, 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 Note, (iii) that certain amounts are calculated at an earlier date, (iv) a change in the calculation of yield and/or (v) amendments to the Conditions. Such events may therefore adversely affect the yield and other amounts that are payable to the investors under a structured Note, 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 relevant Issuer's credit ratings, would (in the opinion of the relevant Issuer) result in an increase in certain costs related to structured Note or increased costs for the relevant Issuer's risk management in relation to structured Note, such event may entitle the relevant Issuer to (i) substitute Reference Assets, (ii) change a method for calculation of certain amounts under the Note, (iii) calculate certain amounts at an earlier date, (iv) change the calculation of yield and/or (v) amend the Conditions.

#### ***Total cost***

Costs are incurred by the relevant Issuer in connection with the issuance of structured Notes due to, among other things, production, distribution, licences, exchange listing and risk management. In order to cover these costs, the relevant Issuer charges brokerage fees and commissions. Such fees and commissions may be factored into the issue price of the Notes or may be charged separately. 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 underlying a Note. The pricing of structured Notes is normally not made on the basis of negotiated terms but rather it is decided by the relevant Issuer. Hence, there may be a conflict of interest between the relevant Issuer and the investors, to the extent the relevant Issuer is able to influence pricing and has a possibility to make a gain or to avoid a loss in relation to underlying Reference Assets, and the Issuer does not have any fiduciary or other obligation to act in the best interests of Noteholders. The transparency relating to the pricing of structured Notes may be limited.

#### ***Alternative cost risks***

The market risks vary depending on the note structure and the term to maturity for different Notes. The value of a Note varies with changes in market interest rates. A structured Note 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 Note if the alternative had been a pure interest-bearing investment. A structured Note generates no interest or other yield if the market performance is unfavourable and it is redeemable only at the principal amount. If the Note is not principal protected, the entire invested amount may be lost. The investor in such a structured Note 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 Note prior to the expiry of the term to maturity, the investor bears the risk of receiving less than the principal amount of the Note.

#### ***Hedging activities of the Issuer and affiliates***

The Issuer and/or its affiliates may carry out hedging activities related to the Notes, including purchasing the Reference Asset(s), components of the Reference Asset(s) and/or debt obligations of a Reference Entity, but will not be obliged to do so. Certain of the Issuer's affiliates may also purchase and sell the Reference Asset(s) and/or component of the Reference Asset on a regular basis as part of their securities businesses. Any of these activities could potentially affect the value or level of the Reference Asset and the debt obligations of the Reference Entity and, accordingly, the value of the Notes. In addition, the disruption of such hedging arrangements or material increase in cost of such hedging arrangements may lead to an early redemption of the Notes in whole (but not in part) as specified in the applicable Final Terms.

#### ***No ownership rights***

An investment in the Notes is not the same as an investment in the Reference Asset(s) and does not confer any legal or beneficial interest in the Reference Asset(s) or any component of the Reference Asset(s) or any voting rights, rights to receive dividends or other rights that a holder of the Reference Asset(s) or any component of the Reference Asset(s) would have. The Notes are unsubordinated and unsecured obligations of the Issuer. No security has been taken in respect of the Reference Asset(s) or any component of the Reference Asset(s).

#### ***Conflicts of interest***

The Issuer and/or its affiliates may also purchase and sell the Reference Asset, components of the Reference Asset and/or debt obligations of the Reference Entities on a regular basis as part of their securities businesses or lend to Reference Entities as part of their commercial lending operations. Any of these activities could potentially affect the value or level of the Reference Asset and the debt obligations of such Reference Entities and in turn the value of the Notes.

The Issuer and/or its affiliates may from time to time advise the issuers of or obligors in respect of a Reference Asset or any component of a Reference Asset and/or any Reference Entity regarding transactions to be entered into by them, or engage in transactions involving any Reference Asset and/or Reference Entity for their proprietary accounts and for other accounts under their management. Any such transactions may have a positive or negative effect on the value of such Reference Asset, the value or level of such Reference Asset and/or the value of such Reference Entity's debt obligations generally and therefore on the value of the Notes.

Accordingly, certain conflicts of interest may arise between the interests of the Issuer and the interests of holders of Notes.

### ***Index disclaimer***

Index-Linked Notes and Commodity Index-Linked Notes are not sponsored, endorsed, sold or promoted by any index to which they are indirectly linked or any sponsor of such index and such index sponsor has made no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of any index and/or the levels at which such index stands at any particular time on any particular date or otherwise. No index sponsor shall be liable (whether in negligence or otherwise) to any person for any error in any index and an index sponsor is under no obligation to advise any person of any error within an index. An index sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with such Notes. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by an index sponsor in connection with the calculation, adjustment or maintenance of an index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over any index or index sponsor or any control over the computation, composition or dissemination of any index. Although the Issuer and the Calculation Agent will obtain information concerning an index to which the Notes are linked from publicly available sources they believe to be reliable, they will not independently verify this information.

### **Risks relating to particular Reference Assets**

#### ***Risks relating to the performance of the Reference Asset(s)***

With structured Notes (for example, equity-linked Notes, currency-linked Notes, credit-linked Notes, fund-linked Notes, commodity-linked Notes and other possible structures) the yield, and sometimes also the repayment of principal, depends on the performance of one or more Reference Assets, such as equities, 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 part of or an invested amount is linked to the performance of Reference Assets, the investor may risk losing the entire invested amount. Structured Notes 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 Note 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 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 Note 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.

Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected;
- (d) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- (e) the Reference Asset may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (f) if the performance of the Notes contain a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- (g) the timing of changes in the value of one or more Reference Asset may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the value of one or more Reference Asset, the greater the effect on yield.

Further, Holders of Notes and prospective purchasers of such Notes should ensure that they understand the nature of such Notes and the extent of their exposure to risk and that they consider the suitability of such Notes as an investment in light of their own circumstances and financial condition. A small movement in the value of one or more Reference Asset may result in a significant change in the value of such Notes. Holders of such Notes, and prospective purchasers of such Notes, should form their own views of the merits of an investment based upon such investigations. Given the highly specialised nature of structured Notes, each of the Issuers considers that they are only suitable for highly sophisticated investors who are able to determine for themselves the risk of an investment on which the return is determined in this way. Consequently, an investor who does not fall within the description above should not consider purchasing such Notes without taking detailed advice from a specialised professional adviser.

#### ***Risk relating to limited information in relation to certain Reference Assets***

In relation to certain Reference Assets, for example, 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 Reference 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 those underlying factors which affect the value of the Reference Asset are not public.

#### ***Currency fluctuations***

Foreign exchange rates may be affected by complex political and economic factors, including relative rates of inflation, interest rate levels, the balance of payments between countries, the extent of any governmental surplus or deficit and the monetary, fiscal and/or trade policies pursued by the governments of the relevant currencies. Currency fluctuations may affect the value or level of the Reference Assets in complex ways. If such currency fluctuations cause the value or level of the Reference Assets to vary, the value or level of the Notes may fall. If the value or level of one or more Reference Asset(s) is denominated in a currency that is different from the currency of the Notes, investors in the Notes may be subject to increased foreign exchange risk. Previous foreign exchange rates are not necessarily indicative of future foreign exchange rates.

#### ***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, liquidation 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 Notes, events such as changes in the law or increased costs for risk management may arise. If so, the relevant Issuer may, at its sole discretion, make any adjustments in the composition of the assets and the calculation of the yield or value of Notes or replace one Reference Asset with another Reference Asset, to the extent that the relevant Issuer deems necessary in order for the calculation of the yield or value of Notes to, in the relevant Issuer's opinion, reflect the manner in which yield or value was previously calculated. It may be that the relevant Issuer believes that such adjustments cannot procure a fair result, in which case the relevant Issuer may make the calculation of yield prematurely and determine the Redemption Amount or the yield. Interest on the principal amount shall thereafter accrue at the market rate of interest.

#### ***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. In some Notes however, the value is determined on the basis of a single valuation, hence, there is a risk that some extreme values could affect the final price.

### ***Risks associated with Equities as Reference Assets***

An investment in equity linked Notes entails significant risks in addition to those associated with investments in a conventional debt security.

(a) *Factors affecting the performance of equities may adversely affect the value of the Notes*

The performance of equities is dependent upon macroeconomic factors, such as interest rates and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

(b) *No claim against the Issuer of the Reference Assets or recourse to the Reference Assets*

Equity linked Notes do not represent a claim against or an investment in any issuer of equity securities (an "**Equity Issuer**") to which they are linked and Noteholders will not have any right of recourse under the Notes to any such company or the equities. The Notes are not in any way sponsored, endorsed or promoted by any Equity Issuer and such companies have no obligation to take into account the consequences of their actions for any Noteholders. Accordingly, the issuer of an equity may take any actions in respect of such equity without regard to the interests of the investors in the Notes, and any of these actions could adversely affect the market value of the Notes.

In the case of Notes relating to equities, no issuer of such equities will have participated in establishing the terms of the Notes and neither the relevant Issuer nor any Dealer will make any investigation or enquiry in connection with such offering with respect to the information concerning any such issuer of equities contained in the applicable Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant Issue Date (including events that would affect the accuracy or completeness of the publicly available documents described in this paragraph or in any relevant Final Terms) that would affect the trading price of the equities will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of equities could affect the trading price of the equities and therefore the trading price of the Notes.

### ***Risks associated with Indices as Reference Assets***

An investment in Index Linked Notes entails significant risks in addition to those associated with investments in a conventional debt security.

(a) *Factors affecting the performance of Indices may adversely affect the value of the Notes*

Indices comprise a synthetic portfolio of shares or other assets and, as such, the performance of an Index is dependent upon the macroeconomic factors relating to the shares or other components that comprise such Index, which may include interest rates and price levels on the capital markets, currency developments, political factors and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

(b) *Exposure to the risk that returns on the Notes do not reflect direct investment in underlying equities or other items comprising the Index*

The return payable on Notes that reference Indices may not reflect the return an investor would realise if he or she actually owned the relevant items comprising the components of the Index. For example, if the components of the Indices are shares, Noteholders will not receive any dividends paid on those shares and will not participate in the return on those dividends unless the relevant Index takes such dividends into account for purposes of calculating the relevant level. Similarly, Noteholders will not have any voting rights in the underlying equities or any other assets which may comprise the components of the relevant Index. Accordingly, investors in Notes that reference Indices as Reference Assets may receive a lower payment upon settlement or redemption of such Notes than such investor would have received if he or she had invested in the components of the Index directly.



(c) *Loss of return of dividends in respect of most Notes linked to equity Indices*

The rules governing the composition and calculation of the relevant underlying Index might stipulate that dividends distributed on its components do not lead to a rise in the index level, for example, if it is a "price" index, which may lead to a decrease in the index level if all other circumstances remain the same. As a result, in such cases, the Noteholders of Notes in respect of which a Reference Item is such an Index will not participate in dividends or other distributions paid on the components comprising the Index. Even if the rules of the relevant underlying Index provide that distributed dividends or other distributions of the components are reinvested in the Index and therefore result in raising its level, in some circumstances, the dividends or other distributions may not be fully reinvested in such Index.

(d) *A change in the composition or discontinuance of an Index could adversely affect the market value of the Notes*

The sponsor of any Index can add, delete or substitute the components of such Index or make other methodological changes that could change the level of one or more components. The modification of components of any Index may affect the level of such Index, as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the relevant Issuer to the investors in the Notes. The sponsor of any such Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Notes and will have no obligation to any investor in such Notes. The sponsor of an Index may take any actions in respect of such Index without regard to the interests of the investor in the Notes, and any of these actions could adversely affect the market value of the Notes.

(e) *There are additional risks in relation to Commodity Indices, see "Risks associated with Commodities as Reference Items".*

***Risks associated with Inflation Indices as Reference Assets***

Inflation Linked Notes may be settled or redeemed by the relevant Issuer by reference to the level of an inflation index (an "**Inflation Index**") or basket of inflation indices. Interest payable on Inflation Linked Notes may be calculated by reference to the level of an inflation index or a basket of inflation indices.

*Index Delay and Disruption Events affecting Inflation-linked Notes*

Where the Notes are Inflation Linked Interest Notes or Inflation Linked Index Notes and there is a delay in publication of the level of an inflation index, the level of such inflation index ceases to be published, such inflation index is rebased, there is a material change to such index or there has been a manifest error in the publication of the level of such inflation index, the relevant Issuer may determine if such event has a material effect on the Notes and, if so, to make such addition, adjustment or amendment to the Conditions as the relevant Issuer deems necessary.

Many economic and market factors may influence an inflation index and consequently the value of Notes relating to inflation indices, including:

- general economic, financial, political or regulatory conditions and/or events; and/or
- fluctuations in the prices of various assets, goods, services and energy resources (including in response to supply of, and demand for, any of them); and/or
- the level of inflation in the economy of the relevant country and expectations of inflation.

In particular, the level of an inflation index may be affected by factors unconnected with the financial markets.

***Risks associated with Foreign Exchange Rates as Reference Assets***

An investment in currency-linked Notes entails significant risks in addition to those associated with investments in a conventional debt security.

Notes may be denominated in one currency (the "**Reference Asset Currency**") but payable in another currency (the "**Specified Currency**"). The value of the Notes could therefore be affected by fluctuations in the value of the Reference Asset Currency as compared to the Specified Currency (which may be calculated, where applicable, on a cross-currency basis). This presents certain risks that the exchange rate (or the exchange rates) used to determine the Specified Currency amount of any payments in respect of the Notes may significantly change (including changes due to devaluation or revaluation of the Specified Currency as compared to the Reference Asset Currency) and the risk that authorities with jurisdiction over such currencies could cause a decrease in (1) the Specified Currency equivalent yield on the Notes, (2) the Specified Currency equivalent value of the amount payable in respect of the relevant Redemption Amount of the Notes and (3) the Specified Currency equivalent market value of the Notes. Therefore, there is a possibility that the Specified Currency value of the Notes at the time of any sale or redemption, cancellation or exercise, as the case may be, of the Notes may be below the value of the investor's original investment in the Notes, depending on the exchange rate at the time of any such sale or redemption, cancellation or exercise, as the case may be.

- (a) *Factors affecting the performance of the relevant foreign exchange rate may adversely affect the value of the Notes*

The foreign exchange rate(s) to which the Notes are linked will affect the nature and value of the investment return on the Notes. The performance of foreign exchange rates is dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency.

- (b) *Nordea is a major foreign exchange dealer and is subject to conflicts of interest*

Investors should note that certain members of the Nordea Group are regular participants in the foreign exchange markets and in the ordinary course of their business may effect transactions for their own account or for the account of their customers and hold long and short positions in currencies and related derivatives, including in the currencies that constitute Reference Assets in relation to the Notes. Such transactions may affect the relevant Reference Assets, the market price, liquidity or value of the Notes and could be adverse to the interests of Noteholders. No members of the Nordea Group has any duty to enter into such transactions in a manner which is favourable to Noteholders.

- (c) *Currencies of emerging markets jurisdictions pose particular risks*

Currency-linked Notes linked to emerging market currencies may experience greater volatility and less certainty as to the future levels of such emerging market currencies or their rate of exchange as against other currencies.

#### **Risks associated with Commodities as Reference Assets**

An investment in commodity-linked Notes entails significant risks in addition to those associated with investments in a conventional debt security.

- (a) *Factors affecting the performance of commodities may adversely affect the value of the Notes; commodity prices may be more volatile than other asset classes*

Trading in commodities is speculative and may be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable, including, for example, changes in supply and demand relationships, weather patterns and extreme weather conditions, governmental programmes and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programmes, changes in interest and exchange rates and changes and suspensions or disruptions of market trading activities in commodities and

related contracts. Commodity prices may be more volatile than other asset classes, making investments in commodities riskier than other investments.

- (b) *Commodities may reference physical commodities or commodity contracts, and certain commodity contracts may be traded on unregulated or "under-regulated" exchanges*

Commodities comprise both (i) "physical" commodities, which need to be stored and transported, and which are generally traded at a "Spot" price, and (ii) commodity contracts, which are agreements either to (A) buy or sell a set amount of an underlying physical commodity at a predetermined price and delivery period (which may be referred to as a delivery month) or to (B) make and receive a cash payment based on changes in the price of the underlying commodity.

Commodity contracts may be traded on regulated specialised futures exchanges (such as futures contracts). Commodity contracts may also be traded directly between market participants "over-the-counter" on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. Accordingly, trading in such "over-the-counter" contracts may not be subject to the same provisions as, and the protections afforded to, contracts traded on regulated specialised futures exchanges, and there may therefore be additional risks related to the liquidity and price histories of the relevant contracts.

- (c) *Notes which are linked to commodity futures contracts may provide a different return than Notes linked to the relevant physical commodity and will have certain other risks*

The price of a futures contract on a commodity will generally be at a premium or at a discount to the spot price of the underlying commodity. This discrepancy is due to such factors as (i) the need to adjust the spot price due to related expenses (e.g. warehousing, transport and insurance costs) and (ii) different methods being used to evaluate general factors affecting the spot and the futures markets. In addition, and depending on the commodity, there can be significant differences in the liquidity of the spot and the futures markets. Accordingly, Notes which are linked to commodity futures contracts may provide a different return than Notes linked to the relevant physical commodity.

Investments in futures contracts involve certain other risks, including potential illiquidity. A holder of a futures position may find that such position becomes illiquid because certain commodity exchanges limit fluctuations in such futures contract prices pursuant to "daily limits". Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in the contract can neither be taken nor liquidated unless holders are willing to effect trades at or within the limit. This could prevent a holder from promptly liquidating unfavourable positions and subject it to substantial losses. Futures contract prices in various commodities occasionally have exceeded the daily limit for several consecutive days with little or no trading. Any such losses in such circumstances could have a negative adverse effect on the return of any Notes, the Reference Asset for which is the affected futures contract.

In the case of a direct investment in commodity futures contracts, the invested capital may be applied in whole or in part by way of collateral in respect of the future claims of the respective counterparties under the commodity futures contracts. Such capital will generally bear interest, and the interest yield will increase the return of the investor making such direct investment. However, holders of Notes linked to the price of commodity futures contracts do not participate in such interest yields from the hypothetical fully collateralised investment in commodity futures contracts.

- (d) *Additional risks in relation to the "rolling" of commodity futures contracts (including commodity futures contracts which are Components of a Commodity Index)*

Commodity contracts have a predetermined expiration date – i.e. a date on which trading of the commodity contract ceases. Holding a commodity contract until expiration will result in delivery of the underlying physical commodity or the requirement to make or receive a cash settlement. Alternatively, "rolling" the commodity contracts means that the commodity contracts that are nearing expiration (the "**near-dated commodity contracts**") are sold before they expire and commodity contracts that have an expiration date further in the future (the "**longer-dated commodity contracts**") are purchased. Investments in commodities apply "rolling" of the component commodity contracts in order to maintain an ongoing exposure to such commodities.

"Rolling" can affect the value of an investment in commodities in a number of ways, including:

- (i) *The investment in commodity contracts may be increased or decreased through "rolling"*

Where the price of a near-dated commodity contract is greater than the price of the longer-dated commodity contract (the commodity is said to be in "backwardation"), then "rolling" from the former to the latter will result in exposure to a greater number of the longer-dated commodity contract being taken. Therefore, any loss or gain on the new positions for a given movement in the prices of the commodity contract will be greater than if one had synthetically held the same number of commodity contracts as before the "roll". Conversely, where the price of the near-dated commodity contract is lower than the price of the longer-dated commodity contract (the commodity is said to be in "contango"), then "rolling" will result in exposure to a smaller number of the longer-dated commodity contract being taken. Therefore, any gain or loss on the new positions for a given movement in the prices of the commodity contract will be less than if one had synthetically held the same number of commodity contracts as before the "roll".

- (ii) *Where a commodity contract is in contango (or, alternatively, backwardation), such may be expected to (though it may not) have a negative (or, alternatively, positive) effect over time*

Where a commodity contract is in "contango", then the price of the longer-dated commodity contract will generally be expected to (but may not) decrease over time as it nears expiry. In such event, rolling is generally expected to have a negative effect on an investment in the commodity contract. Where a commodity contract is in "backwardation", then the price of the longer-dated commodity contract will generally be expected to (but may not) increase over time as it nears expiry. In such event, the investment in the relevant commodity contract can generally be expected to be positively affected.

In the case of Notes which are linked to a commodity contract, the referenced commodity contract will simply be changed without liquidating or entering into any positions in the commodity contracts. Accordingly, the effects of "rolling" described above do not apply directly to the Reference Asset and the Notes. Thus, an investor will not participate directly in possible effects of "rolling". However, other market participants may act in accordance with the mechanism of "rolling" and such behaviour may have an indirect adverse impact on the value of the Reference Asset and therefore on the Notes.

Commodity indices are indices which track the performance of a basket of commodity contracts on certain commodities, depending on the particular index. The weighting of the respective commodities included in a commodity index will depend on the particular index, and is generally described in the relevant index rules of the index.

Commodity indices apply "rolling" of the component commodity contracts in order to maintain an ongoing exposure to such commodities. Specifically, as a commodity contract is required to be rolled pursuant to the relevant index rules, the commodity index is calculated as if exposure to the commodity contract was liquidated and exposure was taken to another (generally longer-dated) commodity contract for an equivalent exposure. Accordingly, the same effects as described above with regard to "rolling" on the value of a Reference Asset of the Notes also apply with regard to the index level of a Commodity index.

- (e) *Legal and regulatory changes relating to the Commodities may lead to an early redemption or cancellation*

Commodities are subject to legal and regulatory regimes that may change in ways that could affect the ability of the Issuer or any other member of the Nordea Group engaged in any underlying or hedging transactions in respect of the Issuer's obligations in relation to the Notes to hedge the Issuer's obligations under the Notes, and/or could lead to the early redemption or cancellation of the Notes.

### ***Risks associated with Baskets comprising various constituents as Reference Assets***

(a) *Exposure to performance of basket and its underlying constituents*

Where the Notes reference a basket of assets as Reference Assets, the investors in such Notes are exposed to the performance of such basket. The investors will bear the risk of the performance of each of the basket constituents.

(b) *A high correlation of basket constituents may have a significant effect on amounts payable*

Correlation of basket constituents indicates the level of interdependence among the individual basket constituents with respect to their performance. If, for example, all of the basket constituents originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation: investors should be aware that, though basket constituents may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general downturn or other economic or political event. Where the basket constituents are subject to high correlation, any move in the performance of the basket constituents will exaggerate the performance of the Notes.

(c) *The negative performance of a single basket constituent may outweigh a positive performance of one or more other basket constituents*

Investors in Notes must be aware that, even in the case of a positive performance of one or more basket constituents, the performance of the basket as a whole may be negative if the performance of the other basket constituents is negative to a greater extent, subject to the terms and conditions of the relevant Notes.

(d) *A small basket, an unequally weighted basket or a "best of" or "worst of" basket will generally leave the basket more vulnerable to changes in the value of any particular basket constituent*

The performance of a basket that includes a fewer number of basket constituents will generally, subject to the terms and conditions of the relevant Notes, be more affected by changes in the value of any particular basket constituent included therein than a basket that includes a greater number of basket constituents.

The performance of a basket that gives greater weight to some basket constituents or bases the level of the entire basket only on the value of one of the basket constituents will generally, subject to the terms and conditions of the relevant Notes, be more affected by changes in the value of any such particular basket constituent included therein than a basket that gives relatively equal weight to each basket constituent.

(e) *A change in composition of a basket may have an adverse effect on Basket Return*

Where the Notes grant the Issuer or the Calculation Agent the right, in certain circumstances, to adjust the composition of the basket, investors should be aware that any replacement basket constituent may perform differently from the anticipated performance of the original basket constituent, which may have an adverse effect on the performance of the basket.

### ***Risks related to Credit-Linked Notes***

#### ***Correlation risk***

An investment in credit linked Notes will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include exposure to the credit risk of the particular Reference Entity or basket of Reference Entities (and, where applicable, one or more specific reference obligations) in addition to that of the relevant Issuer. Depending on the manner in which the particular series of credit linked Notes is linked to the credit of a Reference Entity or basket of Reference Entities, a fall in the creditworthiness of a particular Reference Entity (or where perceptions worsen regarding the creditworthiness of a particular Reference Entity), may greatly reduce the market value of the related Notes and any payments of principal or interest then due. If a series of Notes is linked to a basket of Reference Entities, a credit deterioration in one reference entity may be strongly correlated with credit deterioration of other reference entities included in the basket, resulting in substantial decreases over a

relatively short period of time in the market value of the related Notes and any payments of principal or interest then due. In a "N<sup>th</sup> to Default" or "N<sup>th</sup> and N<sup>th</sup> + 1" to Default structure, the occurrence of a credit event in relation to particular Reference Entities will have a greater than proportionate impact on the market value and payment of principal and interest in relation to the relevant Notes.

#### *Nature of payments of principal and/or interest*

In the event of the occurrence of certain circumstances (which may include, amongst other things, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or another Credit Event) in relation to a Reference Entity or Reference Entities, in each case, as specified in the applicable Final Terms, the Issuer's obligation to pay principal or perform other obligations under the Notes may be replaced by an obligation to pay other amounts calculated by reference to the value of the Reference Asset(s). In addition interest bearing credit linked Notes may cease to bear interest on or prior to the date of occurrence of such circumstances.

Potential investors in any such Notes should be aware that depending on the terms of the credit linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment.

#### *Market price volatility*

The market price of credit linked Notes may be volatile and will be affected by, amongst other things, the time remaining to the redemption date and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

#### *No need for Issuer to suffer loss with respect to any Reference Entity*

The Issuer's obligations in respect of credit-linked Notes are irrespective of the existence or amount of the Issuer's and/or any affiliates' credit exposure to a Reference Entity and the Issuer and/or any affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

#### *No information regarding Reference Entities*

No investigation has been or will be made regarding any of the Reference Entities. Prospective investors in credit-linked Notes should obtain and evaluate information regarding the Reference Entities as if they were investing directly in the debt obligations of the Reference Entities. In addition, investors should understand that the historical performance of any specific debt obligation or the debt obligations of such Reference Entities generally is not predictive of future performance. As none of the Reference Entities has participated in the preparation of this Base Prospectus, there can be no assurance that all material events or information regarding the Reference Entities have been disclosed at the time the Notes are issued. Subsequent disclosure of any such events or the failure to disclose material events concerning any of the Reference Entities could affect the redemption amount payable on the Notes or the general trading price of the Notes.

#### *Debt obligations may consist of subordinated debt*

Any debt obligations for credit-linked Notes may include subordinated debt obligations. Such subordinated debt obligations will rank junior to, and the value of such subordinated debt obligations may be less than that of, senior obligations in respect of the same Reference Entity, and the value of such subordinated debt obligations may even be zero in circumstances where a Credit Event has occurred. The Issuer is under no fiduciary duty to select Reference Assets or deliverable assets of any particular value or that maximise value for Noteholders.

### **Risks relating to interest features**

#### ***Risks relating to fixed/floating rate Notes.***

Fixed/floating rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the fixed/floating rate

Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

***Risks relating to variable rate Notes with a multiplier or other leverage factor.***

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for notes that do not include those features.

***Risks relating to inverse floating rate Notes.***

Inverse floating rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate, such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

***Risks Relating to Range Accrual Notes***

Range Accrual Notes provide for interest to be paid either (i) on interest payment dates occurring at regular intervals throughout the life of the Notes; or (ii) in a single amount at maturity.

The amount of interest that an investor in the Notes receives is linked to the performance of the Reference Asset(s) specified in the applicable Final Terms and on how many actual days during the relevant Interest Period or Valuation Period the level or value of the Reference Asset(s) remains within a certain range, (the upper and lower limit of which is specified in the applicable Final Terms). If the level or value of the Reference Asset(s) is below the lower limit or higher than the upper limit on some or all of the days in an Interest Period or Valuation Period, the investor may receive low or even zero interest payments, respectively, for the relevant Interest Period. Holders should note that no interest accrues on days when the level or value of the Reference Asset(s) is outside of the range specified. The rate at which interest accrues may be a fixed rate, floating rate or other rate specified in the applicable Final Terms. Interest payable on the Notes is therefore also linked to the volatility of the level or value of the Reference Asset(s). Range Accrual Notes may not be suitable for investors who require regular income payments.

***Risks relating to particular performance structures***

***Risks related to the complexity of the product***

The yield structure for structured Notes 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 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 comparatively small changes in the performance of Reference Assets that may have major effects for the value and yield on Notes. Such a structure is generally also associated with a higher risk (see Risks relating to particular Reference Assets below). 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, with respect to certain hedge funds. Investors should carefully consider which yield structure applies to the Notes or Notes in which the investor is investing in order to obtain an understanding of how the relevant Notes operate in different scenarios and the risks an investment in the Notes entails.

***Risks relating to Notes which are not principal protected***

The Notes may or may not be principal protected. If the Note is not principal protected there is no guarantee that the return that an investor receives on the Notes upon their redemption will be greater than or equal to the principal amount. If the Redemption Amount of the Notes is not principal protected, but is to be determined solely by reference to the value or level of one or more Reference Assets, any reduction

in the value of the Reference Asset (or, in the case of a "put" or "reverse convertible" structure, any increase in value) may be expected to result in a reduction in the Redemption Amount of the Notes. Accordingly, it is possible that the return on Notes linked to such Reference Asset(s) may be considerably less than the amount paid by investors for such Notes and may be zero.

#### ***Risk relating to premium and participation ratio***

The relationship between the value of a structured Note and the performance of the Reference Assets or changes between them is not always linear but, rather, sometimes depends on the yield structure and a participation ratio which determines the extent to which the performance of the Reference Asset is reflected in the value of the Note. The participation ratio is set by the relevant Issuer and determined, among other things, by term to maturity, volatility, market interest rates and expected dividends on the Reference Asset. In certain structures, the participation ratio may differ depending on whether or not the performance of the relevant Reference Assets is positive or negative. Variations in the participation ratio may increase or decrease the extent to which a Noteholder is exposed to the performance of the relevant Reference Assets. The amount that the investor risks is greater in those structured Notes 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.

#### ***Intensity Price fluctuations, so called volatility***

If, pursuant to the relevant 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 Notes may be more volatile than the market value of a note without such elements.

#### ***"Best of"/"Worst of" features in respect of Baskets.***

Where the return on the Notes is linked to the performance of a Basket and that the "Best of" feature is applicable, the value of the Basket will depend on a specified number of components comprising the Basket that have shown the best performance in comparison to the other components comprising the Basket over a specified period of time. Conversely, where the "Worst of" feature is applicable, the value of the Basket will depend on a specified number of components comprising the Basket that have shown the worst performance in comparison to the other components comprising the Basket over a specified period of time. As the best-performing components, or the worst-performing components, of a Basket, as applicable, are not representative of the performance of the Basket as a whole, any calculations or determinations of value that involve the "Best of" or "Worst of" feature may produce results that are very different to those that take into account the performance of the Basket as a whole. Potential investors should examine the manner in which the "Best of" and "Worst of" features affect the value of any Basket and examine the context in which the such value affects the determination of any payouts. Potential investors in any such Notes should be aware that the returns they receive (if any) on investment in Notes which have a "Best of" and/or "Worst of" feature may be substantially different from the return on investment in Notes without such features.

#### ***Risk of automatic early redemption***

In relation to certain types of Notes, the Notes will be automatically redeemed prior to their maturity if certain conditions are met. Notes of this type have an uncertain maturity date. Certain types of Notes may also be automatically redeemed early if a specified trigger is breached during a specified period or on a specified date or dates. If a Reference Asset or Basket performs poorly, Noteholders may receive little or no interest during the term of the Notes and/or receive low or even zero return at maturity, and in some circumstances may result in a loss of part or all of their investment. Prospective investors should consider reinvestment risk in light of other investments available at that time.



## RISKFAKTORER

**Nedan beskrivna riskfaktorer är en inofficiell översättning av de riskfaktorer som beskrivs på engelska omedelbart före detta avsnitt och investerare rekommenderas att även läsa och ta till sig riskfaktorerna såsom de beskrivits på engelska då dessa kan avvika från den svenska översättningen.**

En investering i ett Lån innebär ett visst risktagande. Presumptiva investerare skall noggrant överväga de nedan angivna riskerna och övrig information som anges i detta Grundprospekt före varje investeringsbeslut avseende Lån. De risker som beskrivs nedan kan ha en väsentlig negativ effekt på Nordeakoncernens affärsverksamhet, rörelseresultat och finansiella ställning samt värdet på Lån. Även ytterligare risker och osäkerheter, inklusive sådana som Nordeakoncernens ledning inte för närvarande känner till eller uppfattar såsom betydande, kan komma att ha en potentiell väsentlig inverkan på Nordeakoncernens affärsverksamhet, rörelseresultat, finansiella ställning eller framtidsutsikter eller kan föranleda andra händelser som kan innebära att investerare förlorar hela eller delar av sin investering.

Ord och uttryck som är definierade i "Allmänna Villkor för Lån" eller på annan plats i detta Grundprospekt ska ha samma betydelse i detta avsnitt.

Presumptiva investerare måste uppmärksamma att riskerna som är relaterade till "Emittenterna", till verksamheten som de är verksamma i och summeringen av Lån i avsnittet, i detta Grundprospekt, med överskrift "Sammanfattning" är de risker som Emittenterna tror är de mest relevanta att uppmärksamma för en potentiell investerare för att göra en bedömning huruvida en investering i Lån ska göras eller inte. Emellertid, riskerna som Emittenterna står inför hänförs sig till händelser och är beroende av omständigheter som kan eller inte kan inträffa i framtiden; presumptiva investerare skall beakta och inte endast informationen om nyckelrisker som har sammanfattats i avsnittet i detta Grundprospekt med överskrift "Sammanfattning" dessutom, till exempel, risker och osäkerheter som beskrivs nedan.

Var och en av Emittenterna är av den uppfattningen att de faktorer som beskrivs nedan är de huvudsakliga riskerna förknippade med att investera i Lån emitterade under Programmet., men relevant Emittentens oförmåga att betala ränta eller kapitalbelopp för eller i samband med något Lån kan inträffa utav andra orsaker och ingen av Emittenterna anser att redovisning nedan angående risker för innehav av Lån är uttömmande.

### **Generella risker relaterade till de rådande makroekonomiska förhållandena**

#### **Störningar och volatilitet på de globala finansiella marknaderna kan negativt påverka Nordea**

Från augusti 2007 till den tidigare delen av 2009 har det globala finansiella systemet drabbats av kredit- och likviditetsförhållanden samt störningar utan tidigare motstycke, vilket lett till minskad likviditet, högre volatilitet, generell ökning av spreadarna och, i vissa fall, brist på transparens vid prissättning av penning- och kapitalmarknadsräntor. Efter en period av stabilisering under 2010 och det första halvåret av 2011 påverkades återhämtningen på finansmarknaden negativt av den turbulens och de avbrott, som orsakades av statliga budgetunderskott och ökade statsskulder i Grekland, Irland, Italien, Portugal och Spanien. Trots tillhandahållandet av räddningspaket till vissa av dessa länder under de senaste två åren råder osäkerhet kring utgången av dessa åtgärder och oron för statsfinanser kvarstår. Detta tillsammans med bekymmer över den övergripande stabiliteten och upprätthållandet av euroområdet har orsakat ytterligare volatilitet på den globala kredit- och likviditetsmarknaden. Som en reaktion på denna oro har Standard & Poor's, Moody's och Fitch sänkt kreditvärdighetsbetygen för ett flertal länder i Europa under början av 2012. Marknadens oro över de europeiska bankernas och försäkringsgivare direkta och indirekta exponering gentemot dessa länder såväl som gentemot varandra har även resulterat i bredare räntemarginaler, ökade kostnader för att erhålla kapital samt en negativ kreditvärderingsutsikt för vissa finansiella institut i Europa. Även om marknadsförhållandena har förbättrats något under senare delen av 2012 så har utvecklingen i de finansiella marknaderna drivits av i huvudsak initiativ från centralbanker och marknaden var fortsatt volatil med osäkerhet om framtida makroekonomiska-utvecklingar och det finns inte någon garanti att en potentiell åtstramning av likviditetsmöjligheter i framtiden såsom ett resultat av, till exempel, fortsatt nedbrytning av publika finanser för särskilda Europeiska länder inte kommer att leda till ny finansierings-osäkerhet som resulterar i ökad volatilitet och ökade kreditsspreadar.

Risker relaterade till den ekonomiska krisen i Europa har haft och kommer troligen att fortsättningsvis ha en negativ påverkan på aktiviteten inom den globala ekonomin samt på de finansiella marknaderna. Om dessa förhållanden fortsätter eller om ytterligare oro uppstår inom dessa eller på andra marknader, kan detta medföra väsentlig negativ effekt på Nordeakoncernens möjlighet att få tillgång till kapital och likviditet på finansiella villkor som är acceptabla för Nordeakoncernen. Var och en av ovan nämnda

faktorer kan inverka väsentligt negativt på Nordeakoncernens verksamhet, finansiella ställning och rörelseresultat.

***Negativ ekonomisk utveckling och negativa förhållanden på de marknader där Nordeakoncernen verkar kan negativt påverka Nordeakoncernens verksamhet och rörelseresultat***

Nordeas resultat påverkas i betydande mån av det allmänna ekonomiska läget i de länder där Nordea verkar, särskilt på de Nordiska Marknaderna (Danmark, Finland, Norge och Sverige) men även, i lägre grad, i Polen, Ryssland och Baltikum. Det allmänna ekonomiska läget på alla fyra Nordiska Marknaderna samt i Polen, Ryssland och Baltikum har i varierande grad påverkats negativt av försämrade ekonomiska förhållanden och av turbulensen på de globala finansiella marknaderna, under 2008 och 2009, vilket resulterade i minskad ekonomisk tillväxt, ökad arbetslöshet och minskat värde på tillgångar i dessa länder. Trots att det ekonomiska läget i dessa länder generellt har utvecklats positivt har återhämtningen varit skör i vissa av länderna och särskilt Danmarks ekonomi har påverkats mest av den finansiella turbulensen och den ekonomiska nedgången än ekonomin i de övriga nordiska länderna och har följt många europeiska länder in i en recession. Under 2012 hade Finland negativ tillväxt, tillväxten i Sverige har minskat men var positiv medan Norge behöll en stark tillväxt. Negativ ekonomisk utveckling av det slag som beskrivs ovan har påverkat och kan komma att fortsätta påverka Nordeakoncernens verksamhet på en rad olika sätt, bland annat genom påverkan på Nordeakoncernens kunders inkomst, förmögenhet, likviditet, affärsvillkor och/eller finansiella ställning, vilket i sin tur ytterligare kan komma att försämra Nordeakoncernens kreditkvalitet och minska efterfrågan på Nordeakoncernens finansiella produkter och tjänster. Följaktligen skulle vissa eller samtliga av de förhållanden som beskrivits ovan kunna medföra en fortsatt väsentlig negativ effekt på Nordeas verksamhet, finansiella ställning och rörelseresultat och de av Nordea vidtagna åtgärderna kommer eventuellt inte att vara tillräckliga för att begränsa kredit-, marknads- eller likviditetsrisker.

**Risker förknippade med Nordeakoncernens Kreditportfölj**

***Försämring av motparters kreditkvalitet kan påverka Nordeas finansiella resultat***

Risker som uppstår genom förändring av kreditkvaliteten och möjligheten att återvinna förfallna lån och belopp från motparter är en naturlig del i flera av Nordeas verksamheter. Nordea gör avsättningar för kreditförluster i enlighet med IFRS, men de avsättningar som görs är baserade på tillgänglig information, uppskattningar och antaganden och är föremål för osäkerhet, och inga garantier kan ges för att avsättningarna är tillräckliga för att täcka de kreditförluster som uppstår. Negativa förändringar i kreditkvaliteten hos Nordeas låntagare och motparter eller minskningar i värdet av säkerheter kan påverka möjligheten till återvinning samt värdet på Nordeas tillgångar och kräver en ökning av Nordeas individuella avsättningar och, potentiellt, koncerngemensamma avsättningar för försämrade krediter, vilket i sin tur skulle påverka Nordeas finansiella resultat negativt. Framför allt kan Nordeas exponering mot företagskunder vara föremål för negativa förändringar i kvaliteten på krediter om det ekonomiska klimatet i de marknader på vilka Nordeakoncernen verkar försämras. Exempelvis så ökade kreditriskerna förenade med vissa låntagare och motparter på de Ryska och baltiska marknaderna till följd av den negativa ekonomiska utvecklingen i dessa länder under 2008 och 2009, kreditrisk förknippade med vissa låntagare och motparter i dessa marknader ökade. Det förlängda svåra ekonomiska klimatet påverkade sjöfartssektorn och vissa kundgrupper i Danmark under 2011 och 2012. Förmågan för Nordeakoncernens låntagare i Polen, Ryssland, Lettland och Litauen kan också indirekt bli påverkad av utländsk valutarisk då lån till kunder i dessa länder oftast är denominerade i euro eller U.S. dollar, även om kunderna typisk sett erhåller huvudsaklig inkomst i lokalvaluta. Därtill, faktiska låneförluster varierar över affärscykeln. En betydande ökning av storleken av Nordeakoncernens avsättningar för kreditförluster och kreditförluster som inte är täckta av avsättningars kan ha en betydande negativ effekt på Nordeakoncernens affärs, finansiella situation och resultat.

***Nordea är exponerat för kreditrisk gentemot sina motparter***

Nordea genomför rutinmässigt transaktioner med motparter inom finansbranschen, inklusive mäklare och handlare, affärsbanker, investmentbanker, fonder och andra företags- och institutionella klienter. Många av dessa transaktioner utsätter Nordea för risker att Nordeas motparter under ett valuta-, ränte-, råvaru-, aktie- eller kreditderivatkontrakt fallerar före förfallodagen och att Nordea då har en utestående fordran mot motparten. På grund av volatilitet på valuta- och räntemarknaderna under de tre senaste åren har denna risk kvarstått på en förhöjd nivå jämfört med perioden som föregick den globala finansiella och ekonomiska krisen. Denna kreditrisk kan även förvärras då säkerheter som innehas av Nordea inte kan realiserats eller likvideras till priser som är tillräckliga för att täcka motpartsexponeringens fulla belopp.

Var och en av de ovan nämnda faktorerna skulle kunna medföra en väsentlig negativ effekt på Nordeas verksamhet, finansiella ställning och rörelseresultat.

Som en konsekvens av dess handel med finansiella instrument, inklusive valuta- och derivatkontrakt, är Nordea exponerat för avvecklingsrisk och transfereringsrisk. Avvecklingsrisk är risken att förlora det kapital som utgörs av ett finansiellt kontrakt till följd av att motparten fallerar eller efter att Nordea har gett oåterkalleliga instruktioner om att överföra kapitalbelopp eller säkerhet, men före det att mottagandet av motsvarande betalning eller säkerhet har blivit slutligen bekräftat. Transfereringsrisk är risken hänförlig till överföring av pengar från ett land annat än det land där låntagaren har sin hemvist, vilken påverkas av förändringar i de aktuella ländernas ekonomiska och politiska förhållanden.

### **Risker relaterade till marknadsexponering**

#### ***Nordeakoncernen är exponerat för marknadsprisrisk***

Nordeakoncernens kunddrivna handelsverksamhet (där positioner tas inom vissa definierade gränser) och dess Treasury-verksamhet (där Nordea innehar investerings- och likviditetsportföljer för egen räkning) är de huvudsakliga källorna till marknadsprisrisk inom Nordea. Det verkliga värdet av de finansiella instrument som innehas av Nordea, inklusive obligationer (stats-, företags- och bostadsobligationer), aktieplaceringar, kontanter i olika valutor, placeringar i private equity- och hedge- och kreditfonder, råvaror och derivat (inklusive kreditderivat), är känsligt för volatilitet i och korrelationer mellan olika marknadsvariabler, inklusive räntor, spreadar, aktiepriser och valutakurser. I den utsträckning det volatila marknadstillståndet fortgår eller återkommer kan det verkliga värdet av Nordeas obligationer, derivat- och strukturerade kreditportföljer och andra portföljer minska mer än enligt beräknat och därmed tvinga Nordea att bokföra nedskrivningar. Framtida värderingar av de tillgångar som Nordea redan har bokfört eller beräknat nedskrivningar för, vilka kommer att spegla de då rådande marknadsvillkoren, kan leda till betydande förändringar av det verkliga värdet på dessa tillgångar. Vidare bokförs värdet på vissa finansiella instrument till ett verkligt värde som fastställs genom finansiella modeller vilka innehåller antaganden, avgöranden och uppskattningar som till sin natur är osäkra och kan komma att förändras över tid eller slutligen visa sig vara oriktiga. Var och en av dessa faktorer kan tvinga Nordea att redovisa ytterligare nedskrivningar eller realisera värdeminskningsskostnader, vilket kan medföra en väsentlig negativ effekt på Nordeas verksamhet, finansiella ställning och rörelseresultat. Eftersom Nordeas handels- och placeringsinkomster i hög utsträckning är beroende av de finansiella marknadernas utveckling skulle därtill de volatila marknadsförhållandena kunna resultera i en betydande minskning av Nordeas handelsinkomster och avkastning på placeringar eller leda till handelsförluster som i sin tur kan ha en betydande negativ effekt på Nordeakoncernens affärs, finansiella situation och resultat.

#### ***Nordeakoncernen är exponerad till strukturell marknadsrisk***

##### ***Strukturell räntenettorisik***

Liksom alla banker har Nordea intjäning på räntor på lån och andra tillgångar och betalar i sin tur räntor till insättare och andra borgenärer. Nettoeffekten på förändringar i Nordeas nettoränteintäkter beror på de relativa nivåerna på tillgångar och skulder vilka påverkas av ränteförändringar. Nordea är utsatt för strukturell ränterisk: (En: Structural Interest Income Risk) ("**SIIR**") när det finns en diskrepans mellan räntebindningsperioderna, volymerna eller referensräntorna på dess tillgångar, skulder och derivat. Diskrepansen för en given period i händelse av ränteförändringar skulle kunna få en väsentlig negativ effekt på Nordeas finansiella ställning och rörelseresultat.

##### ***Strukturell valutarisk***

Nordea är exponerat för valutaomräkningsrisk främst som ett resultat av dess svenska och norska bankverksamhet, då Nordeas konsoliderade finansiella rapporter upprättas i Nordeas funktionella valuta, euro. Nordeas funktionella valuta för dess danska bankverksamhet är danska kronor, vilken är låst mot euron. Eftersom Nordea redovisar omräkningsskillnader mellan de i lokala valutor denominerade kapitalpositionerna i dess fullt konsoliderade dotterbolag, kan euroeffekten som uppstår vid valutaomräkning komma att minska det egna kapitalet. Eftersom vissa av Nordeas konsoliderade riskavvägda tillgångar: (En: Risk-weighted Assets) ("**RWA**"), gentemot vilka Nordea är skyldigt att hålla en viss lägsta kapitalnivå är denominerade i lokala valutor, medför varje betydande minskning av eurons värde gentemot dessa lokala valutor en betydande negativ effekt på Nordeas kapitalrelationer. Trots att Nordea i allmänhet följer en policy att säkra sin valutakursrisk genom att försöka matcha valutan för dess tillgångar med valutan för skulderna som finansierar dem, kan ingen garanti ges för att Nordea framgångsrikt kommer att kunna säkra några eller samtliga av sina valutariskexponeringar.

## **Risker relaterade till likviditet och kapitalkrav**

### ***Nordeas verksamheter är förbundna med likviditetsrisk***

Likviditetsrisk är risken att Nordea inte kommer att kunna fullgöra sina förpliktelser varefter de förfaller eller tvingas fullgöra sina åtaganden till ökad kostnad. En väsentlig del av Nordeas likviditets- och finansieringsbehov sker genom användning av kunders inlåning och genom kontinuerlig tillgång till interbanklånemarknader, inklusive genom upptagande av långfristiga marknadslån, såsom säkerställda obligationer. Dessa finansieringskällors volym, och då särskilt långfristig finansiering, kan begränsas under tider av likviditetspåfrestning. Turbulens på de globala finansiella marknaderna och i den globala ekonomin kan komma att negativt påverka Nordeas likviditet och villigheten från vissa motparter och kunder att göra affärer med Nordea, vilket kan ha en väsentlig negativ effekt på Nordeas verksamhet och rörelseresultat.

### ***Nordeas affärsresultat kan påverkas om dess kapitaltäckning minskar eller upplevs vara otillräcklig***

Enligt det europeiska Kapitaltäckningsdirektivet (innefattande direktiv 2006/48/EC och direktiv 2006/49/EC måste Nordea upprätthålla vissa kapitalräckningsnivåer.) Dessutom har Baselkommittén (eng. Basel Committee on Banking Supervision) föreslagit ett antal fundamentala ändringar till gällande regelverk avseende kapitaltäckning för de banker som är verksamma på den internationella marknaden. De främsta ändringarna är utgivna i Baselkommitténs skrift utgiven den 16 december 2010 samt januari 2011 ("**Basel III**"). Vid tiden för upprättande av detta grundprospekt är det europeiska Kapitaltäckningsdirektivet under omarbetning för att på så sätt inkludera Basel III regelverket, inklusive de högre kapitaltäckningskraven.

Långivare och investerare, analytiker och andra professionella aktörer kan icke desto mindre ha högre kapitalkrav än som krävs enligt gällande eller föreslagna framtida regler med anledning av, bland annat, den fortsatta osäkerheten avseende verksamheten inom finansiella tjänster samt osäkra globala ekonomiska förhållanden. Ett sådant marknadsläge kan påverka Nordeas upplåningskostnader, minska dess tillgång till kapitalmarknader eller resultera i en nedvärdering av dess kreditvärdighet, vilket i sin tur kan ha en väsentlig negativ effekt på dess rörelseresultat, finansiella ställning och likviditet. Dessutom kan Nordeas RWA öka, vilket potentiellt kan minska Nordeas kapitaltäckning, till följd av, bland annat, lägre intern kreditvärdighet hos Nordeas kunder, betydande volatilitet på marknaden, ökad räntedifferens på krediter, förändringar i ramlagstiftning avseende kapitaltäckningskrav eller regleringen av vissa positioner, förändringar i växlingskurser, minskningar av värdet på säkerheter till följd av lägre marknadsvärde hos underliggande tillgångar, eller ytterligare försämringar av det ekonomiska klimatet. En minskning av Nordeas kapitaltäckningsgrad kombinerad med svårigheter att kapitalisera Bankerna i Nordeakoncernen, skulle kunna medföra att Nordea tvingas att reducera sin utlåningsverksamhet och/eller delar av övriga verksamheter. Se också "*Risker relaterade till det juridiska och regulatoriska klimatet i vilket Nordea bedriver verksamhet – Nordeakoncernen kan ådra sig påtagliga kostnader för bevakande och efterlevnad av de nya kapitaltäckningskraven*" och "*Risker relaterade till Lån — Lån är föremål för viss osäkerhet vad gäller regulatoriska ändringar*" nedan.

### ***Nordeas lånekostnader och dess tillgång till kreditmarknaderna är väsentligt beroende av dess kreditbetyg***

Inga garantier kan ges för att Nordea eller dess viktigaste dotterbolag kommer att kunna behålla sina nuvarande kreditbetyg eller att Nordea kan upprätthålla nuvarande kreditbetyg på sina låneinstrument. En sänkning av Nordeas eller något av dess viktigaste dotterbolags nuvarande långsiktiga kreditbetyg kan komma att öka Nordeas finansieringskostnader, begränsa tillgången till kapitalmarknaderna och utlösa ytterligare krav på säkerheter i derivatavtal och andra säkra finansieringsarrangemang. Därför skulle en sänkning av kreditbetygen negativt kunna påverka Nordeas tillgång till likviditet och dess konkurrensposition och således medföra en väsentlig negativ effekt på dess verksamhet, finansiella ställning och rörelseresultat.

## **Andra risker relaterade till Nordeas affärsverksamhet**

### ***Operativa risker, inklusive risker i samband med investeringsrådgivning, kan påverka Nordeas verksamhet***

Nordeas affärsverksamheter är beroende av förmågan att hantera ett stort antal komplexa transaktioner på skilda marknader i många valutor. Verksamheterna bedrivs genom ett antal legala enheter. Verksamhetsförluster, inklusive skadestånd, skador på Nordeas renommé, kostnader, och direkta och

indirekta finansiella förluster och/eller nedskrivningar, kan bli resultatet av otillräcklighet eller brister i interna processer, system (till exempel IT-system), förlust av licenser från externa leverantörer, bedrägerier eller andra kriminella handlingar, anställdas misstag, outsourcing, brister att på ett lämpligt sätt dokumentera transaktioner eller avtal med kunder, säljare, underleverantörer, samarbetspartners och andra tredje parter, eller att inhämta eller upprätthålla vederbörliga tillstånd, eller klagomål från kunder, brister i efterlevnaden av regulatoriska krav, inklusive men inte begränsat till regelverk för att förhindra penningtvätt, personuppgiftsskydd och konkurrensrättsliga regler, efterlevnad av affärsregler, utrustningsfel, brister i att skydda dess tillgångar, inklusive immateriella rättigheter och säkerheter, fel på fysiskt skydd samt säkerhetsskydd, naturkatastrofer eller fel i externa system, inklusive system som härrör från Nordeas leverantörer och motparter och brister i att uppfylla sina kontraktuella eller andra förpliktelser. Trots att Nordea har implementerat riskkontroller och vidtagit andra åtgärder för att begränsa exponeringar och/eller förluster kan inga garantier ges för att sådana procedurer kommer att vara effektiva i kontrollen av de verksamhetsrisker Nordea utsätts för eller att Nordeas renommé inte kommer att skadas om någon verksamhetsrisk förverkligas.

Som en del av dess bank- och tillgångsförvaltningsverksamhet erbjuder Nordea sina kunder investeringsrådgivning, tillgång till internt liksom externt förvaltade fonder samt administrerar fonder som förvaltas av tredje part. I händelse av att dess kunder lider skada av investeringsrådgivning från eller oegentligheter eller bedrägliga åtgärder utförda av förvaltare tredje parts fonder, kan Nordeas kunder söka kompensation från Nordea. Sådan kompensation kan sökas även om Nordea inte har någon direkt exponering mot sådana risker, eller inte har rekommenderat dessa motparter till dess kunder. Alla sådana krav kan medföra en väsentlig negativ effekt på Nordeas renommé, verksamhet, finansiella ställning och rörelseresultat. Se också " Legala och regulatoriska krav i Nordeakoncernens verksamhet"

***Nordea är utsatt för en mängd risker som ett resultat av dess verksamheter, särskilt i Polen, Ryssland och Baltikum***

Nordeas verksamhet i Polen, Ryssland och Baltikum för med sig risker som inte, eller endast i en mindre omfattning, är tillämpliga på Nordeas verksamheter på de nordiska marknaderna. Vissa av dessa marknader är typiskt sätt mer volatila och mindre utvecklade, ekonomiskt och politiskt, än marknader i Västeuropa och Nordamerika. Nordea utsätts för betydande ekonomiska och politiska risker, inklusive ekonomisk volatilitet, recession, inflationstryck, valutakursförändringar och avbrott i verksamheten samt civila oroligheter, moratorium, införande av växelkontroller, sanktioner relaterade till särskilda länder, expropriering, förstatliganden, omförhandlingar eller ogiltigförklaringar av gällande avtal, statligt fallissemang och ändringar i lagar och skatteregler. Som exempel kan nämnas att, som ett resultat av den ekonomiska recessionen, som drabbade länder i den baltiska regionen år 2008 och 2009, har frågor ställts avseende förmågan att reagera mot försämrade förhållanden i lokala ekonomier and förmågan hos sådana länder och deras invånare att fortsätta uppfylla sina åtaganden. Även om de ekonomiska och politiska omständigheterna i Polen, Ryssland och Baltikum har, generellt, utvecklats till det bättre så kan risker relaterade till att vara verksam i dessa marknader påverka Nordeakoncernens låntagare förmåga eller skyldighet att återbetala sina lån, påverka möjligheten för Nordea att realisera innehavda säkerheter, påverka räntor och valutakurser, och skulle väsentligt negativt kunna påverka den ekonomiska aktivitetsnivån, vilket skulle kunna ha en väsentlig negativ effekt på Nordeas affärsverksamhet, finansiella ställning samt resultat av affärsverksamheten i dessa länder.

***Lönsamheten i Nordeas livförsäkrings- och pensionsverksamhet är beroende av regleringar och riktlinjer i de länder den bedrivs***

Förutom sådana försäkrings- och investeringsrisker som är förenade med all livförsäkringsverksamhet och som är gemensamma med alla som erbjuder livförsäkrings- och pensionslösningar, påverkas Nordeas möjlighet att generera vinst i dess försäkringsdotterbolag generellt av nivån på avgifter och andra inkomster som genereras i försäkrings- och pensionsrörelse. Nivån på avgifter och andra inkomster som Nordea kan intjäna från sina försäkringsdotterbolag skiljer sig från land till land, och påverkas av regleringar och riktlinjer kungjorda av relevanta myndigheter avseende ägaravgifter, "IFRS överbryggnings", vinstfördelning samt solvenskrav.

***Nordea kan erfara svårighet att rekrytera eller behålla högre chefer eller annan nyckelpersonal***

Nordeas resultat är i stor utsträckning beroende av kompetensen hos och arbetsinsatsen från mycket kunniga individer, och Nordeas fortsatta möjlighet att effektivt konkurrera och implementera Nordeas strategi beror på förmågan att rekrytera nya medarbetare och behålla och motivera befintliga anställda. Konkurrensen är intensiv inom den finansiella sektorn, inklusive andra finansiella institutioner, liksom

från andra typer av verksamheter. Varje förlust av nyckelpersonal, framförallt till konkurrenter, eller svårighet att rekrytera och behålla kunniga medarbetare i framtiden kan ha en negativ effekt på Nordeas verksamhet.

### ***Nordea möter konkurrens på alla marknader***

Nordea möter konkurrens avseende alla typer av bank- och andra typer av produkter och tjänster som Nordea tillhandahåller, och det finns inga garantier att Nordea kommer att kunna upprätthålla sin konkurrenskraftiga position i framtiden. Om Nordea inte skulle kunna erbjuda konkurrenskraftiga produkter och tjänster, skulle det kunna innebära att Nordea misslyckas att attrahera nya kunder och/eller behålla existerande kunder, uppleva minskade ränteinkomster, avgifter provisioner, och/eller minskade marknadsandelar, vilket var för sig skulle ha en väsentlig negativ effekt på dess affärsverksamhet, finansiella ställning och rörelseresultat.

### **Risker relaterade till det juridiska och regulatoriska klimatet i vilket Nordea bedriver verksamhet**

#### ***Nordea är föremål för omfattande föreskrifter och står under tillsyn av flera olika tillsynsmyndigheter***

Den svenska Finansinspektionen är huvudsaklig tillsynsmyndighet för Nordeas verksamhet, även om Nordeas verksamheter i Danmark, Finland, Norge, Polen, Ryssland, Estland, Lettland, Litauen, Tyskland, Isle of Man, Luxemburg och USA står under tillsyn av lokala tillsynsmyndigheter i dessa jurisdiktioner. Nordea är även föremål för övervakning av tillsynsmyndigheter i respektive land där Nordea har en filial eller ett representationskontor, inklusive Kina. Nordea är underkastat lagar, föreskrifter samt administrativa åtgärder och riktlinjer i var och en av jurisdiktionerna i vilka Nordea är verksam. Dessa är föremål för förändringar och efterlevnaden kan från en tid till en annan innebära betydande kostnader.

Områden där förändringar eller utveckling av föreskrifter och/eller tillsyn kan ha en negativ inverkan innefattar, men är inte begränsat till, (i) förändringar i monetära, ränte- och andra riktlinjer, (ii) allmänna förändringar i regeringars eller tillsynsmyndigheters riktlinjer eller regelsystem som avsevärt kan påverka investerares beslut på de nordiska marknaderna, i Polen, Ryssland och Baltikum samt de övriga marknader där Nordea bedriver sin verksamhet eller som kan öka kostnaden för att bedriva verksamhet på dessa marknader, (iii) förändringar i ramverket för kapitaltäckning, införande av betungande compliancekrav, begränsningar i verksamhetstillväxt eller prissättning och krav på att verksamhet ska bedrivas på ett sätt som prioriterar andra mål än att skapa värde för aktieägarna, (iv) förändringar i konkurrens- och prissättningsförutsättningar, (v) regeringars differentiering mellan finansinstitut rörande insättningsgarantier och de villkor som styr sådana garantier, (vi) expropriation, förstatliganden, konfiskering av tillgångar och förändringar i lagstiftning beträffande utländskt ägande, (vii) vidareutveckling i den finansiella rapporteringsmiljön, och (viii) annan ogynnsam politisk, militär eller diplomatisk utveckling (särskilt i Polen, Ryssland och Baltikum) vilken leder till social instabilitet eller legal osäkerhet, vilket i sin tur kan komma att påverka efterfrågan på Nordeas produkter och tjänster.

Som ett resultat av den nyligen upplevda finansiella och ekonomiska krisen, har ett antal regulatoriska initiativ tagits för att utöka eller implementera regler och förordningar som sannolikt kommer att ha en effekt på Nordeakoncernens verksamhet. Sådana initiativ inkluderar, men är inte begränsat till, regler avseende likviditet, kapitaltäckning och hantering av motpartsrisk och innefattar regulatoriska verktyg till myndigheterna för att ge dem möjlighet att ingripa i nödsituationer. Dessa eller andra regler, begränsningar, restriktioner på finansiella institutioner och kostnader involverade skulle kunna ha en väsentligt negativ inverkan på Nordeakoncernens verksamhet, finansiella ställning och rörelseresultat.

#### ***Nordeakoncernen kan ådra sig påtagliga kostnader för bevakande och efterlevnad av de nya kapitaltäckningskraven***

Basel III inklusive det nya regelverket avseende kapitaltäckning är förväntade att bli slutförda och implementerade i EU genom förslaget Kapitaltäckningsdirektiv och användandet av CRR under 2013 som höjer kraven på kapital och likviditet. Det råder fortfarande oklarhet kring hur det slutliga regelverket avseende kapitaltäckningsnivåerna kommer att utvecklas. Men, CRD IV kommer att ställa krav på att bankerna ska ha en högre andel kärnprimärkapital. Dessutom meddelade det svenska finansdepartementet, Finansinspektionen samt Riksbanken i november 2011 att högre krav än de som fastställts i Basel III kan komma att gälla för nationellt systemviktiga banker ("N-SVB") så som Nordeakoncernen. Både ökade kapital- och likviditetskrav kommer sannolikt att innebära avsevärt högre kostnader för Nordeakoncernen för att övervaka och följa de nya kraven, dessa krav kan också komma att negativt påverka affärsverksamheten i finanssektorn. Vidare pågår diskussioner globalt och inom EU angående återhämtnings- och avvecklingsmodeller med eventuellt införande av bland annat

skuldkonvertering samt avskiljning av vissa bankverksamheter och en eventuell enhetlig tillsynsmekanism i form av bankunionen i EU. Om dessa nya krav och övervakningsstrukturer implementeras så kan det ha en påverkan på existerande affärsmodeller.

### ***Legala och regulatoriska krav uppstår i Nordeas verksamhet***

Nordea är i sin ordinarie verksamhet föremål för regulatorisk tillsyn och ansvarsrisk. Nordea bedriver verksamhet genom ett antal juridiska personer i ett antal jurisdiktioner och är föremål för reglering i varje jurisdiktion. Reglering och regulatoriska krav ändras fortlöpande och nya krav införs för Nordea, inklusive, men inte begränsade till, regleringar avseende bedrivande av verksamhet, penningtvätt, betalningar, konsumentkrediter, kapitalkrav, rapportering och bolagsstyrning. Det finns inte några garantier att överträdelser av Nordeakoncernen inte kommer att inträffa och för det fall en överträdelse inträffar, att betydande ansvar eller bestraffning inte kommer att inträffa. Nordea är föremål för ett antal krav, tvister, rättegångsförfaranden och statliga undersökningar i de jurisdiktioner där Nordea verkar. Denna sorts krav och processer exponerar Nordea för skadestånd, direkta och indirekta kostnader (inklusive legala kostnader), direkta eller indirekta finansiella förluster, civila och straffrättsliga påföljder, förlust av tillstånd eller bemyndiganden eller skadat rykte samt risken för regulatoriska restriktioner för sin verksamhet. Var och en av dessa faktorer skulle kunna medföra en väsentlig negativ effekt på Nordeas verksamhet, finansiella ställning och rörelseresultat. Reglering med negativ inverkan på Nordeas verksamhet eller negativa avgöranden i processer i vilka Nordea är part kan resultera i restriktioner eller begränsningar för Nordeas verksamhet eller innebära en väsentlig negativ effekt på Nordeas verksamhet, finansiella ställning och rörelseresultat.

### ***Nordea är exponerad för risken för ändringar i skattelagstiftningen samt ökade skattesatser***

Nordeas verksamhet är föremål för varierande skattesatser runtom i världen vilka beräknas enligt lokal lagstiftning och praxis. Nordeas verksamhet, inklusive dess internttransaktioner, bedrivs i enlighet med Nordeas tolkning av tillämplig lag, beskattningsavtal, regleringar och krav från skattemyndigheter i de relevanta länderna. Nordea har erhållit rådgivning från oberoende skatterådgivare i dessa frågor. Det finns dock inga garantier för att Nordeas tolkning av tillämplig lag, beskattningsavtal, regleringar eller administrativ praxis är korrekt, eller att sådana regler inte ändras, även med retroaktiv verkan. Ändringar i lagstiftning eller beslut från skattemyndigheter kan försämra Nordeas nuvarande eller tidigare skatteposition.

### ***Generella risker relaterade till Notes***

#### ***Obligationerna är inte lämpliga för alla investerare***

- (i) Varje investerare måste, med beaktande av sin egen finansiella situation, bedöma lämpligheten av en investering i Lån utgivna under Programmet. Varje investerare bör i synnerhet ha:
- (ii) tillräcklig kunskap och erfarenhet för att göra en ändamålsenlig värdering av relevanta Lån, av fördelarna och nackdelarna med en investering i de relevanta Lån och av den information som lämnas i, eller hänvisas till, Grundprospektet, eller eventuella tillägg till Grundprospektet;
- (iii) tillgång till, och kunskap om, lämpliga värderingsmetoder för att utföra en värdering av relevanta Lån och den påverkan en investering i relevanta Lån kan medföra för investerarens övriga investeringsportfölj;
- (iv) tillräckliga finansiella tillgångar och likviditet för att hantera de risker som en investering i relevanta Lån medför, inklusive Lån vars kapitalbelopp eller ränta återbetalas i en eller flera valutor, eller i de fall där kapitalbeloppets eller räntans valuta är annan än den valuta i vilken sådan investerarens finansiella verksamhet huvudsakligen är denominerad eller Lån vars kapitalbelopp helt eller delvis kan bortfalla;
- (v) full förståelse av de villkoren för relevanta Lån och väl känna till svängningar hos relevanta index, andra referenstillgångar eller den finansiella marknaden; och
- (vi) möjlighet att förutse och värdera (ensam eller med hjälp av en finansiell rådgivare) tänkbara scenarier, exempelvis avseende ränteförändringar, som kan påverka investeringen i relevanta Lån och investerarens möjlighet att hantera de risker som en investering i relevanta Lån kan medföra.

Vissa Lån är komplexa finansiella instrument. Sofistikerade investerare köper generellt sett inte komplexa finansiella instrument som fristående investeringar utan som ett led i en riskreducering eller förhöjning av avkastning och som ett beräknat risktillägg till investerarens övriga investeringsportfölj. En investerare skall inte investera i skuldebrev som är komplexa finansiella instrument utan att ha tillräcklig kunskap (ensam eller med hjälp av en finansiell rådgivare) för att värdera utvecklingen hos Lån, värdet av Lån och den påverkan investeringen kan ha på investerarens övriga investeringsportfölj under ändrade omständigheter.

***Investerare kan behöva förlita sig på VPs, VPS, Euroclear Finlands, Euroclear Swedens eller SIS förfaranden (i förekommande fall) för överföring, betalning och kommunikation med Emittenten.***

Investerare i VP-Lån, VPS-Lån, Finska Lån, Svenska Lån eller Schweiziska Lån måste förlita sig på det relevanta clearingsystemet eller, i förekommande fall, det relevanta Emissionsinstitutets regler för överlåtelser, betalning och kommunikation med den berörda Emittenten.

VP-Lån, VPS-Lån, Finska Lån eller Svenska Lån som emitterats enligt Programmet kommer inte att manifesteras i ett fysiskt värdepapper, utan genom registrering hos VP, VPS, Euroclear Finland eller Euroclear Sweden, beroende på Lån. Innehav av VP-Lån, VPS-Lån, Finska Lån eller Svenska Lån kommer att registreras i, och överlåtelser av Lån sker endast via, de kontoföringssystem som förs av VP, VPS, Euroclear Finland eller Euroclear Sweden.

***Det kan finnas begränsningar i huruvida Lån kan fritt överlåtas***

Varken NBAB eller NBF har registrerat, och inte heller kommer någon av dem att registrera, Lån enligt Securities Act eller någon annan värdepapperslagstiftning. Som ett resultat av detta är Lån föremål för restriktioner för överlåtelser i enlighet med vad som anges i avsnittet "*Subscription and Sale*". Som en följd av dessa restriktioner kan varken NBAB eller NBF bekräfta att det finns en andrahandsmarknad för Lån eller att likviditet kommer att finnas i en sådan marknad om den skulle uppstå. Följaktligen måste en innehavare av lån kunna bära den ekonomiska risken för sin investering i Lån under dess fulla löptid.

***Det finns ingen aktiv marknad för Lån***

De Lån som ges ut under Programmet kan komma att vara nya värdepapper som inte erbjuds i en större krets och för vilka det för närvarande inte finns någon aktiv marknad (utom då emissionen avser en viss tranch, och att sådan tranch konsolideras med och bildar en enda serie tillsammans med det Lån som redan har emitterats). Om lån handlas efter första emissionen kan de handlas med rabatt i förhållande till deras ursprungliga teckningskurs eller pris, beroende på rådande marknadsräntor, marknaden för liknande värdepapper, allmänna ekonomiska villkor och den ekonomiska situationen i den aktuella Emittenten. Även då ansökningar har gjorts för Lån utgivna under Programmet att tas upp till notering på the Official List of the Irish Stock Exchange och till handel på andra relevanta marknader finns det inga garantier för att sådana ansökningar kommer att accepteras, att en särskild tranch av Lån kommer att accepteras, eller att en aktiv handel kommer att utvecklas. Det finns således inga garantier för etableringen av en marknad eller annan likviditet för ett visst Lån eller tranch av Lån. Innehavare av Lån bör också vara medveten om att, med hänsyn till de rådande globala förhållanden på kreditmarknaderna (som i viss utsträckning existerar även på dagen för detta prospekt), kan andrahandsmarknaden för lån och instrument av detta slag vara illikvid. Varken NBAB eller NBF kan förutsäga om och när dessa omständigheter kommer att förändras.

***Inställd eller reducerad emission***

Emittenterna förbehåller sig rätten att annullera hela eller delar av ett erbjudande om att investera i Lån före den aktuella emissionsdagen, under förutsättning att vissa omständigheter föreligger, t.ex. när det totala tecknade beloppet inte når vissa nivåer eller om en deltagandegrad inte kan fastställas till en viss nivå. Emittenterna förbehåller sig också rätten att, efter eget gottfinnande, ställa in en emission på förekomsten av ekonomiska, finansiella och politiska händelser som kan äventyra en framgångsrik emission av Lån.

***Kreditbetyg speglar inte alltid risken i samband med enskilda Lån***

Emittenternas kreditbetyg speglar inte alltid risken i samband med enskilda Lån utgivna under Programmet. Trancher av lån som emitteras under Programmet kan ha ett kreditbetyg eller inte. Om en tranch av ett Lån har fått ett kreditbetyg kommer detta att anges i de Slutliga Villkoren. Sådant kreditbetyg kommer inte nödvändigtvis att vara detsamma som tilldelats den berörda Emittenten eller Lån



som redan utfärdats. Ett eller flera oberoende kreditvärderingsinstitut kan också tilldela kreditbetyg till Lån, vilka inte nödvändigtvis kommer att vara samma kreditbetyg som åsatts den berörda Emittenten eller Lån som redan utfärdats. Sådana kreditbetyg kan brista i att återspegla potentiella risker i anledning av Lånets konstruktion, marknad, ytterligare faktorer som beskrivits ovan, samt andra faktorer som kan påverka värdet på Lånet. Ett kreditbetyg är inte en rekommendation att köpa, sälja eller inneha värdepapper eller att behålla investeringen och kan bli föremål för upphävande, förändring eller indragning när som helst av relevant kreditvärderingsinstitut. Dessutom påverkar ett förändrat kreditbetyg för Emittenten generellt sett marknadsvärdet av emitterade Lån.

### ***Fordringshavare har en kreditrisk på den berörda Emittenten***

Innehavare av Lån utgivna under Programmet tar en kreditrisk på den berörda Emittenten. En innehavares möjlighet att erhålla betalning under Lånet är beroende av den relevanta Emittentens förmåga att fullgöra sina betalningsåtaganden, vilket i sin tur är beroende av utvecklingen i den berörda Emittentens verksamhet. Riskerna hänförliga till Emittenternas verksamhet framgår ovan.

### ***Lån kan inlösas före förfallodagen.***

I händelse av att den berörda Emittenten skulle tvingas att betala ett högre belopp än vad som framgår av villkoren för det relevanta Lånet på grund av någon kupongskatt eller avdrag för eller på grund av befintliga eller framtida skatter, avgifter, eller andra statliga avgifter av något slag, som tas ut, samlas in, innehålls av eller till förmån för svenska staten (såvitt gäller Lån utgivna av NBAB) eller finska staten (såvitt gäller Lån utgivna av NBF) eller någon av dess politiska underavdelningar eller någon av dess myndigheter som innehar har makt att beskatta, kan den relevanta Emittenten lösa in samtliga utestående Lån i enlighet med punkt 6 (Beskattning).

Dessutom kan den relevanta Emittenten, om det för en specifik tranch av ett Lån i de Slutliga Villkoren anges att Lån kan förtidsinlösas enligt den relevanta Emittentens bedömning under vissa förutsättningar, välja att förtidsinlösa Lånet vid en tidpunkt då rådande räntenivåer är relativt låga. Under sådana omständigheter kan det vara svårt för en investerare att återinvestera en inlösenlikvid i ett jämförbart instrument med en effektiv ränta eller annan avkastning som uppgår till den avkastning som kan komma att utgå på det relevanta Lånet.

En rätt för Emittenten till förtida inlösen kan sannolikt komma att minska Lånets marknadsvärde. Under en period då den relevanta Emittenten kan välja att lösa in Lån, kommer marknadsvärdet för sådana Lån i allmänhet inte att stiga väsentligt över, och kan i själva verket understiga, det pris till vilket de kan lösas in. Detta kan också vara fallet för tiden innan en sådan inlösenperiod startar.

### ***Risk för förtida inlösen***

Lån kan inlösas före utgången av dess löptid på grund av ett antal skäl, t.ex. skattemässiga händelser, eller, såvitt gäller kreditlänkade obligationer, på grund av en kredithändelse eller vissa händelser som inträffar före Återbetalningsdagen, på sätt som anges i de relevanta villkoren för dessa Lån. En förtida inlösen kan resultera i att Fordringshavare får en lägre avkastning på investeringen och i vissa fall leda till en förlust av hela eller delar av sin investering. Presumtiva investerare bör överväga återinvesteringsrisk i ljuset av andra investeringar tillgängliga vid den tidpunkten.

### ***Lån kan utfärdas med en betydande rabatt eller premie***

Marknadsvärdet på värdepapper utgivna med en kraftig rabatt eller premie i förhållande till dess nominella belopp tenderar att fluktuera mer i förhållande till allmänna förändringar i ränteläget än marknadsvärdet för konventionella räntebärande värdepapper. Generellt gäller att ju längre återstående löptid av värdepapperen, desto större volatilitet.

### ***Fordringshavares rättigheter och skyldigheter kan ändras vid Fordringshavarmöten***

Villkoren för ett specifikt Lån och Fiscal Agency Agreement innehåller bestämmelser som medger sammankallande av möten för Fordringshavare i syfte att besluta i frågor som rör deras intressen i allmänhet. Dessa bestämmelser tillåter Fordringshavare, med iakttagande vissa angivna majoritetstal, att fatta beslut som ändrar de villkor som gäller för en tranch av Lån och kan påverka Fordringshavarnas rättigheter och skyldigheter enligt lånevillkoren, och som binder alla Fordringshavare inklusive Fordringshavare som inte närvarat och röstat på det relevanta mötet och Fordringshavare som röstade på

ett sätt som inte var i enlighet med hur majoriteten röstade. Vid fordringshavarmötet har Fordringshavarne befogenhet att välja och ge instruktioner till en företrädare att agera på deras vägnar.

Varje Emittent har rätt att korrigera uppenbara fel i villkoren utan Fordringshavarnas samtycke och att göra ändringar som den berörda Emittenten inte anser väsentligt skada Fordringshavarnas intressen.

### ***Obligationerna är föremål för vissa osäkerheter rörande regulatoriska förändringar***

Enligt Rådets direktiv 2003/48/EG om beskattning av inkomster från sparande i form av räntebetalningar ("**Spardirektivet**"), är varje medlemsstat skyldig att förse skattemyndigheten i en annan medlemsstat information avseende betalningar av ränta eller andra liknande inkomster som betalats av en person inom dess jurisdiktion till, eller vilken skatt har hållits inne av en sådan person, avseende en enskild person eller för vissa begränsade typer av juridiska personer som är etablerade i den andra medlemsstaten. Dock gäller under en övergångsperiod att Österrike och Luxemburg i stället äger rätt att tillämpa en källskatt i förhållande till sådana betalningar, med en procentsats som stiger över tiden till 35 procent. Dessa övergångsregler kommer att upphöra vid utgången av det första hela beskattningsåret efter det att en överenskommelse mellan vissa länder utanför EU för utbyte av information om sådana betalningar ingåtts.

Ett antal länder utanför EU, och vissa territoriella sammanslutningar i vissa medlemsstater, har vidtagit liknande åtgärder (antingen tillhandahållande av information eller att under en övergångsperiod innehålla skatt) i förhållande till utbetalningar av en person inom dess jurisdiktion till, eller vilken skatt hållits inne av en sådan person, avseende en enskild person eller för vissa begränsade typer av juridiska personer som är etablerade i en medlemsstat (såsom definieras i artikel 4.2 i Spardirektivet). Dessutom har medlemsstater ingått avtal innehållande informationsåtaganden eller övergångsregler avseende källskatt med vissa av dessa territoriella sammanslutningar i förhållande till utbetalningar av en person i en medlemsstat till, eller vilken skatt har hållits inne av en sådan person, avseende en enskild person eller vissa begränsade typer av juridiska personer som är etablerade i något av dessa territorier.

Europeiska kommissionen har föreslagit vissa ändringar av Spardirektivet som, om de genomförs, kan komma att ändra eller utvidga omfattningen av de krav som beskrivs ovan.

Om en betalning skulle göras eller innehållas i en medlemsstat som har valt att tillämpa ett system för källskatt och ett belopp skulle komma att innehållas från en sådan betalning, är varken Emittenterna, Paying Agent eller någon annan person skyldig att betala något ytterligare belopp avseende ett Lån, enbart på grund av införandet av en sådan källskatt. Emittenterna är skyldiga att ha en Paying Agent i en medlemsstat som inte har en skyldighet att innehålla skatt eller genomföra skatteavdrag i enlighet med direktivet. Investerare som är osäkra på deras position bör konsultera sin professionella rådgivare.

### ***Förslag på skatt på finansiella transaktioner***

Europeiska kommissionen publicerade nyligen ett förslag till direktiv innehåller förslag till en gemensam skatt på finansiella transaktioner som skall införas i de 11 deltagande medlemsstaterna (Belgien, Tyskland, Estland, Grekland, Spanien, Frankrike, Italien, Österrike, Portugal, Slovenien och Slovakien).

Den föreslagna gemensamma skatten medför en skatt på finansiella transaktioner inklusive köp och försäljning av finansiella instrument och strukturerade produkter. Denna skatt kommer att tas ut på ett belopp som uppgår till minst 0,1% av försäljningspriset. Enligt förslaget införs också en skatt vid ingående av ett derivat (även det en finansiell transaktion). Sådan skatt kommer att tas ut på ett belopp som uppgår till minst 0,01% av det nominella värdet av derivatet. I båda fallen skatt tillämpas separat för varje finansiell institution som är part i en transaktion, och om en av parterna finansinstitut inte betalar är dess motpart solidariskt ansvarig för sådan betalning.

En skatt uppstår i sådan deltagande medlemsstat där minst en av parterna till en finansiell transaktion är etablerad (inom ramen för direktivförslaget) och den andra parten till transaktionen (agerande för egen eller annan persons räkning) är ett finansiellt institut etablerat i en deltagande medlemsstat. Det är viktigt att vara medveten om att ett finansiellt institut kommer att behandlas som etablerat i en deltagande medlemsstat om dess säte finns där, har en licens där eller agerar via en filial i sådan medlemsstat (när det gäller filialtransaktioner) eller, såvitt gäller en specifik transaktion, av det skälet att den ingår den finansiella transaktionen med en annan person som är etablerad i den medlemsstaten. Dessutom kommer ett finansiellt institut behandlas som etablerat i en deltagande medlemsstat för en finansiell transaktion om det är part (för egen räkning eller för en annan persons räkning), till en finansiell transaktion för en strukturerad produkt eller finansiellt instrument som utfärdats i den medlemsstaten.

Det finns begränsade undantag till den föreslagna gemensamma skatten. Ett viktigt undantag är undantag för "primärmarknadstransaktioner" som bör omfatta emissioner, tilldelningar, emissionsgarantier eller teckningar för "finansiella instrument", som omfattar aktier och obligationer. Det finns inga undantag för finansiella mellanhänder eller mäklare. Det finns ett undantag för centrala motparter, men personer som ingår transaktioner med centrala motparter (t.ex. clearingmedlemmar) är inte undantagna. Följaktligen kan den effektiva kumulativa skattesatsen vara mycket högre än de övergripande skattesatserna som anges ovan.

Även om den gemensamma skatten endast är tänkt att införas i de deltagande medlemsstaterna, framgår det av vad som sagts ovan att det skulle kunna påverka de finansiella institut som är verksamma i och utanför de 11 deltagande medlemsstaterna, och den gemensamma skatten på finansiella transaktioner skulle kunna betalas på överlåtelser av Lån utfärdats enligt detta Grundprospekt om skatt på finansiella transaktioner införs och villkoren för en betalning av skatten är uppfyllda.

Den föreslagna gemensamma skatten är fortfarande under övervägande och förslaget kan därför komma att ändras innan den genomförs. Det föreslås nu att den gemensamma skatten på finansiella transaktioner bör införas i de deltagande medlemsstaterna 1 januari 2014. Blivande Fordringshavare uppmanas att söka sin egen professionell rådgivning i förhållande till de möjliga konsekvenserna av skatt på finansiella transaktioner.

### ***Förändringar i lagar och förordningar kan påverka villkoren för Lån***

Villkoren för Lån och alla utomobligatoriska förpliktelser som följer av eller i samband med Lån styrs av engelsk lag, förutom att (i) registrering av VP-Lån i VP som kommer att regleras av och tolkas i enlighet med dansk lag, (ii) registrering av VPS-Lån i VPS som kommer att regleras av och tolkas i enlighet med, norsk lag, (iii) registrering av Finska Notes i Euroclear Finland kommer att styras av och tolkas i enlighet med finsk lag, och (iv) registrering av svenska Notes i Euroclear Sweden som kommer att regleras av och tolkas i enlighet med, svensk lag.

Rom II-förordningen (864/2007), som innehåller en rad regler som skall tillämpas av domstolarna i EUs medlemsstater (förutom Danmark) i syfte att avgöra tillämplig lag för utomobligatoriska förpliktelser mellan parterna i de flesta civila och kommersiella frågor är inte tillämplig i Danmark och kan därför inte tillämpas på danska investerare.

Det går inte att bedöma effekten av eventuella rättsliga beslut eller ändring av lagstiftningen i England, Sverige, Finland, Danmark eller Norge eller administrativ praxis efter datumet för registreringen av detta Grundprospekt.

### ***Lån kan handlas i antal som överstiger den specificerade minsta valören men vilka inte är heltalsmultiplar***

I samband med varje emission av Lån som har en valör som består av den specificerade minsta Valör (enligt definitionen i de relevanta Slutliga Villkor) samt en högre heltalsmultipl av ett annat mindre belopp, kan Lån komma att handlas i mängder som överstiger den minsta angivna Valör och som inte är en heltalsmultipl av den specificerade minsta valören. I ett sådant fall skulle en Fordringshavare som innehar Lån med ett nominellt belopp som är mindre än den minsta valören, skulle behöva köpa ytterligare Lån dennes innehav uppgår till ett nominellt belopp motsvarande minsta valören. Om så inte är fallet kan Fordringshavarens möjlighet att avyttra sin investering, eller såvitt gäller innehavarskuldebrev att erhålla ett skuldebrev om ett sådant skulle utfärdas.

### ***Betalningar under Lån kan bli föremål för källskatt i enlighet med U.S. Foreign Account Tax Compliance Act***

Med avseende på (i) Lån (utöver de som skall klassificeras som Equity i syfte av U.S. federal tax) emitterade efter det senare av (a) 31 december 2013 och (b) den dag som är sex månader efter den dag då begreppet "foreign passthrough payment" definierats i de föreskrifter som offentliggjorts i US Federal Register ("Grandfather Date"), (ii) emitterade före Grandfather Date, men som materiellt ändrats efter detta datum, eller (iii) lån som skall klassificeras som Equity i syfte av U.S. federal tax oavsett när de utgivits, kan den berörda Emittenten, under vissa omständigheter, vara skyldig att enligt § 1471 till 1474 av US Internal Revenue Code of 1986, med efterföljande förändringar och ytterligare föreskrifter som utfärdats därunder ("FATCA"), innehålla 30 procent amerikansk skatt på hela eller en del av betalning av amorteringar och räntor som skall behandlas som "pass-thru payments" som görs från och med den 1 januari 2017. Detta avser betalningar till annat finansiellt institut genom vilket betalning på Lån görs som

är ett icke-amerikanskt finansiellt institut som inte uppfyller kraven enligt FATCA. Om tillämpligt kommer FATCA att adresseras i relevanta Slutliga Villkor såvitt gäller Lån som emitterats efter Grandfather Date. Tillämpningen av FATCA på ränta, kapitalbelopp eller andra belopp som betalas för eller med avseende på Lån är för närvarande inte klar. Om belopp avseende amerikansk källskatt dragits av från räntebetalningar, betalning av kapitalbelopp eller andra betalningar på Lån till följd av Fordringshavare inte uppfyllt kraven enligt FATCA, är varken Emittenten, Paying Agent, eller någon annan person skyldig att i enlighet med villkoren för Lånet betala ytterligare belopp som en följd av avdrag eller innehållande av sådan skatt. Således kan Fordringshavare komma att erhålla lägre ränta eller återbetalning av kapitalbelopp än förväntat. Om Emittenten emitterar ytterligare Lån på eller efter Grandfather Date som ytterligare Lån av en tidigare serie (och sådana ytterligare Lån inte är fungibla med de tidigare Lånen enligt vad som krävs av U.S. federal income tax), kan betalningar på sådana ytterligare Lån bli föremål för källskatt enligt FATCA och, om Lån enligt den serie som var utestående på Grandfather Date och de ytterligare emitterade Lånen vara omöjlig att skilja på ur ett skattehänseende, kan betalningar på de tidigare utestående lånen bli föremål för källskatt enligt FATCA. Detta skulle sannolikt ha en negativ effekt på Lånen.

### ***Särskilda legala risker under vissa Lån***

I förhållande till strukturerade Lån bör det noteras att varje förändring i tillämpliga lagar eller regleringar eller förändringar i tillämpningen av dessa samt specifika händelser såsom moratorium, valutarestriktioner, embargo, blockad eller bojkott av central banker, svenska eller finska staten, eller annat liknande organ som Förenta Nationerna eller Europeiska Unionen, kan resultera i (i) ett utbyte av underliggande tillgångar, (ii) en förändring i metoden för beräkning av vissa belopp under Lån, (iii) att vissa belopp beräknas vid en tidigare tidpunkt, (iv) en förändring i beräkningen av avkastning och/eller (v) ändringar av villkoren. Sådana händelser kan därför negativt påverka avkastningen och andra belopp som skall betalas till investerarna under ett strukturerat Lån, liksom tidpunkten för sådana betalningar.

Om en förändring i lag eller förordning, eller beslut av offentliga myndigheter (eller tillämpningen därav), eller på grund av någon annan omständighet som inte är direkt relaterad till en nedgradering av den relevanta Emittentens kreditbetyg, skulle (enligt Emittentens bedömning) resultera i en ökning av vissa kostnader i samband med ett strukturerat Lån eller ökade kostnader för den berörda Emittentens riskhantering i förhållande till det strukturerade Lånet, kan en sådan händelse berättiga den berörda Emittenten att (i) byta ut de till Lånet underliggande tillgångarna, (ii) ändra metoden för beräkning av vissa belopp under Lånet, (iii) beräkna vissa belopp vid en tidigare tidpunkt, (iv) ändra beräkningen av avkastningen och/eller (v) ändra villkoren.

### ***Totalkostnad***

Emittenten har kostnader i samband med emission av strukturerade Lån på grund av bland annat produktion, distribution, licenser, börsnotering och riskhantering. För att täcka dessa kostnader tar den berörda Emittenten ut courtage och provision. Sådana avgifter och provisioner kan vägas in i emissionskursen för ett specifikt Lån eller debiteras separat. Storleken på provisionen kan variera och påverkas av fluktuationer i räntor och priset på de finansiella instrument som ingår i produkten.

Investerare bör vara medvetna om att olika marknadsaktörer har olika möjligheter att påverka priset på de finansiella instrument som ligger till grund för ett strukturerat Lån. Prissättningen av strukturerade Lån görs normalt sett inte på basis av framförhandlade villkor utan det bestäms av den berörda Emittenten. Således kan det finnas en intressekonflikt mellan den berörda Emittenten och investerarna, i den mån den berörda Emittenten kan påverka prissättningen och har en möjlighet att göra en vinst eller undvika en förlust i förhållande till underliggande referenstillgångar och Emittenten inte har någon lojalitetsplikt i förhållande till Fordringshavarna. Transparensen avseende prissättningen av strukturerade Lån kan vara begränsad.

### ***Alternativkostnadsrisk***

Marknadsrisken varierar beroende på Lånets struktur och löptid. Värdet av ett Lån varierar med förändringen i marknadsräntor. Ett strukturerat Lån fungerar ofta som en kombination av en räntebärande investering och, till exempel, en investering i aktier. En investerare tar därför en ytterligare risk när de investerar i ett strukturerat Lån om alternativet hade varit en ren ränteplacering. Ett strukturerat Lån avger ingen ränta eller annan avkastning om marknaden är ogynnsam och kan komma att återbetalas med enbart kapitalbeloppet. Om lånet inte är kapitalkyddat kan hela det investerade beloppet förloras. Investeraren i ett sådant strukturerat Lån underkastas en alternativkostnadsrisk motsvarande den ränta som investeraren skulle ha fått om denne valt att i stället investera pengarna i rena räntebärande instrument. Om

investeraren säljer ett sådant Lån före utgången av dess löptid bär investeraren risken att erhålla en köpeskilling som är mindre än Lånets nominella belopp.

### ***Hedgingaktiviteter för Emittenten och dess närstående bolag***

Emittenten och/eller dess närstående bolag kan bedriva säkringsaktiviteter (hedging) avseende Lån, t.ex. att förvärva eller avyttra Referenstillgångar, komponenter i Referenstillgångar och/eller skuldförbindelser utställda av Referensenheter, men är dock inte skyldig att göra det. Vissa av Emittentens närstående bolag kan också förvärva eller avyttra Referenstillgångar och/eller komponenter i Referenstillgångar regelbundet som en del av sin verksamhet som värdepappersbolag. Dessa aktiviteter skulle kunna påverka värdet av eller nivån på Referenstillgången och skuldinstrument utställda av Referensenheten och därmed värdet av Lånet. Dessutom kan ett avbrott i sådana säkringsarrangemang (hedging) eller en väsentligt ökad kostnad för sådana säkringsarrangemang (hedging) leda till en förtida inlösen av Lån i enlighet med vad som anges i tillämpliga Slutliga Villkor.

### ***Ingen äganderätt***

En investering i ett Lån är inte samma sak som att investera direkt i Referenstillgången och ger inte någon äganderätt till Fordringshavare såvitt gäller de underliggande tillgångarna eller någon komponent av de underliggande tillgångarna. Inte heller har man någon rösträtt eller rätt till utdelningar i förhållande till de underliggande tillgångarna eller komponenter i de underliggande tillgångarna som en direktinvestering i dessa skulle ha. Lånen är icke efterställda och osäkrade skyldigheter för Emittenten. Emittenten har inte tagit säkerhet i några underliggande tillgångar eller komponenter av underliggande tillgångar.

### ***Intressekonflikter***

Emittenten och/eller dess närstående bolag kan också förvärva eller avyttra Referenstillgång, komponent i Referenstillgång och/eller skuldförbindelser utställda av Referensenheter regelbundet som en del av sin verksamhet som värdepappersbolag eller låna ut pengar till Referensenheter som en del av den normala verksamheten. Dessa aktiviteter skulle kunna påverka värdet av eller nivån på Referenstillgången och skuldinstrument utställda av Referensenheten och därmed värdet av Lånet.

Emittenten och/eller dess närstående bolag kan från tid till annan lämna rådgivning till Emittenter av eller utställare av Referenstillgångar eller komponenter av Referenstillgångar och/eller Referensenheten avseende transaktioner som skall ingås av dem, eller delta i transaktioner avseende Referenstillgångar och/eller Referensbolag/enheter för deras egen räkning och för portföljer eller konton som hanteras av dem. Sådana transaktioner kan ha en positiv eller negativ effekt på värdet av Referenstillgång, värdet av eller nivån på Referenstillgången och skuldinstrument utställda av Referensenheten och därmed värdet av Lånet.

Således kan konflikter uppstå mellan Emittentens intressen och Fordringshavarnas intressen.

### ***Index disclaimer***

Indexobligationer är varken sponsrade, godkända, emitterade eller understödda av något av de index som de är kopplade till eller någon av sådant index sponsorer och sponsorn har inte gett några garantier, vare sig uttryckliga eller underförstådda, antingen när det gäller de resultat som skall uppnås genom användning av något index och/eller de nivåer som ett sådant index vid viss tid på en viss dag eller i övrigt kan ha. Ingen indexsponsor ansvarar (oavsett om försumlighet eller på annat sätt) till någon person för fel i index och indexsponsor har ingen skyldighet att meddela någon person om eventuella fel i ett index. Indexsponsorn har inte gett någon garanti, vare sig uttrycklig eller underförstådd, vad gäller lämpligheten av att köpa eller anta någon risk i samband med sådana Lån. Varken Emittenten eller Beräkningsagenten skall ha något ansvar gentemot någon person såvitt gäller en handling eller underlåtenhet att agera i förhållande till indexsponsorn i samband med beräkning, justering eller hantering av ett index. Varken Emittenten eller Beräkningsagenten har någon anknytning till eller kontroll över något index eller indexsponsorn eller någon kontroll över beräkningen, sammansättningen eller spridning av index. Även om Emittenten och Beräkningsagenten kommer att erhålla information om ett index som är Referenstillgångar till specifika Lån från offentligt tillgängliga källor som de anser vara pålitliga, kommer de inte att självständigt kontrollera uppgifterna.

## **Risker relaterade till särskilda Referenstillgångar**

### ***Risker relaterade till avkastningen avseende Referenstillgång***

Med strukturerade Lån (t.ex. aktieobligationer, valutaobligationer, kreditobligationer, fondobligationer, råvaruobligationer och andra eventuella konstruktioner) är avkastningen, och ibland även storleken på återbetalningsbeloppet, beroende av utvecklingen hos en eller flera referenstillgångar, såsom aktier, index, räntor, valutor, kreditexponeringar (en eller flera), fondandelar, råvaror eller korgar av dessa, eller kombinationer av sådana tillgångar. Om återbetalning av en del av eller hela det investerade beloppet är knutet till utvecklingen av underliggande tillgångar kan investeraren riskera att förlora hela det investerade beloppet. Strukturerade Lån är ofta utformade på grundval av en kombination av olika typer av traditionella instrument såsom aktier, fondandelar eller derivatinstrument. Dessa kombinationer av produkter kan ha inslag av olika instrument. Värdet på ett strukturerat Lån kommer att påverkas av värdet av Referenstillgångarna eller relevanta jämförelsetal. Värdering av Referenstillgångar kan ske både under löptiden och på Återbetalningsdagen och dess utveckling kan vara positiv eller negativ för innehavaren. Fordringshavarens rätt till avkastning, och i förekommande fall återbetalning av det nominella beloppet, beror på Referenstillgångens utveckling och tillämplig avkastningsstruktur. Värdet på ett strukturerat Lån kan, förutom förändringar i priset på Referenstillgång, bestämmas av intensiteten i kursrörelser hos Referenstillgången (vanligen kallad volatilitet), förväntningar om framtida volatilitet, marknadsräntor och förväntade utdelningar från Referenstillgången.

Potentiella investerare bör vara medvetna om att:

- (a) marknadspriset på sådana lån kan vara volatilt;
- (b) de kan bli utan avkastning;
- (c) betalning av kapital eller ränta kan inträffa vid en annan tidpunkt eller i en annan valuta än väntat;
- (d) det kapitalbelopp som betalas vid inlösen kan vara mindre än det nominella beloppet för sådana Lån eller noll;
- (e) Referenstillgång kan vara föremål för betydande fluktuationer som kanske inte korrelerar med förändringar i räntor, valutor eller andra index;
- (f) Om avkastningsstrukturen avseende ett visst Lån innehåller en multiplikator större än ett eller innehåller någon annan hävstångseffekt, kommer effekten av värdeförändringar i Referenstillgången att ha en större effekt på storleken på återbetalningsbeloppet; och
- (g) tidpunkten för förändringar i värdet av en eller flera Referenstillgångar kan påverka den faktiska avkastningen för Fordringshavare, även om den genomsnittliga nivån är förenlig med deras förväntningar.

Vidare bör Fordringshavare och potentiella köpare av Lån se till att de förstår egenskaperna i ett sådant Lån och omfattningen av deras riskexponering och att de bedömer lämpligheten av dessa Lån som investering i ljuset av sina egna förhållanden och finansiella ställning. En liten rörelse i värdet av en eller flera Referenstillgångar kan resultera i en betydande förändring av värdet på ett Lån. Innehavare av sådana Lån, och presumtiva köpare av sådana Lån bör bilda sig en egen uppfattning om fördelarna med en investering baserat på sådana undersökningar. Med tanke på den mycket specialiserade karaktär som strukturerade Lån har, anser Emittenten att de endast är avsedda för mycket sofistikerade investerare som har möjlighet att själva bedöma risken i en investering på vilken avkastningen bestäms på detta sätt. Följaktligen bör en investerare som inte anser sig omfattas av beskrivningen ovan inte investera i sådana Lån utan att erhålla detaljerade råd från en specialiserad professionell rådgivare.

### ***Risk avseende begränsad information i samband med vissa referenstillgångar***

I förhållande till vissa referenstillgångar, till exempel vissa hedgefonder eller index sammansatta av hedgefonder, finns enbart begränsad tillgång till information då, bland annat, den officiella slutkursen avseende sådana Referenstillgångar kan komma att publiceras mera sällan. Sammansättningen av vissa index och fonder kan vara konfidentiellt av strategiska skäl. Andra faktorer som begränsar insynen i samband med sådana referenstillgångar kan vara att Referenstillgång inte är föremål för kontinuerlig handel, att värderingsmodeller för avgörandet av värdet av Referenstillgångar inte rapporteras till

investerarna, eller att de bakomliggande faktorer som påverkar värdet av Referenstillgångarna inte är offentliga.

### **Valutakursförändringar**

Valutakurser kan påverkas av komplicerade politiska och ekonomiska faktorer, däribland relativa inflationsmått, räntenivåer, betalningsbalansen mellan länder, omfattningen av eventuella statliga överskott eller underskott och de monetära, skattemässiga och/eller vidtagna handelspolitiska åtgärder såvitt gäller de berörda valutorna. Valutakursförändringar kan påverka värdet eller nivån på Referenstillgångar på komplexa sätt. Om sådana valutafluktuationer gör att värdet eller nivån på Referenstillgången varierar, kan Lånets värde minska. Om värdet eller nivån på en eller flera Referenstillgångar är uttryckt i en valuta som skiljer sig från den valuta som Lånet är denominerad i kan Fordringshavare bli föremål för ökad valutarisk. Tidigare valutakurser är inte nödvändigtvis en indikation om nivån på framtida valutakurser.

### **Risker relaterade till marknadsavbrott och extraordinära händelser**

Marknadsavbrott kan inträffa exempelvis för det fall handeln med Referenstillgångar avbryts eller ett officiellt pris av någon anledning inte noteras. I samband med marknadsavbrott, kan värdet av underliggande tillgångar komma att bestämmas vid en annan tidpunkt än avsett och i vissa fall även på annat sätt än avsett. Vissa referenstillgångar såsom aktier, korgar av aktier eller fondandelar kan påverkas av extraordinära händelser såsom avnotering, nationalisering, konkurs, likvidation eller motsvarande eller aktiesplit, nyemission, fondemission, emissioner av teckningsoptioner eller konvertibler, sammanläggning av aktier eller återköp avseende sådan aktie eller korg av aktier som utgör Referenstillgång. För alla strukturerade Lån kan händelser såsom lagändringar eller ökade kostnader för riskhantering uppstå. Om så är fallet, kan den relevanta Emittenten, efter eget gottfinnande, göra justeringar i sammansättningen av tillgångarna och beräkningen av avkastningen eller värdet av Lån eller ersätta en Referenstillgång med en annan Referenstillgång, i den mån den berörda Emittenten anser detta nödvändigt för att beräkningen av avkastningen eller värdet av Lån skall återspegla hur avkastningen eller värdet tidigare beräknats. Om den berörda Emittenten inte anser att sådana justeringar kan ge ett rättvist resultat, kan den berörda Emittenten göra beräkningen av avkastningen i förtid och fastställa Återbetalningsbeloppet eller avkastningen. Ränta på kapitalbeloppet skall därefter tillkomma beräknad på marknadsmässig ränta.

### **Avläsning av stängningskurser avseende Referenstillgångar**

I vissa avkastningsstrukturer är avläses stängningskursen vid ett antal tillfällen för att beräkna en genomsnittlig stängningskurs. Syftet är att minimera risken för att enstaka extrema värden kraftigt påverkar det slutliga priset. Investerare bör dock uppmärksamma det faktum att värdet vid sådana avläsningstillfällen påverkar det genomsnittliga slutpriset, vilket innebär att det slutliga priset kan vara lägre eller högre än den faktiska stängningskursen på värderingsdagen. I vissa Lån fastställs dock värdet på grundval av en enda värdering, varvid det finns en risk för att vissa extrema värden kan påverka det slutliga priset.

### **Risker förknippade med aktier eller aktierelaterade instrument som Referenstillgångar**

En investering i aktieobligationer medför betydande risker utöver de som förknippas med investeringar i ett konventionellt skuldebrev.

- (a) *Faktorer som påverkar aktier eller aktierelaterade instruments värdeutveckling kan påverka värdet på Lån*

En aktie eller ett aktierelaterat instruments värdeutveckling är beroende av makroekonomiska faktorer, såsom räntor och prisnivåer på kapitalmarknaderna, valuta-utveckling, politiska faktorer och företagsspecifika faktorer såsom resultat, marknadsposition, risksituation, ägarstruktur och utdelningspolicy.

- (b) *Inga krav mot Emittenten av Referenstillgångar eller rätt till Referenstillgångar*

Aktieobligationer representerar inte en fordran på eller en investering i en emittent av aktier eller aktierelaterade instrument (en "**Equity Issuer**"). Fordringshavarna kommer inte att ha någon regressrätt enligt Lånet på sådana bolag, aktier eller aktierelaterade instrument. Inget Lån är på något sätt sponsrat, godkänt eller främjat av någon Equity Issuer och sådana företag har ingen

skyldighet att ta hänsyn till konsekvenserna av sitt handlande för Fordringshavare. Följaktligen kan utgivaren av en aktie eller ett aktierelaterat instrument vidta åtgärder när det gäller sådana instrument utan att ta hänsyn till Fordringshavarnas intressen, och någon av dessa åtgärder skulle kunna påverka marknadsvärdet av Lån.

När det gäller Lån med aktier eller aktierelaterade instrument som underliggande tillgång, kommer inte Equity Issuer att delta i fastställandet villkoren för Lånet. Inte heller kommer den berörda Emittenten eller något Emissionsinstitut att göra någon utredning eller undersökning i samband med sådant erbjudande med avseende på information om sådan Equity Issuer som ingår i Slutliga Villkor eller i de dokument från vilka denna information extraherades. Därför kan det inte finnas några garantier för att alla händelser som inträffar före det relevanta emissionsdatumet (inklusive händelser som skulle påverka riktigheten eller fullständigheten av de allmänt tillgängliga handlingar som beskrivs i denna punkt eller i relevanta Slutliga Villkor) som skulle kunna påverka kursen för aktien eller de aktierelaterade instrumenten kommer att ha offentliggjorts. Efterföljande publicering av sådan information eller publicering av eller underlåtenhet att publicera väsentliga framtida händelser som rör sådan Equity Issuer kan påverka börskursen på sådant instrument och därmed värdet på Lånet.

### ***Risker förknippade med Index som Referenstillgångar***

En investering i indexobligationer medför betydande risker utöver de som förknippas med investeringar i ett konventionellt skuldebrev.

#### ***(a) Faktorer som påverkar värdeutvecklingen av Index kan påverka värdet på Lånet***

Ett index omfattar en syntetisk portfölj av aktier, aktierelaterade tillgångar eller andra tillgångar och värdeutvecklingen för ett index är beroende av de makroekonomiska faktorer som rör de aktier, aktierelaterade tillgångar eller andra komponenter som ingår i ett sådant index, vilket kan inkludera räntor och prisnivåer på kapitalmarknaderna, valutautveckling, politiska faktorer och (i fallet med aktier eller aktierelaterade instrument) företagsspecifika faktorer som vinst, marknadsposition, risksituation, ägarstruktur och utdelningspolicy.

#### ***(b) Exponering mot risken att avkastningen i Lånet inte återspeglar avkastningen i en direktinvestering i underliggande aktier, aktierelaterade instrument eller andra tillgångar som ingår i indexet***

Avkastningen i ett Lån med ett index som underliggande tillgång återspeglar nödvändigtvis inte den avkastning en investerare skulle erhålla om denne faktiskt ägde de i indexet ingående tillgångarna. Till exempel, om det i ett index ingår aktier kommer Fordringshavare inte att få några utdelningar på dessa aktier och kommer inte att erhålla någon avkastning i anledning av dessa utdelningar om inte relevant index tar hänsyn till sådan utdelning vid beräkningen av indexnivån. På samma sätt kommer Fordringshavare inte att kunna utöva någon rösträtt i de underliggande instrumenten eller andra tillgångar som kan ingå i relevant index. Följaktligen skulle investerarna i Lån som har index som referenstillgång kan få en lägre avkastning än om investeringen gjorts direkt i de instrument som ingår i indexet.

#### ***(c) Avsaknad av påverkan av utdelningar avseende flesta Lån kopplade till aktieindex***

Reglerna om sammansättning och beräkningen av det relevanta underliggande indexet kan föreskriva att utdelning från de till indexet underliggande tillgångarna inte leder till en ökning av indexets värde, till exempel om det är ett "pris"-index, vilket istället kan leda till en minskning av indexnivån om alla andra omständigheter förblir oförändrade. Detta kommer resultera i att Fordringshavare i Lån där Referenstillgången är ett sådant index inte kommer att delta i någon utdelning eller annan värdeöverföring som betalas till innehavare av de i indexet ingående tillgångarna. Även om reglerna för det relevanta underliggande indexet föreskriver att utdelning eller annan värdeöverföring avseende de i indexet ingående tillgångarna återinvesteras i index och därmed leder till att indexnivån ökas kan, i under vissa omständigheter, utdelning eller annan värdeöverföring inte helt återinvesteras i sådant index.



- (d) *En förändring i sammansättningen eller upphörande av ett index kan påverka marknadsvärdet av Lån*

En sponsor av ett index kan lägga till, ta bort eller byta ut de i indexet ingående tillgångarna eller göra andra metodologiska förändringar som kan ändra nivån på en eller flera i indexet ingående tillgångar. Modifieringen av i index ingående tillgångar kan påverka nivån på ett sådant index, som t.ex. att en ersättande komponent i ett index kan prestera betydligt sämre eller bättre än den komponent som den ersätter, vilket i sin tur kan påverka storleken på de betalningar som den berörda Emittenten kommer att göra till investerarna i Lånet. Sponsorn av ett index kan också komma att ändra, avbryta eller upphäva beräkning eller offentliggörandet av indexet. Indexsponsorn kommer inte att ha någon del i utformningen av erbjudandet och försäljningen av Lån och har inga skyldigheter i förhållande till Fordringshavare. En indexsponsor kan vidta vilka åtgärder som helst i fråga om sådant index utan att därvid ta hänsyn till Fordringshavares intressen, och sådana åtgärder kan komma att påverka marknadsvärdet av Lån.

- (e) *Det finns ytterligare risker i förhållande till råvaruindex, se "Risker förknippade med råvaror som referenstillgångar".*

### ***Risker förknippade med inflationsindex som Referenstillgångar***

Avkastningen i obligationer kopplade till inflation kan vara beroende av nivån på ett inflationsindex eller korg av inflationsindex. Räntan på sådana Lån kan beräknas med utgångspunkt i nivån för en inflationsindex eller en korg av inflationsindex.

*Särskilda händelser och avbrott som påverkar realränteobligationer och obligationer kopplade till inflation*

Om Lån är realränteobligationer eller obligationer kopplade till inflationsindex och publiceringen av nivån på inflationsindexet är fördröjd, publiceringen av inflationsindex upphör, inflationsindexet omräknas, en materiell förändring av indexet görs, eller att det har skett en uppenbart oriktig publicering av nivån på indexet, kan den berörda Emittenten bestämma en sådan händelse har en väsentlig effekt på Lånet och, om så är fallet, genomföra sådana tillägg och justeringar av villkoren för Lånet som den berörda Emittenten anser nödvändiga.

Många ekonomiska och marknadsrelaterade faktorer kan påverka ett inflationsindex och, följaktligen, värdet på Lån med inflationsindex som underliggande tillgång, till exempel:

- Allmänna ekonomiska, finansiella, politiska eller regulatoriska regelverk och/eller händelser, och/eller
- Fluktuation i priser såvitt gäller tillgångar, tjänster och energitillgångar (inklusive efterfrågan och tillgång för någon av dessa); och/eller
- Inflationsnivån i ekonomin i det relevanta landet och förväntningar på inflationen.

Nivån på ett inflationsindex kan påverkas av faktorer som inte har någon relation till de finansiella marknaderna.

### ***Risker förknippade med valutakurser som Referenstillgångar***

En investering i valutaobligationer medför betydande risker utöver de som förknippas med investeringar i ett konventionellt skuldebrev.

Lån kan vara denominerade i en valuta ("Referensvalutan") men återbetalas i en annan valuta ("Valutan"). Värdet av lånet kan därför påverkas av förändringar i värdet av Referensvalutan jämfört med Valutan (som kan beräknas, i förekommande fall, på en "cross-currency basis"). Detta medför vissa risker för att växelkursen (eller de växelkurser) som används för att bestämma Valutan medför att beloppet för eventuella betalningar under Lånet kan förändras signifikant (inklusive förändringar på grund av devalvering eller revalvering av Valuta jämfört med Referensvaluta) och risken för att myndigheter med jurisdiktion över dessa valutor kan orsaka en minskning av (1) Valutans påverkan av avkastningen på Lånet, (2) Valutans påverkan på storleken på Återbetalningsbeloppet under Lånet, och (3) Valutans påverkan på Lånets marknadsvärde. Således finns det en risk för att Valutans värde vid en försäljning eller inlösen, påkallande eller cancellering, kan komma att understiga värdet av Fordringshavarens

ursprungliga investering i lånet, beroende på valutakursens storlek vid tidpunkten för en sådan försäljning eller inlösen, påkallande eller cancellering.

- (a) *Faktorer som påverkar värdeutvecklingen i den aktuella valutakursen kan påverka värdet på Lån negativt*

Den valutakurs eller de valutakurser som utgör Referenstillgångar till Lån kommer att påverka värdet av investeringen och avkastningen på Lånet. Värdeutvecklingen avseende valutakurser är beroende av tillgång och efterfrågan på valutor på de internationella valutamarknaderna, som är föremål för ekonomiska faktorer, bland annat inflationstakten i de berörda länderna, ränteskillnaderna mellan de olika länderna, ekonomiska prognoser, internationella politiska faktorer, valutakonvertibilitet och tryggheten i att göra finansiella investeringar i den berörda valutan, spekulationer och åtgärder vidtagna av regeringar och centralbanker. Sådana åtgärder omfattar bland annat införande av regulatoriska kontroller eller skatter, utfärdande av en ny valuta för att ersätta en befintlig valuta, förändring av växelkursen eller dess egenskaper genom devalvering eller revalvering av valuta eller införande av valutareglering med avseende på växelkurs eller överföring av en angiven valuta som skulle påverka växelkurser och tillgången till en viss valuta.

- (b) *Nordea är en stor aktör på valutamarknaden och är föremål för intressekonflikter*

Investerare bör notera att vissa medlemmar av Nordeakoncernen är regelbundet aktiv på valutamarknaderna kan i dess löpande verksamhet komma att göra transaktioner för egen räkning eller för deras kunders räkning och hålla långa och/eller korta positioner i valutor och relaterade derivat, även i de valutor som utgör Referenstillgångar i förhållande till Lån. Sådana transaktioner kan påverka de relevanta Referenstillgångarna och Lånets marknadspris, likviditet eller värde och kan vara missgynnande för Fordringshavares intressen. Inga medlemmar i Nordeakoncernen har någon skyldighet att genomföra sådana transaktioner på ett sätt som gynnar Fordringshavare.

- (c) *Valutor på tillväxtmarknader utgör särskilda risker*

Valutaobligationer kopplade till valutor på tillväxtmarknader kan uppleva större volatilitet och mindre säkerhet om framtida värdenivåer för sådana tillväxtmarknadsrelaterade valutor eller deras växelkurs i förhållande till andra valutor.

### ***Risker förknippade med råvaror som Referenstillgångar***

En investering i råvaruobligationer medför betydande risker utöver de som förknippas med investeringar i ett konventionellt skuldebrev.

- (a) *Faktorer som påverkar en råvaras värdeutveckling kan påverka värdet av lån, och vissa råvarupriser kan vara mer instabila än andra tillgångsslag*

Handel med råvaror är spekulativ och kan vara extremt volatil. Råvarupriserna påverkas av en mängd faktorer som är oförutsägbara, däribland till exempel förändringar i relationen mellan utbud och efterfrågan, vädermönster och extrema väderförhållanden, statliga program och politik, nationella och internationella politiska, militära, terror, och ekonomiska händelser, skattemässiga, penningpolitiska program för kontroll, förändringar i räntor och valutakurser och förändringar och avbrott eller störningar i marknaden för handel med råvaror och relaterade kontrakt. Råvarupriser kan vara mer instabila än andra tillgångsslag, vilket gör investeringar i råvaror mer riskfyllda än andra investeringar.

- (b) *Råvaror kan utgöras av fysiska råvaror eller råvarukontrakt, och vissa råvarukontrakt kan handlas på oreglerade eller börser med en mera begränsad reglering.*

Råvaror omfattar både (i) "fysiska" råvaror, som måste lagras och transporteras, och som generellt handlas på ett "Spot"-pris, och (ii) råvarukontrakt, som är avtal antingen att (A) köpa eller sälja en viss mängd av en underliggande fysisk råvara till ett förutbestämt pris och leveransperiod (vilken kan betecknas som en leveransmånad) eller (B) betala eller ta emot en kontant betalning baserad på förändringar i priset på den underliggande råvaran.

Råvarukontrakt kan handlas på reglerade specialiserade terminsbörser (t.ex. terminskontrakt). Råvarukontrakt kan också handlas direkt mellan marknadsaktörerna "over-the-counter" på handelsplattformar som är föremål för lägre grad av reglering eller, i vissa fall, ingen väsentlig reglering. Således omfattas handeln med sådana "over-the-counter"-kontrakt inte av samma bestämmelser, och har inte det skydd, som gäller för kontrakt som handlas på reglerade specialiserade terminsbörser, och handeln i sådana kontrakt kan därför vara förenad med ytterligare risker relaterade till likviditet och prishistorik såvitt gäller de relevanta kontrakten.

- (c) *Lån som har terminskontrakt för råvaror som Referenstillgång kan ge en annan avkastning än Lån som har den relevanta fysiska varan som Referenstillgång och medför dessutom vissa andra risker*

Priset på ett terminskontrakt på en råvara kommer generellt att handlas med en premie eller med en rabatt i förhållande till spotpriset på den underliggande råvaran. Dessa skillnader beror på sådana faktorer som (i) behovet av att anpassa spotpriset på grund av kostnader (t.ex. lager, transport- och försäkringskostnader) och (ii) olika metoder som används för att utvärdera generella faktorer som påverkar spot- och terminsmarknaderna. Dessutom, och beroende på varan, kan det finnas stora skillnader i likviditet på spot- och terminsmarknaderna. Således kan Lån som har terminskontrakt som Referenstillgång ge en annan avkastning än Lån som har den relevanta fysiska råvaran som Referenstillgång.

Investeringar i terminskontrakt innebär vissa andra risker, till exempel bristande likviditet. En innehavare av terminskontrakt kan finna att ett sådant innehav blir illikvid eftersom vissa råvarubörser begränsar fluktuationer i terminskontraktspriser enligt regler om "dagliga begränsningar". När priset på ett visst terminskontrakt har ökat eller minskat med ett belopp som motsvarar den dagliga begränsningen, kan positioner i kontraktet inte tas eller avvecklas om inte innehavaren är villig att utföra transaktioner på eller inom begränsningen. Detta kan hindra en person från att snabbt avveckla ogynnsamma positioner och kan därmed utsätta en sådan person för stora förluster. Terminskontraktspriser i olika råvaror har från tid till annan överskridit den dagliga gränsen för flera på varandra följande dagar med liten eller ingen handel. Förluster som uppstår under sådana omständigheter kan ha en negativ effekt på avkastningen i Lån som har det påverkade terminskontraktet som referenstillgång.

För det fall en direktinvestering i terminskontrakt för råvaror görs, kan det investerade kapitalet komma att användas helt eller delvis som säkerhet för de framtida krav som respektive part kan ha på varandra under terminskontraktet. Sådant kapital vilket ställts som säkerhet bär i allmänhet ränta, och avkastningen i form av ränta ökar investerarens avkastning. Fordringshavare som investerat i Lån där terminskontrakt på råvaror är Referenstillgång kommer inte att ta del i ränteavkastning i anledning av en hypotetiskt ställd säkerhet i de underliggande terminskontrakten.

- (d) *Ytterligare risker i förhållande till "rullning" av terminskontrakt på råvaror (inklusive terminskontrakt på råvaror som är komponenter i ett råvaruindex)*

Råvarukontrakt har ett förutbestämt utgångsdatum, det vill säga en dag då handel med kontraktet upphör. Att hålla ett terminskontrakt till dess slutdag kommer att resultera i leverans av den underliggande fysiska råvaran eller ett krav att kontantavräkna kontraktet. Att "rulla" ett terminskontrakt innebär att när terminskontraktet närmar sig slutdagen ("**near-dated commodity contracts**") men innan det löper ut så säljs detta och ett terminskontrakt som har en slutdag längre in i framtiden ("**longer-dated commodity contract**") köps istället. Investerare i råvaror använder "rullning" av terminskontrakt i syfte att upprätthålla en kontinuerlig exponering mot den relevanta råvaran.

"Rullning" kan påverka värdet av en investering i råvaror på ett antal olika sätt, bland annat:

- (i) *Exponeringen mot råvarukontrakt kan ökas eller minskas genom "rullning"*

När priset på en near-dated commodity contract är större än priset på longer-dated commodity contract (kontraktet sägs då vara i "backwardation"), kommer då "rullningen" från det förra till det senare resultera i att exponeringen utgörs av ett större antal kontrakt (i formen av longer-dated commodity contracts). Därför kommer förlust eller vinst på de nya positionerna i anledning av en rörelse i priset på råvaran att vara större än om man hade innehaft samma antal råvarukontrakt som innan "rullningen".

Omvänt, om priset på en near-dated commodity contract är lägre än priset på longer-dated commodity contract (kontraktet sägs då vara i "contango"), kommer då "rullningen" att resultera i att exponeringen utgörs av ett mindre antal kontrakt (i formen av longer-dated commodity contracts). Därför kommer vinst eller förlust på de nya positionerna för en given rörelse i priserna på råvaror avtalet vara mindre än om man hade innehaft samma antal råvarukontrakt som innan "rullningen".

- (ii) *När ett terminskontrakt befinner sig i contango (alternativt backwardation), kan detta förväntas ha en negativ (eller positiv) effekt över tiden*

När ett terminskontrakt är i "contango", förväntas priset på longer-dated commodity contract generellt minska i takt med att kontraktet närmar sig slutdagen. I ett sådant fall kan en "rullning" i allmänhet förväntas ha en negativ effekt på en investering i kontraktet. När ett terminskontrakt är i "backwardation", förväntas priset på longer-dated commodity contract generellt öka i takt med att kontraktet närmar sig slutdagen. I sådant fall kan investeringen i det aktuella kontraktet generellt förväntas påverkas positivt.

När det gäller Lån med ett terminskontrakt på råvaror som Referenstillgång kommer det specifika underliggande terminskontraktet att helt enkelt ändras utan att det sker någon avyttring, förvärv eller tagande av positioner i några faktiska terminskontrakt. Därför kommer effekterna av en "rullning" enligt ovan inte direkt påverka Referenstillgången eller Lånet. Således kommer en investerare inte att delta direkt i möjliga effekter av en "rullning". Emellertid kan andra marknadsaktörer agera i enlighet med mekanismen för "rullning" och ett sådant beteende kan ha en indirekt negativ inverkan på värdet av Referenstillgången och därför på Lånet.

Råvaruindex är index som följer värdeutvecklingen i en korg av terminskontrakt på vissa råvaror. Vilka råvaror detta är beror på det individuella indexet. Viktningen av de olika råvaror som ingår i ett råvaruindex beror också på vilket index som avses, och beskrivs generellt sett i de relevanta reglerna för indexet.

För råvaruindex används "rullning" av de terminskontrakt som ingår i indexet för att upprätthålla en kontinuerlig exponering mot sådana råvaror. Då ett terminskontrakt måste rullas i enlighet med reglerna för det relevanta indexet beräknas nivån på råvaruindexet som om de underliggande terminskontrakten avyttrades och att man förvärvade nya (vanligen kontrakt som har en slutdag längre fram i tiden) terminskontrakt för att uppnå en motsvarande exponering. Således har en "rullning" samma effekter som beskrivits ovan med avseende på värdet av Referenstillgång i specifika Lån, även i fråga om nivån på ett råvaruindex.

- (e) *Legala och regulatoriska förändringar som rör råvaror kan leda till en förtida inlösen*

Råvaror är föremål för legala och regulatoriska regleringar som kan förändras på ett sätt som kan påverka möjligheten för Emittenten eller någon annan medlem i Nordeakoncernen att ingå eller vidmakthålla säkringstransaktioner (hedgar) avseende Emittentens skyldigheter under Lån, att säkra (hedga) Emittentens skyldigheter enligt Lån, och/eller kan leda till förtida inlösen eller canceltering av Lån.

#### ***Risker förknippade med korgar som innefattar olika beståndsdelar som Referenstillgångar***

- (a) *Exponering mot värdeutvecklingen i korg och dess underliggande tillgångar*

Om Lån refererar till en korg av tillgångar som dess Referenstillgångar, är investerare i sådana Lån utsatta för värdeutvecklingen i sådan korg. Investerarna kommer att bära risken för värdeutvecklingen för varje av de i korgen ingående tillgångarna.

- (b) *En hög korrelation mellan tillgångar i en korg kan ha en betydande inverkan på de belopp som skall betalas under Lån*

Korrelationen av de i en korg ingående beståndsdelarna indikerar graden av beroende mellan de enskilda beståndsdelarna med hänsyn tagen till deras värdeutveckling. Om samtliga de i korgen ingående beståndsdelarna kommer från samma sektor och samma land, kan man anta en generell hög positiv korrelation. Tidigare korrelationsvärden är inte avgörande för framtida korrelationsvärden. Investerare bör vara medvetna om att även om de i en korg ingående beståndsdelarna inte verkar vara korrelerade baserat på tidigare värden, kan de påverkas negativt

i samma mån i anledning av en allmän nedgång eller annan ekonomisk eller politisk händelse. Om de i en korg ingående beståndsdelarna är föremål för en hög korrelation kommer förändringar i värdeutvecklingen hos de i korgen ingående beståndsdelarna generellt sett påverka värdeutvecklingen i Lånet.

- (c) *En negativ utveckling av en enda Referenstillgång i en korg kan uttradera en positiv utveckling av en eller flera andra Referenstillgångar i korgen*

Investorare i Lån måste vara medvetna om att även för det fall en eller flera i en korg ingående beståndsdelar har en positiv värdeutveckling, kan värdeutvecklingen i korgen som helhet vara negativ om värdeutvecklingen hos de andra i korgen ingående beståndsdelarna är negativ i större utsträckning, med förbehåll för vad som regleras i villkoren för det relevanta Lånet.

- (d) *En liten korg, en ojämnt viktad korg eller en "best of" eller "worst of"-korg gör generellt sett en korg mer sårbar för förändringar i värdet av en viss i korgen ingående beståndsdel*

Värdeutvecklingen i en korg som innehåller ett mindre antal beståndsdelar, med förbehåll för vad som regleras i villkoren för det relevanta Lånet, påverkas generellt sett mer av förändringar i värdet på en viss i korgen ingående beståndsdel däri än en korg som innehåller ett större antal beståndsdelar.

Värdeutvecklingen i en korg som ger större vikt till vissa av de i korgen ingående beståndsdelarna eller baserar värdet för hela korgen endast på värdet av en av de i korgen ingående beståndsdelarna påverkas generellt sett, med förbehåll för vad som regleras i villkoren för det relevanta Lånet, mer av förändringar i värdet av en sådan i korgen ingående beståndsdel än en korg som ger relativt lika stor vikt till varje i korgen ingående beståndsdel.

- (e) *En förändring i sammansättningen av en korg kan ha en negativ effekt på korgens värdeutveckling*

Om villkoren för Lånet ger Emittenten eller Beräkningsagenten rätt att justera sammansättningen av korgen, bör investorare vara medvetna om att en tillgång i korgen som ersätter en tidigare kan utvecklas annorlunda än vad som förväntats av de i korgen ursprungligen ingående tillgången, vilket kan ha en negativ effekt på korgens värdeutveckling.

### ***Risker relaterade till kreditlänkade obligationer***

#### ***Korrelationsrisk***

En investering i kreditlänkade obligationer innebär betydande risker som inte är förknippade med ett konventionellt skuldebrev med fast eller rörlig ränta. Sådana risker är exponering för kreditrisk mot den särskilda Referensenheten eller korg av referensenheter (och i förekommande fall, en eller flera specifika skuldförbindelser) utöver den för den berörda Emittenten. Beroende på det sätt på vilket den särskilda serien kreditlänkade obligationer är kopplad till skuldförbindelser utfärdade av en Referensenhet eller korg av Referensenheter, kan en minskning av kreditvärdigheten hos en viss Referensenhet (eller där uppfattningen av kreditvärdigheten hos en särskild Referensenhet förvärras), kan kraftigt minska marknadsvärdet på Lånet och på eventuella betalningar av kapitalbelopp eller ränta. Om en serie Lån är kopplad till en korg av Referensenheter kan en försämring av kreditkvaliteten hos en Referensenhet vara starkt korrelerad med en försämring av kreditkvaliteten hos andra Referensenheter i korgen, vilket kan inom en relativt kort tidsperiod resultera i betydande minskningar av marknadsvärdet på Lånet och eventuella betalningar av kapitalbelopp eller ränta. I ett Lån som har en struktur som är "N:th to Default" eller "N:th+1" to Default, kommer förekomsten av en kredithändelse avseende en Referensenhet att ha en mer än proportionell effekt på marknadsvärdet och betalning av kapital och ränta.

#### ***Betalningar av kapitalbelopp och/eller ränta***

I händelse av förekomsten av vissa omständigheter (som kan inkludera bland annat, konkurs, betalningsinställelse, Obligation Acceleration, Obligation Default, moratorium, omstrukturering eller annan Kredithändelse) i förhållande till en Referensenhet eller en korg av Referensenheter, i enlighet med vad som anges i tillämpliga Slutliga Villkor, kan Emittentens skyldighet att betala kapitalbelopp eller utföra andra åtaganden enligt lånets villkor ersättas av en skyldighet att betala andra belopp som beräknats utifrån värdet av Referenstillgången. Dessutom kan räntebärande kreditobligationer komma att upphöra att bära ränta på eller före den dag då Kredithändelse inträffat.

Potentiella investerare i sådana Lån bör vara medvetna om att beroende på villkoren för sådan kreditobligation så (i) kan de bli utan eller få vidkännas minskningar i räntebetalningarnas storlek, (ii) kan betalning av kapital eller ränta eller leverans av eventuella angivna tillgångar inträffa vid en annan tid än förväntat och (iii) de kan förlora hela eller en väsentlig del av sin investering.

#### *Volatilitet i marknadspriset*

Marknadsvärdet på kreditobligationer kan vara volatilt och påverkas av, bland annat, den tid som återstår till återbetalningsdagen och Referensenhetens kreditvärdighet som i sin tur kan påverkas av ekonomiska, finansiella och politiska händelser i ett eller flera jurisdiktioner.

#### *Inget krav att Emittenten lider förlust med avseende på Referensenhet*

Emittentens åtaganden avseende kreditobligationer är inte avhängigt huruvida Emittentens och/eller dess närstående bolag har en faktisk kreditexponering mot Referensenheten. Emittenten och/eller någon av dess närstående bolag behöver inte heller lida någon faktisk förlust eller lida någon skada på grund av förekomsten av en Kredithändelse.

#### *Begränsad information avseende Referensenheter*

Ingen utredning har eller kommer att göras avseende någon Referensenhet. Presumptiva investerare i kreditobligationer bör inhämta och utvärdera information om Referensenheter som om de investerar direkt i skuldförbindelser utgivna av relevanta Referensenheter. Dessutom bör investerare förstå att den historiska utvecklingen av en särskild skuldförbindelse eller skuldförbindelserna relaterade till Referensenheten i allmänhet inte är en garanti för framtida utveckling. Eftersom ingen Referensenhet har deltagit i framtagandet av detta Grundprospekt, finns det ingen garanti för att alla väsentliga händelser eller information om Referensenheter har beskrivits i samband med att Lån utfärdas. Efterföljande publicering av sådana händelser eller underlåtenhet att publicera information om väsentliga händelser som rör någon av Referensenheterna kan påverka återbetalningsbeloppet på Lån eller marknadsvärdet på Lånet.

#### *Skuldförbindelser kan bestå av förlagslån*

Eventuella skuldförbindelser för kreditobligationer kan innefatta efterställda skuldförbindelser. Sådana efterställda skuldförbindelser kommer att rankas efterställt till, och värdet av dessa efterställda skuldförbindelser kan vara mindre än, icke efterställda skuldförbindelser utgivna av samma Referensenhet. Värdet av sådana efterställda skuldförbindelser kan vara noll under förhållanden där en Kredithändelse har inträffat. Emittenten har ingen lojalitetsplikt mot Fordringshavare innebärande att Emittenten har att välja Referenstillgångar eller leveransbara tillgångar med något särskilt värde eller att maximera värdet för Fordringshavare.

### **Risker relaterade till räntestrukturer**

#### ***Risker relaterade till fast/rörlig ränta.***

Lån med fast/rörlig ränta kan löpa med en ränta, vilken den berörda Emittenten kan välja att konvertera från en fast ränta till rörlig ränta, eller från en rörlig ränta till fast ränta. Den relevanta Emittentens förmåga att omvandla räntan kommer att påverka andrahandsmarknaden och marknadsvärdet av sådana Lån eftersom den berörda Emittenten kan förväntas konvertera räntan när det är sannolikt att detta kommer att ge en lägre totalkostnad för upplåningen. Om den berörda Emittenten konverterar från en fast ränta till rörlig ränta kan spreaden på fast/rörlig ränta bli mindre gynnsam än vid den tidpunkten rådande spreadar på jämförbara lån med rörlig ränta som baseras på samma referensränta. Dessutom kan den nya rörliga räntan komma att vara lägre än räntan på andra Lån. Om den berörda Emittenten konverterar från en rörlig ränta till fast ränta, kan den fasta räntan vara lägre än fast ränta som betalas på andra av dess Lån.

#### ***Risker relaterade till Lån med rörlig ränta med en multiplikator eller annan hävstångseffekt.***

Lån med justerbar rörlig ränta kan vara volatila investeringar. Om de är strukturerade på så sätt att de innehåller multiplikatorer eller andra faktorer som ger hävstångseffekter, eller tak och/eller golv, eller någon kombination av dessa funktioner eller andra liknande funktioner, kan deras marknadsvärde vara ännu mer volatilt än för Lån som inte innehåller dessa funktioner.

### ***Risker relaterade till Lån med omvänd rörlig ränta.***

Lån med omvänd rörlig ränta har en ränta motsvarande en fast ränta minus en ränta baserad på en referensränta som t.ex. LIBOR. Marknadsvärdet på dessa Lån är oftast mer volatila än marknadsvärdet på andra konventionella skuldförbindelser med rörlig ränta men med samma referensränta (och med i övrigt jämförbara villkor). Lån med omvänd rörlig ränta är mer volatila eftersom en höjning av referensräntan inte endast sänker räntan på Lånet, men kan också spegla en ökning rådande ränteläget, vilket ytterligare negativt påverkar marknadsvärdet av dessa Lån.

### ***Risker relaterade till Range Accrual-Lån***

Range Accrual-Lån bär ränta som skall betalas antingen (i) på räntebetalningsdagar som inträffar med jämna mellanrum under Lånets löptid, eller (ii) som en klumpsumma på återbetalningsdagen.

Den ränta som en investerare i Lånet kan erhålla är kopplad till utvecklingen av en eller flera Referenstillgångar på sätt som anges i tillämpliga Slutliga Villkor och hur många faktiska dagar under den aktuella ränteperioden eller värderingsperioden nivån eller värdet av Referenstillgången förblir inom ett visst intervall, (den övre och undre gränsen specificeras i tillämpliga Slutliga Villkor). Om nivån eller värdet av Referenstillgången är under den nedre gränsen eller högre än den övre gränsen på vissa eller alla av dagarna i en ränteperiod eller värderingsperiod kan investeraren få låga eller till och med inga räntebetalningar för den relevanta ränteperioden. Innehavare bör notera att ingen ränta utgår de dagar när nivån eller värdet av Referenstillgången är utanför det angivna intervallet. Den räntesats med vilken räntan ackumuleras kan vara en fast ränta, rörlig ränta eller annan ränta som framgår av tillämpliga Slutliga Villkor. Ränta på Lånet är därför även kopplat till volatiliteten i värdet eller nivån av Referenstillgången. Range Accrual-Lån kan vara olämpligt för investerare som behöver regelbundna räntebetalningar.

### ***Risker relaterade till specifika värdeutvecklingsstrukturer***

#### ***Risker relaterade till komplexiteten i produkten***

Avkastningen för strukturerade Lån är ibland komplex och kan innehålla matematiska formler eller samband som för investeraren kan vara svåra att förstå och jämföra med andra investeringsalternativ. Förhållandet mellan avkastning och risk kan vara svårt att bedöma. När det gäller sambandet mellan avkastning och risk kan allmänt sägas att en relativt hög avkastning oftast är förknippad med en relativt högre risknivå. Ett sätt att öka sannolikheten för en högre avkastning är exempelvis att inkludera en hävstång i strukturen som resulterar i att relativt små förändringar i värdeutvecklingen av underliggande tillgångar som kan ha stora effekter för värdet och avkastningen på Lånet. En sådan struktur är i allmänhet också förknippad med en högre risk (se Risker relaterade till särskilda Referenstillgångar nedan). Den historiska utvecklingen för motsvarande investering är bara en beskrivning av den historiska utvecklingen av investeringen och får inte betraktas som en indikation på framtida avkastning. Information om tidigare resultat saknas avseende vissa Referenstillgångar, till exempel med avseende på vissa hedgefonder. Investerare bör noga överväga vilken avkastningsstruktur som gäller för Lån i vilka investeraren investerar för att få en förståelse för hur den relevanta strukturen fungerar i olika scenarier och vilka risker en investering i Lånet innebär.

#### ***Risker relaterade till Lån som inte är kapitalskyddade***

Lån kan ha eller sakna ett kapitalskydd. Om Lånet inte är kapitalskyddat finns det ingen garanti för att den betalning som en investerare erhåller på Lånet på återbetalningsdagen kommer att vara större än eller lika med det nominella beloppet. Om återbetalningsbeloppet hos ett Lån inte är kapitalskyddat, men skall bestämmas enbart med hänvisning till värdet eller nivån på en eller flera Referenstillgångar, förväntas en minskning av värdet på Referenstillgången (eller om Lånet har en "put"- eller "reverse convertible"-struktur, en ökning av värdet) resultera i en minskning av återbetalningsbeloppet på Lånet. Således är det möjligt att avkastningen på Lån kopplade till sådana Referenstillgångar kan vara betydligt lägre än det belopp som betalats av Fordringshavare för sådana Lån vid investeringen och kan uppgå till noll.

#### ***Risker relaterade till överkurs och deltagandegrad***

Förhållandet mellan värdet på ett strukturerat Lån och värdeutvecklingen hos Referenstillgångarna eller förändringar i Referenstillgångarna är inte alltid linjär, utan ibland är detta beroende på struktur och en deltagandegrad vilken avgör i vilken utsträckning Referenstillgångens värdeutveckling återspeglas i värdet av Lånet. Deltagandegraden sätts av berörd Emittent och bestäms bland annat av löptid, volatilitet,

marknadsränta och förväntade utdelningar från Referenstillgången. I vissa konstruktioner kan deltagandegraden variera beroende på om värdeutvecklingen på de aktuella Referenstillgångarna är positiv eller negativ. Variationer i deltagandegraden kan öka eller minska den exponering som Fordringshavare utsätts för såvitt gäller värdeutvecklingen hos de aktuella Referenstillgångarna. Det belopp som investeraren riskerar är större i de strukturerade Lån som tecknas/köps till överkurs, det vill säga då investeraren betalar mer än nominellt belopp, på grund av risken att dessa kan komma att lösas in endast till nominellt belopp eller lägre.

### ***Volatilitet***

Om, i enlighet med relevanta Slutliga Villkor, Lånet omfatta variabler såsom multiplikatorer, leverage, tak/golv, annan kombination av dessa variabler eller andra liknande funktioner kan marknadsvärdet av sådana Lån vara mer volatila än marknadsvärdet av ett Lån utan sådana funktioner.

### ***"Best of"/"Worst of" strukturer i korgar***

Där avkastningen på Lån är kopplad till värdeutvecklingen av en korg, och att "Best of"-strukturen är tillämplig kommer värdet av korgen baseras på värdet hos ett specificerat antal tillgångar i korgen vilka under en angiven tidsperiod har visat bäst resultat i jämförelse med de andra tillgångarna i korgen. Omvänt, där "Worst of"-strukturen är tillämplig, kommer värdet av korgen baseras på värdet hos ett specificerat antal tillgångar i korgen vilka har visat sämst resultat i jämförelse med de andra tillgångarna i korgen under en angiven tidsperiod. Eftersom de tillgångar i korgen som visat bäst eller sämst utveckling inte är representativa för värdeutvecklingen i korgen som helhet kan en sådan struktur ge resultat som är mycket olika dem som tar hänsyn till utvecklingen av tillgångarna i korgen som helhet. Potentiella investerare bör överväga det sätt på vilket "Best of" och "Worst of"-strukturen påverkar värdet av en korg och överväga hur detta påverkar bestämningen av storleken på eventuella utbetalningar. Potentiella investerare i sådana Lån bör vara medvetna om att den avkastning de får (om någon) på investeringar i Lån som har en "Best of" och/eller "Worst of"-struktur kan skilja sig avsevärt från avkastningen på investeringen i Lån som inte har en sådan struktur.

### ***Risk för automatisk förtida inlösen***

När det gäller vissa typer av Lån kommer Lånen automatiskt att inlösas före utgången av deras löptid för det fall vissa villkor är uppfyllda. Lån av denna typ har en på förhand obestämd förfallodag. Vissa typer av Lån kan också automatiskt inlösas i förtid om en viss trigger bryts under en viss period eller på en eller flera bestämda datum. Om Referenstillgång eller korg utvecklas dåligt, kan Fordringshavare få liten eller ingen ränta under löptiden av Lånet och/eller få en låg eller till och med noll avkastning på förfallodagen, och i vissa fall kan leda till en förlust av hela eller delar av sin investering. Presumptiva investerare bör överväga återinvesteringsrisk i ljuset av andra investeringar tillgängliga vid den tidpunkten.



## FORM OF THE NOTES

Notes may be issued as Bearer Notes (as defined below), Registered Notes (as defined below), VP Notes, VPS Notes, Finnish Notes or Swedish Notes, as specified in the relevant Final Terms. Notes in bearer form will not be exchangeable for Notes in registered form and Notes in registered form will not be exchangeable for Notes in bearer form.

### Form of Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006, the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### *Temporary Global Note exchangeable for Permanent Global Note*

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership **provided, however, that** in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**") if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention permanently to cease business or does in fact do so.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 6.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 6.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 6.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 6.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

#### ***Permanent Global Note exchangeable for Definitive Notes***

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention permanently to cease business or does in fact do so.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 6.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 6.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 6.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

#### ***Rights under Deed of Covenant***

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

#### ***Terms and Conditions applicable to the Notes***

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

In relation to any issue of Notes which are a "Global Note exchangeable to Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Note, such notes may only be issued in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

#### ***Legend concerning United States persons***

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

#### ***Form of Registered Notes***

Notes of each Tranche of each Series to be issued in registered form ("**Registered Notes**") will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global

Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form held issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the New Safekeeping Structure, registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depository and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention permanently to cease business or does in fact do so.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Fiscal Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 6.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the

Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then, at 6.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 6.00 p.m. (London time) on such due date (in the case of (b) above) each person shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interest in the Notes (each an "**Accountholder**") shall acquire under the Deed of Covenant rights of enforcement against the relevant Issuer ("**Direct Rights**") to compel the relevant Issuer to perform its obligations to the Holder of the Global Registered Note in respect of the Notes represented by the Global Registered Note, including the obligation of the relevant Issuer to make all payments when due at any time in respect of such Notes in accordance with the Terms and Conditions as if such Notes had (where required by the Terms and Conditions) been duly presented and surrendered on the due date in accordance with the Terms and Conditions.

The Direct Rights shall be without prejudice to the rights which the Holder of the Global Registered Note may have under the Global Registered Note or otherwise. Payment to the Holder of the Global Registered Note in respect of any Notes represented by the Global Registered Note shall constitute a discharge of the relevant Issuer's obligations under the Notes and the Deed of Covenant to the extent of any such payment and nothing in the Deed of Covenant shall oblige the relevant Issuer to make any payment under the Notes to or to the order of any person other than the Holder of the Global Registered Note.

As a condition of any exercise of Direct Rights by an Accountholder, such Accountholder shall, as soon as practicable, give notice of such exercise to the Holders of the Notes of the same Series in the manner provided for in the Terms and Conditions or the Global Registered Note for notices to be given by the Issuer to Noteholders.

#### ***Terms and Conditions applicable to the Notes***

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below, the terms and conditions set out under "*Specific Terms and Conditions*" below (as applicable) and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

#### **Form of VP Notes**

Each Tranche of VP Notes will be issued in uncertificated and dematerialised book entry form in accordance with the Danish Securities Trading etc. Act (*Lov om værdipapirhandel m.v.*), as amended from time to time (*Værdipapirhandelsloven*) (the "**Danish Securities Act**") and the Danish Executive Order on Book Entry, etc. of dematerialised Securities in a Central Securities Depository (*Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral*) as amended from time to time. No global or definitive Notes will be issued in respect thereof. The holder of a VP Note will be the person evidenced as such by the register for such Note maintained by VP Securities A/S. Where a nominee in accordance with the Danish Securities Act is so evidenced it shall be treated as the holder of the relevant VP Note.

Pursuant to the issuance of VP Notes, the Issuer will certify that Nordea Bank Danmark A/S is, on the date of issue of a Tranche of VP Notes, entered in the VP as the account holding institute (*kontoførende institut*) for the duly registered owners of the Notes of such Tranche. Title thereto will pass on due registration in the Danish Note Register to be maintained by the VP Issuing Agent. Title to the VP Notes will pass by transfer between accountholders of the VP, perfected in accordance with the legislation (including the Danish Securities Act), rules and regulations applicable to and/or issued by the VP that are in force and effect from time to time. If the Notes of such Tranche cease to be registered in the VP, Nordea Bank Danmark A/S as account holding institute for the duly registered owners shall supply the VP Issuing Agent with all necessary information with regard to such duly registered owners and the VP Issuing Agent shall enter such information into the Danish Note Register. The relationship between Nordea Bank Danmark A/S as the account holding institute and the VP will be governed by the provisions of Danish Executive Order on Book Entry, etc. of dematerialised Securities in a Central Securities Depository (*Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral*) as amended from time to time. A VP Note may only be controlled by an account holding institute acting in such capacity on behalf of holders for the time being registered with such account holding institute.

Issues of VP Notes will be issued with the benefit of the Fiscal Agency Agreement. On the issue of VP Notes, the Issuer will send a copy of the applicable Final Terms to the Paying Agent, with a copy sent to the VP Issuing Agent. On delivery of the applicable Final Terms by the VP Issuing Agent to the VP and notification to the VP of the subscribers and their VP account details by the relevant Dealer, the VP Issuing Agent acting on behalf of the Issuer will credit each subscribing account holder with the VP with a nominal amount of VP Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of the VP Notes in the VP will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant VP Notes will take place in accordance with the rules and procedures for the time being of the VP.

The person evidenced (including any nominee) as a holder of the VP Notes shall be treated as the holder of such VP Notes for the purposes of payment of principal or interest on such VP Notes. The expressions **"Noteholders"** and **"holder of Notes"** and related expressions shall, in each case, be construed accordingly.

Each Tranche of VPS Notes will be issued in uncertificated and dematerialised book entry form cleared through the VPS. Legal title to the VPS Notes will be evidenced by book entries in the records of the VPS. Issues of VPS Notes will be issued with the benefit of the Fiscal Agency Agreement. On the issue of VPS Notes, the relevant Issuer will send a copy of the applicable Final Terms to the Paying Agent, with copies sent to the VPS Paying Agent and the Fiscal Agent. The VPS Paying Agent issue the total amount to the relevant Dealer and their VPS broker account. The nominal amount of VPS notes are distributed to each investor's VPS account by the relevant Dealer on Settlement date using the relevant trading system, for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of the VPS Notes in the VPS will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant VPS Notes will take place in accordance with the rules and procedures for the time being of the VPS.

Title to the VPS Notes will pass by registration in the registers between the direct or indirect accountholders at the VPS in accordance with the rules and procedures of the VPS. The holder of a VPS Note will be the person evidenced as such by a book entry in the records of the VPS. The person evidenced (including any nominee) as a holder of the VPS Notes shall be treated as the holder of such VPS Notes for the purposes of payment of principal or interest on such VPS Notes. The expressions **"Noteholders"** and **"holder of Notes"** and related expressions shall, in each case, be construed accordingly.

### **Form of Finnish Notes**

Each Tranche of Finnish Notes will be issued in uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry Securities System and Clearing Activity (Fin. *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)), as amended and with the Finnish Act on Book-Entry Accounts (Fin. *laki arvo-osuustileistä* (827/1991)), as amended. No global or definitive Notes will be issued in respect thereof. The holder of a Finnish Note will be the person evidenced as such by the register for such Note maintained by Euroclear Finland on behalf of the Issuer. Where a nominee in accordance with such legislation is so evidenced it shall be treated by the Issuer as the holder of the relevant Finnish Note.

Title to Finnish Notes will pass by transfer between accountholders of Euroclear Finland, perfected in accordance with the legislation, rules and regulations applicable to and/or issued by Euroclear Finland that are in force and effect from time to time. Issues of Finnish Notes will be issued with the benefit of the Fiscal Agency Agreement. On the issue of Finnish Notes, the Issuer will send a copy of the applicable Final Terms to the Paying Agent, with copies sent to the Fiscal Agent and Finnish Issuing Agent.

Settlement of sale and purchase transactions in respect of the Finnish Notes in Euroclear Finland will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant Finnish Notes will take place in accordance with the rules and procedures for the time being of Euroclear Finland.

The person evidenced (including any nominee) as a holder of the Finnish Notes shall be treated as the holder of such Finnish Notes for the purposes of payment of principal or interest on such Finnish Notes. The expressions **"Noteholders"** and **"holder of Notes"** and related expressions shall, in each case, be construed accordingly.

## Form of Swedish Notes

Each Tranche of Swedish Notes will be issued in uncertificated and dematerialised book entry form in accordance with the Swedish Financial Instruments Accounts Act (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*) as amended (the "**SFIA Act**"). No global or definitive Notes will be issued in respect thereof. The holder of a Swedish Note will be the person evidenced as such by the register for such Note maintained by Euroclear Sweden on behalf of the relevant Issuer. Where a nominee (*Sw. förvaltare*) in accordance with the SFIA Act is so evidenced it shall be treated by the relevant Issuer as the holder of the relevant Swedish Note.

Title to the Swedish Notes will pass by way of registration in the Euroclear Sweden Register, perfected in accordance with the legislation (including the SFIA Act), rules and regulations applicable to and/or issued by Euroclear Sweden that are in force and effect from time to time. Issuances of Swedish Notes under the Programme will be issued with the benefit of the Fiscal Agency Agreement. On the issue of Swedish Notes, the relevant Issuer will send a copy of the applicable Final Terms to the Paying Agent, with copies sent to the Swedish Issuing Agent and the Fiscal Agent.

Settlement of sale and purchase transactions in respect of the Swedish Notes in Euroclear Sweden will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant Swedish Notes will take place in accordance with the rules and procedures for the time being of Euroclear Sweden.

The person evidenced (including any nominee) as a holder of the Swedish Notes shall be treated as the holder of such Swedish Notes for the purposes of payment of principal or interest on such Swedish Notes. The expressions "**Noteholders**" and "**holder of Notes**" and related expressions shall, in each case, be construed accordingly.

## Form of Swiss Franc Notes

Each Tranche of Swiss Franc Notes will be denominated in Swiss francs, issued in bearer form and will be represented exclusively by a Permanent Global Note which shall be deposited by the Swiss Paying Agent with SIS, or such other depositary as may be approved by the SIX Regulatory Board of the SIX Swiss Exchange (SIS or any such intermediary an "**Intermediary**"). Once the Permanent Global Note is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Notes will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each Holder (as defined below) shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, **provided that** for so long as the Permanent Global Note remains deposited with the Intermediary the co-ownership interest shall be suspended and the Notes may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e., by the entry of the transferred Notes in a securities account of the transferee.

The records of the Intermediary will determine the number of Swiss Franc Notes held through each participant in that Intermediary. In respect of the Notes held in the form of Intermediated Securities, the holders of the Notes (the "**Holders**") will be the persons holding the Notes in a securities account (*Effektenkonto*) which is in their own name, or in the case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Notes for their own account in a securities account (*Effektenkonto*) which is in their name.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note (*Globalurkunde*) into, or the delivery of, uncertificated securities (*Wertrechte*) or Definitive Notes (*Wertpapiere*).

No physical delivery of the Notes shall be made unless and until Definitive Notes (*Wertpapiere*) are printed. Definitive Notes may only be printed, in whole, but not in part, if the Swiss Paying Agent determines, in its sole discretion, that the printing of the Definitive Notes (*Wertpapiere*) is necessary or useful or if, under Swiss or any other applicable laws and regulations the enforcement of obligations under the Swiss Franc Notes can only be ensured by means of presentation of Definitive Notes (*Wertpapiere*). Should the Swiss Paying Agent so determine, it shall provide for the printing of definitive Notes (*Wertpapiere*) without cost to the Holders. Upon delivery of the Definitive Notes (*Wertpapiere*),

the Permanent Global Note will be cancelled and the Definitive Notes (*Wertpapiere*) shall be delivered to the Holders against cancellation of the relevant Swiss Franc Notes in the Holders' securities accounts.



## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

### Conditions applicable to Global Notes

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

*Payment Business Day:* In the case of a Global Note, or a Global Registered Note, the Business Day for the purposes of payments shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Payment Record Date:* Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

*Exercise of put option:* In order to exercise the option contained in Condition 6(h) (*Optional Early Redemption (Put)*) the bearer of the Permanent Global Note or the holder of a Global Registered Note

must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 6(g) (*Optional Early Redemption (Call)*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

*Notices:* Notwithstanding Condition 16 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 16 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

## CLEARING AND SETTLEMENT

*The information set out below is subject to changes in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg, VP, VPS, Euroclear Sweden, Euroclear Finland or SIS (the "**Clearing Systems**") from time to time. Investors wishing to use the facilities of any Clearing System must check the rules, regulations and procedures of the relevant Clearing System which are in effect at the relevant time.*

### General

The Notes will be cleared through Euroclear and/or Clearstream, Luxembourg or, in the case of VP Notes, the VP or, in the case of VPS Notes, the VPS or, in the case of Swedish Notes, Euroclear Sweden, Euroclear Finland or, in the case of Swiss Franc Notes, the SIS.

### Euroclear

The Euroclear System was created in 1968 to hold securities for participants in Euroclear ("**Euroclear Participants**") and to effect transactions between Euroclear Participants through simultaneous book entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfer of securities and cash. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Euroclear group reshaped its corporate structure in 2000 and 2001, transforming the Belgian company Euroclear Clearance System (Société Coopérative) into Euroclear Bank SA/NV, which now operates the Euroclear System. In 2005, a new Belgian holding company, Euroclear SA/NV, was created as the owner of all the shared technology and services supplied to each of the Euroclear CSDs and the ICSD. Euroclear SA/NV is owned by Euroclear plc, a company organised under the laws of England and Wales, which is owned by market participants using Euroclear services as members.

As an ICSD, Euroclear provides settlement and related securities services for cross-border transactions involving domestic and international bonds, equities, derivatives and investment funds, and offers clients a single access point to post-trade services in over 40 markets.

Distributions with respect to interests in Temporary Global Notes, Permanent Global Notes or Definitive Bearer Notes held through Euroclear will be credited to the Euroclear cash accounts of Euroclear Participants to the extent received by Euroclear's depository, in accordance with the Euroclear Terms and Conditions. Euroclear will take any other action permitted to be taken by a holder of any such Temporary Global Notes, Permanent Global Notes or Definitive Bearer Notes on behalf of a Euroclear Participant only in accordance with the Euroclear Terms and Conditions.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels.

### Clearstream, Luxembourg

Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), located at 42 Avenue JF Kennedy, L-1855 Luxembourg was incorporated in 1970 as a limited company under Luxembourg law. It is registered as a bank in Luxembourg, and as such is subject to regulation by the CSSF, which supervises Luxembourg banks.

Clearstream, Luxembourg holds securities for its customers and facilitates the clearance and settlement of securities transactions by book entry transfers between their accounts. Clearstream, Luxembourg provides various services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg also deals with domestic securities markets in several countries through established depository and custodial relationships. Over 300,000 domestic and internationally traded bonds, equities and investment funds are currently deposited with Clearstream. Currently, Clearstream, Luxembourg has approximately 2,500 customers in over 110 countries. Indirect access to Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an account holder of Clearstream, Luxembourg.

The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

## **VP**

VP is a Danish limited liability company and is subject to the Danish Securities Trading etc. Act (*Lov om værdipapirhandel m.v.*), as amended from time to time and the Danish Executive Order on Book Entry, etc. of dematerialised Securities in a Central Securities Depository (*Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral*) as amended from time to time. VP is the central organisation for registering securities in Denmark and is a CSD and Clearing Centre.

Settlement of sale and purchase transactions in respect of Notes in the VP will take place on a registration-against-payment basis three Copenhagen business days after the date of the relevant transaction. Transfers of interests in a VP Note will take place in accordance with the VP Rules. Secondary market clearance and settlement through Euroclear is possible through depositary links established between the VP and Euroclear. Transfers of Notes held in the VP through Clearstream, Luxembourg are only possible by using an account holding institute linked to the VP.

The address of VP is VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark.

## **VPS**

VPS is a Norwegian public limited company authorised to register rights to financial instruments subject to the legal effects laid down in the Securities Register Act. VPS clears and settles trades in the Norwegian securities market, and provides services relating to stock issues, distribution of dividends and other corporate actions for companies registered in VPS.

Settlement of sale and purchase transactions in respect of Notes in the VPS will take place three Oslo business days after the date of the relevant transaction. Notes in the VPS may be transferred between accountholders at the VPS in accordance with the procedures and regulations, for the time being, of the VPS. A transfer of Notes which are held in the VPS through Euroclear or Clearstream, Luxembourg is only possible by using an account operator or custodian linked to the VPS System.

The address of VPS is Norwegian Central Securities Depository, Verdipapirsentralen ASA, P.O. 4, 0051 Oslo, Norway.

## **Euroclear Sweden**

Euroclear Sweden is a Swedish public company which operates under the supervision of the Swedish Financial Supervisory Authority and is authorised as a central securities depository and clearinghouse.

Settlement of sale and purchase transactions in respect of Notes in Euroclear Sweden will take place three Stockholm business days after the date of the relevant transaction. Notes in Euroclear Sweden may be transferred between accountholders at Euroclear Sweden in accordance with the procedures and regulations, for the time being, of Euroclear Sweden. A transfer of Notes which are held in Euroclear Sweden through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to Euroclear Sweden.

The address of Euroclear Sweden AB is Swedish Central Securities Depository, Euroclear Sweden, Box 7822, SE 103 97 Stockholm, Sweden.

## **Euroclear Finland**

Euroclear Finland is a Finnish limited company which operates under the supervision of the Finnish Financial Supervisory Authority and is authorised as a central securities depository and clearinghouse.

Settlement of sale and purchase transactions in respect of Notes in Euroclear Finland will take place three Helsinki business days after the date of the relevant transaction. Notes in Euroclear Finland may be transferred between accountholders at Euroclear Finland in accordance with the procedures and regulations, for the time being, of Euroclear Finland. A transfer of Notes which are held in Euroclear Finland through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to Euroclear Finland.

The address of Euroclear Finland Ltd is Euroclear Finland Ltd, PB 1110, 00101 Helsinki, Finland.

## **SIS**

SIS is a wholly owned subsidiary of SIX Group Ltd. has a bank licences and is supervised by the Swiss Financial Market Supervisory Authority FINMA.

SIS acts as the central securities depository and settlement institution for the following Swiss securities: equities, government and private sector bonds, money market instruments, exchange traded funds, conventional investment funds, structured products, warrants and other derivatives. Apart from providing custody and settlement for Swiss securities, SIS acts as global custodian and offers its participants access to custody and settlement in foreign financial markets. SIS offers direct links to other international central securities depositories and central securities depositories including Euroclear and Clearstream, Luxembourg.

The address of SIS is SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland.

## NOTES – TERMS AND CONDITIONS AND STRUCTURE

The Issuers have established the Programme for the purpose of issuing Notes on the international capital markets with maturities ranging from 30 days up to perpetual maturity. The aggregate nominal amount of Notes outstanding from time to time will not exceed €10,000,000,000.

### 1. **What is a Note?**

#### *Freely transferable debt instrument*

Notes are freely transferable debt securities, often referred to as bonds. A Note manifests a debt owed by the relevant Issuer to the investor and the investor is normally entitled to a cash payment from the relevant Issuer upon maturity (and sometimes also interest payments during the term). Therefore, Notes 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 Note has been issued and the investor in the Note has paid the issue price to the relevant Issuer, the investor is generally entitled to receive payments from the relevant Issuer and will not owe any further obligation to make payments to the relevant Issuer.

#### *Combination of instruments*

Each of the Issuers may issue structured Notes pursuant to the Programme. Structured Notes have developed in recent years and did not exist in the early bond markets. In terms of structure and economics, a structured Note often operates as a combination of different types of more traditional instruments, for example, 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 Notes constitute a claim of the investor towards the relevant Issuer pursuant to which the investor, subject to the terms of the Notes, is entitled to receive a cash payment from the relevant Issuer. In this context it is important to note that, if the Note is composed of a derivative element, the so called counterparty risk in the derivative instrument remains with the relevant Issuer. However the market risk is transferred to the investor.

#### *Principal protected or not*

The Terms and Conditions of Notes issued provide that each Issuer may issue "**non-principal protected**" Notes, meaning Notes 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. A Note where the terms of which are such that the investor is always entitled to receive a nominal amount (or a certain minimum amount) are normally referred to as "*principal protected*" Notes. It shall be noted however that the investor also risks losing his investment where he invests in a principal protected Note, since repayment of the investment is dependent on the relevant Issuer having sufficient assets to perform its payment obligations. The principal protection, therefore, only means 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 Note. Further information with respect to different types of Reference Assets for structured Notes is provided under the heading "*Different types of Notes*" below.

#### *Listing*

Notes are often listed for trading on any of the stock exchanges or other marketplace as further specified in this Base Prospectus; however, certain Notes may be tailored specifically to suit a particular investor or group of investors that seek exposure to a specific risk or market. Such Notes will normally not be intended for public trading or frequent transfer, although the Notes as such will be a freely transferable instrument.

#### *Status*

Notes issued under the Programme constitute direct and unsecured obligations of the respective relevant Issuer and will rank *pari passu* with the relevant Issuer's unsecured and unsubordinated obligations.

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

### *Terms and Conditions*

The Programme is one of the Issuers' platforms for borrowings in the debt capital markets and is primarily intended to be used for issuance in certain member states of the European Economic Area. The Programme constitutes an efficient platform upon which the Issuers can relatively frequently and quickly raise capital in the aforementioned markets. One of the most important features of the Programme is the Terms and Conditions, set out in their entirety in this Base Prospectus, as these apply to all Notes issued pursuant to the Programme. The Terms and Conditions are standardised and general in nature and are intended to cover a large number of different types of Notes. The Terms and Conditions are therefore relatively extensive and complicated.

### *Final Terms*

Final Terms are prepared for each series of Notes. A form of Final Terms is set out in this Base Prospectus. The Final Terms specifies the terms and conditions for each series of Notes and constitute the full terms and conditions for the relevant series of Notes when applied 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 a tranche of Notes. 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 series of Notes. The Final Terms will also contain the relevant Issue Price, which may be an indicative value, or a range of values, pending feedback from the offering process. The Issuer will determine the final Issue Price of the Notes in its sole discretion, taking into account investor demand during the offering process. If the Issue Price is determined after publication of the final terms, the Issue Price will be announced by the relevant Issuer through the Company Announcements Office of the Irish Stock Exchange.

Final Terms for Notes which are offered to the public or otherwise admitted to trading on an exchange are filed with the Central Bank of Ireland. 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 relevant Issuer's branch offices.

## 3. **Different types of Notes**

As described above, a Note represents a right to demand and receive a certain performance from the relevant Issuer, in the form of a cash payment. A Note is usually interest bearing or carries another form of yield. Notes 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 Notes (see further below). The interest or other yield under a structured Note is often variable and not guaranteed and, where also the redemption amount is linked to the Reference Asset, the investor may under certain structured Notes 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 Notes that the Issuers intend to issue pursuant to the Programme and the most common types of Reference Assets. The main types of Notes, coupon and zero coupon Notes, are presented immediately below.

### *Reference Assets and Baskets*

The Redemption Amount and/or interest payments in relation to the Notes may be determined by reference to the performance of one or more Reference Assets. Reference Assets may include shares, commodities, interest rates, exchange rates, fund units and/or the credit standing of one or more Reference Entities.

In a mixed portfolio Note, the yield and/or redemption amount is linked to the performance of a Basket of Reference Assets which may contain different types of asset. The assets in a Basket may be assigned different weights and will thereby influence the yield and/or redemption amount according to their respective weight. Different asset types can form part of the same Basket and there may be several Baskets with different types of assets that are compared against each other.

### *Coupon and zero coupon Notes*

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 relevant Issuer receives an amount on the issue date which is lower than the nominal amount of the Note and pays the nominal amount on the redemption date or, alternatively, the relevant Issuer receives the nominal amount for the Note on issue and pays the nominal amount plus accrued interest on the redemption date.

Notes may be issued as coupon notes or as zero coupon Notes or as a combination of both. Structured Notes 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 Notes*

The Issuers may issue amortising Notes, being Notes where the principal amount is repaid in instalments.

### *Interest bearing Notes*

Interest-bearing Notes 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, EURIBOR, LIBOR or such other relevant rate as may be specified in the Final Terms, plus or minus a fixed interest margin; instruments with floating interest rates are frequently referred to as *floating rate notes*, whereas under Notes with fixed interest, the rate of interest is fixed. Under a Note 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, EURIBOR, LIBOR or such other relevant rate as may be specified in the Final Terms. The interest may be adjustable and adjusted after each interest period. There are also Notes 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 Notes may be interest and/or inflation based in the sense that they are structured with a yield based on one or more rates of interest and/or inflation indices. The structure of such Notes may include multipliers, caps/floors, digital caps/floors, swaptions and/or combinations thereof. The structured yield can depend on whether one or more specified interest rates or inflation indices move within certain predetermined ranges. The structured yield can also depend on the yield in previous periods and the structured Notes can contain interest or inflation based triggers that can alter the structure of the yield or force early redemption.

### *Inflation-linked Notes*

Inflation protected Notes 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 Notes are not interest-bearing, an inflation-protected redemption amount is paid only upon maturity. The calculation of inflation protection is based on a consumer price index or similar measure. 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 is notified to the investors upon determination of those amounts by the relevant Issuer in accordance with the Terms and Conditions and the relevant Final Terms.

### *Equity-linked Notes*

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



An equity-linked Note 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 relevant Issuer may structure an equity-linked Note so that the yield increases or decreases depending on the movements in the relevant equity instrument or index during the term.

Equity-linked Notes may have a variable degree of exposure to the Reference Asset. The Notes 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 Notes which pay a predetermined minimum yield despite that the Reference Asset performs negatively. However, such Notes generally provide a more limited yield in a scenario where the Reference Asset performs well, as compared to Notes without minimum yield.

#### *Reverse convertible Notes*

In a reverse convertible Note, the Reference Asset is normally composed of a share index or a basket of shares indices, or exchange-tracked fund units. Repayment of the principal amount will depend on the performance of the underlying Reference Assets, and the Redemption Amount may be less than the principal amount of the Notes in certain circumstances. A reverse convertible Note may include a fixed yield element.

#### *Credit-linked Notes*

Credit linked Notes 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, for example, 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 Note 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 Notes 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 Notes is higher the lower the credit rating of the Reference Asset/entity. The higher interest on the Notes 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 consists of payment default, bankruptcy 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 an investor losing the right to receive interest and/or the redemption amount (in full or in part) on the Notes. Some credit-linked Notes 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 relevant Final Terms of each series of credit-linked Notes.

Credit-linked Notes 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 Notes*

Under a fund-linked Note, 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 so called UCITS funds whereas other funds have not been approved by (and thus not under supervision of) any relevant 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 relevant 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, for example, 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. Further it is important to note that in certain funds or funds of funds the liquidity might be limited or non-existent. Such liquidity restrictions are generally mirrored in the fund-linked Notes and are therefore relevant to the investor in the Notes as they may result in delayed (or cancelled) redemption of the Notes.

#### *Commodity-linked Notes*

In a commodity-linked Note, 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 include, but are not limited to, electricity, oil, gold, emission rights, aluminium, copper and zinc.

#### *Currency-linked Notes*

In a currency-linked Note, 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 Notes*

In an index-linked Note, 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 Note 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 Note will be clearly stated in the relevant Final Terms.

### **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 Note described above) affects the yield and/or the redemption amount under the Notes. The performance structures set forth below may be applied to several of the aforementioned types of Notes, so called "**structured Notes**". Structured Notes may, in many cases, correspond in terms of risk and functionality to combinations of several types of traditional instruments, for example, a bond combined with a share, a fund unit and/or a derivative instrument. The value of a structured Note 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 Notes 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 Notes.

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.

#### *"Basket Long" and "Basket Short" structures*

The basic method for calculation of performance under a structured Note compares the change between the initial price and the final price of one or more Reference Assets. 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 Notes (i.e. there are several valuation points during the term of the Notes). In some Notes however, the value is determined on the basis of a single valuation. In a "Basket Long" structure, the positive performance of the Reference Assets with the

Basket will have a positive effect on the return on the Notes, whereas in a "Basket Short" structure, the positive performance of the Reference Assets will have a negative effect on the return on the Notes.

#### *"Max" structure*

The "max" structure is based on a simple "Basket Long" or "Basket Short" 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 the change 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" structures*

This structure provides for a deemed fixed return on the Basket which replaces the actual final return if the Basket Return reaches and/or exceeds a price cap (a "Barrier Outperformance" Structure) or is less than a price floor (a "Barrier Underperformance" structure). The structure may also be limited to one or more best or worst performing Reference Assets, rather than the performance of the Basket as a whole.

#### *"Quanto Basket" structures*

In relation to a Quanto Basket, the Redemption Amount is based on the performance of a Basket of underlying Reference Assets. The positive performance of the Basket may have a positive impact on the performance of the Notes (the Basket Long structure) or a negative impact (a "short" structure). The Basket may also have pre-determined maximum or minimum performance levels.

If the performance of the Basket is negative, the Basket Return payout is zero. In a Quanto Basket, one or more of the Reference Assets is denominated in a currency which is different to that of the Notes, and the relevant currency exchange rate remains constant during the lifetime of the Notes. Depending on the performance of the relevant exchange rate, this may have a positive or negative impact on the return received by Noteholders.

#### *"Flexo Basket" structures*

The product is the same as the Quanto Basket, with the additional feature that the overall Basket Return is multiplied by an FX factor. The return on the Notes will therefore be linked in part to the performance of the relevant currency exchange rate specified in the Final Terms.

#### *Autocallable Structures*

The return on the Notes depends on (i) the Basket Return, (ii) different barrier levels and (iii) the Coupon (if any), as defined below.

If the Basket Return on a Valuation Date is at or above a specified Barrier Level, then the Notes will be called for early redemption on the Early Redemption Date immediately following that Valuation Date and the whole Principal Amount of the Notes will be repaid together with the Coupon (if any).

The Notes may pay a Coupon, as described below, if early redemption has not yet occurred and if the Basket Return on each specified Valuation Date is at or above a specified Coupon Barrier Level. The Coupon will then be paid on the Interest Payment Date immediately following that Valuation Date(s).

The Basket Return is observed by the Issuer on each specified Valuation Date (which may be one or more dates, depending on the specific terms of the Notes):

- (i) if the Basket Return is equal to or below the final Barrier Level on the final Valuation Date, the relevant Redemption Amount will be equal to the sum of the Principal Amount of the Notes and an additional return linked to the Basket Return, which can be zero;
- (ii) if the Basket Return is above the Barrier Level on the final Valuation Date, the relevant Redemption Amount will be equal to the sum of the Principal Amount of the Notes and an additional return which will be the lower of a Minimum Basket Return or an amount linked to the Basket Return, which can be zero; and
- (iii) if the value of the Basket is above the Coupon Barrier Level, a Coupon may also be payable.

Different fixing methods and different weighting methods (e.g. worst of, best of, momentum etc.) may be used for the purposes of determining whether any Barrier Level or Coupon Barrier has been breached during the term of the Notes.

The Notes may also pay Interest (known as the "**Coupon**"). The Coupon may be structured in one of the following ways:

If the Coupon type is "Flat", the Coupon will be the Principal Amount of the Notes multiplied by the relevant Coupon Rate.

If the Coupon type is "Memory", the Coupon will depend on the number of Coupons already paid in the lifetime of the Notes. The Coupon will be the Principal Amount of the Notes multiplied by a predefined Coupon Rate and multiplied by the number of immediately preceding Interest Payment Dates, (up to and including the current Interest Payment Date), for which a Coupon has not been paid.

If the Coupon type is "Plus Flat", the Coupon will be the Principal Amount of the Notes multiplied by the higher of a predefined Bonus Factor and the Coupon Rate.

If the Coupon type is "Plus Memory", the Coupon will be equal to the Principal Amount of the Notes multiplied by the higher of: a) the Coupon Rate and b) the Bonus Factor multiplied in each case by the number of immediately preceding Interest Payment Dates, (up to and including the current Interest Payment Date), for which a Coupon has not been paid.

#### *"Best of/Worst of Autocallable" structure*

This is a variation of the basic Autocallable structure, whereby the observations and Redemption Amounts are determined by reference to the best or worst performing Reference Asset, rather than the Basket as a whole.

#### *"Composite Basket" structures*

The product is the same as the Quanto Basket with the additional feature that each valuation point for each underlying Reference Asset is multiplied by an FX rate.

#### *"Replacement Basket" structures*

The Replacement Basket return is similar to a Quanto Basket, but the return generated by the best performing Reference Assets is replaced with a pre-determined figure. The performance of each Reference Asset is measured separately at the end of the Notes' term, and the performances are ranked based on the relative percentage return of each Reference Asset. The returns relating to a certain number of the best ranked Reference Assets are replaced by pre-determined percentage value for the purposes of determining the overall Basket Return.

#### *"Locally Capped Basket" structures*

The Locally Capped basket payout is similar to a Quanto Basket, but the return generated by each Reference Asset is subject to a pre-determined maximum percentage value.

#### *"Rainbow Basket" structures*

The Redemption Amount for the Rainbow Basket is similar to the Quanto Basket, but the difference is that the weightings of each Reference Asset will be set at maturity in a pre-determined manner. All Reference Asset Returns are measured separately at the maturity and ranked based on the relative performance. The weightings for each Reference Asset are then set based on this order in the manner specified in the Final Terms. Depending on the relationship between the relative ranking of each Reference Asset and the applicable weighting within the Basket, the Rainbow Basket structure may increase or decrease the relative contribution that either the best or worst performing Reference Assets will make to the overall Redemption Amount.

#### *"Booster" structures*

Booster structures can have a positive or negative return, based on the performance of the underlying Reference Asset(s). The return will be added to, or subtracted from, the Principal Amount of the Notes for the purposes of calculating the Redemption Amount payable at maturity. As a result, a Noteholder

may in certain circumstances receive less than the Principal Amount of the Notes upon their final redemption. Booster structures may also have different participation ratios depending on whether or not the performance of the Reference Assets is positive or negative, thereby increasing or decreasing the Noteholders' exposure to the performance of the relevant Reference Assets.

#### *Risk Barrier structures*

The risk barrier structures will deliver a positive or negative return depending on the performance of the Basket as compared to both the Initial Basket Level on the final Valuation Date and as compared to a pre-determined Barrier Level on certain other days during the lifetime of the Notes.

If the value of the Basket is below a pre-determined Barrier level on certain days during the lifetime of the Notes, and the value of the Basket is below the Initial Basket Level on the final Valuation Date, the payout at maturity will be calculated by adding the Principal Amount of the Notes to an additional return equal to the Principal Amount of the Notes multiplied by the Participation Ratio and the negative Basket Return. As a result, a Noteholder may receive less than the Principal Amount of the Notes upon their final redemption.

If the value of the Basket is above the pre-determined barrier level on certain days, and at expiry the value of the Basket is below the Strike Level, the payout at maturity will be the Principal Amount of the Notes.

If the value of the Basket at expiry is at or above the Strike Level, the payout at maturity will be calculated by adding the Principal Amount of the Notes to an additional return equal to the Principal Amount of the Notes multiplied by the Participation Ratio and the applicable Basket Return.

#### *Bonus Booster Structures*

The product is the same as the basic Booster structure described above, except that at maturity a pre-determined Bonus payout may apply. If the Basket Return is never below the Barrier Level on any Valuation Date, the Redemption Amount will be calculated by adding the Principal Amount of the Notes to an additional return which will be equal to the Principal Amount of the Notes multiplied by the Participation Ratio and the applicable Basket Return.

If the Basket Return is below the Barrier Level on any Valuation Date and below the Initial Basket Level on the final Valuation Date, the Redemption Amount will be the sum of the principal amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio 2 and the Basket Return (expressed as a negative number, which will result in a Redemption Amount of less than the Principal Amount of the Notes).

If the Basket Return is never below the Barrier Level on any Valuation Date, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount equal to the higher of:

- (A) the Coupon; and
- (B) the amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return.

#### *Cliquet Structure*

The payout in the Cliquet structure is dependent on the accumulated sum of the relative (percentage) changes in the underlying Basket for a number of pre-determined Valuation Periods during the lifetime of the Notes. The Cliquet also has some specific features that can be used:

- The relative changes in the underlying Basket can also be locally capped and/or floored for each individual Valuation Period.
- The accumulated sum of the relative changes can also be subject to a global cap or floor.

The product may also have a lock-in feature. This means that if the cumulative return on any Valuation Date has reached a predefined Lock-in Level, the final payment will be at least that Lock-in Level. There can be many different Lock-in Levels, and there can be no assurance that any given Lock-in Level will be reached during the lifetime of the Notes.

### *Reverse Cliquet Structure*

A Reverse Cliquet structure, rather than accumulating returns, pays out a sum at maturity equivalent to a set percentage rate minus the accumulated sum of the relative changes in the underlying Basket for a number of pre-determined Valuation Periods during the lifetime of the Notes.

### *Replacement Cliquet Structure*

Similarly to a standard Cliquet, the return generated in a Replacement Cliquet structure is equal to the cumulative sum of the Basket's periodic performances. However, whereas a standard Cliquet structure often has local caps and floors for the periodic performance, the Replacement Cliquet instead replaces the returns of a certain number of the best performing Valuation Periods with a predefined constant.

### *Reverse Replacement Cliquet Structure*

The Reverse Replacement Cliquet Structure is a variation of the basic Replacement Cliquet Structure, but it replaces the returns of a certain number of the best performing Valuation Periods with a predefined constant.

### *Rainbow Replacement Cliquet Structure*

The Rainbow Replacement Cliquet Structure describes a Note where the weight of each Reference Asset is determined after the performance of each Reference Asset is known, following the principle that the best performing underlying is given the highest weight, and so forth. The performance of each individual Reference Asset is calculated on the same basis as the basic Cliquet structure, and represents the accumulated sum of the relative changes in the underlying Reference Asset for each Valuation Period during the lifetime of the Notes.

### *Reverse Convertible Structure*

Reverse convertibles are structured Notes offering interest payments which are not dependent on the performance of the underlying Basket. At maturity the proportion of the Principal Amount which is paid back will depend on the performance of the underlying Basket.

If the aggregate underlying performance of the Reference Assets within the Basket is positive then the Redemption Amount will be equal to the Principal Amount of the Notes.

If the aggregate underlying performance of the Reference Assets within the Basket is negative, then the Redemption Amount will be equal to the Principal Amount of the Notes, less an amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the relevant Basket Return.

### *Reverse Convertible Risk Barrier Structure*

The structure is similar to the basic Reverse Convertible structure, except that the possible negative payout is determined by reference to a pre-determined Barrier Level on certain days during the lifetime of the Notes.

If on any applicable Valuation Date the aggregate underlying performance of the Reference Assets within the Basket is below a certain pre-determined Barrier Level on certain days during the lifetime of the Notes and is below the Strike Level on the final Valuation Date, the Principal Amount of the Notes will not be paid back in full. Instead, the Redemption Amount will be dependent on the performance of the Basket and will be equal to the Principal Amount of the Notes less an amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the relevant Basket Return.

If on any Valuation Date the aggregate underlying performance of the Reference Assets within the Basket on certain days during the lifetime of the Notes is at or above the Strike Level on the final Valuation Date, the Principal Amount of the Notes will be paid back in full.

### *"Worst of" Reverse Convertible Structure*

The product is the same as the basic Reverse Convertible, except that the possible negative payout is determined by reference the worst performing Reference Asset. The performance of each Reference Asset is measured separately, and the payout on the Notes is based on the performance of the worst performing Reference Asset.

### *Series of Digitals*

The Series of Digitals pays a redemption amount that is proportionate to the number of Reference Assets within the Basket whose performance exceeds a pre-specified Barrier Level. Where a Reference Asset's performance does not exceed the Barrier Level, it does not contribute to the return an investor receives on the Notes.

### *Up and In Long Structure*

The Up and In Long is a barrier put option. The structure has an individual Reference Asset or a Basket of Reference Assets as underlying. At maturity, the Noteholder receives the Principal Amount of the Notes and an additional payout (subject to a pre-specified minimum amount), if the Basket has, on any Valuation Date during the lifetime of the Notes, performed at or above the predefined Barrier Level. If the Barrier Level is not reached on any Valuation Date, the additional amount will equal the Minimum Basket Return. The Barrier Level is always higher than the Basket Strike Level.

### *Up and Out Put Option Structure*

The Up and Out Put Option is a barrier put option. The structure has an individual Reference Asset or a Basket of Reference Assets as underlying. At maturity, the Noteholder receives the Principal Amount of the Notes and an additional payout (subject to a pre-specified minimum amount), if the Basket has not, on any Valuation Date during the lifetime of the Notes, performed at or above the predefined Barrier Level. If the Barrier Level is reached on any Valuation Date, the additional amount will equal a pre-specified rebate amount. The Barrier Level is always higher than the Basket Strike Level.

### *Equity Accumulating Asian Rainbow Option*

This structure is very similar to the Rainbow Basket structure, but in this case the weights of the underlying Reference Assets are set on the Issue Date and are afterwards recalculated based upon the performance of the individual Reference Assets in the Basket. On each subsequent Valuation Date, the weight for each Reference Asset is recalculated so that the best performing Reference Asset will receive the highest weighting for the next Valuation Period, the second best will receive the second highest weighting and so forth.

### *Down and Out Call Option Structure*

The Down and Out Call Option Structure is a barrier call option. The structure has an individual Reference Asset or a Basket of Reference Assets as underlying. At maturity, the Noteholder receives the Principal Amount of the Notes and an additional payout if no underlying has, on any Valuation Date during the lifetime of the Notes, fixed at or below a predefined Barrier Level. If the Barrier Level is breached on any Valuation Date, the additional payout equals zero.

### *Worst of Digital Memory Coupon Structure*

The Worst of Digital Memory Coupon structure is a memory coupon type of option with digital payout condition.

The amount of the accumulated coupon payments can never decrease, and so the structure can either pay out the total accrued amount after the final Valuation Date (Worst of Digital Coupon Memory Structure 1), or alternatively, the additional accrued coupon after each Valuation Date (Worst of Digital Coupon Memory Structure 2).

### *Worst of Call Option Structure*

The Worst of Call Option Structure gives the Noteholder an exposure to the worst performing Reference Asset in the Basket. The additional amount payable to the Noteholder will be the greater of zero, and the average performance of the worst performing Reference Asset for each individual Valuation Period.

### *Outperformance Option Structure*

The Outperformance Option offers the investor the possibility of a ranked return on a Basket of underlying Reference Assets. Whereas the additional amount payable in relation to a normal Basket structure is dependent on the absolute performance of the relevant Basket, the pay out of an

outperformance structure is dependent on the relative performance of two Baskets, not on the absolute performance of either Basket.

#### *Credit Linked Notes*

A credit-linked note ("CLN") is a bond where the Redemption Amount and, if relevant, Interest Payments depend on the occurrence of Credit Events in selected obligations of a number of Reference Entities. A Credit Event is a corporate event which typically makes the creditor of the Reference Entity worse off, e.g. bankruptcy, failure to pay or restructuring of the debt (e.g. a lowering of future coupon payments or an extension of maturity). In addition, the interest and redemption payments depend on ability of the Reference Entity to make payments of principal or interest on its outstanding debt obligations.

In case of a Credit Event affecting a Reference Entity, the nominal used for calculation of the Redemption Amount and, if relevant, any Interest Payments, may be reduced. The reduction of the nominal amount may be calculated using market recovery values or a predetermined fixed recovery value. If a fixed recovery value is used, the fixed recovery value may be zero.

The interest in relation to a CLN is typically paid over time, but may also be paid at maturity. The interest may or may not depend on the occurrence of Credit Events.

A distinction can be drawn between three types of CLN structures:

- (a) Non-tranched CLN,
- (b) Tranched CLN and
- (c) Nth-to-Default / Nth & Nth+1-to-Default CLN

For the tranched and non-tranched CLN, the Redemption Amount and, if relevant, Interest Payments, are based on the weighted losses in the same or different portfolios of Reference Entities as a result of the occurrence of one or more Credit Events.

For the Nth to default and Nth and Nth+1 to default CLNs, the Redemption Amount and, if relevant, Interest Payments, are based on the number and possibly order of Credit Events in the same reference portfolio.

For tranched CLNs, the occurrence of a Credit Event may have no impact or a more than proportional impact on the future redemption value and, if relevant, coupon payments depending on the specific structure.

For non-tranched CLNs, the reduction of the nominal amount due to Credit Events will affect the future redemption and, if relevant, coupon payments. Non-tranched CLN's may also be callable or puttable (i.e. redeemed at a single pre-specified point in time before scheduled maturity) at the discretion of the Issuer or the investor. In addition, Non-tranched CLN's may involve one or more additional payments.

For Nth-to-Default CLNs, the occurrence of the first N-1 Credit Events will have no impact on the future redemption value and, if relevant, coupon payments. However, the impact of the Nth Credit Event will have a more than proportional impact on the future redemption value and, if relevant, coupon payments.

Similarly, for Nth & Nth+1 to Default CLN's, the impact of the Nth and N+1th Credit Event will have a more than proportional impact on the future redemption value and, if relevant, coupon payments.

#### *"Delta 1" structure*

Under a "Delta 1" structure the investor in the Notes 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 Note is not capital protected.

#### *TOM Cumulative Strategy*

The TOM Cumulative Strategy replicates an investment in particular Reference Assets that is only made for a limited time period in each calendar month. At other times the Notes replicate an investment in a time deposit or other fixed income investment.



## *Inflation Linker 2*

Under the Inflation Linker 2, the interest payments are scaled with inflation by multiplying by a factor equal to the ratio calculated by dividing the CPI on the Valuation Date by the Base CPI. The redemption amount is inflation adjusted by multiplying the Principal Amount by a factor which is the higher of 1 (one) and the ratio calculated by dividing the Final CPI by the Base CPI.

## *Digital Long and Short Structures*

In a Digital Long structure, the Redemption Amount will equal the Principal Amount of the Notes multiplied by a pre-determined Coupon level if the Basket Return on the final Valuation Date exceeds the Basket Strike Level. If the Basket Return does not exceed the Basket Strike Level the Redemption Amount is zero.

In a Digital Short structure the position is reversed, and the Redemption Amount is zero if the Basket Return on the final Valuation Date is at or above the applicable Basket Strike Level.

Digital structures may also be combined with a best of/worst of feature, which means that the valuation points and Redemption Amount will be determined by reference to the best or worst performing Reference Asset rather than the Basket as a whole.

## *FX Components*

The Basket Return or Reference Asset Return determined in accordance with one of the performance structures specified above may also be multiplied by an applicable FX factor for the purposes of determining the total Redemption Amount payable to holders, which reflects the variations in an underlying exchange rate during the lifetime of the Notes.

## *Best of/Worst of Modifier*

Each of the performance structures specified above may also be modified so that the valuations, observations and Redemption Amount are all determined by reference to the Nth best (or worst) performing Reference Asset, where N shall be a pre-specified value given in the Final Terms.

## *Combination of Structures*

The Issuer may combine the performance structures relating to the Notes, by applying different performance structures to different Reference Assets within the Basket, or by applying different performance structures for different time periods within the overall lifetime of the Notes.

## **5. Other factors which may affect the redemption amount or yield under a Note**

The different types of Notes 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 Notes.

### *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.

### *Notes with adjustable interest payment and redemption dates*

The Issuer may under certain conditions have the right to change (delay) the interest payment and repayment of principal on the Notes, for example, if liquidity in a certain Reference Asset is too low. If so, this will be clearly stated in the relevant Final Terms.

### *Early redemption*

In a Note with an early redemption feature, the relevant Issuer is entitled to redeem the Note 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 Note 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 relevant Final Terms.

#### *Participation ratio*

The structure of the Notes may contain a participation 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 Note. The Participation Ratio is set by the relevant Issuer and is determined by, among other things, the term, volatility, market interest rate and expected return on the Reference Asset.

#### *Premium or discount*

Notes 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 Notes. Zero coupon Notes are frequently issued at a discount. Structured Notes are often issued at a premium and the premium can be considered as the cost 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 Notes' principal amount (the premium) is never covered by any minimum redemption feature of the Notes.

#### *Multipliers and leverage effects*

In certain structured Notes 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 a Note. A high multiplier often entails that the Note 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. Notes with a multiplier always provide a floor so that a negative performance in the Reference Asset does not result in the value of the Notes becoming negative.

#### *"Leverage"*

Leveraged structures offer a higher exposure to the Reference Asset than the amount that 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 Notes, investors may be exposed to a currency risk relating to the exchange rate between the currency of the Notes and the currency of the Reference Asset.

Dual currency Notes may be issued under the Programme. For dual currency Notes, 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.

#### *Averaging of Valuations*

When determining the starting value (strike price) and/or closing value (final price) of each Reference Asset, they can be calculated as an average of underlying closing values on pre-determined dates. Values for the underlying observations can be taken periodically (e.g. monthly, quarterly, semi-annually or annually). The Basket return payout is then calculated based on the performance of each Reference Asset over the life of the Note, taking the relevant weightings of each Reference Asset within the Basket into account.

#### *Strike Level*

The Strike Level (as specified in the Final Terms) may be set in such a way that the initial value assigned to one or more Reference Assets within the Basket for the purposes of measuring the relative performance of that Reference Asset, does not equal the initial spot market price of the relevant Reference Asset(s),

creating Notes that may be "in" or "out" of the money on their issue date. For example, where the return on a Reference Asset is calculated by dividing the Closing Price of the relevant Reference Asset by its Initial Price and subtracting the Strike Level, a Strike Level in excess of 100% will result in the investor receiving a proportionate return that is less than the relative performance of the Reference Asset. A Note which is out of the money on its issue date will result in the Noteholder potentially receiving a lower return than a direct investment in the relevant Reference Asset. Conversely a Note which is in the money on its issue date will result in a higher potential return than a direct investment in the relevant Reference Asset. An overall strike level (the "**Basket Strike Level**") may also be applied to the Basket as a whole.

## LÅN – VILLKOR OCH STRUKTUR

***De beskrivningar som återfinns nedan är en inofficiell översättning av den engelska text som återfinns omedelbart före detta avsnitt och investerare rekommenderas att även läsa och ta till sig de engelska beskrivningarna då dessa kan avvika från den svenska översättningen.***

Emittenterna har upprättat detta Program för att uppta lån på den internationella kapitalmarknaden med en löptid om lägst en månad (30 dagar) och högst en evig löptid, inom ramen för ett vid var tid utestående nominellt belopp om högst 10 000 000 EUR).

### 1. Vad är ett Lån?

Lån är skuldebrev och som är fritt överlåtbara till sin karaktär. I dagligt tal benämns skuldebrev också ofta obligation. En Lån manifesterar ett fordringsförhållande mellan respektive Emittent och investeraren där investeraren i normalfallet har rätt att erhålla ett kontantbelopp av respektive Emittent vid löptidens utgång samt i vissa fall ränta under löptiden. På så sätt skiljer sig Lån från så kallade konvertibla skuldebrev eller omvända konvertibla skuldebrev där investerarens fordran under vissa förutsättningar kan omvandlas till en fysisk leverans av aktier. I normalfallet, efter det att en investering är gjord, kan investeraren av ett Lån sägas ha en rätt till prestation i form av en betalning av respektive Emittent, men ingen skyldighet att erlagga betalning till respektive Emittent.

#### *Kombinationer av instrument*

Emittenterna kan utge så kallade strukturerade Lån under detta Program. Strukturerade Lån har utvecklats under senare år och fanns inte på marknaden då obligationsbegreppet började användas. Strukturerade Lån kan i många fall till sin funktion motsvara kombinationer av flera olika typer av traditionella instrument som till exempel en obligation kombinerad med en aktie, fondandel, eller ett derivatinstrument. Dessa kombinationer av produkter kan ha drag av flera instrument. För alla strukturerade Lån gäller dock att de manifesterar ett fordringsförhållande mellan respektive Emittent och investeraren där investeraren, alltid eller under vissa förutsättningar, har rätt till ett kontantbelopp av respektive Emittent eller, om så särskilt anges och under de angivna förutsättningarna, till fysisk leverans av den underliggande tillgången. Det är i detta sammanhang viktigt att framhålla att investeraren, för det fall att Lånet innehåller derivatinslag, inte påtar sig någon motpartsrisk under derivatinstrumentet utan denna kvarstår hos Emittenten. Däremot övervältras det som kallas marknadsrisken på investeraren.

#### *Kapitalskydd eller inte*

I de Allmänna Villkoren anges att Emittenten kan ge ut Lån med en konstruktion som innebär att investeraren endast har rätt att få tillbaka en del av den ursprungliga investeringen eller där investeraren inte har rätt till något alls i händelse av en för investeraren negativ utveckling så kallad "icke kapitalskyddat" Lån. Lån där investeraren enligt Slutliga Villkor alltid har rätt att få tillbaka ett nominellt belopp (eller ett visst lägsta belopp) kallas vanligtvis "kapitalskyddade" Lån. Om respektive Emittent inte har tillräckligt med tillgångar för att fullgöra sina skyldigheter under kapitalskyddade Lån kommer dock investeraren i praktiken inte att få tillbaka vad investeraren har rätt till enligt Slutliga Villkor, trots att investeringen gjorts i kapitalskyddade Lån. Kapitalskyddet innebär alltså endast att investeraren enligt Slutliga Villkor har rätt till ett visst minsta belopp på återbetalningsdagen oavsett utvecklingen av den eller de referenstillgångar som Lånets avkastning eller återbetalning mäts mot. Mer om underliggande referenstillgångar och jämförelsetal finns under rubriken Lånetyper nedan.

#### *Börsnotering*

Ofta handlas Lån på de i Grundprospektet angivna börserna eller andra marknadsplatser, men det händer även att Lån sätts samman specifikt för att passa en enskild investerare eller grupp av investerare som vill exponeras mot en särskild risk eller marknad. I de senare fallen är det inte tänkt att sådana Lån skall omsättas, även om det är fullt möjligt eftersom Lån till sin form är fritt överlåtbara värdepapper.

#### *Status*

Lån under Programmet utgör en direkt skuldförbindelse utan säkerhet med lika rätt till betalning (pari passu) med Emittentens övriga existerande icke säkerställda eller icke efterställda betalningsåtaganden.

## 2. Allmänna Villkor – Slutliga Villkor

### *Allmänna Villkor*

Detta program är en av Emittenternas plattformar för att anskaffa kapital på kapitalmarkanden, huvudsakligen genom emissioner i vissa specifika länder som är del av EES. Programmet skall vara ett medel för Emittenterna att på ett snabbt och enkelt sätt uppta lån på nyssnämnda kapitalmarknader. Kärnan i Programmet utgörs av de Allmänna Villkoren vilka återges i sin helhet i detta Grundprospekt. De Allmänna Villkoren är standardiserade och generella till sin karaktär och täcker en mängd olika typer av Lån vilket bidrar till att de Allmänna Villkoren är relativt omfattande och komplicerade. De Allmänna Villkoren gäller i tillämpliga delar för samtliga Lån som emitteras under Programmet.

### *Slutliga Villkor*

För varje Lån som emitteras under Programmet upprättas även Slutliga Villkor. En mall för Slutliga Villkor finns angiven i detta Grundprospekt. Generellt kan sägas att de Slutliga Villkoren anger de specifika lånevillkoren för varje serie av Lån. Avsikten är att de Slutliga Villkoren tillsammans med Allmänna Villkor utgör de fullständiga villkoren för serien av Lån. De Slutliga Villkoren måste således alltid läsas tillsammans med de Allmänna Villkoren för att få en fullständig förståelse av de villkor som gäller för respektive Lån. I Slutliga Villkor regleras bland annat lånets eller en series nominella belopp, valörer, lånetyp och tillämplig metod för avkastnings- eller ränteberäkning. De Slutliga Villkoren kommer dessutom att innehålla det relevanta emissionspriset, vilket kan vara ett indikativt pris, eller en skala, till dess att teckningsperioden löpt ut. Emittenten kommer att fastställa det slutliga emissionspriset för Lånet efter sin egen bedömning, varvid hänsyn tas till investerarnas efterfrågan under teckningsperioden. Om emissionspriset fastställs efter publiceringen av de Slutliga Villkoren kommer emissionspriset att annonseras via Company Announcements Office of the Irish Stock Exchange.

Slutliga Villkor för Lån som erbjuds allmänheten eller annars tas upp för handel på börs inges till Central Emittent of Ireland. Sådana Slutliga Villkor som inges till Central Emittent of Ireland kommer att offentliggöras samt finnas tillgängliga på Emittenternas hemsida ([www.nordea.com](http://www.nordea.com)), men kan även kostnadsfritt tillhandahållas genom något av Emittenternas kontor.

## 3. Lånetyper

Som nämnts ovan representerar ett Lån en rätt att erhålla en viss prestation från respektive Emittent, i normalfallet ett belopp i kontanter. Ett Lån är i regel förknippat med en rätt till avkastning i form av ränta på det investerade beloppet och ränta utbetalas normalt oberoende av resultat. Respektive Emittent ger även ut Lån där det belopp som investeraren har rätt till, både gällande avkastning och återbetalning, kan variera beroende på utvecklingen av priset eller värdet av olika typer av underliggande tillgångar som bestäms på ett visst sätt, så kallade strukturerade Lån, se mer härom nedan. Avseende strukturerade Lån är rätten till ränta eller annan avkastning inte garanterad och rätten till ränta, annan avkastning eller återbetalning av kapitalbeloppet kan i vissa fall utebli helt.

I detta avsnitt anges de olika huvudtyper av Lån som Emittenterna avser att emittera under Programmet, med fokus bland annat på de olika typer av underliggande tillgångar som förekommer. Inledningsvis presenteras huvudtyperna av Lån, Kupon- och nollkuponobligationer.

### *Referenstillgångar och korgar*

Storleken på återbetalningsbelopp och/eller ränta under ett specifikt Lån kan komma att bestämmas på basis av värdeutvecklingen av en eller flera Referenstillgångar. Sådana Referenstillgångar kan innefatta aktier, råvaror, räntor, valutakurser, fondandelar och/eller kreditvärdigheten hos en eller flera Referensenheter.

En blandportföljobligation har avkastningen knuten till värdeutvecklingen för ett antal portföljer vilka innehåller olika tillgångsslag med varierande vikt. Tillgångarna i en korg kan ges olika vikt och kan därmed komma att påverka avkastning/återbetalningsbelopp beroende på referenstillgångens relativa vikt i korgen. Olika typer av tillgångar kan ingå i samma korg och det kan finnas flera korgar med olika typer av tillgångar som kan komma att jämföras med varandra.

### *Kupong- och nollkupongobligationer*

Kupongobligationer är Lån där ränta och/eller avkastning betalas periodvis under lånets löptid eller alternativt under vissa närmare angivna förutsättningar.

Nollkupongobligationer är Lån som löper utan ränta. Dessa Lån ges normalt ut till underkurs, det vill säga investeraren erlägger ett belopp som är lägre än nominellt belopp för obligationen, och erhåller nominellt belopp på återbetalningsdagen eller alternativt utges till sitt nominella belopp och den ränta/avkastning som genererats under löptiden betalas då Lån förfaller till betalning, på återbetalningsdagen.

De olika lånetyperna kan förekomma både som kupongobligation och som nollkupongobligation eller som en kombination av de båda. Lån under vilka återbetalningsbeloppet kan variera beroende på utvecklingen av priset eller värdet av olika typer av underliggande tillgångar som bestämts på ett visst sätt, kan komma att kombineras med ränta, avkastning eller utdelning som förfaller periodvis.

### *Amorterande Lån*

Emittenterna kan utge Lån där kapitalbeloppet skall återbetalas genom delbetalningar.

### *Ränteobligationer*

Räntan som utgår under räntebärande Lån är typiskt sett fast, rörlig eller variabel. En rörlig ränta refererar oftast till en räntebas såsom STIBOR, EURIBOR, LIBOR med tillägg eller avdrag för en fast räntemarginal, instrument med rörlig ränta kallas inte sällan "floating rate notes" medan räntesatsen är fast under ett Lån med fast ränta. Under ett Lån med så kallad omvänd rörlig ränta kan en fast ränta med avdrag för en ränta baserad på en referensränta såsom STIBOR, EURIBOR, LIBOR förekomma. Räntan kan vara justerbar och justeras efter varje angiven ränteperiod. Det finns även ränteobligationer där räntestrukturen förändras under löptiden. Exempelvis kan en fast ränta betalas inledningsvis men räntan kan sedan övergå till att bli rörlig eller så kan räntan exempelvis höjas efter en viss tidsperiod, så kallade step-up villkor.

Det finns även ränteobligationer som är strukturerade så att avkastningen är baserad på ränta och/eller inflation, samt en eller flera räntesatser och/eller inflationsindex. Variabler såsom multiplikatorer, tak/golv, digitala tak/golv, swaptions och/eller kombinationer av dessa funktioner kan förekomma. Under den här typen av ränteobligationer är avkastningen beroende av om en eller flera angivna räntesatser eller inflationsindex håller sig inom vissa förutbestämda intervall. Avkastningen kan även påverkas av tidigare perioders avkastning och innefatta ränta eller inflationsbaserade triggers som kan påverka avkastningen eller leda till förtidsinlösen.

### *Realränteobligationer*

Realränteobligationer är obligationer som är löper med eller utan inflationsskyddad ränta och återbetalningsbeloppet är därtill inflationsskyddat till sin natur. Räntesatsen kan vara fast eller rörlig. Om ett Lån inte är räntebärande, utbetalas endast ett inflationsskyddat återbetalningsbelopp vid förfall. Inflationsskyddet beräknas med hjälp av konsumentprisindex som satts samman med hjälp av statistik som inte nödvändigtvis speglar den inflation som den enskilde investeraren utsätts för. Det inflationsskyddade räntebeloppet liksom det inflationsskyddade kapitalbeloppet meddelas fordringshavare när Emittenten fastställt detsamma i enlighet med Allmänna Villkor och Slutliga Villkor.

### *Aktieobligationer*

Under en aktieobligation är avkastningen och/eller återbetalningsbeloppet beroende av utvecklingen av en eller flera aktier, aktieindex eller korgar av aktier och/eller aktieindex eller aktiemarknader. Placeringsinriktningen under en aktieobligation kan vara mot vissa marknader i världen eller vissa branscher. Lån där det underliggande indexet eller aktien/aktierna hänför sig till bolag av en viss kreditvärdighet kan förekomma liksom referenser till aktier i riskkapitalbolag. Inriktningen under enskilda Lån kommer tydligt att redovisas i Slutliga Villkor.

Under vissa Lån av aktieobligationskaraktär utgår en förutbestämd avkastning, vilket innebär att Emittenten erlägger en viss avkastning vanligen i form av ränta, förutom den avkastning som är aktierelaterad. Emittenten kan konstruera en aktieobligation så att avkastningen ökar eller minskar om aktiemarknaden utvecklas positivt eller negativt under löptiden.

Aktieobligationer kan ha en varierande grad av exponering mot den underliggande tillgången. Lån kan exempelvis emitteras till en överkurs som vid en negativ utveckling kan gå förlorad alternativt kan rätten till återbetalning av investerat belopp helt eller delvis bortfalla om värdet av den underliggande tillgången eller aktuellt jämförelsetal utvecklas på ett negativt sätt för investeraren (och viceversa vid positiv utveckling hos den underliggande tillgången). Alternativt kan en mer begränsad koppling till värdet av den underliggande tillgången, och således en mindre exponering mot aktiemarknaden, förekomma. Exempel på sådana konstruktioner är Lån med förutbestämd lägsta avkastning där möjligheten till hög avkastning är begränsad vid en gynnsam utveckling på värdet av den underliggande tillgången eller aktuellt jämförelsetal, medan investeraren, vid negativ utveckling för investeraren, å andra sidan alltid får en viss lägsta avkastning.

#### *Omvända konvertibler*

Vanligtvis är den underliggande tillgången i omvända konvertibler en aktie eller ett aktieindex eller korgar av nyssnämnda tillgångar. Under en omvänd konvertibel kan återbetalningen av kapitalbeloppet beror på värdeutvecklingen i de underliggande Referenstillgångarna, och återbetalningsbeloppet kan kommas att understiga kapitalbeloppet under vissa förutsättningar. En omvänd konvertibel kan kombineras med en fast avkastning.

#### *Kreditobligationer*

Kreditobligationer är obligationer vars avkastning eller återbetalningsbelopp bestäms av huruvida en så kallad kredithändelse inträffar för viss referenskredit. De underliggande referenskrediterna kan vara knutna till krediter eller korgar av krediter för bolag eller offentligt rättsliga organ såsom stat, kommun eller landsting eller krediter som utgivits av nyssnämnda bolag och offentligt rättsliga organ eller kreditindex. Referenskrediter kan avse befintliga, framtida, villkorade eller ovillkorade betalningsförpliktelser under låneavtal, såsom bland annat kreditavtal, obligations- eller certifikatlån (oavsett löptid), finansieringslimiter och/eller betalningsförpliktelser avseende insättning och/eller remburs och/eller borgensförbindelser och/eller annan skriftlig garanti eller kreditförbindelse för annans betalningsförpliktelse.

Under kreditobligationer kan avkastningen eller återbetalningsbeloppet vara beroende av kreditrisken i ett eller flera bolag, det vill säga de bolag som är kredittagare under aktuell referenskredit. Kreditobligationen bygger på olika låntagares kreditvärdighet och ränteskillnaden som föreligger av kreditvärdigheten. Räntan är högre ju sämre kreditvärdigheten är. Den högre avkastningen är avsedd att kompensera för den högre risk som är förknippad med en relativt sett lägre kreditvärdighet, det vill säga en ökad sannolikhet för att en så kallad kredithändelse kan inträffa. Vid inträffad kredithändelse kan rätten till avkastning eller återbetalning helt bortfalla vid första kredithändelsen eller alternativt reduceras och varje efterföljande kredithändelse reducerar sedan avkastningen eller alternativt återbetalningsbeloppet. En kredithändelse är i normalfallet utebliven betalning, konkurs eller annan insolvensrelaterat förfarande eller annan händelse som typiskt sätt påverkar kreditgivarens möjlighet att få fullt betalt enligt villkoren för krediten. De för en kreditobligation aktuella underliggande krediterna för bolag eller offentligt rättsliga organ och kreditriskerna kommer tydligt att redovisas i Slutliga Villkor.

Kreditobligationer kan ges ut i flera serier eller trancher som kan medföra olika rätt till betalning, genom att det särskilt anges vilken av de utgivna trancherna som skall bära de första förlusterna. Därefter belastar förlusterna trancherna i angiven turordning eller med angiven andel.

#### *Fondobligationer*

Under en fondobligation är avkastningen och/eller återbetalningsbeloppet beroende av utvecklingen av en eller flera fonder, inklusive hedgefonder, så kallade fond i fonder (en fond i fond är en fond som investerar i en eller flera fonder), fondindex eller korgar av fonder. Fonderna kan vara svenska eller utländska och förvaltas av mer eller mindre kända fondförvaltare. Vissa av Fonderna är godkända av och står under tillsyn av relevant tillsynsmyndighet och är så kallade UCITS, andra fonder har inte godkänts av, och står inte heller under tillsyn av, relevant tillsynsmyndighet. Vidare kan fonderna vara organiserade i bolagsrättslig form. Exempel på fonder som kan vara organiserade i bolagsrättsligform är så kallade private equity fonder, hedgefonder och/eller fond i fonder. För det som benämns som fonder behöver alltså inte gälla samma skyddsregler som gäller för investeringsfonder som drivs enligt svensk rätt. Fonder och fond i fonder har olika former av placeringsinriktningar och olika grader av risker, och ett fondindex kan avse ett antal olika fonder. Placeringsinriktningen i de enskilda fonderna och annan väsentlig information kommer tydligt att redovisas i Slutliga Villkor. Vidare är det viktigt att notera att i vissa fonder eller fond i fonder kan likviditeten vara begränsad eller saknas liksom antalet inlösentillfällen

under ett år, vilket är av intresse för investeraren eftersom Emittenten kommer att se till att motsvarande eller liknande begränsningar återspeglas i obligationen.

#### *Råvaruobligationer*

En råvaruobligation är en obligation vars avkastning eller återbetalning av investerat belopp är beroende av värdet på en eller flera råvaror, ett råvaruindex eller en korg av råvaror och/eller råvaruindex eller aktuellt jämförelsetal för den underliggande tillgången. Exempel på råvaror som kan bli aktuella är el, olja, guld, utsläppsrätter, aluminium, koppar och zink.

#### *Valutaobligationer*

En valutaobligation är en obligation vars avkastning eller betalning av investerat belopp, helt eller delvis, är beroende av värdet av en eller flera valutor och/eller valutapar eller korgar av desamma eller aktuellt jämförelsetal för den underliggande valutan och/eller växelkurser för en eller flera valutor i förhållande till andra. Värdet av en eller flera valutor eller aktuella växelkurser kan erhållas genom referens till spot- eller terminkurser och kan genereras från officiella källor såsom Europeiska centralbankens fixing eller liknande, men även genom privata avslut på valutamarknaden eller genom att ett antal fristående banker beräknar den aktuella kursen.

#### *Indexobligationer*

Under en indexobligation är avkastningen och/eller återbetalningsbeloppet beroende av utvecklingen av ett eller flera index eller korgar av index. Placeringsinriktningen under en indexobligation kan vara inriktad mot vissa marknader, branscher eller vissa tillgångsslag. Exempel på index som kan bli aktuellt är exempelvis olika fastighetsindex, råvaruindex och index för andra tillgångsslag. Inriktningen under enskilda Lån kommer tydligt att redovisas i Slutliga Villkor.

#### **4. Värdeutvecklingsstrukturer – en beskrivning**

De nedan beskrivna värdeutvecklingsstrukturerna avgör hur utvecklingen av de underliggande tillgångar som beskrivits för respektive lånetyp under punkt 3 ovan påverkar avkastning eller återbetalning för Lån. Nedan angivna värdeutvecklingsstrukturer kan kombineras med flera av de uppräknade lånetyperna, vilka då utgör så kallade "strukturerade Lån". Strukturerade Lån kan i många fall till sin funktion motsvara kombinationer av flera olika typer av traditionella instrument som till exempel en obligation kombinerad med en aktie, fondandel och/eller ett derivatinstrument. Värdet på ett strukturerat Lån påverkas av värdet på den underliggande tillgången eller aktuellt jämförelsetal. Värdet på underliggande tillgång fastställs i vissa fall vid flera tillfällen under löptiden för Lånet och i vissa fall endast i slutet av ett Låns löptid. Utvecklingen kan vara både positiv och negativ för investeraren. Investerarens rätt till avkastning och i förekommande fall återbetalning är således beroende av referenstillgångens värdeutveckling och tillämplig värdeutvecklingsstruktur. Aktuell värdeutveckling liksom avkastning och återbetalningsbelopp kommer att meddelas fordringshavare i enlighet med Allmänna och Slutliga Villkor.

Nedan beskrivna värdeutvecklingsstrukturer är ett urval av de vanligaste strukturerna. Dessa strukturer kan kombineras, varieras och användas i sin helhet eller endast delvis.

##### *"Basket Long" och "Basket Short"-strukturer*

Basstrukturen för att beräkna värdeutvecklingen på ett strukturerat Lån är beroende av förändringen mellan start- och slutkurs för en eller flera referenstillgångar. För att minska risken för att tillfälliga värdeförändringar ger ett missvisande beräkningsunderlag vid beräkningen av ett Låns slutvärde, fastställs slutvärdet ofta som ett genomsnitt av referenstillgångens värde eller jämförelsetal vid ett antal mättidpunkter under en bestämd tidsperiod (d.v.s. man mäter värdet vid flera värderingsdagar under Lånets löptid). Det förekommer dock att det endast finns en mättidpunkt av ett värde eller ett jämförelsetal under löptiden. I en "Basket Long"-struktur kommer en positiv värdeutveckling hos Referenstillgångarna i korgen att ha en positiv effekt på avkastningen i Lånet. I en "Basket Short"-struktur kommer däremot en positiv värdeutveckling hos Referenstillgångarna i korgen att ha en negativ inverkan på återbetalningsbeloppet i Lånet.

##### *"Max"-struktur*

Max-strukturen utgår från "Basket Long" eller "Basket Short" men innehåller en föutbestämd maxavkastning, det vill säga ett tak för hur hög avkastningen kan bli. Investeraren erhåller det lägsta av



maxavkastningen och värdeutvecklingen på den underliggande tillgången. Om Referenstillgångens värdeutveckling överstiger den på förhand bestämda maxavkastningen, får investeraren ett belopp motsvarande maxavkastningen.

#### *"Barriär"-struktur*

Denna struktur bygger på en fastslagen kurs som ersätter slutkursen, om värdeutvecklingen för korgen uppnår och/eller överstiger ett kurstak (en "Barrier Outperformance"-struktur) eller understiger ett kursgolv (en "Barrier Underperformance"-struktur). Strukturen kan också vara begränsad till värdeutvecklingen för den eller de Referenstillgångar som varit bäst eller sämst istället för att basera utvecklingen på korgen som helhet.

#### *"Quanto Basket"-struktur*

Återbetalningsbeloppet i en Quanto-struktur utgörs av värdeutvecklingen hos en korgs underliggande tillgångar. Den/de bäst presterade tillgången/tillgångarna kan ha en positiv inverkan på Lånet ("Basket Long"-struktur) eller en negativ inverkan ("short"-struktur). Korgens avkastning kan även bestämmas till en viss i förväg bestämd högsta och lägsta värdeutveckling.

En negativ värdeutveckling resulterar i en avkastning som likställs med noll. I en Quanto-struktur är en eller flera av de underliggande tillgångarna denominerade i en valuta som skiljer sig från den valuta i vilken Lånet är denominerad. Beroende på utvecklingen i den relevanta växelkursen kommer detta att ha en negativ eller positiv påverkan på den avkastning eller återbetalning som kan komma att erhållas av en Fordringshavare.

#### *"Flexo"-struktur*

Flexo-strukturen utgår från Quanto-strukturen ovan. Korgens avkastning multipliceras dock med en valutafaktor ("FX factor"). Avkastningen på lånet är därför beroende av den relevanta valutakursens utveckling på sätt som anges i Slutliga Villkor.

#### *"Autocall"-struktur*

Avkastningen i en autocall-struktur är beroende av (i) Korgens avkastning, (ii) olika barriärnivåer och (iii) räntan (om tillämpligt), på sätt som beskrivs nedan.

Förtida inlösen sker om värdeutvecklingen i korgen på någon av värderingsdagarna är lika med eller högre än relevant barriärnivå, varvid det nominella beloppet och en på förhand bestämd kupong (om tillämpligt), betalas ut till investerarna.

Om en förtida inlösen ej har skett, måste värdeutvecklingen i korgen uppnå eller överstiga kupongbarriären på en specifik värderingsdag för att kupongen ska utbetalas. Kupongen betalas ut på räntebetalningsdagen som följer av relevant värderingsdag.

Korgens värdeutveckling observeras av Emittenten på varje specifik värderingsdag (vilket kan vara en eller flera dagar, beroende på villkoren för lånet):

- (i) Om korgens värdeutveckling är lika med eller understiger barriärnivån på den slutliga värderingsdagen, kommer återbetalningsbeloppet att vara lika med Lånets kapitalbelopp, samt en ytterligare avkastning kopplad till avkastningen på korgen, vilket kan uppgå till noll;
- (ii) Om korgens värdeutveckling överstiger relevant barriärnivå på den slutliga värderingsdagen, kommer återbetalningsbeloppet vara lika med Lånets kapitalbelopp, samt en ytterligare avkastning som består av det minsta av korgens avkastning och ett belopp som är kopplat till avkastningen på korgen, vilket kan uppgå till noll; och
- (iii) Om korgens värdeutveckling överstiger kupongbarriären kan också en kupong komma att utgå.

För att avgöra om den underliggande tillgången i Lånet överstiger relevant barriär eller Kupongbarriären, används speciella fixingmetoder och andra metoder (t.ex. worst of, best of, eller momentum) för att avgöra tillgångens vikt i korgen.

Lånen kan generera en avkastning (även kallad "Kupong"). Kupongen konstrueras på ett av följande sätt:

Om kupongen är en så kallad "Flat" kommer kupongen att bestå av Lånets kapitalbelopp multiplicerat med den relevanta kupongnivån.

Om kupongen är en "Memory", kommer kupongen att baseras på de kuponger som redan har betalats ut under Lånets löptid. Investeraren har på så sätt tidigare icke utbetalade kuponger "innestående". Kupongen utgörs av kapitalbeloppet multiplicerat med kupongnivån och det antal föregående kupongdagar (fram till den nuvarande ränteförfallodagen) för vilka kupong inte har betalats.

Om kupongen är en så kallad "Plus Flat" utgörs den av Lånets kapitalbelopp multiplicerat med den högre av bonusfaktorn och kupongnivån.

Om kupongen är en "Plus Memory" uppgår den till Lånets kapitalbelopp multiplicerat med det högsta av: a) kupongnivån och b) bonusfaktorn, multiplicerad med det antal kupongdagar (fram till den nuvarande ränteförfallodagen) för vilka kupong inte har betalats.

#### *"Best of/Worst of Autocallable"-struktur*

Detta är en variant av Autocall-strukturen där avläsningar av värden samt fastställande av återbetalningsbelopp eller avkastning baseras på den Referenstillgång i en korg som utvecklats bäst eller sämst, beroende på struktur, snarare än att basera detta på korgen som helhet.

#### *"Composite Basket"-struktur*

Denna struktur utgår ifrån Quanto-strukturen, men avviker på så sätt att värderingar för varje enskild Referenstillgång multipliceras med en valutakurs för varje specifik referenstillgång.

#### *"Replacement Basket"-struktur*

Replacement Basket-strukturen liknar Quanto-strukturen, men skiljer sig på så sätt att avkastningen som genereras av de bäst utvecklade Referenstillgångarna, ersätts med ett på förhand bestämt värde. Värdeutvecklingen för respektive Referenstillgång mäts i slutet av Lånets löptid och värdeutvecklingen baseras på varje Referenstillgångs procentuella avkastning. Avkastningen för de Referenstillgångar som utvecklats bäst ersätts med en på förhand bestämd procentsats för att kunna fastställa korgens avkastning.

#### *"Locally Capped Basket"-struktur*

Locally Capped Basket-strukturen liknar Quanto-strukturen, men i denna struktur har tillämpas ett tak för värdeutvecklingen för varje enskild Referenstillgång angivet som ett i förväg bestämt procentuellt värde.

#### *"Rainbow"-struktur*

Återbetalningsbeloppet i Rainbow-strukturen liknar Quanto-strukturen. I Rainbow-strukturen erhåller dock Referenstillgångarna på värderingsdagen/dagarna i slutet av Lånets löptid vissa på förhand bestämda (olika) vikter, beroende på värdeutvecklingen för varje enskild Referenstillgång. Referenstillgångens vikt i korgen bestäms av vad som framgår i Slutliga Villkor. Beroende på förhållandet och rangordningen mellan respektive Referenstillgång och dess vikter, kan strukturen påverka återbetalningsbeloppets storlek.

#### *"Booster"-struktur*

Avkastningen för Booster-strukturen kan vara antingen positiv eller negativ, beroende på värdeutvecklingen för de Referenstillgångarna. Avkastningen kommer att adderas till, eller subtraheras från, Lånets kapitalbelopp för att få fram det relevanta återbetalningsbeloppet som betalas ut på återbetalningsdagen. Som konsekvens av detta kan Fordringshavarna under vissa omständigheter erhålla ett belopp som understiger kapitalbeloppet som slutligt återbetalningsbelopp. Booster-strukturer kan också ha olika deltagandegrader beroende på Referenstillgångarnas värdeutveckling, om dessa är positiva eller negativa. Detta kan öka eller minska fordringshavarnas exponering mot Referenstillgångarnas värdeutveckling.

### *"Riskbarriär"-struktur*

Avkastningen på en barriärstruktur påverkas om och när värdet på korgen når en viss övre eller nedre nivå. På så sätt kan korgavkastningen bli antingen positiv eller negativ i jämförelse med startkursen på den slutliga värderingsdagen, då den jämförs med en i förtid bestämd barriärnivå på vissa i Slutliga Villkor angivna dagar under Lånets löptid.

Om värdet på korgen understiger en i förtid bestämd barriärnivå under sådana angivna dagar under Lånets löptid, och värdet av korgen understiger startkursen på den slutliga värderingsdagen, kommer återbetalningsbeloppet på Lånets förfallodag beräknas genom att addera Lånets kapitalbelopp med en avkastning som motsvarar kapitalbeloppet multiplicerat med deltagandegraden och den negativa korgutvecklingen. Detta kan resultera i att fordringshavarna erhåller ett belopp som understiger kapitalbeloppet på den slutliga återbetalningsdagen.

Om värdet på korgen överstiger den i förtid bestämda barriärnivån vid någon av sådana angivna dagar under lånets löptid och att korgens värde vid lånets förfallodag understiger strikenivån, kommer beloppet som Fordringshavare har rätt till på återbetalningsdagen att uppgå till Lånets kapitalbelopp.

Om värdet på korgen uppgår till eller överstiger strikenivån kommer återbetalningsbeloppet att beräknas som Lånets kapitalbelopp plus en ytterligare avkastning som uppgår till det belopp som erhålls genom att multiplicera kapitalbeloppet med deltagandegraden och korgens värdeutveckling.

### *"Bonus Booster"-strukturer*

Bonus Booster-strukturen utgår från den grundläggande Booster-strukturen ovan, men avviker på så sätt att en i förtid bestämd bonusutbetalning sker på Lånets förfallodag. Om värdeutvecklingen i korgen inte på någon värderingsdag understigit den relevanta barriärnivån kommer återbetalningsbeloppet att beräknas som Lånets kapitalbelopp plus en ytterligare avkastning som beräknas genom att multiplicera kapitalbeloppet med deltagandegraden och värdeutvecklingen hos korgen.

Om korgens värdeutveckling understiger den relevanta barriärnivån värderingsdagen samt understiger den initiala korgnivån på den sista värderingsdagen, kommer återbetalningsbeloppet att beräknas som summan av kapitalbeloppet och ett belopp som uppnås genom att multiplicera kapitalbeloppet med deltagandegrad 2 och korgens värdeutveckling (uttryckt som ett negativt tal, vilket kommer att resultera i ett återbetalningsbelopp som understiger Lånets kapitalbelopp).

Om korgens avkastning inte på någon av värderingsdagarna understiger den relevanta barriärnivån kommer återbetalningsbeloppet att uppgå till summan av kapitalbeloppet och ett ytterligare belopp som uppgår till det högre av:

- A) kupongen; och
- B) det belopp som erhålls genom att multiplicera kapitalbeloppet med deltagandegraden och korgens värdeutveckling.

### *"Periodsumme"-struktur*

Avkastningen i en Periodsumme-struktur utgörs av den aggregerade summan av de vissa relativa (procentuella) förändringarna för tillgångarna i korgen avseende ett antal förutbestämda värderingsperioder under Lånets löptid

Periodsumme-strukturen har också några specifika funktioner som kan tillämpas nämligen:

- de relativa förändringarna i korgen beräknat för var och en av de i korgen ingående Referenstillgångarna kan begränsas av ett tak och/eller ett golv, för varje enskild värderingsperiod.
- Summan av korgens förändringar kan också bli föremål för ett s.k. globalt tak eller ett globalt golv.

Strukturen kan också innehålla en så kallad inlåsningsfunktion. Inlåsningsfunktionen innebär att om den aggregerade avkastningen på en värderingsdag har nått en fördefinierad inlåsningsnivå kommer återbetalningsbeloppet att bestämmas utifrån minst sådan nivå. Det finns många olika inlåsningsnivåer, och det finns ingen garanti för att en viss nivå kommer att nås under Lånets löptid.

#### *"Omvänd periodsumme"-struktur*

I en omvänd periodsumme-struktur beräknas återbetalningsbeloppet baserat på en i förväg bestämd procentsats minus den aggregerade relativa förändringen i den underliggande korgen för ett antal förutbestämda värderingsperioder under Lånets löptid.

#### *"Ersättande periodsumme"-struktur*

På samma sätt som en vanlig periodsumme-struktur, är avkastningen vid en ersättande periodsumme-struktur lika med summan av korgens värdeutvecklingar under relevanta delperioder. Till skillnad från en vanlig periodsumme-struktur, som ofta har tak och/eller golv på de i korgen ingående Referenstillgångarna, ersätter den här strukturen istället avkastningen för ett visst antal bäst utvecklade värderingsperioder, med en i förtid bestämd avkastningsnivå.

#### *"Omvänd ersättande periodsumme"-struktur*

Den omvända ersättande periodsumme-strukturen är en variant av den grundläggande ersättande periodsumme-strukturen, men den ersätter istället värdeutvecklingen vid ett visst antal av de bästa värderingsperioderna, med en i förtid bestämd avkastningsnivå.

#### *"Rainbow ersättande periodsumme"-struktur*

Rainbow ersättande periodsumme-struktur består av ett Lån där vikten av respektive referenstillgång i korgen fastställs efter det att respektive referenstillgångs värdeutveckling blivit känd. Den underliggande tillgången som har bäst värdeutveckling erhåller även den högsta vikten och så vidare. Värdeutvecklingen för varje enskild referenstillgång beräknas på samma sätt som för den grundläggande periodsumme-strukturen och representerar summan av de förändringar som skett i varje underliggande referenstillgång och för varje värderingsperiod under Lånets löptid.

#### *"Omvänd konvertibel"-struktur*

Omvänd konvertibel-struktur är ett strukturerat Lån där räntebetalningarna inte har någon koppling till korgens värdeutveckling. Vid den slutliga återbetalningsdagen kommer istället den del av kapitalbeloppets som återbetalas baseras på korgens värdeutveckling.

Om det sammanlagda värdet på korgens värdeutveckling är positivt, kommer återbetalningsbeloppet att vara lika med Lånets kapitalbelopp.

Om det sammanlagda värdet på korgens värdeutveckling är negativt, kommer återbetalningsbeloppet att vara lika med Lånets kapitalbelopp, minskat med ett belopp motsvarande Lånets kapitalbelopp multiplicerat med deltagandegraden och korgens värdeutveckling.

#### *"Omvänd konvertibel riskbarriär"- struktur*

Strukturen utgår från den omvända konvertibel-strukturen som beskrivits ovan. Dock baseras återbetalningsbeloppet som eventuellt kan komma att understiga kapitalbeloppet på en i förtid bestämd barriärnivå, vilket avläses under vissa i förväg bestämda dagar under Lånets löptid.

Om korgens värdeutveckling understiger den i förtid bestämda barriärnivån på någon av värderingsdagarna, samt understiger strikenivån på den slutliga värderingsdagen, kommer Lånets kapitalbelopp inte att återbetalas fullt ut. Istället baseras återbetalningsbeloppet på korgens värdeutveckling och kommer att beräknas som kapitalbeloppet minskat med Lånets kapitalbelopp multiplicerat med deltagandegraden och relevant korgutdelning.

Om den på någon av värderingsdagarna sammanlagda värdeutvecklingen av Referenstillgångarna i korgen understiger den i förtid bestämda barriärnivån, och är lika med eller överstiger strikenivån på den slutliga värderingsdagen, kommer Lånets kapitalbelopp att återbetalas fullt ut.

#### *""Worst of" Reverse Convertible"-struktur*

Strukturen utgår från den grundläggande strukturen för omvända konvertibler. Dock baseras återbetalningsbeloppet som eventuellt kan komma att understiga kapitalbeloppet på den Referenstillgång som haft sämst värdeutveckling. Värdeutvecklingen av referenstillgångarna avläses separat och Lånets återbetalningsbelopp baseras sedan på den Referenstillgång med sämst värdeutveckling.

### *"Series of Digitals"-struktur*

Återbetalningsbeloppet i den här strukturen baseras på antalet referenstillgångar vars värdeutveckling överstiger den i förut bestämda barriärnivån. Såvitt gäller de Referenstillgångar som inte når barriärnivån komemr dessa inte att positivt påverka återbetalningsbeloppet.

### *"Up and In Long"-struktur*

Up and In Long är en option med barriärstruktur. Strukturen har antingen en enskild Referenstillgång som underliggande tillgång eller en korg med Referenstillgångar. På återbetalningsdagen erhåller Fordringshavare kapitalbelopp plus ett ytterligare belopp, med hänsyn tagen till ett förutbestämt minimibelopp, baseras på huruvida korgen har, under Lånets löptid, haft en värdeutveckling vid någon värderingsdag, är lika med eller högre än den i förut bestämda barriärnivån. Om korgens värdeutveckling på någon värderingsdag inte når barriärnivån, kommer det ytterligare beloppet att uppgå till korgens avkastning. Barriärnivån kommer alltid att vara högre än strikenivån.

### *"Up and In Put Option"-struktur*

Up and In Put är en option med barriärstruktur. Strukturen har antingen en enskild Referenstillgång som underliggande tillgång eller en korg med Referenstillgångar. På återbetalningsdagen erhåller Fordringshavare kapitalbelopp plus ett ytterligare belopp, med hänsyn tagen till ett förutbestämt minimibelopp, baseras på huruvida korgen inte har, under Lånets löptid, haft en värdeutveckling vid någon värderingsdag, är lika med eller högre än den i förut bestämda barriärnivån. Om korgens värdeutveckling på någon värderingsdag når barriärnivån, kommer det ytterligare beloppet att uppgå till ett förutbestämt belopp. Barriärnivån kommer alltid att vara högre än strikenivån.

### *"Equity Accumulating Asian Rainbow Option"-struktur*

Strukturen liknar Rainbowstrukturen, men skiljer sig på så sätt att vikterna för de underliggande Referenstillgångarna är bestämda på Lånets startdag och omräknas därefter baserat på värdeutvecklingen för varje enskild Referenstillgång som ingår i korgen. Vid varje värderingsdag omräknas vikten för varje enskild Referenstillgång på så sätt att den Referenstillgång som utvecklats bäst erhåller den högsta vikten för nästkommande värderingsperiod och den näst bäst värderade referenstillgången får den nästa högsta vikten och så vidare.

### *"Down and Out Call Option"-struktur*

Strukturen är en call option med en barriär. Strukturen har en enskild Referenstillgång, eller en korg av Referenstillgångar, som underliggande tillgång. På återbetalningsdagen erhåller Fordringshavare kapitalbeloppet och ett ytterligare belopp för det fall ingen av de underliggande tillgångarna har, vid någon värderingsdag, noterats på eller under barriärnivån. Om inte barriärnivån nåts vid någon värderingsdag kommer inte ytterligare belopp att utgå.

### *"Worst of Digital Memory Coupon"-struktur*

Strukturen är en memorystruktur med en digital funktion.

Summan av värdet av betalningar (sammanlagd kupong) kan aldrig minska, så strukturen kan endera betala en avkastning som uppgår till till det totala summerade beloppet efter den slutliga värderingsdagen (Worst of Digital Memory Structure 1), eller det ytterligare summerade beloppet beräknat efter varje enskild värderingsdag (Worst of Digital Memory Coupon Structure 2).

### *"Worst of Call Option"-struktur*

I den här strukturen exponeras fordringshavarna mot den Referenstillgång i korgens som haft sämst värdeutveckling. Det eventuella ytterligare belopp som Fordringshavarna kan ha rätt till är det högre av noll och den genomsnittliga värdeutvecklingen av de sämsta Referenstillgångarna i varje enskild värderingsperiod.

### *"Outperformance Option"-struktur*

Outperformance Optionen erbjuder en investerare möjligheten att koppla sin avkastning till skillnaden i utveckling mellan underliggande Referenstillgångar. I en normal korg-struktur är avkastningen kopplad till den absoluta värdeutvecklingen av en korg bestående av en eller flera Referenstillgångar. I en

Outperformance Option-struktur är däremot avkastningen kopplad till den relativa värdeutvecklingen för två Korgar istället för den absoluta värdeutvecklingen för endera Korg.

### *Kreditobligationer*

En kreditobligation ("CLN") är en obligation där Återbetalningsbeloppet, och i förekommande fall Räntebetalningarna, bestäms av huruvida det inträffar en Kredithändelse i förhållande till vissa utvalda åtaganden för ett antal Referensbolag. En Kredithändelse är en bolagshändelse som typiskt sett försätter en kreditgivare i ett sämre läge, t.ex. konkurs, betalningsinställelse eller skuldrekonstruktion (t.ex. sänkning av framtida kupongbetalningar eller förlängning av återbetalningsperioden). Därutöver är ränte- och återbetalningar beroende av Referensbolagets förmåga att betala ränta och kapitalbelopp på sina utestående skuldförbindelser.

Om en Kredithändelse inträffar för ett Referensbolag ska det nominella beloppet för beräkning av Återbetalningsbeloppet, och i förekommande fall Räntebetalningar, reduceras. Minskningen av det nominella beloppet kan beräknas utifrån marknadsnivåer eller förutbestämda fasta nivåer. Om fasta nivåer används kan denna vara noll.

Ränta på en CLN betalas typiskt sett löpande men kan också betalas vid den slutliga återbetalningsdagen. Räntan kan men behöver inte vara beroende av förekomsten av Kredithändelser.

En distinktion kan göras mellan tre typer av CLN-strukturer:

- (a) Non-tranched CLN,
- (b) Tranched CLN and
- (c) Nth-to-Default / Nth & Nth+1-to-Default CLN

För Tranched CLN och Non-tranched CLN är Återbetalningsbeloppet och i förekommande fall Räntebetalningarna baserade på de viktade förlusterna i samma eller olika portföljer av Referensbolag vilka är en följd av en eller flera Kredithändelser.

För så kallade Nth-to-Default och Nth & Nth+1-to-Default CLN är Återbetalningsbeloppet och i förekommande fall Räntebetalningarna baserade på antalet och möjligen ordningen på Kredithändelser i samma referensportfölj.

För Tranched CLN kan förekomsten av en Kredithändelse antingen helt sakna påverkan på återbetalningen eller ha en oproportionerligt stor påverkan på återbetalningen (och i förekommande fall räntebetalningar), beroende på den specifika strukturen.

För Non-tranched CLN kommer en minskning av det nominella beloppet på grund av en Kredithändelse att påverkar framtida återbetalning, och i förekommande fall räntebetalningar. Non-tranched CLN kan också utformas så att den har en *call*- eller *put*-möjlighet, d.v.s att den kan återbetalas vid en förbestämd tidpunkt innan den slutliga återbetalningsdagen på antingen Emittentens eller investerarens initiativ. Dessutom kan en Non-tranched CLN innebära en eller flera tilläggsbetalningar.

För så kallade Nth-to-Default CLN kommer de första N-1 Kredithändelserna inte att ha någon påverkan på det framtida återbetalningsbeloppet, och i förekommande fall räntebetalningarna. Den Nth Kredithändelsen kommer däremot att ha en oproportionerligt stor påverkan på det framtida återbetalningsbeloppet, och i förekommande fall räntebetalningarna.

För Nth & Nth+1-to-Default CLN kommer inträffandet av Nth och N+1th Kredithändelsen att ha en oproportionerligt stor påverkan på det framtida återbetalningsbeloppet och i förekommande fall räntebetalningarna.

### *"Delta 1"-struktur*

Under en Delta 1-struktur erhåller investeraren i Lånet aktuellt värde på Referenstillgången på återbetalningsdagen. Investeraren är fullt exponerad mot den underliggande Referenstillgångens värdeutveckling i denna typ av struktur och Lånet är inte kapitalskyddat.

### *"TOM Ackumulerande"-struktur*

En TOM Ackumulerande-struktur speglar en investering i en specifik Referenstillgång som endast är gjord under en begränsad tidsperiod under varje kalendermånad. Under andra tidsperioder speglar Lånen en investering med fast avkastning.

### *"Inflation Linker 2"-struktur*

Under en Inflation Linker 2 justeras räntebetalningar i förhållande till inflation genom att tillämpa en faktor motsvarande det ratio som erhålls genom att dividera CPI på värderingsdagen med Bas-CPI. Återbetalningsbeloppet inflationsjusteras genom att multiplicera kapitalbeloppet med en faktor som uppgår till det högre av 1 och det ratio som erhålls genom att dividera det slutliga CPI:t med Bas-CPI.

### *"Digital Long and Short"-Struktur*

I en Digital Long-struktur kommer återbetalningsbeloppet att uppgå till kapitalbeloppet multiplicerat med en förutbestämd kupongnivå och värdeutvecklingen i korgen på den slutliga värderingsdagen överstiger korgens strikenivå. Om korgens värdeutveckling understiger korgens strikenivå kommer återbetalningsbeloppet att uppgå till noll.

I en Digital Short-struktur är funktionen reverserad och återbetalningsbeloppet är noll om värdeutvecklingen i korgen på den slutliga värderingsdagen uppgår till eller överstiger korgens strikenivå.

Digitala strukturer kan också kombineras med best of/worst of funktionalitet vilket betyder att värderingstidpunkterna och återbetalningsbeloppet bestäms utifrån den referenstillgång som har bäst respektive sämst värdeutveckling istället för korgen i sin helhet.

### *Valutakomponenter*

Korgens värdeutveckling eller värdeutvecklingen hos individuella Referenstillgångar som beräknas enligt de strukturer som anges ovan kan också komma att multipliceras med en viss angiven valutakurs i syfte att nå det slutliga återbetalningsbeloppet, vilket kommer att reflektera förändringar i relevanta valutakurser under Lånets löptid.

### *Best of/Worst of Modifier*

Samtliga ovan nämnda värdeutvecklingsstrukturer kan också modifieras på sådant sätt att värderingar, observeringar och återbetalningsbelopp kan komma att bestämmas utifrån den Nth bästa (eller sämsta) Referenstillgången, där värdet N kommer att anges i de Slutliga Villkoren.

### *Kombination av strukturer*

Emittenten kan kombinera ovan värdeutvecklingsstrukturer med varandra genom att tillämpa olika värdeutvecklingsstrukturer för olika Referenstillgångar i en Korg, eller genom att tillämpa olika värdeutvecklingsstrukturer för olika tidsperioder under Lånens löptid.

## **5. Övriga faktorer som kan påverka storleken på återbetalning eller avkastning under ett Lån**

De ovan beskrivna lånetyperna och värdeutvecklingsstrukturerna kan komma att kombineras med någon eller några av nedan angivna faktorer. Dessa faktorer kan komma att påverka en investerares risk och storleken på avkastning och/eller återbetalningsbelopp under ett Lån.

### *Absoluta tal eller procentuella förändringar*

De jämförelsetal som kan förekomma i ovan beskrivna värdeutvecklingsstrukturer för att fastställa värdeutvecklingen kan vara både absoluta tal och procenttal.

### *Lån med justerbar ränte- och återbetalningsdag*

Det kan under vissa omständigheter förekomma att Emittenten har rätt att flytta (senarelägga) ränte- och återbetalningsdagen för Lån, till exempel om det är för låg likviditet i en viss Referenstillgång. Detta kommer i sådant fall att tydligt redovisas i Slutliga Villkor.

### *Förtidsinlösen*

Om ett Lån har en bestämmelse om förtidsinlösen har Emittenten rätt att återbetala Lånet i förtid om priset på en Referenstillgång under löptiden uppnår en viss förutbestämd nivå (så kallad *call*-möjlighet) eller av andra skäl. I vissa fall kan ett i förväg bestämt förtida inlösenbelopp vara angivet. Det förekommer strukturer där investeraren har rätt att lösa Lånet i förtid för att exempelvis säkra eller realisera en eventuell positiv värdeutveckling i Referenstillgången (så kallad *put*-möjlighet). Huruvida *call*- eller *put*-möjlighet förekommer kommer tydligt att redovisas i Slutliga Villkor.

### *Deltagandegrad*

Strukturen på Lånen kan innehålla en deltagandegrad som bestämmer exponeringen mot respektive Referenstillgång, det vill säga hur stor del av en värdeutveckling som kan tillgodoräknas investeraren i varje enskilt Lån. Deltagandegraden sätts av relevant Emittent och bestäms bland annat av löptid, volatilitet, marknadsrörelsen och förväntad avkastning för Referenstillgången.

### *Över- eller underkurs*

Lån kan vara utgivna till över- eller underkurs, vilket innebär att investeraren betalar mer eller mindre än nominellt belopp för Lånet. Nollkupongobligationer emitteras inte sällan till en underkurs. Strukturerade Lån emitteras ofta till en överkurs vilket innebär att investeraren betalar en premie för att erhålla en jämförelsevis större del av en Referenstillgångs värdeutveckling. Skillnaden mellan betalat belopp och Lånets nominella belopp, den så kallade överkursen, omfattas aldrig av en minsta återbetalningsfunktion i ett Lån.

### *Multiplikator och hävstångseffekter*

I vissa strukturerade Lån ingår en multiplikator med vilken värdeutvecklingen för en Referenstillgång multipliceras, vilket ger investeraren möjlighet till ökad avkastning i förhållande till investerat belopp. En hög multiplikator betingar ofta en högre premie i form av att Lånet emitteras till en överkurs. Multiplikatorn innebär en snabbare förlust av investerat kapital i händelse av en ogynnsam utveckling i Referenstillgången. Lån med multiplikator innehåller alltid ett golv vilket innebär att om värdeutvecklingen är negativ för investeraren så är den nedre gränsen noll.

### *"Leverage"*

"Leverage"-strukturer erbjuder, genom belåning i den underliggande portföljen av Referenstillgångar, en högre exponering mot den underliggande tillgången än vad storleken på det investerade kapitalet annars skulle tillåta. Belåningsgraden kan i vissa fall variera över tiden enligt en fördefinierad mekanism. En dylik mekanism kan exempelvis syfta till att hålla belåningsgraden och/eller exponeringen mot Referenstillgångarna inom vissa gränser.

### *Valutaelement*

Om Referenstillgångens valuta är en annan än Lånets valuta, kan investerare vara exponerade för en valutarisk i förhållande till växelkursen mellan Lånets och Referenstillgångens valuta.

Så kallad dual currency Lån kan ges ut under detta grundprospekt. Beträffande dual currency Lån kan betalning av kapital-, ränte-, avkastnings- och återbetalningsbelopp ske i olika valutor.

### *"Ombalansering"*

Ombalansering är en löpande justering av förhållandet mellan exponeringen under en risktillgång och investerat kapital.

### *"Genomsnitt av värderingar"*

När man bestämmer startvärdet och/eller slutvärdet för varje Referenstillgång kan dessa beräknas som ett genomsnitt av de underliggande slutvärdena vid förutbestämda tidpunkter. Värden för de underliggande observationerna kan tas periodiskt (t.ex. månadsvis, kvartalsvis, halvårsvis eller årsvis). Korgavkastningen beräknas sedan baserat på värdeutvecklingen för varje Referenstillgång under Lånets livstid, med beaktande av relevant viktning för varje Referenstillgång i Korgen.



### "Startnivå"

Startkursen (såsom angiven i Slutliga Villkor) kan sättas på ett sådant vis att det initiala värde som anges för en eller flera Referenstillgångar i Korgen för mätning av den relativa värdeutvecklingen för den Referenstillgången, inte motsvarar den initiala spot-kursen på den relevanta Referenstillgången. Detta skapar Lån som kan vara så kallat *in* eller *out of the money* på Lånedatumet. Till exempel, om avkastningen på en Referenstillgång beräknas genom att dividera Stängningskursen för den relevanta Referenstillgången med dess strikenivå och sedan subtrahera strikenivån kommer en Startnivå över 100% att resultera i att investeraren erhåller en proportionellt mindre avkastning än den relativa värdeutvecklingen för Referenstillgången. Ett Lån som är *out of the money* på Lånedatumet kommer att resultera i att Innehavaren eventuellt erhåller en lägre avkastning än vid en direkt investering i den relevanta Referenstillgången. Motsatsvis kommer ett Lån som är *in the money* på Lånedatumet resultera i en högre potentiell avkastning än vid den direkt investering i den relevanta Referenstillgången. En generella strikenivå kan också komma att tillämpas på korgen i sin helhet.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which (subject to completion in the relevant Final Terms) will be applicable to each Series of Notes.*

### PART 1: – GENERAL CONDITIONS

The Notes are issued in accordance with a fiscal agency agreement, (as amended and/or restated and/or replaced from time to time, the "**Fiscal Agency Agreement**") dated 16 April 2013 and made between Nordea Bank AB (publ), ("**NBAB**"), Nordea Bank Finland Plc ("**NBF**"), Citibank, N.A., London Branch in its capacity as fiscal agent (the "**Fiscal Agent**", which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such), Citibank, N.A. acting through its New York office as registrar (the "**Registrar**" in relation to any Series of Notes except Swedish Notes, which expression shall include any successor to Citibank, N.A. in its capacity as such), certain financial institutions named therein in their capacity as paying agents (the "**Paying Agents**", which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Fiscal Agency Agreement), Nordea Bank Danmark A/S in its capacity as issuing agent for VP Notes (as defined below) (the "**VP Issuing Agent**"), Nordea Bank Norge ASA in its capacity as Norwegian paying agent for VPS Notes (the "**VPS Paying Agent**"), Nordea Bank AB (publ) in its capacity as Swedish issuing agent for Swedish Notes (the "**Swedish Issuing Agent**") and Nordea Bank Finland Plc in its capacity as Finnish issuing agent for Finnish Notes (the "**Finnish Issuing Agent**"). The Notes have the benefit of a deed of covenant (the "**Deed of Covenant**") dated 16 April 2013 (as amended and/or restated and/or replaced from time to time), executed by NBAB and NBF in relation to the Notes. Copies of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection at the specified office of each of the Paying Agents and the Registrar. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of and to be bound by all of the provisions of the Fiscal Agency Agreement and the Deed of Covenant insofar as they relate to the relevant Notes. References in these Terms and Conditions to the "**Issuer**" are to whichever of NBAB or NBF is specified as the issuer in the applicable Final Terms.

The Notes are issued in series (each a "**Series**") made up of one or more tranches (each a "**Tranche**"), and each Tranche will be the subject of a final terms (each a "**Final Terms**") a copy of which, in the case of a Series in relation to which application has been made for admission to listing on the Official List of the Irish Stock Exchange and to trading on its regulated market, will be filed with the Irish Stock Exchange and will be available for inspection at the specified office of each of the Fiscal Agent or, as the case may be, the Registrar on or before the date of issue of the Notes of such Series. Notes may be cleared through the Danish Securities Centre, VP Securities A/S ("**VP Notes**" and the "**VP**", respectively), the Norwegian Central Securities Depository which will be Verdipapirsentralen ASA ("**VPS Notes**" and the "**VPS**", respectively), the Swedish Central Securities Depository which will be the Swedish Central Securities Depository and Clearing Organisation Euroclear Sweden AB, incorporated in Sweden with Reg. No. 556112-8074 ("**Swedish Notes**" and "**Euroclear Sweden**", or through the Finnish Central Securities Depository which will be Euroclear Finland Ltd, incorporated in Finland with Reg. No. 1061446-0, ("**Finnish Notes**" and "**Euroclear Finland**").

Swiss Franc Notes will be issued in bearer form and will be represented exclusively by a permanent global Note which shall be deposited by the Swiss Paying Agent with SIX SIS AG, Olten, Switzerland ("**SIS**"), or such other depository as may be approved by the SIX Regulatory Board of the SIX Swiss Exchange. For the purposes of Swiss Franc Notes, references in these Conditions to "**Euroclear**" and/or "**Clearstream, Luxembourg**" shall be construed as including references to SIS, which expression shall include any other clearing institution recognised by the SIX Swiss Exchange with which the Permanent Global Note may be deposited from time to time), which shall be considered an additional or alternative clearing system for the purposes of these Conditions.

The VP Notes will be registered in uncertificated and dematerialised book entry form with the VP. VP Notes registered in the VP are negotiable instruments and not subject to any restrictions on free negotiability under Danish law.

As the VP Notes will be in uncertificated and dematerialised book entry form, the Terms and Conditions of the VP Notes shall be deemed to be incorporated by reference in, and to form part of, the Deed of Covenant by which the VP Notes are constituted.

The VPS Notes will be registered in uncertificated and dematerialised book entry form with the VPS. VPS Notes registered in VPS are negotiable instruments and not subject to any restrictions on free negotiability under Norwegian law.

As the VPS Notes will be in uncertificated and dematerialised book entry form, the Terms and Conditions of the VPS Notes shall be deemed to be incorporated by reference in, and to form part of, the Deed of Covenant by which the VPS Notes are constituted.

A registrar agreement dated on or about 16 April 2013 (as amended, supplemented or replaced from time to time, the "**VPS Registrar Agreement**") has been entered into between the Issuer and the VPS Paying Agent in relation to the VPS Notes.

The registrar in respect of any Series of Swedish Notes will be Euroclear Sweden (the "**Swedish Registrar**") in accordance with the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*) as amended (the "**SFIA Act**").

The Swedish Notes will be registered in uncertificated and dematerialised book entry form with Euroclear Sweden. Swedish Notes registered in Euroclear Sweden are negotiable instruments and not subject to any restrictions on free negotiability under Swedish law.

As the Swedish Notes will be in uncertificated and dematerialised book entry form, the Conditions of the Swedish Notes shall be deemed to be incorporated by reference in, and to form part of, the Deed of Covenant by which the Swedish Notes are constituted.

The Finnish Notes will be registered in uncertificated and dematerialised book entry form with Euroclear Finland. Finnish Notes registered in Euroclear Finland are negotiable instruments and not subject to any restrictions on free negotiability under Finnish law.

As the Finnish Notes will be registered on behalf of the Holder on a securities account pursuant to the Finnish Act on the Book-Entry Securities System and Clearing Activity (Fin. *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)), as amended and the Finnish Act on Book-Entry Accounts (Fin. *laki arvo-osuustileistä* (827/1991)), as amended, no physical securities will be issued. A request for a registration measure regarding Finnish Notes shall be addressed to the account operator (the "**Account Operator**") pursuant to the Finnish Act on the Book-Entry Securities System and Clearing Activity (Fin. *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)), as amended and the regulations of Euroclear Finland.

References in these Terms and Conditions (the "**Conditions**") to Notes are to Notes of the relevant Series and any references to Coupons and Receipts, both as defined below, are to Coupons and Receipts relating to Notes of the relevant Series.

## 1. Definitions

In these Terms and Conditions the following definitions shall apply.

|                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| " <b>Additional Financial Centre(s)</b> " | means the city or cities specified as such in the relevant Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| " <b>Affected Reference Asset</b> "       | a Reference Asset that is affected by one or more of Market Disruption, Disruption, Calculation Adjustment, Corrections, or Extraordinary Events, Change in Law or Increased Costs. If the Reference Asset is constituted by a basket of underlying assets, Market Disruption, Market Disruption Commodity, Disruption, Calculation Adjustment, Corrections, or Extraordinary Events, Change in Law or Increased Costs shall be deemed to have occurred only for such underlying asset or assets which are affected; |
| " <b>Back Stop Date</b> "                 | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| " <b>Barrier Level</b> "                  | means each barrier level specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| "Base CPI"             | the value of the relevant Inflation Rate as determined at the Valuation Time on the Initial Valuation Date(s);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| "Base Currency"        | the currency in which the Reference Asset is denominated;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| "Basket"               | means the basket of Reference Assets or Reference Entities specified in the applicable Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| "Basket Participation" | <p>means the proportionate share of the Basket represented by each Reference Asset, determined as follows:</p> <p>If "<b>Fixed Basket Participation</b>" is specified as applicable in the Final Terms, the Basket Participation will be the fixed percentage specified in the Final Terms in relation to the relevant Reference Asset.</p> <p>If "<b>Rainbow Basket Participation</b>" is specified as applicable in the Final Terms, the Basket Participation will be determined by reference to the relative Reference Asset Return. Each Reference Asset will be assigned a ranking based on the Reference Asset Return as determined by the Issuer in accordance with the relevant performance structure specified in Condition 6(a) (<i>Redemption at Maturity</i>), and the Basket Participation of each Reference Asset will correspond to the Basket Participation shown against the relative ranking in the applicable Final Terms.</p> <p>If "<b>Replacement Cliquet Basket Participation</b>" is specified as applicable in the Final Terms, the Basket Participation will be determined by reference to the relative Replacement Cliquet Performance of the relevant Reference Asset. Each Reference Asset will be assigned a ranking based on the Replacement Cliquet Performance of the relevant Reference Asset as determined by the issuer, and the Basket Participation of each Reference Asset will correspond to the Basket Participation shown against the relative ranking in the applicable Final Terms.</p> <p>If "<b>Momentum Basket Participation</b>" is specified as applicable in the relevant Final Terms, the Basket Participation of each Reference Entity will initially be the value specified in the applicable Final Terms. Thereafter, the Basket Participation will be rebalanced on each applicable Rebalancing Date by reference to the relative Rebalancing Performance of each Reference Asset. Each Reference Asset will be assigned a ranking based on the Rebalancing Performance of the relevant Reference Asset during the period from (and including) the immediately preceding Rebalancing Date to (and including) the current Rebalancing Date, and the Basket Participation of each Reference Asset for the Rebalancing Period commencing on the current Rebalancing Date will correspond to the Basket Participation shown against the relevant ranking in the applicable Final Terms.</p> <p>If "<b>Accumulating Rainbow Basket Participation</b>" is specified as applicable in the Final Terms, the Basket Participation will be determined by reference to the relative Reference Asset Return. Each Reference Asset will be assigned a ranking on the Issue Date, as specified in the applicable Final Terms, and thereafter the Basket Participation will be recalculated on each Valuation Date based on the Reference Asset Return as determined by the Issuer in accordance with the relevant performance structure specified in Condition 6(a) (<i>Redemption at Maturity</i>), and the Basket Participation of each Reference Asset for the next following Valuation Period will be reset and correspond to the Basket Participation shown against the relative ranking in the applicable</p> |

Final Terms.

**"Basket Participation (Interest)"**

means the Basket Participation of each Reference Entity (Interest), determined as follows:

If **"Fixed Basket Participation (Interest)"** is specified as applicable in the Final Terms, the Basket Participation (Interest) will be the fixed percentage specified in the Final Terms in relation to the relevant Reference Entity (Interest).

If **"Rainbow Basket Participation (Interest)"** is specified as applicable in the Final Terms, the Basket Participation (Interest) will be determined by reference to the relative Reference Entity Return. Each Reference Entity (Interest) will be assigned a ranking based on the Reference Entity Return as determined by the Issuer in accordance with the relevant performance structure specified in Condition 6(a) (*Redemption at Maturity*), and the Basket Participation (Interest) of each Reference Entity (Interest) will correspond to the Basket Participation (Interest) shown against the relative ranking in the applicable Final Terms.

If **"Replacement Cliquet Basket Participation (Interest)"** is specified as applicable in the Final Terms, the Basket Participation (Interest) will be determined by reference to the relative Replacement Cliquet Performance of the relevant Reference Entity (Interest). Each Reference Entity (Interest) will be assigned a ranking based on the Replacement Cliquet Performance of the relevant Reference Entity (Interest) as determined by the issuer, and the Basket Participation (Interest) of each Reference Entity (Interest) will correspond to the Basket Participation (Interest) shown against the relative ranking in the applicable Final Terms.

If **"Momentum Basket Participation (Interest)"** is specified as applicable in the relevant Final Terms, the Basket Participation (Interest) of each Reference Entity (Interest) will initially be the value specified in the applicable Final Terms. Thereafter, the Basket Participation (Interest) will be rebalanced on each applicable Rebalancing Date by reference to the relative Rebalancing Performance of each Reference Entity (Interest). Each Reference Entity (Interest) will be assigned a ranking based on the Rebalancing Performance of the relevant Reference Entity (Interest) during the period from (and including) the immediately preceding Rebalancing Date to (and including) the current Rebalancing Date, and the Basket Participation (Interest) of each Reference Entity (Interest) for the Rebalancing Period commencing on the current Rebalancing Date will correspond to the Basket Participation (Interest) shown against the relevant ranking in the applicable Final Terms.

If **"Accumulating Rainbow Basket Participation (Interest)"** is specified as applicable in the Final Terms, the Basket Participation (Interest) will be determined by reference to the relative Reference Asset Return (Interest). Each Reference Asset (Interest) will be assigned a ranking on the Issue Date, as specified in the applicable Final Terms, and thereafter the Basket Participation (Interest) will be recalculated on each Interest Determination Date based on the Reference Asset Return (Interest) as determined by the Issuer in accordance with the relevant performance structure specified in Condition 6(a) (*Redemption at Maturity*), and the Basket (Interest) of each Reference Asset (interest) for the next following Interest Period will be reset and correspond to the Basket Participation (Interest) shown against the relative ranking in the applicable Final

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|                           | Terms.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| "Basket Strike Level"     | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| "Bonus Factor"            | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| "Business Day"            | <p>(a) means in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Financial Centre;</p> <p>(b) means in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Financial Centre; and</p> <p>(c) in relation to Fund-Linked Notes only, a day on which units or shares in the relevant Fund may be subscribed or redeemed in accordance with the rules of the relevant Fund, and which is also a Scheduled Trading Day in respect of the relevant Fund.</p>                      |
| "Business Day Convention" | means the convention applicable for the purposes of adjusting a relevant day where the day would otherwise occur on a day which is not a Business Day. The adjustment may be made in accordance with any of the conventions listed below, and the applicable convention in respect of each Series of Notes will be specified in the relevant Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                           | <p><b>Following Business Day</b></p> <p>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;</p> <p><b>Modified Following Business Day</b></p> <p>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 would fall in the next calendar month, in which case the Interest Payment Date or another relevant date shall occur on the immediately preceding Business Day;</p> <p><b>Preceding Business Day</b></p> <p>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;</p> |
| "Calculation Adjustment"  | as specified in section Part 2: <i>Additional Conditions for Certain Structured Notes</i> to these Conditions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| "Calculation Agent"       | the agent for the Issuer specified in the relevant Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| "Calculation Amount"      | has the meaning given in the relevant Final Terms.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| "Call Barrier Level"      | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| "Cap Strike"              | means the value specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| "Cap Strike Lower"        | means the value specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| "Cap Strike Upper"      | means the value specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| "Change in Law"         | as specified in Condition 9 ( <i>Change in Law</i> );                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| "CIBOR"                 | the Interest Rate which, (1) at or about 11.00 am Central European Time on the relevant day is published on Reuters' "DKNA13" 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 Interest Rate which (2) at the aforementioned time corresponds to (a) the arithmetic mean of the rates for deposits in DKK for the relevant period on the Copenhagen interbank market as quoted by the Reference Banks or, where only one or no such quotation is given – (b) the Issuer's determination of the Interest Rate offered by Danish commercial banks for loans in DKK for the relevant period on the Copenhagen interbank market; |
| "Clearing System"       | means one or more of Euroclear, Clearstream Luxembourg, Euroclear Finland, Euroclear Sweden, VP and VPS, as specified in the applicable Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| "Closing Price"         | the value of the relevant Reference Asset at the Valuation Time on the applicable Rebalancing Date(s), Valuation Date(s) or Initial Valuation Date(s), as determined by the Issuer in the manner specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| "Correction"            | as specified in Part 2: <i>Additional Conditions for Certain Structured Notes</i> to these Conditions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| "Coupon"                | the value specified in the relevant Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| "Coupon 2"              | the value specified in the relevant Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| "Coupon Barrier Level"  | each coupon barrier level specified in the relevant Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| "Coupon Rate"           | each coupon rate as specified in the relevant Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| "Credit Event"          | as specified in Part 3: <i>Additional Conditions for Credit-Linked Notes</i> to these Conditions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| "Currency Business Day" | means any day in which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the relevant currency. In respect of any transaction where the Notes and/or Reference Asset(s) are denominated in Euro, each TARGET Settlement Day shall be a Currency Business Day.                                                                                                                                                                                                                                                                                                                                                                                             |
| "Day Count Fraction"    | means, in respect of the calculation of an amount for any period of time (the " <b>Calculation Period</b> "), such day count fraction as may be specified in these Conditions or the relevant Final Terms and: <ul style="list-style-type: none"> <li>(i) if "<b>Actual/Actual (ICMA)</b>" is so specified, means: <ul style="list-style-type: none"> <li>(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and</li> </ul> </li> </ul>                                                                           |

- (b) where the Calculation Period is longer than one Regular Period, the sum of:
- (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;



"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30";

- (vii) if "30E/360" or "Eurobond Basis" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Day Count Fraction =

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (viii) if "30E/360 (ISDA)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in

which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Redemption Date or (ii) such number would be 31, in which case D2 will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

**"Regular Period"** means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from but excluding the Issue Date to and including the first Interest Payment Date and each successive period from but excluding one Interest Payment Date to and including the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from but excluding a Regular Date falling in any year to and including the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from but excluding a Regular Date falling in any year to and excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

|                                  |                                                                                                                                                                                                                      |
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| <b>"Dealer"/"Dealers"</b>        | NBAB, Nordea Bank Danmark A/S, NBF and Nordea Bank Norge ASA or any other dealer as appointed in respect of an issue of Notes under the Programme;                                                                   |
| <b>"Denomination"</b>            | the denomination of the Notes as specified in the Final Terms;                                                                                                                                                       |
| <b>"Early Redemption Amount"</b> | as specified in the Final Terms;                                                                                                                                                                                     |
| <b>"Early Redemption Date"</b>   | the Interest Payment Date(s) or other such date(s) as specified in the Final Terms on which the Issuer or, where applicable, the Holder, is entitled to demand early redemption of Notes pursuant to the Conditions; |

|                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"EURIBOR"</b>                                                                                                                                                                                                                                                                                                                    | the Interest Rate which (1) at 11:00 am Central European Time 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 Interest Rate which (2) at the aforementioned time, pursuant to notice from the Issuing Agent (or where applicable, the Calculation Agent) or the Issuer 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, Calculation Agent's) or Issuer's assessment of the Interest Rate offered by leading commercial banks in Europe for loans of EUR 10,000,000 in respect of the relevant period on the European interbank market; |
| <b>"Euroclear Finland"</b>                                                                                                                                                                                                                                                                                                          | Euroclear Finland Ltd.;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>"Euroclear Sweden"</b>                                                                                                                                                                                                                                                                                                           | Euroclear Sweden AB;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>"European Reference Banks"</b>                                                                                                                                                                                                                                                                                                   | four major commercial banks which, at the time in question, quote EURIBOR and are appointed by an Issuing Agent (or, where applicable, the Calculation Agent) or the Issuer;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Exchange Business Day"</b>                                                                                                                                                                                                                                                                                                      | means any Scheduled Trading Day on which each Relevant Exchange and each Options or Futures Exchange is open for trading during its regular trading sessions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"Exchange Business Day Convention"</b>                                                                                                                                                                                                                                                                                           | means the applicable convention for the purposes of adjusting a relevant day where the day occurs on a day which is not a Scheduled Trading Day. Adjustment may take place in accordance with any of the following conventions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Following Scheduled Trading Day</b>                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| where a relevant day occurs on a day which is not a Scheduled Trading Day, it shall be deferred until the Following Exchange Business Day;                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Modified Following Scheduled Trading Day</b>                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| where a relevant day occurs on a day which is not a Scheduled Trading Day, it shall be deferred to the immediately following Scheduled Trading Day in the same calendar month unless that day would fall in the next calendar month, in which case the relevant day shall occur on the immediately preceding Scheduled Trading Day; |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Preceding Scheduled Trading Day</b>                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| where a relevant day or another relevant day occurs on a day which is not a Scheduled Trading Day, it shall instead occur on the immediately preceding Scheduled Trading Day;                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>"Extraordinary Events"</b>                                                                                                                                                                                                                                                                                                       | as specified in Part 2: <i>Additional Conditions for Certain Structured Notes</i> to these Conditions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Final CPI"</b>                                                                                                                                                                                                                                                                                                                  | the value of the relevant Inflation Rate as determined at the Valuation Time on the Valuation Date(s);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Final Currency Value"</b>                                                                                                                                                                                                                                                                                                       | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>"Final FX Rate"</b>                                                                                                                                                                                                                                                                                                              | unless otherwise specified in these Conditions means the FX Rate, or the average value of the FX Rate, on the applicable Valuation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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|                                   | Date(s) specified in the Final Terms;                                                                                                                                                                                 |
| "Final Price"                     | unless otherwise specified in these Conditions, means the Closing Price, or the average of the Closing Prices, for the relevant Reference Asset, on the applicable Valuation Date(s) as specified in the Final Terms; |
| "Fixed Price"                     | as specified in the Final Terms;                                                                                                                                                                                      |
| "Fixed Rate Notes"                | has the meaning given to it in Condition 5(a) ( <i>Interest — Fixed Rate</i> );                                                                                                                                       |
| "Fixed Recovery Value"            | as specified in the relevant Final Terms;                                                                                                                                                                             |
| "Floating Rate Notes"             | has the meaning given to it in Condition 5(d) ( <i>Interest – FRNs</i> );                                                                                                                                             |
| "Floor Strike"                    | means the value specified in the applicable Final Terms;                                                                                                                                                              |
| "Floor Strike Lower"              | means the value specified in the applicable Final Terms;                                                                                                                                                              |
| "Floor Strike Upper"              | means the value specified in the applicable Final Terms;                                                                                                                                                              |
| "Fund"                            | as specified in the Final Terms;                                                                                                                                                                                      |
| "Fund Event"                      | as further specified in Part 4: <i>Additional Conditions for Fund-Linked Notes</i> to these Conditions;                                                                                                               |
| "Fund-Linked Notes"               | means Notes in respect of which the Reference Asset(s) consist(s) of units or shares in a fund (or funds), as further specified in the relevant Final Terms;                                                          |
| "FX Factor"                       | means the value obtained by dividing the Initial FX Rate by the Final FX Rate;                                                                                                                                        |
| "FX Rate"                         | means the currency exchange rate specified in the Final Terms;                                                                                                                                                        |
| "FX Valuation Date"               | as specified in the Final Terms;                                                                                                                                                                                      |
| "Hedging Disruption"              | as specified in Condition 11 ( <i>Hedging Disruption</i> );                                                                                                                                                           |
| "Holder"                          | a person or entity identified as the holder of one or more Notes in accordance with these Conditions;                                                                                                                 |
| "Increased Costs"                 | as specified in Condition 10 ( <i>Increased Costs of Hedging</i> );                                                                                                                                                   |
| "Inflation-Linked Interest"       | the amount of interest determined in accordance with Condition 5(d) ( <i>Inflation-Linked Interest</i> );                                                                                                             |
| "Inflation-Linked Interest Notes" | has the meaning given to it in Condition 5(e) ( <i>Inflation-Linked Interest</i> );                                                                                                                                   |
| "Inflation Rate"                  | as specified in the Final Terms;                                                                                                                                                                                      |
| "Initial Basket Level"            | as specified in the Final Terms;                                                                                                                                                                                      |
| "Initial FX Valuation Date(s)"    | as specified in the Final Terms;                                                                                                                                                                                      |
| "Initial FX Rate"                 | unless otherwise specified in these Conditions means the FX Rate, or the average value of the FX Rate, on the applicable Initial Valuation Date(s) as specified in the Final Terms;                                   |
| "Initial Price"                   | unless otherwise specified in these Conditions, means the Closing Price, or the average of the Closing Prices, of the relevant Reference Asset on the applicable Initial Valuation Date(s) as                         |

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|                                      | specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Initial Valuation Date"</b>      | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Instalment Amount"</b>           | means, in relation to an Instalment Note, the amount of each instalment as may be specified in, or determined in accordance with the provisions of, the Final Terms. To the extent that an Instalment Amount requires determination, such amount may be determined by the Calculation Agent;                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Instalment Date"</b>             | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Interest Base Rate"</b>          | EURIBOR, STIBOR, LIBOR, NIBOR or CIBOR as may be specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>"Interest Determination Date"</b> | the day which occurs two Business Days prior to the first day in each Interest Period, or such other date(s) as may be specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Interest Margin"</b>             | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Interest Payment Date"</b>       | as stated in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Interest Period"</b>             | (i) with respect to the first Interest Period, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date; and (ii) with respect to subsequent Interest Periods, the period commencing on (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date <b>provided that</b> in the case of Swedish Notes, the period beginning on (but excluding) the Issue Date and ending on (and including) the first Interest Payment Date and each period on (but excluding) an Interest Payment Date and ending on (and including) the next Interest Payment Date shall be the relevant Interest Period;                                                                        |
| <b>"Interest Rate"</b>               | as specified in the Final Terms in respect of Fixed Rate Notes or as specified in Condition 5(d) ( <i>Interest – FRNs (Floating Rate Notes)</i> ) in the case of Floating Rate Notes;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Issue Date"</b>                  | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Issuing Agent"</b>               | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"LIBOR"</b>                       | the Interest Rate which, (1) at or about 11.00 am London Time on the relevant day is published on Reuters' "LIBOR01" 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 Interest Rate which (2) at the aforementioned time corresponds to (a) the arithmetic mean of the rates for deposits in GBP for the relevant period on the London interbank market as quoted by the Reference Banks or, where only one or no such quotation is given – (b) the Issuer's determination of the Interest Rate offered by London commercial banks for loans in GBP for the relevant period on the London interbank market; |
| <b>"Market Disruption"</b>           | as specified in Part 2: <i>Additional Conditions for Certain Structured Notes</i> to these Conditions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Market Recovery Value"</b>       | means the final price for deliverable obligations of the relevant Reference Entity or Reference Entity (Interest), as applicable, as determined in accordance with any applicable auction process administered by or on behalf of the International Swaps and Derivatives Association, Inc., or any successor organisation, or in the absence of such a price, the value determined by the Issuer                                                                                                                                                                                                                                                                                                                                          |

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|                                        | acting in good faith and in a commercially reasonable manner;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Maximum Basket Return"</b>         | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Maximum Interest Rate"</b>         | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Maximum Performance"</b>           | in respect of each Reference Asset, the percentage specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Minimum Redemption Amount"</b>     | means the product of the Principal Amount of the Notes and the Minimum Redemption Percentage;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Minimum Basket Return"</b>         | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Minimum Redemption Percentage"</b> | as specified in the relevant Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Maximum Redemption Amount"</b>     | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"New York Banking Day"</b>          | a day on which commercial banks and foreign exchange markets are generally open for business in New York City;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"NIBOR"</b>                         | the Interest Rate which, (1) at or about 12.00 pm Oslo Time on the relevant day is published on Reuters' "NIBR" 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 Interest Rate which (2) at the aforementioned time corresponds to (a) the arithmetic mean of the rates for deposits in NOK for the relevant period on the Oslo interbank market as quoted by the Reference Banks or, where only one or no such quotation is given – (b) the Issuer's determination of the Interest Rate offered by Norwegian commercial banks for loans in NOK for the relevant period on the Oslo interbank market; |
| <b>"Nordea Group"</b>                  | NBAB and its subsidiaries, licensed to carry on financing business in their respective country of domicile;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>"Notes"</b>                         | debt instruments which form part of a Series issued by the Issuer under this Programme, with the terms and conditions specified in the relevant Final Terms and these Conditions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"Observation Date"</b>              | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Observation End Date"</b>          | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Observation Start Date"</b>        | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Options or Futures Exchange"</b>   | means each exchange or quotation system specified in the Final Terms or, if "All Exchanges" is specified in the Final Terms, each exchange or quotation system where trading has a material effect (as determined by the Issuer) on the overall market for futures or options contracts relating to the relevant Reference Asset(s);                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>"Participation Ratio"</b>           | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Participation Ratio 2"</b>         | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Portfolio Exposure"</b>            | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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| <b>"Principal Amount"</b>           | as specified in the Final Terms – the nominal amount of the Notes;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>"Principal Financial Centre"</b> | means, in relation to any currency, the principal financial centre for that currency <b>provided, however, that:</b> <ul style="list-style-type: none"> <li>(a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and</li> <li>(b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;</li> </ul> |
| <b>"Programme Amount"</b>           | €10,000,000,000 or the equivalent thereof in other currencies (unless otherwise amended by agreement between the Issuers and the Dealers).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>"Rate Adjustment Notes"</b>      | has the meaning given to it in Condition 5(b) ( <i>Interest – Rate Adjustment</i> );                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Rebalancing Date"</b>           | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Rebalancing Performance"</b>    | is calculated by dividing the Closing Price of the relevant Reference Asset or Reference Asset (Interest) on the relevant Rebalancing Date by the Closing Price of the relevant Reference Asset or Reference Asset (Interest) on the immediately preceding Rebalancing Date or (in the case of the initial Rebalancing Date), the Start Date.                                                                                                                                                                                                                                                                              |
| <b>"Record Date"</b>                | the Business Day on which the entitlement of Holders to receive payment under these Conditions, is determined, as specified in Condition 8 ( <i>Payments</i> );                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Redemption Amount"</b>          | the amount calculated in accordance with Condition 6 ( <i>Redemption and Purchase</i> ) or such other amount as may be specified in the applicable Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Redemption Date"</b>            | as specified in the Final Terms – the day on which the Notes shall be redeemed;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Redemption Proceeds"</b>        | meant the amount(s) received by the Issuer or other applicable Hedging Party as a result of unwinding any hedge position entered into by the Issuer or relevant Hedging Party in order to hedge any obligation of the Issuer to make payments in respect of the Notes.                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Reference Asset(s)"</b>         | as specified in the Final Terms – Reference Assets may include equities, shares (including private equity)/depository receipts, 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 Redemption Amount;                                                                                                                                                                                                                                                        |
| <b>"Reference Banks"</b>            | four major commercial banks which, at the relevant time, quote the relevant Interest Base Rate and are appointed by the Issuing Agent (or, where applicable, the Calculation Agent) or Issuer;                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>"Reference Entity"</b>           | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Reference Entity (Index)"</b>   | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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| <b>"Reference Entity (Interest)"</b> | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Reference Rate"</b>              | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Reference Yield"</b>             | the yield specified in the Final Terms for calculation of the Redemption Amount under certain Zero Coupon Notes where the Issuer or, where applicable, a Holder, is entitled to require early redemption of the Notes pursuant to the Conditions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"Relevant Exchange"</b>           | the stock exchange(s) on which the underlying Reference Asset(s) is/are traded, as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Replacement Factor"</b>          | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Replacement Reference Asset"</b> | means an alternative Reference Asset, as selected by the Issuer in a commercially fair and reasonable manner;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Scheduled Redemption Date"</b>   | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Scheduled Trading Day"</b>       | unless otherwise specified in the Final Terms and irrespective of whether a Market Disruption has occurred, with respect to each Reference Asset which is an equity/depository receipts, equities index or any other type of Reference Asset which is traded on a stock exchange or market place, a day on which (i) trading is intended to take place in a Reference Asset on a Relevant Exchange and on an Options or Futures Exchange and/or (ii) the relevant index sponsor is scheduled to publish the level of the index; and, with respect to Reference Assets which comprise a currency or a currency index or any other type of Reference Asset for which the price is published, a day on which the price for such Reference Asset or currency included in a Reference Asset is published or is intended to be 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 day as is specified in the Final Terms; |
| <b>"Specified Currency"</b>          | SEK, EUR, DKK, NOK or such other currency as may be specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"STIBOR"</b>                      | the Interest Rate which, (1) at or about 11.00 am Central European Time on the relevant day is published on Reuters' " <b>SIOR</b> " 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 Interest Rate 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 Issuer's determination of the Interest Rate offered by Swedish commercial banks for loans in SEK for the relevant period on the Stockholm interbank market;                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"Strike Level"</b>                | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Strike Lower"</b>                | Means the value specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Strike Upper"</b>                | Means the value specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"TARGET2"</b>                     | means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |



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|                                   | platform and which was launched on 19 November 2007;                                                                                                                                                                          |
| <b>"TARGET Settlement Day"</b>    | means any day on which TARGET2 is open for the settlement of payments in euro;                                                                                                                                                |
| <b>"Target Redemption Amount"</b> | as specified in the Final Terms;                                                                                                                                                                                              |
| <b>"TOM Period"</b>               | means the dates specified as such in the applicable Final Terms;                                                                                                                                                              |
| <b>"Tranche Attachment Point"</b> | the percentage specified in the Final Terms;                                                                                                                                                                                  |
| <b>"Tranche Attachment Range"</b> | means the result obtained by subtracting the Tranche Attachment Point from the Tranche Detachment Point;                                                                                                                      |
| <b>"Tranche Detachment Point"</b> | the percentage specified in the Final Terms;                                                                                                                                                                                  |
| <b>"Transaction Date"</b>         | a day on which an agreement is reached between an Issuing Agent and Issuer regarding placement of Notes or, where the Issuer itself offers Notes, as determined by the Issuer;                                                |
| <b>"Valuation Date(s)"</b>        | as specified in the Final Terms;                                                                                                                                                                                              |
| <b>"Valuation Period"</b>         | means the period from (but excluding) each Valuation Date (including the Initial Valuation Date), to and including the immediately following Valuation Date.                                                                  |
| <b>"Valuation Time"</b>           | unless otherwise specified 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; |
| <b>"Weighted Asset Return"</b>    | means, unless otherwise specified in these Conditions, the product of the Reference Asset Return and the Basket Participation in respect of each relevant Reference Asset;                                                    |
| <b>"Zero Coupon Notes"</b>        | has the meaning given to it in Condition 5(f) ( <i>Zero Coupon Notes</i> ).                                                                                                                                                   |

## 2. **Form and Denomination**

### (a) **Form**

Notes, other than VP Notes, VPS Notes, Swedish Notes and Finnish Notes, are issued in bearer form or registered form, as specified in the relevant Final Terms and are serially numbered.

The VP Notes are issued in uncertificated and dematerialised book entry form in accordance with the Danish Securities Trading etc. Act (*Værdipapirhandelsloven*), as amended from time to time, and the Danish Executive Order on Book Entry, etc. of dematerialised Securities in a Central Securities Depository (*Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral*), as amended from time to time.

The VPS Notes are issued in uncertificated and dematerialised book entry form in accordance with the Norwegian Securities Register Act 2002 (in Norwegian: *lov om registrering av finansielle instrumenter 2002 5. juli nr. 64*).

The Swedish Notes are issued in uncertificated and dematerialised book entry form in accordance with the Swedish Financial Instruments Accounts Act (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*) as amended.

Finnish Notes are issued in uncertificated and dematerialised book entry form in accordance with the Finnish Act on the Book-Entry Securities System and Clearing Activity (*Fin. laki arvo-*

osuusjärjestelmästä ja selvitystoiminnasta (749/2012)), as amended, and the Finnish Act on Book-Entry Accounts (Fin. laki arvo-osuustileistä (827/1991)), as amended, as well as the rules and regulations of Euroclear Finland.

(b) **Form of Bearer Notes**

Notes issued in bearer form ("**Bearer Notes**") will be represented upon issue by either a temporary global note (a "**Temporary Global Note**") or a permanent global note (a "**Permanent Global Note**") in either case in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement.

The Temporary Global Note and/or the Permanent Global Notes will be deposited with, and held by, a common depositary or common safekeeper for and on behalf of Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or any other clearing system to which Notes or any interest therein may from time to time be credited. Payments of principal or interest (if any) on a Permanent Global Note will be made through Euroclear and Clearstream, Luxembourg.

Interest bearing Definitive Notes will, if so specified in the relevant Final Terms, have attached thereto at the time of their initial delivery coupons ("**Coupons**"), presentation of which will be prerequisite to the payment of interest in certain circumstances specified below **provided that** interest bearing Definitive Notes, if so specified in the relevant Final Terms, have attached thereto at the time of initial delivery Coupons and one Talon for further Coupons (a "**Talon**", together with the Coupons in such case and where the context so permits, the "**Coupons**") entitling the holder thereof to further Coupons and a further Talon.

Bearer Notes, the principal amount of which is repayable by instalments ("**Instalment Notes**") have attached thereto at the time of their initial delivery, payment receipts ("**Receipts**") in respect of the instalments of principal.

(c) **Form of Registered Notes**

Notes issued in registered form ("**Registered Notes**") will be in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement. Registered Notes will not be exchangeable for Bearer Notes.

(d) **Form of Swiss Franc Notes**

Swiss Franc Notes will be denominated in Swiss francs, issued in bearer form and will be represented exclusively by a Permanent Global Note which shall be deposited by the Swiss Paying Agent with SIS, or such other depositary as may be approved by the SIX Regulatory Board of the SIX Swiss Exchange. Once the Permanent Global Note is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Notes will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each Holder (as defined in Condition 3 below) shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, **provided that** for so long as the Permanent Global Note remains deposited with the Intermediary the co-ownership interest shall be suspended and the Notes may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e., by the entry of the transferred Notes in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note (*Globalurkunde*) into, or the delivery of, uncertificated securities (*Wertrechte*) or Definitive Notes (*Wertpapiere*).

No physical delivery of the Notes shall be made unless and until Definitive Notes (*Wertpapiere*) are printed. Definitive Notes may only be printed, in whole, but not in part, if the Swiss Paying Agent determines, in its sole discretion, that the printing of the Definitive Notes (*Wertpapiere*) is necessary or useful. Should the Swiss Paying Agent so determine, it shall provide for the printing

of definitive Notes (*Wertpapiere*) without cost to the Holders. Upon delivery of the Definitive Notes (*Wertpapiere*), the Permanent Global Note will be cancelled and the definitive Notes (*Wertpapiere*) shall be delivered to the Holders against cancellation of the Notes in the Holders' securities accounts.

(e) ***Form of VP Notes***

A Tranche or a Series of Notes (as the case may be), if so specified in the applicable Final Terms may be cleared through the VP in accordance with Danish laws, regulations and operating procedures applicable to and/or issued by the VP for the time being (the "**VP Rules**"). The VP Notes shall be regarded as Registered Notes for the purposes of these Conditions. No physical Notes or certificates will be issued in respect of the VP Notes and the provisions in these Conditions relating to presentation, surrendering or replacement of such physical VP Notes or certificates shall not apply to the VP Notes. The Issuer will certify that Nordea Bank Danmark A/S is, on the date of issue of a Tranche or a Series of VP Notes (as the case may be), entered in the VP as the account holding institute (*kontoførende institut*) for the duly registered owners of the Notes of such Tranche or Series (as the case may be).

(f) ***Form of VPS Notes***

The VPS Notes shall be regarded as Registered Notes for the purposes of these Conditions save to the extent these Conditions are inconsistent with Norwegian laws, regulations and operating procedures applicable to and/or issued by VPS for the time being (the "**VPS Rules**"). No physical VPS Notes or certificates will be issued in respect of the VPS Notes and the provisions in these Conditions relating to presentation, surrendering or replacement of such physical Notes or certificates shall not apply to the VPS Notes.

(g) ***Form of Swedish Notes***

The Swedish Notes shall be regarded as Registered Notes for the purposes of these Conditions save to the extent these Conditions are inconsistent with Swedish laws, regulations and operating procedures applicable to and/or issued by Euroclear Sweden for the time being (the "**Euroclear Sweden Rules**"). No physical Swedish Notes or certificates will be issued in respect of the Swedish Notes and the provisions in these Conditions relating to presentation, surrender or replacement of such physical Swedish Notes or certificates shall not apply to the Swedish Notes.

(h) ***Form of Finnish Notes***

The Finnish Notes shall be regarded as Registered Notes for the purposes of these Conditions save to the extent these Conditions are inconsistent with Finnish laws, regulations and operating procedures applicable to and/or issued by Euroclear Finland for the time being (the "**Euroclear Finland Rules**"). No physical Finnish Notes or certificates will be issued in respect of the Finnish Notes and the provisions in these Conditions relating to presentation, surrender or replacement of such physical Finnish Notes or certificates shall not apply to the Finnish Notes.

(i) ***Denomination of Bearer Notes***

Bearer Notes will be in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. Bearer Notes of one denomination may not be exchanged for Bearer Notes of any other denomination.

(j) ***Denomination of Registered Notes***

Registered Notes will be in the minimum denomination specified in the relevant Final Terms and, unless otherwise specified in the relevant Final Terms, integral multiples thereof.

(k) ***Denomination of VP Notes***

VP Notes are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. VP Notes of one denomination may not be exchanged for VP Notes of any other denomination.

(l) ***Denomination of VPS Notes***

VPS Notes are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. VPS Notes of one denomination may not be exchanged for VPS Notes of any other denomination.

(m) ***Denomination of Swedish Notes***

Swedish Notes are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. Swedish Notes of one denomination may not be exchanged for Swedish Notes of any other denomination.

(n) ***Denomination of Finnish Notes***

Finnish Notes are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. Finnish Notes of one denomination may not be exchanged for Finnish Notes of any other denomination.

(o) ***Currency of Notes***

Notes may be denominated in any currency subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

For the purposes of these Conditions, references to Notes shall, as the context may require, be deemed to include Temporary Global Notes, Permanent Global Notes, Definitive Notes or, as the case may be, Registered Notes.

The Issuer may in certain circumstances consolidate the Notes with one or more further Tranches of Notes of the same Series, as described in Condition 18 (*Further Issues*) below.

3. **Title**

(a) ***Title to Bearer Notes, Registered Notes, VP Notes, VPS Notes, Swedish Notes and Finnish Notes***

Title to the Bearer Notes, Receipts and Coupons passes by delivery. References herein to the "**Noteholders**" or "**Holders**" of Bearer Notes or of Receipts or Coupons signify the bearers of such Bearer Notes or such Receipts or Coupons.

Title to Registered Notes passes by registration in the register which is kept by the Registrar as specified in the relevant Final Terms. References herein to the "**Noteholders**" or "**Holders**" of Registered Notes signify the persons in whose names such Notes are so registered.

Title to the VP Notes shall pass by registration in the register (the "**Danish Note Register**") maintained by the VP Issuing Agent in accordance with the VP Rules. The Issuer shall be entitled to obtain information from VP in accordance with the VP Rules. Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any VP Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the Holder. In these Conditions in relation to VP Notes only, "**Note Holder**" or "**Holder**" means, as the context requires, the person in whose name a VP Note is registered in the Danish Note Register and shall also include any person duly authorised to act as a nominee and registered as a holder of the VP Notes. If the Notes of such Tranche cease to be registered in the VP, Nordea Bank Danmark A/S as account holding institute for the duly registered owners shall supply the VP Issuing Agent with all necessary information with regard to such duly registered owners and the VP Issuing Agent shall enter such information into the Danish Note Register.

Title to the VPS Notes shall pass by registration in the register (the "**VPS Register**") in accordance with the Norwegian VPS Rules. The Issuer shall be entitled to obtain information from VPS in accordance with the VPS Rules. Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any VPS Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is

overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the Holder. In these Conditions in relation to VPS Notes only, "**Note Holder**" or "**Holder**" means, as the context requires, the person in whose name a VPS Note is registered in the VPS Register and shall also include any person duly authorised to act as a nominee (*förvalter*) and registered as a holder of the VPS Notes.

Title to the Swedish Notes shall pass by registration in the book entry system and register maintained by Euroclear Sweden (the "**Euroclear Sweden Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any Swedish Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the Holder. In these Conditions in relation to Swedish Notes only, "**Note Holder**" or "**Holder**" means, as the context requires, the person in whose name a Swedish Note is registered in the Euroclear Sweden Register and shall also include any person duly authorised to act as a nominee (*förvaltare*) and registered as a holder of the Swedish Notes.

Where a nominee (*förvaltare*) in accordance with the SFIA Act is so evidenced it shall be treated by the Issuer as the holder of the relevant Swedish Notes.

Title to the Finnish Notes shall pass by registration in the computerised register maintained by or on behalf of Euroclear Finland. Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any Finnish Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the Holder. References herein to the "**Note Holders**" or "**Holders**" of Finnish Notes signify the persons in whose names such Notes are so registered.

The Holder of any Note or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

(b) ***Transfer of Registered Notes, VP Notes, VPS Notes, Swedish Notes and Finnish Notes***

*Registered Notes*

A Registered Note may, upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement, be transferred in whole or in part only (**provided that** such part is equal to, or is a permitted integral multiple in excess of, the minimum denomination specified in the relevant Final Terms) upon the surrender of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

Each new Registered Note to be issued upon the transfer of Registered Notes will, upon the effective receipt of such form of transfer by the Registrar at its specified office, be available for delivery at the specified office of the Registrar. For these purposes, a form of transfer received by the Registrar during the period of fifteen London Banking Days, ending on the due date for any payment on the relevant Registered Notes shall be deemed not to be effectively received by the Registrar until the day following the due date for such payment.

The issue of new Registered Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation thereto.

*VP Notes*

One or more VP Notes may be transferred in accordance with VP Rules. Each new VP Note to be issued shall be available for delivery within three business days of receipt of the request and

the surrender of the VP Notes for exchange. Delivery of the new VP Note(s) shall be made to the same VP account on which the original VP Notes were registered. In this Condition 3(b) (Transfer of Registered Notes, VP Notes, VPS Notes, Swedish Notes and Finnish Notes) in relation to VP Notes only, "**business day**" has the meaning ascribed to such term by the then applicable rules and procedures of the VP.

Exchange and transfer of VP Notes on registration, transfer, partial redemption or exercise of a call or a put option shall be effected without charge by or on behalf of the VP Issuing Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the VP Issuing Agent may require).

No Holder may require the transfer of a VP Note to be registered during any closed period pursuant to the then applicable VP Rules.

All transfers of VP Notes are subject to any cut-off dates applicable to such VP Notes and are subject to any other rules and procedures for the time being of the VP. The VP's rules and regulations may be downloaded from its website: <http://www.vp.dk>.

#### *VPS Notes*

One or more VPS Notes may be transferred in accordance with the VPS Rules. In the case of an exercise of option resulting in VPS Notes of the same holding having different terms, separate VPS Notes registered with the VPS Register shall be issued in respect of those VPS Notes of that holding having the same terms. Such VPS Notes shall only be issued against surrender of the existing VPS Notes in accordance with the VPS Rules.

Each new VPS Note to be issued pursuant to the above, shall be available for delivery within three business days of receipt of the request and the surrender of the VPS Notes for exchange. Delivery of the new VPS Note (s) shall be made to the same VPS account on which the original VPS Notes were registered. In this Condition 3(b) (*Transfer of Registered Notes, VP Notes, VPS Notes, Swedish Notes and Finnish Notes*) in relation to VPS Notes only, "**business day**" means a day, other than a Saturday or Sunday on which VPS is open for business.

Exchange and transfer of VPS Notes on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer or the VPS Paying Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the VPS Paying Agent may require).

No Holder may require the transfer of a VPS Note to be registered during any closed period pursuant to the then applicable VPS Rules.

#### *Swedish Notes*

One or more Swedish Notes may be transferred in accordance with Euroclear Sweden Rules. Exchange and transfer of Swedish Notes on registration, transfer, partial redemption or exercise of a call or a put option shall be effected without charge by or on behalf of the Issuer or the Swedish Issuing Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Swedish Issuing Agent may require).

No Holder may require the transfer of a Swedish Note to be registered during any closed period pursuant to the then applicable Euroclear Sweden Rules.

All transfers of Swedish Notes are subject to any cut-off dates applicable to such Swedish Notes and are subject to any other rules and procedures for the time being of Euroclear Sweden. The Euroclear Sweden Rules may be downloaded from its website: <http://www.euroclear.com>.

#### *Finnish Notes*

One or more Finnish Notes may be transferred in accordance with Euroclear Finland Rules. Exchange and transfer of Finnish Notes on registration, transfer, partial redemption or exercise of a call or a put option shall be effected without charge by or on behalf of the Issuer or the Finnish

Issuing Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Finnish Issuing Agent may require).

No Holder may require the transfer of a Finnish Note to be registered during any closed period pursuant to the then applicable Euroclear Finland Rules.

All transfers of Finnish Notes are subject to any cut-off dates applicable to such Finnish Notes and are subject to any other rules and procedures for the time being of Euroclear Finland. Euroclear Finland's rules and regulations may be downloaded from its website: <http://www.euroclear.com>.

#### *Swiss Franc Notes*

The records of the Intermediary will determine the number of Notes held through each participant in that Intermediary. In respect of the Notes held in the form of Intermediated Securities, the holders of the Notes (the "**Holders**") will be the persons holding the Notes in a securities account (*Effektenkonto*) which is in their own name, or in the case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Notes for their own account in a securities account (*Effektenkonto*) which is in their name.

#### 4. **Status**

The Notes of each Series constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future.

#### 5. **Interest**

Notes may be interest bearing or non-interest bearing, as specified in the relevant Final Terms. The amount of interest payable per Calculation Amount on each Interest Payment Date, (the "**Interest Amount**") shall be calculated in accordance with one of the following alternatives as further specified in the relevant Final Terms. Unless otherwise specified in these Conditions, the Interest Amount will be an amount per Calculation Amount and will be payable in arrear on each Interest Payment Date.

##### (a) ***Interest – Fixed Rate***

If the Notes are specified as "Fixed Rate" Notes, the Notes shall bear interest at the Interest Rate from and including the Issue Date to but excluding the Redemption Date **provided that** in the case of Swedish Notes, such Swedish Notes shall bear interest from, but excluding their Issue Date to and including the Redemption Date.

Interest accrued during each Interest Period will be payable in arrear on the relevant Interest Payment Dates and shall be calculated by applying the Interest Rate to the Calculation Amount, multiplying the product by the Day Count Fraction, and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the specified Denomination of such Note divided by the Calculation Amount. For the purposes of this Condition 5 (*Interest*), a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

Unless otherwise specified in the Final Terms, the Business Day Convention stated in Condition 8 (8)(c) below shall apply to Fixed Rate Notes.

##### (b) ***Interest – Rate Adjustment***

If the Notes are specified as "Rate Adjustment" Notes, the provisions of this Condition 5 (*Interest*) that are to be followed for calculation of the Interest payable on the Notes may be adjusted periodically, as specified in the applicable Final Terms.

##### (c) ***Interest – Combination***

If so specified in the applicable Final Terms, Notes may also bear interest in accordance with more than one of the interest alternatives set out in this Condition 5 (*Interest*), and the two

Interest Amounts so determined shall be aggregated for the purposes of determining the total amount payable to holders on the relevant Interest Payment Date.

(d) ***Interest – FRNs (Floating Rate Notes)***

If the Notes are specified as "Floating Rate" Notes, the Notes shall bear interest from and including the Issue Date up to but excluding the Redemption Date **provided that** in the case of Swedish Notes, such Swedish Notes shall bear interest from, but excluding their Issue Date to and including the Redemption Date. The Interest Rate applicable to each Interest Period shall be determined by the Issuing Agent (or, where applicable, the Calculation Agent) or the Issuer on the relevant Interest Determination Date as the sum of the Interest Base Rate and the Interest Margin for the relevant period. The Interest Base Rate for each Interest Period shall be notified to the Holders in accordance with Condition 16 (*Notices*).

Interest for each Interest Period is paid in arrear on the relevant Interest Payment Date and is calculated by applying the Interest Rate to the Calculation Amount, multiplying the product by the Day Count Fraction, and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figures by a fraction equal to the specified Denomination of such Note divided by the Calculation Amount. For the purposes of this Condition 4, a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

Unless otherwise specified in the Final Terms, the Business Day Convention stated in Condition 8(8)(c) below shall apply to Floating Rate Notes.

(e) ***Interest – Inflation-Linked***

If the Notes are specified as "Inflation-Linked Interest Notes", the Notes shall bear Inflation-Linked Interest from and including the Issue Date to but excluding the Redemption Date **provided that** in the case of Swedish Notes, such Swedish Notes shall bear interest from, but excluding their Issue Date to and including the Redemption Date. The Interest Rate may be fixed or floating and the amount of interest for each Interest Period shall be calculated in the manner stated in Condition 5(a) (*Interest – Fixed Rate*) or Condition 5(d) (*Interest – FRNs*) respectively and multiplied by a figure corresponding to the ratio calculated by dividing the Final CPI by the Base CPI. The amount of Inflation-Linked Interest for each Interest Period shall be notified to the Holders in accordance with Condition 16 (*Notices*), as soon as such amount is determined by the Issuer.

Unless otherwise specified in the Final Terms, the Business Day Convention specified in Condition 8(8)(c) below shall apply to Inflation-Linked Interest Notes.

(f) ***Zero Coupon Notes***

If the Notes are specified as "Zero Coupon Notes", the Notes shall not bear interest. Zero coupon Notes may be issued at a discount and redeemed at their Principal Amount. Alternatively, zero coupon Notes may be issued at their Principal Amount and redeemed at a higher Redemption Amount as specified in the applicable Final Terms and which, in any such case, shall be paid on the Redemption Date.

Unless otherwise stated in the Final Terms, the Business Day Convention specified in Condition 8(8)(c) below shall apply to zero coupon Notes.

*Unless otherwise stated in the Final Terms, Notes shall not be Zero coupon Notes and on redemption of the Notes, any payment of Redemption Amount over or below the Principal Amount shall be considered as interest or yield.*



(g) **Coupon Bearing Autocallable Notes**

If the Notes are specified as "Coupon Bearing Autocallable Notes" and if the Basket Value on any Valuation Date is at or above one or more specified Coupon Barrier Level(s), then the Notes will pay interest (the "**Coupon**") on the immediately succeeding Interest Payment Date. The amount of any such Coupon payment will be determined as follows:

- (i) If "**Flat Coupon**" is specified in the Final Terms, the Coupon payment will be equal to the Principal Amount of the Notes multiplied by the relevant Coupon Rate;
- (ii) If "**Memory Coupon**" is specified in the Final Terms the Coupon payment will be equal to the Principal Amount of the Notes multiplied by the relevant Coupon Rate, multiplied by the number of immediately preceding Interest Payment Dates (up to and including the Interest Payment Date immediately following the applicable Valuation Date) for which a Coupon has not been paid;
- (iii) If "**Plus Flat Coupon**" is specified in the Final Terms the Coupon payment will be equal to the Principal Amount of the Notes multiplied by the higher of: (a) the relevant Coupon Rate and (b) the Bonus Factor; and
- (iv) If "**Plus Memory Coupon**" is specified in the Final Terms the Coupon payment will be equal to the Principal Amount of the Notes multiplied by the higher of: (a) the relevant Coupon Rate, multiplied by the number of immediately preceding Interest Payment Dates (up to and including the Interest Payment Date immediately following the applicable Valuation Date) for which a Coupon has not been paid and (b) the Bonus Factor.

The "**Bonus Factor**" and "**Basket Value**" will be:

- (i) If "**Basket Rate**" is specified in the Final Terms, the Bonus Factor will be the Basket Return and the Basket Value will be the Basket Return plus the Strike Level;
- (ii) if "**Best of/Worst of Rate**" is specified in the Final Terms, the Bonus Factor will be the Reference Asset Return of the Nth best performing Reference Asset and the Basket Value will be the Final Price of the Nth best performing Reference Asset on the relevant Valuation Date divided by the Nth best Initial Price of the performing Reference Asset; or

If the Basket Value on any Valuation Date is below the lowest Coupon Barrier Level, no interest will be payable on the immediately succeeding Interest Payment Date.

The "Nth best performing" Reference Asset will be the Reference Asset with the Nth highest Reference Asset Return.

The "**Reference Asset Return**" and "**Basket Return**" will be calculated in accordance with the performance structure applicable to the Notes pursuant to Condition 6(a) (*Redemption at Maturity*).

(h) **Non-Tranched CLN Interest**

If the Notes are specified as bearing "Non-Tranched CLN Interest", the Interest Rate may be fixed or floating and the amount of interest for each Interest Period shall be calculated in the manner specified in one of the other provisions of this Condition 5 (*Interest*), save that the Calculation Amount to which the Interest Rate is applied shall be either:

- (i) if "**Determination Date Exposure**" is specified in the Final Terms, multiplied by the Adjusted Portfolio Return (Interest) as at the Observation Date immediately preceding the relevant Interest Payment Date, or
- (ii) if "**Weighted Average Exposure**" is specified in the Final Terms, multiplied by the weighted average of the Adjusted Portfolio Return (Interest) on each calendar day from and including the immediately preceding Observation Date to (but excluding) the

Observation Date immediately preceding the relevant Interest Payment Date, as determined by the Issuer in its sole discretion.

The "**Adjusted Portfolio Return (Interest)**" shall be the difference between 1 and the Adjusted Portfolio Loss (Interest).

The "**Adjusted Portfolio Loss (Interest)**" will mean the sum of the Default Weighting for each Reference Entity (Interest) within the Basket.

The "**Default Weighting**" shall be calculated by multiplying the Basket Participation (Interest) by the Default Value in respect of each Reference Entity (Interest).

The "**Default Value**" in respect of each Reference Entity (Interest) will be the difference between 100% and the Recovery Value.

The "**Recovery Value**" will be 100 per cent. if a Credit Event (as defined in Part 3; *Additional Conditions for Credit-Linked Notes*) has not occurred in relation to that Reference Entity (Interest) since the Observation Start Date or, if such a Credit Event has occurred, it will be zero.

(i) **Tranched CLN Interest**

If the Notes are specified as bearing "Tranched CLN Interest", the Interest Rate may be fixed or floating and the amount of interest for each Interest Period shall be calculated in the manner specified in one of the other provisions of this Condition 5 (*Interest*), save that the Calculation Amount to which the Interest Rate is applied shall be either:

- (i) if "**Determination Date Exposure**" is specified in the Final Terms, multiplied by the Adjusted Portfolio Return (Interest) as at the Observation Date immediately preceding the relevant Interest Payment Date, or
- (ii) if "**Weighted Average Exposure**" is specified in the Final Terms, multiplied by the weighted average of the Adjusted Portfolio Return (Interest) on each calendar day from and including the immediately preceding Observation Date to (but excluding) the Observation Date immediately preceding the relevant Interest Payment Date, as determined by the Issuer in its sole discretion.

The "**Adjusted Portfolio Return (Interest)**" shall be the result obtained by subtracting the Adjusted Tranche Loss (Interest) from 1.

The "**Adjusted Tranche Loss (Interest)**" will be the result obtained by dividing the lower of a) the Tranche Attachment Range and b) the Tranche Loss (Interest), by the Tranche Attachment Range.

The "**Tranche Loss (Interest)**" will be calculated by adding the Coupon Risk Factor to the higher of:

- (i) zero and
- (ii) the result obtained by subtracting the Tranche Attachment Point from the sum of the Weighted Asset Loss (Interest) for each Reference Entity (Interest) within the Basket.

"**Weighted Asset Loss (Interest)**" means the product of the Basket Participation (Interest) and the Reference Entity Loss (Interest) for the relevant Reference Entity (Interest).

The "**Reference Entity Loss (Interest)**" will be the result obtained by subtracting the Recovery Value in respect of the relevant Reference Entity (Interest) from 1.

The "**Recovery Value**" will be 100 per cent. if a Credit Event (as defined in Part 3; *Additional Conditions for Credit-Linked Notes*) has not occurred in relation to that Reference Entity (Interest) since the Observation Start Date or, if such a Credit Event has occurred, it will be either a Fixed Recovery Value (as specified in the Final Terms) or a Market Recovery Value, in each case specified as a percentage.

The "**Coupon Risk Factor**" will mean the greater of (i) zero and (ii) the sum of the Weighted Asset Recovery (Interest) less the result obtained by subtracting the Tranche Detachment Point from 1.

The "**Weighted Asset Recovery (Interest)**" means the product of the Basket Participation (Interest) and the Recovery Value for the relevant Reference Entity (Interest).

(j) ***Nth to Default CLN Interest***

If the Notes are specified as bearing "Nth to Default CLN Interest", the Interest Rate may be fixed or floating and the amount of interest for each Interest Period shall be calculated in the manner specified in one of the other provisions of this Condition 5 (*Interest*), save that the Calculation Amount to which the Interest Rate is applied shall be either:

- (i) if "**Determination Date Exposure**" is specified in the Final Terms, multiplied by the Adjusted Portfolio Return (Interest) as at the Observation Date immediately preceding the relevant Interest Payment Date, or
- (ii) if "**Weighted Average Exposure**" is specified in the Final Terms, multiplied by the weighted average of the Adjusted Portfolio Return (Interest) on each calendar day from and including the immediately preceding Observation Date to (but excluding) the Observation Date immediately preceding the relevant Interest Payment Date, as determined by the Issuer in its sole discretion.

The "**Adjusted Portfolio Return (Interest)**" shall be the result obtained by subtracting the Adjusted Portfolio Loss (Interest) from 1.

The "**Adjusted Portfolio Loss (Interest)**" will mean a) if the number of Credit Events that have occurred in relation to any Reference Entity (Interest) within the Basket during the period commencing on the Observation Start Date and ending on the Observation Date immediately preceding the relevant Interest Payment Date, is greater than or equal to N, 1; or b) if the number of Credit Events that have occurred in relation to any Reference Entity (Interest) within the Basket during the period commencing on the Observation Start Date and ending on the Observation Date immediately preceding the relevant Interest Payment Date, is less than N, zero.

"N" shall be the figure specified in the Final Terms.

(k) ***Nth and Nth+1 to Default CLN Interest***

If the Notes are specified as bearing "Nth and Nth+1 to Default CLN Interest", the Interest Rate may be fixed or floating and the amount of interest for each Interest Period shall be calculated in the manner specified in one of the other provisions of this Condition 5 (*Interest*), save that the Calculation Amount to which the Interest Rate is applied shall be either:

- (i) if "**Determination Date Exposure**" is specified in the Final Terms, multiplied by the Adjusted Portfolio Return (Interest) as at the Observation Date immediately preceding the relevant Interest Payment Date, or
- (ii) if "**Weighted Average Exposure**" is specified in the Final Terms, multiplied by the weighted average of the Adjusted Portfolio Return (Interest) on each calendar day from and including the immediately preceding Interest Payment Date to (but excluding) the Observation Date immediately preceding the relevant Interest Payment Date, as determined by the Issuer in its sole discretion.

The "**Adjusted Portfolio Return (Interest)**" shall be the result obtained by subtracting the Adjusted Portfolio Loss (Interest) from 1.

The "**Adjusted Portfolio Loss (Interest)**" will mean:

- (i) if the number of Credit Events that have occurred in relation to any Reference Entity (Interest) within the Basket during the period commencing on the Observation Start Date and ending on the Observation Date immediately preceding the relevant Interest Payment Date, is greater than N the sum of the Basket Participation of the Nth

Reference Entity (Interest) to default and the Nth plus 1 (i.e. the immediately succeeding Reference Entity (Interest) to default within the Basket; or

- (ii) if the number of Credit Events that have occurred in relation to any Reference Entity (Interest) within the Basket during the period commencing on the Observation Start Date and ending on the Observation Date immediately preceding the relevant Interest Payment Date is equal to N, an amount equal to the Basket Participation of the Nth Reference Entity (Interest) in respect of which a Credit Event occurs; or
- (iii) if the number of Credit Events that have occurred in relation to any Reference Entity (Interest) within the Basket during the period commencing on the Observation Start Date and ending on the Observation Date immediately preceding the relevant Interest Payment Date, is less than N, zero.

"N" shall be the figure specified in the Final Terms.

(l) ***Capped Floor Float***

If this Condition 5(l) (*Capped Floor Float*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the Calculation Amount multiplied by:

- (a) the lower of the Cap Strike and the Adjusted Reference Rate Return; and
- (b) the Day Count Fraction.

The "**Adjusted Reference Rate Return**" will be the higher of:

- (a) the sum of the Reference Rate and the applicable Spread; and
- (b) the Floor Strike

The "**Spread**" will be the value specified in the applicable Final Terms

(m) ***Cap Floor Spread***

If this Condition 5(m) (*Cap Floor Spread*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the sum of the Cap Spread Amount and the Floor Spread Amount.

The "**Cap Spread Amount**" will be equal to the Calculation Amount multiplied by:

- (a) The Cap Value;
- (b) the Leverage (Cap);
- (c) the Cap Return; and
- (d) the Day Count Fraction.

The "**Cap Value**" will be either 1, minus 1 or zero, as specified in the applicable Final Terms.

The "**Leverage (Cap)**" will be the value specified in the applicable Final Terms.

The "**Cap Return**" will be the lower of:

- (a) the result obtained by subtracting the Cap Strike Lower from the Cap Strike Upper; and
- (b) the higher of (x) the result obtained by subtracting the Cap Strike Lower from the Reference Rate; and (y) zero.

The "**Floor Spread Amount**" will be equal to the Calculation Amount multiplied by:

- (a) The Floor Value;
- (b) the Leverage (Floor)
- (c) the Floor Return; and
- (d) the Day Count Fraction.

The "**Floor Value**" will be either 1, minus 1 or zero, as specified in the applicable Final Terms.

The "**Leverage (Floor)**" will be the value specified in the applicable Final Terms.

The "**Floor Return**" will be the lower of:

- (a) the result obtained by subtracting the Floor Strike Lower from the Floor Strike Upper; and
- (b) the higher of (x) the result obtained by subtracting the Reference Rate from the Floor Strike Upper and (y) zero.

(n) ***Range Accrual***

If this Condition 5(n) (*Range Accrual*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the Calculation Amount multiplied by:

- (a) X
- (b) the Relevant Proportion; and
- (c) the Day Count Fraction.

"X" shall be the value specified in the applicable Final Terms

The "**Relevant Proportion**" shall be calculated by dividing the number of days during the relevant Interest Period on which the Reference Rate, Reference Asset or Basket is lower than or equal to Strike Upper and greater than or equal to the Strike Lower, by the total number of days during the applicable Interest Period.

(o) ***Range Accrual In/Out***

If this Condition 5(o) (*Range Accrual In/Out*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the Calculation Amount multiplied by:

- (a) the Adjusted Range Performance; and
- (b) the Day Count Fraction.

The "**Adjusted Range Performance**" will be the higher of the Floor Strike and the Range Performance.

The "**Range Performance**" will be calculated by subtracting the Range Failure Value from the Range Success Value, and dividing the result by the total number of days during the applicable Interest Period.

The "**Range Success Value**" will be the product of X and the number of days during the relevant Interest Period where the Reference Rate is lower than Strike Upper and greater than the Strike Lower.

The "**Range Failure Value**" will be the product of Y and the number of days during the relevant Interest Period where the Reference Rate is greater than Strike Upper or lower than the Strike Lower.

"X" and "Y" will be the values specified in the applicable Final Terms

(p) ***Knockout Range Accrual***

If this Condition 5(p) (*Knockout Range Accrual*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the Calculation Amount multiplied by:

- (a) X
- (b) the Relevant Proportion; and
- (c) the Day Count Fraction.

"X" shall be the value specified in the applicable Final Terms

The "**Relevant Proportion**" shall mean, in relation to each applicable Interest Period:

- (a) if no Knock Out Event has occurred in previous Interest Periods or in the current Interest Period, the Relevant Proportion shall be 1 (one)
- (b) if a Knock Out Event occurs for the first time in the current Interest Period, the Relevant Proportion shall be calculated by dividing the number of Observation Dates in the current Interest Period occurring prior to the Knock Out Event by the total number of Observation Dates in the applicable Interest Period
- (c) if a Knock Out Event has occurred in a previous Interest Period, the Relevant Proportion shall be 0 (zero)

The "**Knock Out Event**" is defined as any Observation Date where the Reference Rate is greater than Strike Upper or lower than Strike Lower.

(q) ***Binary Cap/Floor***

If this Condition 5(q) (*Binary Cap/Floor*) is specified as applicable in the relevant Final Terms then:

If the Reference Rate is greater than or equal to the Cap Strike, the Interest Amount for the applicable Interest Period will be equal to the Calculation Amount multiplied by:

- (a) X; and
- (b) the Day Count Fraction.

If the Reference Rate is less than the Cap Strike, the Interest Amount for the applicable Interest Period will be equal to the Calculation Amount multiplied by:

- (a) Z; and
- (b) the Day Count Fraction.

If the Reference Rate is less than or equal to the Floor Strike, the Interest Amount will be equal to the Calculation Amount multiplied by:

- (a) Y; and
- (b) the Day Count Fraction.

If the Reference Rate is greater than the Floor Strike, the Interest Amount will be equal to the Calculation Amount multiplied by:

- (a) W; and
- (b) the Day Count Fraction.

"W", "X", "Y" and "Z" will be the values specified in the applicable Final Terms.

(r) **Binary Zero Coupon**

If this Condition 5(r) (*Binary Zero Coupon*) is specified as applicable in the relevant Final Terms, the Interest Amount will only be payable on the Redemption Date, and will be equal to:

- (a) the product of the Calculation Amount and the Periodic Return, less
- (b) the Calculation Amount.

The "**Periodic Return**" will be the product of the Reference Rate Return.

The "**Reference Rate Return**" for each applicable Reference Rate will be the sum of:

- (a) 1; and
- (b) the Rate Value multiplied by the applicable Day Count Fraction

The "**Rate Value**" will be X if the Reference Rate is greater than K, or Y if the Reference Rate is less than or equal to K.

"K", "X" and "Y" will be the values specified in the applicable Final Terms.

(s) **Inverse Floater**

If this Condition 5(s) (*Inverse Floater*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Reference Rate Return and the applicable Day Count Fraction.

The "**Reference Rate Return**" will be the sum of Y and the lower of

- (a) Z and
- (b) the higher of: (x) zero; and (y) k multiplied by the result of subtracting the Reference Rate from X.

"k", "X", "Y" and "Z" will be the values specified in the applicable Final Terms.

(t) **Autocallable**

If this Condition 5(t) (*Autocallable*) is specified as applicable in the relevant Final Terms, then if the Autocall Condition is satisfied on any applicable Valuation Date during the relevant Interest Period, the Interest Amount for the relevant Interest Period will be equal to the Calculation Amount, multiplied by X, multiplied by N, and multiplied by the applicable Day Count Fraction.

If the Autocall Condition is not satisfied on any applicable Valuation Date during the relevant Interest Period, the Interest Amount for the relevant Interest Period will be zero.

"N" means the number of Interest Periods that have passed up to and including the Interest Period during which the Autocall Condition is satisfied.

"X" will be the value specified in the applicable Final Terms.

The "**Autocall Condition**" means that the Reference Rate exceeds the Coupon Barrier Level, equals the Coupon Barrier Level, or is below the Coupon Barrier Level, as specified in the applicable Final Terms.

(u) **Digital Long**

If this Condition 5(u) (*Digital Long*) is specified as applicable in the relevant Final Terms, then if the Basket Return on any Interest Determination Date is equal to or greater than the Basket Strike Level, the Interest Amount will be the Calculation Amount multiplied by the Coupon.

If the Basket Return is not equal to or greater than the Basket Strike Level on any Interest Determination Date, the Interest Amount will be zero.

(v) **Digital Short**

If this Condition 5(v) (*Digital Short*) is specified as applicable in the relevant Final Terms, then if the Basket Return on any Interest Determination Date is equal to or below the Basket Strike Level, the Interest Amount for the relevant Interest Period will be the Calculation Amount multiplied by the Coupon.

If the Basket Return is above the Basket Strike Level on any Interest Determination Date, the Interest Amount for the relevant Interest Period will be zero.

(w) **Worst of Digital Long**

If this Condition 5(w) (*Worst of Digital Long*) is specified as applicable in the relevant Final Terms, then if the Reference Asset Return of the worst performing Reference Asset on any Interest Determination Date is equal to or greater than the Barrier Level, the Interest Amount for the relevant Interest Period will be the Calculation Amount multiplied by the Coupon.

If the Reference Asset Return of the worst performing Reference Asset is below the Barrier Level on any Interest Determination Date, the Interest Amount for the relevant Interest Period will be zero.

The "**worst performing**" Reference Asset will be the Reference Asset with the lowest Reference Asset Return, as determined in accordance with Condition 6(a)(ii) ("*Basket Long*" Structure).

(x) **Worst of Digital Short**

If this Condition 5(x) (*Worst of Digital Short*) is specified as applicable in the relevant Final Terms, then:

If the Reference Asset Return of the worst performing Reference Asset on any Interest Determination Date is equal to or below the Barrier Level, the Interest Amount for the relevant Interest Period will be the Calculation Amount multiplied by the Coupon.

If the Reference Asset Return of the worst performing Reference Asset is above the Barrier Level on any Interest Determination Date, the Interest Amount for the relevant Interest Period will be zero.

The "**worst performing**" Reference Asset will be the Reference Asset with the lowest Reference Asset Return, as determined in accordance with Condition 6(a)(iii) ("*Basket Short*" Structure).

(y) **Worst of Digital Memory Coupon 2**

If this Condition 5(y) (*Worst of Digital Memory Coupon 2*) is specified as applicable in the relevant Final Terms, then the Interest Amount for the relevant Interest Period will be calculated by multiplying the Calculation Amount by the Participation Ratio, and the higher of: (i) the Coupon Level less the Paid Coupon and (ii) zero. The Holders will also be entitled to receive an amount equal to the Principal Amount of the Notes on the Redemption Date.

The "**Coupon Level**" means, on any Interest Determination Date, the higher of: (i) the Coupon Level on the immediately preceding Interest Determination Date (or in the case of the Initial Valuation Date, the Initial Coupon) (ii) and the product of N, the Coupon Barrier Level and the Bonus Level.

"N" will be the number of Valuation Dates, as specified in the Final Terms

The "**Annual Coupon**" will be the value specified in the applicable Final Terms, and

The "**Coupon Barrier Level**" will be 1 if the Reference Asset Return (as determined in accordance with Condition 6(a)(ii)(*Basket Long structure*)) for every Reference Asset within the



Basket is greater than, or equal to, the Barrier Level on each Interest Determination Date, otherwise it will be zero.

The "**Paid Coupon**" means the sum of all coupons which have been paid up to (but excluding) the relevant Interest Determination Date.

(z) **Digital Podium Long**

If this Condition 5(z) (*Digital Podium Long*) is specified as applicable in the relevant Final Terms, then:

If the Reference Asset Return of each Reference Asset on any Interest Determination Date is equal to or greater than the relevant Barrier Level, the Interest Amount for the relevant Interest Period will be the Calculation Amount multiplied by the Coupon.

If the Reference Asset Return of each of the N best performing Reference Assets equal to or greater than the relevant Barrier Level on any Interest Determination Date, the Interest Amount for the relevant Interest Period will be the Calculation Amount multiplied by the Coupon 2.

The "**N best performing**" Reference Assets will be the pre-specified number of Reference Assets with the best Reference Asset Return, as determined in accordance with Condition 6(a)(ii) ("*Basket Long*" Structure), as specified in the Final Terms.

If the Reference Asset Return of each of the N best performing Reference Assets is not equal to or greater than the relevant Barrier Level on any Interest Determination Date, the Interest Amount for the relevant Interest Period will be zero.

(aa) **Digital Podium Short**

If this Condition 5(aa) (*Digital Podium Short*) is specified as applicable in the relevant Final Terms, then:

If the Reference Asset Return of each Reference Asset on any Interest Determination Date is equal to or below the relevant Barrier Level, the Interest Amount for the relevant Interest Period will be the Calculation Amount multiplied by the Coupon.

If the Reference Asset Return of each of the N best performing Reference Assets is equal to or below the relevant Barrier Level on any Interest Determination Date, the Interest Amount for the relevant Interest Period will be the Calculation Amount multiplied by the Coupon 2.

The "**N best performing**" Reference Assets will be the pre-specified number of Reference Assets with the best Reference Asset Return, as determined in accordance with Condition 6(a)(iii) ("*Basket Short*" Structure), as specified in the Final Terms.

If the Reference Asset Return of each of the N best performing Reference Assets is not equal to or below the relevant Barrier Level on any Interest Determination Date, the Interest Amount for the relevant Interest Period will be zero.

(bb) **Series of Digitals**

If this Condition 5(bb) (*Series of Digitals*) is specified as applicable in the relevant Final Terms, then the Interest Amount for the relevant Interest Period will be equal to the Adjusted Calculation Amount multiplied by the Coupon.

The "**Adjusted Calculation Amount**" will be the Calculation Amount multiplied by the fraction of which the numerator is the number of Reference Assets with a Closing Price which is equal to or above the relevant Barrier Level on each day up to and including the relevant Interest Determination Date and the denominator is the number of Reference Assets within the Basket.

(cc) **Cash Settled Swaption Straddle**

If this Condition 5(cc) (*Cash Settled Swaption Straddle*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be the sum of the Cash Settled Payer Swaption and the Cash Settled Receiver Swaption.

The "**Cash Settled Payer Swaption**" means an amount equal to the Calculation Amount multiplied by:

- (a) the Gearing Payer;
- (b) the higher of zero and the result obtained by subtracting the Payer Strike from the Reference Rate on the relevant Valuation Date; and
- (c) the Payer Annuity (Cash).

The "**Gearing Payer**" means the value specified in the applicable Final Terms.

The "**Payer Strike**" means the value specified in the applicable Final Terms.

The "**Payer Annuity (Cash)**" means the present value of an annuity payment of 1 based on the same payment dates and conventions as the fixed rate leg in the underlying swap of the swaption and calculated by the Calculation Agent on the Valuation Date using the Reference Rate as discount rate.

The "**Cash Settled Receiver Swaption**" means an amount equal to the Calculation Amount multiplied by:

- (a) the Gearing Receiver;
- (b) the higher of zero and the result obtained by subtracting the Reference Rate at the Valuation Time on the relevant Valuation Date from the Receiver Strike; and
- (c) the Receiver Annuity (Cash).

The "**Gearing Receiver**" means the value specified in the applicable Final Terms.

The "**Receiver Strike**" means the value specified in the applicable Final Terms.

The "**Receiver Annuity (Cash)**" means the present value of an annuity payment of 1 based on the same payment dates and conventions as the fixed rate leg in the underlying swap of the swaption and calculated by the Calculation Agent on the Valuation Date using the Reference Rate as discount rate.

(dd) **Power Cap/Floor**

If this Condition 5(dd) (*Power Cap/Floor*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the Calculation Amount multiplied by:

- (a) the Interest Rate;
- (b) the Day Count Fraction.

The "**Interest Rate**" is the lower of the Maximum Interest Rate and the Power Return.

The "**Power Return**" means the higher of: i) zero and ii) the Adjusted Reference Rate, in either case raised to the power of the Power Factor.

The "**Adjusted Reference Rate Return**" means the product of the Gearing and the result obtained by subtracting the Strike Level from the Reference Rate at the Valuation Time on the relevant Valuation Date.

The "**Gearing**" means the value specified in the applicable Final Terms.

The "**Power Factor**" means the value specified in the applicable Final Terms.

(ee) ***Compounding Floater***

If this Condition 5(ee) (*Compounding Floater*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be paid on the Redemption Date and will be equal to the Calculation Amount multiplied by the Compounded Interest Rate.

The "**Compounded Interest Rate**" is the periodically compounded Interest Rate, taking the applicable day count fraction into account.

The "**Interest Rate**" is the lower of the Maximum Interest Rate and the Adjusted Reference Rate Return.

The "**Adjusted Reference Rate Return**" means the higher of:

- (i) the Floor; and
- (ii) the Gearing multiplied by the sum of the Reference Rate on the applicable Valuation Date and the Spread.

The "**Spread**" means the value specified in the applicable Final Terms.

The "**Gearing**" means the value specified in the applicable Final Terms.

(ff) ***Lock-In 1***

If this Condition 5(ff) (*Lock-In 1*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Interest Rate and the applicable Day Count Fraction.

The "**Interest Rate**" means:

- (a) if the Reference Rate has fulfilled the Lock in Condition at the Valuation Time on any Valuation Date, then the Interest Rate will be equal to the Fixed Rate;
- (b) if the Reference Rate has not fulfilled the Lock in Condition at the Valuation Time on any Valuation Date, the Interest Rate will be the lower of the Maximum Interest Rate and the Adjusted Reference Rate Return.

The "**Lock in Condition**" is fulfilled if the Reference Rate is either greater than the Strike Upper or lower than the Strike Lower.

The "**Fixed Rate**" means the value specified in the applicable Final Terms.

The "**Adjusted Reference Rate Return**" means the higher of:

- (i) the Floor; and
- (ii) the sum of the Reference Rate at the Valuation Time on the relevant Valuation Date and the Spread, less the Strike Level.

The "**Spread**" means the value specified in the applicable Final Terms.

(gg) ***Lock-In 2***

If this Condition 5(gg) (*Lock-In 2*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Interest Rate and the applicable Day Count Fraction.

The "**Interest Rate**" means:

- (a) if the Reference Rate has not fulfilled the Lock in Condition at the Valuation Time on any Valuation Date, then the Interest Rate will be equal to the Fixed Rate;

- (b) if the Reference Rate has fulfilled the Lock in Condition at the Valuation Time on any Valuation Date, the Interest Rate will be the lower of the Maximum Interest Rate and the Adjusted Reference Rate Return.

The "**Lock in Condition**" is fulfilled if the Reference Rate is either greater than the Strike Upper or lower than the Strike Lower.

The "**Fixed Rate**" means the value specified in the applicable Final Terms.

The "**Adjusted Reference Rate Return**" means the higher of:

- (i) the Floor; and
- (ii) the sum of the Reference Rate at the Valuation Time on any Valuation Date and the Spread, less the Strike Level.

The "**Spread**" means the value specified in the applicable Final Terms.

(hh) ***Snowball***

If this Condition 5(hh) (*Snowball*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Interest Rate and the applicable Day Count Fraction.

The "**Interest Rate**" will be equal to the sum of the Coupon Return for each applicable Valuation Period.

The "**Coupon Return**" will be:

- (i) on the Initial Valuation Date, the Coupon;
- (ii) on each subsequent Valuation Date, the Adjusted Coupon.

The "**Adjusted Coupon**" will be the higher of:

- (i) zero; and
- (ii) the sum of:
  - (a) Coupon Return on the immediately preceding Valuation Date; and
  - (b) the product of (X) the result obtained by subtracting the Reference Rate at the Valuation Date on the applicable Valuation Date from the Strike Level, and (Y) K.

"K" means the value specified in the applicable Final Terms.

(ii) ***Accumulator***

If this Condition 5(ii) (*Accumulator*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Interest Rate and the applicable Day Count Fraction.

The "**Interest Rate**" will be equal to the Coupon Return for each applicable Valuation Period.

The "**Coupon Return**" will be:

- (i) on the Initial Valuation Date, the Initial Coupon;
- (ii) on each subsequent Valuation Date, the sum of:
  - (a) the Coupon Return on the immediately preceding Valuation Date; and

- (b) the Adjusted Coupon

The "**Adjusted Coupon**" will be the Gearing multiplied by the higher of:

- (i) the Floor; and
- (ii) the result obtained by subtracting the Strike Level from the Reference Rate at the Valuation Time on the applicable Valuation Date.

"**Gearing**" means the value specified in the applicable Final Terms.

"**Floor**" means the value specified in the applicable Final Terms.

(jj) ***Binary Accumulator***

If this Condition 5(jj) (*Binary Accumulator*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Interest Rate and the applicable Day Count Fraction.

The "**Interest Rate**" will be equal to the Coupon Return for each applicable Valuation Period.

The "**Coupon Return**" will be:

- (i) on the Initial Valuation Date, the Initial Coupon;
- (ii) on each subsequent Valuation Date, the sum of:
  - (a) the Coupon Return on the immediately preceding Valuation Date; and
  - (b) the Adjusted Coupon.

The "**Adjusted Coupon**" will be the higher of:

- (i) the Floor; and
- (ii) the Coupon Rate.

"**Floor**" means the value specified in the applicable Final Terms.

"**Coupon Rate**" means:

- (a) if the Reference Rate at the Valuation Time on the applicable Valuation Date is less than or equal to X and greater than or equal to Y, the Coupon; or
- (b) otherwise, zero.

(kk) ***Contingent Cap/Floor***

If this Condition 5(kk) (*Contingent Cap/Floor*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Interest Rate and the applicable Day Count Fraction.

The "**Interest Rate**" will be:

- (a) if the Reference Rate 2 at the Valuation Time on the applicable Valuation Date is greater than or equal to Strike 2 the higher of:
  - (i) zero; and
  - (ii) the Gearing multiplied by the result obtained by subtracting the Strike Level from the Reference Rate on the applicable Valuation Date;
- (b) if the Reference Rate 2 on the applicable Valuation Date is less than Strike 2, zero.

"**Reference Rate 2**" means the value specified in the applicable Final Terms.

"**Strike 2**" means the value specified in the applicable Final Terms.

The "**Gearing**" means the value specified in the applicable Final Terms.

(ll) **Dual Digital Cap**

If this Condition 5(ll) (*Dual Digital Cap*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Interest Rate and the applicable Day Count Fraction.

The "**Interest Rate**" will be:

- (a) if the Reference Rate at the Valuation Time on the applicable Valuation Date is greater than or equal to the Strike Level and the Reference Rate 2 at the Valuation Time on the applicable Valuation Date is greater than or equal to Strike 2, the Coupon;
- (b) if the Reference Rate at the Valuation Time on the applicable Valuation Date is lower than the Strike Level and/or the Reference Rate 2 at the Valuation Time on the applicable Valuation Date is lower than Strike 2, zero.

"**Reference Rate 2**" means the value specified in the applicable Final Terms.

"**Strike 2**" means the value specified in the applicable Final Terms.

(mm) **Dual Digital Floor**

If this Condition 5(mm) (*Dual Digital Floor*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Interest Rate and the applicable Day Count Fraction.

The "**Interest Rate**" will be:

- (a) if the Reference Rate at the Valuation Time on the applicable Valuation Date is less than or equal to the Strike Level and the Reference Rate 2 at the Valuation Time on the applicable Valuation Date is less than or equal to Strike 2, the Coupon;
- (b) if the Reference Rate at the Valuation Time on the applicable Valuation Date is greater than the Strike Level and/or the Reference Rate 2 at the Valuation Time on the applicable Valuation Date is greater than Strike 2, zero.

"**Reference Rate 2**" means the value specified in the applicable Final Terms.

"**Strike 2**" means the value specified in the applicable Final Terms.

(nn) **Binary Inflation Cap**

If this Condition 5(nn) (*Binary Inflation Cap*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Interest Rate and the applicable Day Count Fraction.

The "**Interest Rate**" will be:

If the Inflation Rate is greater than or equal to the Strike Level as at the Valuation Time on the applicable Valuation Date, the Interest Rate will be equal to the Coupon, otherwise the Interest Rate will be zero.

(oo) **Binary Inflation Floor**

If this Condition 5(oo) (*Binary Inflation Floor*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Interest Rate and the applicable Day Count Fraction.

The "**Interest Rate**" will be:

If the Inflation Rate is less than or equal to the Strike Level as at the Valuation Time on the applicable Valuation Date, the Interest Rate will be equal to the Coupon, otherwise the Interest Rate will be zero.

(pp) ***Binary Inflation Range***

If this Condition 5(pp) (*Binary Inflation Range*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Interest Rate and the applicable Day Count Fraction.

The "**Interest Rate**" will be:

If the Inflation Rate is greater than or equal to the Strike Lower and less than or equal to the Strike Upper as at the Valuation Time on the applicable Valuation Date, the Interest Rate will be equal to the Coupon, otherwise the Interest Rate will be zero.

(qq) ***Inflation Range Accrual***

T If this Condition 5(qq) (*Inflation Range Accrual*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Interest Rate and the applicable Day Count Fraction.

The "**Interest Rate**" will be equal to the Coupon multiplied by the result of the fraction where the numerator is the number of Valuation Periods that satisfy the Range Accrual Condition, and the denominator is the total number of Valuation Periods.

The "**Range Accrual Condition**" means that the Inflation Rate is greater than or equal to the Strike Lower and less than or equal to the Strike Upper as at the Valuation Time on the applicable Valuation Date.

(rr) ***Inflation Cap/Floor***

If this Condition 5(rr) (*Inflation Cap/Floor*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Gearing, the Inflation Return and the applicable Day Count Fraction.

The "**Gearing**" will be the value specified in the applicable Final Terms.

The "**Inflation Return**" will be the higher of:

- (a) zero; and
- (b) the product of the Flag and the result of subtracting the Strike Level from the Inflation Rate as at the Valuation Time on the applicable Valuation Date.

The "**Flag**" will be the value specified in the applicable Final Terms.

(ss) ***Inflation Straddle***

If this Condition 5(ss) (*Inflation Straddle*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the sum of the Inflation Cap and the Inflation Floor, the Calculation Amount and the applicable Day Count Fraction.

The "**Inflation Cap**" will be equal to the product of the Gearing (Cap) and the higher of:

- (a) the result obtained by subtracting the Strike (Cap) from the Inflation Rate at the Valuation Time on the on the applicable Valuation Date; and
- (b) zero.

The "**Inflation Floor**" will be equal to the product of the Gearing (Floor) and the higher of:

- (a) the result obtained by subtracting the Strike (Floor) from the Inflation Rate at the Valuation Time on the on the applicable Valuation Date; and
- (b) zero.

"**Gearing (Cap)**" means the value specified in the applicable Final Terms.

"**Gearing (Floor)**" means the value specified in the applicable Final Terms.

"**Strike (Cap)**" means the value specified in the applicable Final Terms.

"**Strike (Floor)**" means the value specified in the applicable Final Terms.

(tt) ***Inflation Cap Floor Spread***

If this Condition 5(tt) (*Inflation Cap Floor Spread*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the sum of the Inflation Cap Spread and the Inflation Floor Spread, the Calculation Amount and the applicable Day Count Fraction.

The "**Inflation Cap Spread**" will be equal to the product of:

- (a) The Cap Value;
- (b) the Leverage (Cap); and
- (c) the Cap Return.

The "**Cap Value**" will be either 1, minus 1 or zero, as specified in the applicable Final Terms.

The "**Leverage (Cap)**" will be the value specified in the applicable Final Terms.

The "**Cap Return**" will be the lower of:

- (a) the result obtained by subtracting the Cap Strike Lower from the Cap Strike Upper; and
- (b) the higher of (x) the result obtained by subtracting the Cap Strike Lower from the Inflation Rate as at the Valuation Time on the applicable Valuation Date; and (y) zero).

The "**Inflation Floor Spread**" will be equal to the product of:

- (a) The Floor Value;
- (b) the Leverage (Floor); and
- (c) the Floor Return.

The "**Floor Value**" will be either 1, minus 1 or zero, as specified in the applicable Final Terms.

The "**Leverage (Floor)**" will be the value specified in the applicable Final Terms.

The "**Floor Return**" will be the lower of:

- (a) the result obtained by subtracting the Floor Strike Lower from the Floor Strike Upper; and
- (b) the higher of (x) the result obtained by subtracting the Inflation Rate as at the Valuation Time on the applicable Valuation Date from the Floor Strike Upper and (y) zero).

(uu) ***ZC Inflation Cap Floor***



If this Condition 5(uu) (*ZC Inflation Cap Floor*) is specified as applicable in the relevant Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Gearing and the higher of:

- (a) zero; and
- (b) the Inflation Return.

The "**Gearing**" will be the value specified in the applicable Final Terms.

The "**Inflation Return**" means the product of:

- (i) the Flag; and
- (ii) the result of subtracting the Strike Deductible from the Inflation Rate as at the Valuation Time on the applicable Valuation Date.

The "**Strike Deductible**" means:

- (i) the sum of 1 and the Strike Level;
- (ii) raised to the power of the Tenor;
- (iii) less 1.

The "**Flag**" will be the value specified in the applicable Final Terms.

The "**Tenor**" means the value specified in the applicable Final Terms.

(vv) ***Inflation Linker 1***

If this Condition 5(vv) (*Inflation Linker 1*) is specified as applicable in the relevant Final Terms the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Gearing and the Inflation Return.

The "**Gearing**" will be the value specified in the applicable Final Terms.

The "**Inflation Return**" will be the higher of:

- (i) zero; and
- (ii) the sum of the Inflation Rate as at the Valuation Time on the applicable Valuation Time on the relevant Valuation Date and the Spread.

The "**Spread**" will be the value specified in the applicable Final Terms.

(ww) ***Inflation Linker 2***

If this Condition 5(ww) (*Inflation Linker 2*) is specified as applicable in the relevant Final Terms the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount, the Coupon and the Inflation Adjustment.

The "**Inflation Adjustment**" will be the result obtained by dividing the Inflation Index as at the Valuation Time on the applicable Valuation Date by the Inflation Index on the Initial Valuation Date.

The "**Inflation Index**" will be the value specified in the applicable Final Terms.

(xx) ***Strip of Call Spreads***

If this Condition 5(xx) (*Strip of Call Spreads*) is specified as applicable in the Final Terms, the Interest Amount for the applicable Interest Period will be equal to the product of the Calculation Amount and the higher of:

- (a) Minimum Basket Return; and

(b) the lower of: (i) the Coupon and (ii) the Basket Return (Interest).

The "**Basket Return (Interest)**" will be the sum of the Weighted Asset Return (Interest) for each Reference Asset (Interest) in the Basket.

The "**Weighted Asset Return (Interest)**" is the average of the Reference Asset Return (Interest) multiplied by the applicable Basket Participation (Interest) for the relevant Reference Asset (Interest) on each Interest Determination Date.

The "**Reference Asset Return (Interest)**" will be the result obtained by dividing the Final Price for the relevant Reference Asset (Interest) on the applicable Interest Determination Date by the Initial Price and subtracting the Strike Level.

(yy) ***General Conditions relating to Interest***

If an Interest Rate cannot be determined for any reason, whether due to an inability to value a particular Reference Asset, due to an event referred to in the first paragraph of Condition 22 (*Limitation of liability etc.*) or for any other reason, interest shall continue to accrue on the Notes at the rate applicable to the then current Interest Period. The Issuing Agent (or, where applicable, the Calculation Agent) or the Issuer shall, as soon as the relevant event has ceased, calculate the 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.

The Issuer may appoint another person or entity to perform calculations pursuant to these Terms and Conditions (the "**Calculation Agent**"). The name of any such Calculation Agent shall be specified in the applicable Final Terms.

If the Issuer determines, in its sole and absolute discretion, that the amount of interest actually paid to Noteholders on any Interest Payment Date was in excess of the amount of interest due and payable to Noteholders on such Interest Payment Date, as calculated in accordance with this Condition 5 (such amount an "**Overpayment**"), the Issuer may reduce the amount of interest payable on any subsequent Interest Payment Date in order to compensate the Issuer for such Overpayment. The amount of interest to be deducted on any Interest Payment Date shall not exceed the aggregate of all Overpayment in respect of the relevant Notes, less any previous deductions in accordance with this Condition 5(yy). The Issuer shall notify Noteholders of any reduction in the amount of interest scheduled to be paid on an Interest Payment Date, and the reasons therefor, at least 2 Business Days prior to that Interest Payment Date. Such notice shall be given to Noteholders in accordance with the provisions of Condition 16 (*Notices*).

6. **Redemption and Purchase**

(a) ***Redemption at Maturity***

The Issuer shall redeem the Notes at their Redemption Amount on the Redemption Date specified in the Final Terms. The Redemption Amount will be determined in accordance with one or more of the performance structures specified below subject always to Condition 6(c) (*Minimum Redemption*) or 6(d) (*Inflation-Protected Principal*), if applicable, and the Final Terms will specify which of the following performance structures is applicable to each Series of Notes. If the Interest Amount payable on the Redemption Date is a negative number, then it will be deducted from the Redemption Amount determined in accordance with this Condition 6(a) (*Redemption at Maturity*), but subject to the proviso that the Redemption Amount shall never be less than zero.

If the performance structure specified in the Final Terms is the:

(i) ***"Par" structure***

the Redemption Amount will be equal to the Principal Amount of the Notes.

(ii) *"Basket Long" structure*

the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by: (a) the Basket Return and (b) the Participation Ratio.

The "**Basket Return**" will be the sum of the Weighted Asset Return for each Reference Asset in the Basket **provided that**, if "Basket Floor" is specified as applicable in the relevant Final Terms, the Basket Return shall be the higher of a) the Minimum Basket Return, and b) the sum of the Weighted Asset Return for each Reference Asset in the Basket.

The "**Weighted Asset Return**" is the Reference Asset Return multiplied by the applicable Basket Participation.

The "**Reference Asset Return**" will be the result obtained by dividing the Final Price for each Reference Asset by the Initial Price and subtracting the Strike Level.

(iii) *"Basket Short" structure*

the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return.

The "**Basket Return**" will be the sum of the Weighted Asset Return for each Reference Asset in the Basket **provided that**, if "Basket Floor" is specified as applicable in the relevant Final Terms, the Basket Return shall be the higher of a) the Minimum Basket Return, and b) the sum of the Weighted Asset Return for each Reference Asset in the Basket.

The "**Weighted Asset Return**" is the Reference Asset Return multiplied by the applicable Basket Participation.

The "**Reference Asset Return**" will be determined by subtracting from the Strike Level the result obtained by dividing the Final Price for each Reference Asset by the Initial Price.

(iv) *"Barrier outperformance" structure*

if the Basket Return (as determined in accordance with Condition 6(a)(ii) ("*Basket Long*" Structure) or Condition 6(a)(iii) ("*Basket Short*" Structure)), as specified in the Final Terms, on any Valuation Date exceeds the Barrier Level, the Redemption Amount will be the Maximum Basket Return. If the Basket Return does not exceed the Barrier Level on any Valuation Date, the Redemption Amount will be the Principal Amount of the Notes.

(v) *"Barrier Underperformance" structure*

if the Basket Return (as determined in accordance with Condition 6(a)(ii) ("*Basket Long*" Structure) or Condition 6(a)(iii) ("*Basket Short*" Structure)), as specified in the Final Terms, on any Valuation Date falls below the Barrier Level, the Redemption Amount will be the Maximum Basket Return. If the Basket Return does not fall below the Barrier Level on any Valuation Date, the Redemption Amount will be the Principal Amount of the Notes.

(vi) *"Best of/Worst of Barrier Outperformance" structure*

if the Reference Asset Return of the Nth best performing Reference Asset (as determined in accordance with Condition 6(a)(ii) ("*Basket Long*" Structure), as specified in the Final Terms, or Condition 6(a)(iii) ("*Basket Short*" Structure)), as specified in the Final Terms, on any Valuation Date exceeds the Barrier Level, the Redemption Amount will be the Maximum Basket Return. If the Reference Asset Return of the Nth best performing

Reference Asset does not exceed the Barrier Level on any Valuation Date, the Redemption Amount will be the Principal Amount of the Notes.

The "Nth best performing" Reference Asset shall be the Reference Asset with the Nth highest Reference Asset Return, where "N" shall be the value specified in the Final Terms.

(vii) *"Best of/Worst of Barrier Underperformance" structure*

if the Reference Asset Return of the Nth best performing Reference Asset (as determined in accordance with Condition 6(a)(ii) ("*Basket Long*" Structure) or Condition 6(a)(iii) ("*Basket Short*" Structure)), as specified in the Final Terms, on any Valuation Date falls below the Barrier Level, the Redemption Amount will be the Maximum Basket Return. If the Reference Asset Return of the Nth best performing Reference Asset does not fall below the Barrier Level on any Valuation Date, the Redemption Amount will be the Principal Amount of the Notes.

The "Nth best performing" Reference Asset shall be the Reference Asset with the Nth highest Reference Asset Return, where "N" shall be the value specified in the Final Terms.

(viii) *"Max" structure*

the Redemption Amount will be the lesser of: a) the Redemption Amount determined in accordance with one or more of the other performance structures specified in this Condition 6(a)(*Redemption at Maturity*) and b) the Maximum Redemption Amount.

(ix) *"Autocallable Structure Long"*

If the Notes have not been subject to early redemption in accordance with Condition 6(j) (*Early Redemption of Notes with Autocallable performance structure*), then the Redemption Amount will be calculated as follows:

- (A) If the Basket Return on the final Valuation Date is below the final Barrier Level minus the Basket Strike Level, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the Basket Return;
- (B) If the Basket Return on the final Valuation Date is at or above the final Barrier Level minus the Basket Strike Level, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount equal to the higher of a) the Basket Return multiplied by the Participation Ratio 2 or b) the Minimum Basket Return; or
- (C) For the avoidance of doubt, a Coupon (if any) may be payable in accordance with Condition 5(g) (*Coupon Bearing Autocallable Notes*);

The "**Basket Return**" will be calculated in the same manner as for the "Basket Long" structure set out in Condition 6(a)(ii).

For the purposes of calculating the Basket Return, the "**Reference Asset Return**" will be the result obtained by dividing the Final Price for each Reference Asset by the Initial Price, and subtracting the Strike Level.

(x) *"Autocallable Structure – Short"*

If the Notes have not been subject to early redemption in accordance with Condition 6(j) (*Early Redemption of Notes with Autocallable Performance Structure*), then the Redemption Amount will be calculated in the same manner as the Autocallable Structure – Long described in Condition 6(a)(ix) (*Autocallable Structure Long*) above, save that the definition of "**Reference Asset Return**" shall be as follows:

The "**Reference Asset Return**" will be determined by subtracting from the Strike Level the result obtained by dividing the Final Price for the relevant Reference Asset by the Initial Price and expressed as a percentage.

(xi) *"Best of/Worst of Autocallable" structure*

If the Notes have not been subject to early redemption in accordance with Condition 6(k) (*Early Redemption of Notes with Best of/Worst of Autocallable Structure*), then the Redemption Amount will be as follows:

(A) If the Final Price of the Nth best performing Reference Asset on the final Valuation Date divided by the Initial Price of the Nth best performing Reference Asset is below the final Barrier Level, the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes with the Participation Ratio 2 and the Reference Asset Return of the Nth best performing Reference Asset.

(B) If the Final Price of the Nth best performing Reference Asset on the final Valuation Date divided by the Initial Price of the Nth best performing Reference Asset is at or above the final Barrier Level, the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes with the Participation Ratio and the greater of a) the Basket Return and b) zero, or

For the purposes of this Condition 6(a)(xi), the "Nth best performing" Reference Asset shall be the Reference Asset with the Nth highest Reference Asset Return, where "N" shall be the value specified in the Final Terms.

The "Reference Asset Return" will be the result obtained by dividing the Final Price for the relevant Reference Asset by the Initial Price and subtracting the Strike Level.

(xii) *"Replacement Basket" structure*

the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the Basket Return.

The "**Basket Return**" will be the sum of the Weighted Asset Return for each Reference Asset in the Basket.

The "**Weighted Asset Return**" is the Reference Asset Return multiplied by the applicable Basket Participation, **provided that** the Reference Asset Return of the N Best Performing Reference Assets, will be replaced with the Replacement Factor for the purposes of determining the Weighted Asset Return of the relevant Reference Assets.

The "**N Best Performing Reference Assets**" will be the number "N" of Reference Assets (as specified in the Final Terms) with the highest Reference Asset Return.

The "**Reference Asset Return**" will be the result obtained by dividing the Final Price for each Reference Asset by the Initial Price and subtracting the Strike Level.

(xiii) *"Locally Capped Basket" structure*

the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return.

The "**Basket Return**" will be the sum of the Weighted Asset Return for each Reference Asset in the Basket.

The "**Weighted Asset Return**" is the lower of: (i) the Reference Asset Return and (ii) the Maximum Performance, multiplied in either case by the applicable Basket Participation.

The "**Reference Asset Return**" will be the result obtained by dividing the Final Price for each Reference Asset by the Initial Price and subtracting the Strike Level.

(xiv) *"Rainbow Basket" structure*

the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return.

The "**Basket Return**" will be the sum of the Weighted Asset Return for each Reference Asset in the Basket.

The "**Weighted Asset Return**" is the Reference Asset Return multiplied in each case by the applicable Basket Participation.

The "**Reference Asset Return**" will be the result obtained by dividing the Final Price for each Reference Asset by the Initial Price and subtracting the Strike Level.

The "**Basket Participation**" will be determined on the basis of the Rainbow Basket Participation.

(xv) *"Booster Short" structure*

If the Basket Return is positive, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return.

If the Basket Return is negative, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio 2 and the Basket Return (which will result in a Redemption Amount of less than the Principal Amount of the Notes).

The "**Basket Return**" will be calculated in the same manner as for the "Basket Short" structure set out in Condition 6(a)(iii) ("*Basket Short*" Structure).

For the purposes of calculating the Basket Return, the "**Reference Asset Return**" will be the result obtained by subtracting from the Strike Level the result obtained by dividing the Final Price for each Reference Asset by the Initial Price.

(xvi) *"Booster Long" structure*

If the Basket Return is positive, the Redemption Amount will be the sum of the principal amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return.

If the Basket Return is negative, the Redemption Amount will be the sum of the principal amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio 2 and the Basket Return (which will result in a Redemption Amount of less than the Principal Amount of the Notes).

The "**Basket Return**" will be calculated in the same manner as for the "Basket Long" structure set out in Condition 6(a)(ii) ("*Basket Long*" Structure).

(xvii) *"Booster Risk Barrier Short" structure*

If the sum of the Basket Return and 1 is at or above the Initial Basket Level on the final Valuation Date, the Redemption Amount will be the sum of the Principal Amount of the

Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return.

If the sum of the Basket Return and 1 is at or above the Barrier Level on all Valuation Dates but below the Initial Basket Level on the final Valuation Date, the Redemption Amount will be the Principal Amount of the Notes.

If the sum of the Basket Return and 1 is below the Barrier Level on any Valuation Date and below the Initial Basket Level on the final Valuation Date, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio 2 and the Basket Return (which will result in a Redemption Amount of less than the Principal Amount of the Notes).

The "**Basket Return**" will be calculated in the same manner as for the "Basket Short" structure set out in Condition 6(a)(iii) ("*Basket Short*" Structure).

(xviii) "*Booster Risk Barrier Long*" structure

If the sum of the Basket Return and 1 is at or above the Initial Basket Level on the final Valuation Date, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return.

If the sum of the Basket Return and 1 is at or above the Barrier Level on all Valuation Dates but below the Initial Basket Level on the final Valuation Date, the Redemption Amount will be the Principal Amount of the Notes.

If the sum of the Basket Return and 1 is below the Barrier Level on any Valuation Date and below the Initial Basket Level on the final Valuation Date, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio 2 and the Basket Return (which will result in a Redemption Amount of less than the Principal Amount of the Notes).

The "**Basket Return**" will be calculated in the same manner as for the "Basket Long" Structure set out in Condition 6(a)(ii) ("*Basket Long*" Structure).

For the purposes of calculating the Basket Return, the "**Reference Asset Return**" will be the result obtained by dividing the Final Price for each Reference Asset by the Initial Price, and subtracting the Strike Level.

(xix) "*Bonus Booster Short*" structure

If the sum of the Basket Return and 1 is at or above the Initial Basket Level on the final Valuation Date, the Redemption Amount will be the sum of the principal amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return.

If the sum of the Basket Return and 1 is below the Barrier Level on any Valuation Date and below the Initial Basket Level on the final Valuation Date, the Redemption Amount will be the sum of the principal amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio 2 and the Basket Return (which will result in a Redemption Amount of less than the Principal Amount of the Notes).

If the sum of the Basket Return and 1 is never below the Barrier Level on any Valuation Date, the Redemption Amount will be the sum of the principal amount of the Notes and an additional amount equal to the higher of:

- (A) the Coupon; and

- (B) the amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return.

The "**Basket Return**" will be calculated in the same manner as for the "Basket Short" structure set out in Condition 6(a)(iii) ("*Basket Short*" Structure).

For the purposes of calculating the Basket Return, the "**Reference Asset Return**" will be the result obtained by subtracting from the Strike Level the result obtained by dividing the Final Price for each Reference Asset by the Initial Price.

(xx) "*Bonus Booster Long*" structure

If the sum of the Basket Return and 1 is at or above the Initial Basket Level on the final Valuation Date, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return.

If the sum of the Basket Return and 1 is below the Barrier Level on any Valuation Date and below the Initial Basket Level on the final Valuation Date, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio 2 and the Basket Return (which will result in a Redemption Amount of less than the Principal Amount of the Notes).

If the sum of the Basket Return and 1 is never below the Barrier Level on any Valuation Date, the Redemption Amount will be the sum of the principal amount of the Notes and an additional amount equal to the higher of:

- (A) the Coupon; and
- (B) the amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return.

The "**Basket Return**" will be calculated in the same manner as for the "Basket Long" structure set out in Condition 6(a)(ii) ("*Basket Long*" Structure).

For the purposes of calculating the Basket Return, the "Reference Asset Return" will be the result obtained by dividing the Final Price for each Reference Asset by the Initial Price, and subtracting the Strike Level.

(xxi) "*Cliquet*" structure

the Redemption Amount will be the sum of the Principal Amount of the Notes and an amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the highest of:

- (i) the Final Lock-in Level;
- (ii) the Cliquet Return; and
- (iii) the Global Floor.

The "**Final Lock-in Level**" means the highest Lock-in Level which is reached or exceeded by the Aggregate Basket Return on any Valuation Date.

"**Lock-in Level**" means each level specified as such in the applicable Final Terms.

The "**Cliquet Return**" means the lower of:

- (i) the Global Cap; and
- (ii) the Adjusted Coupon.



The "**Adjusted Coupon**" means the Initial Coupon plus the Aggregate Basket Return as at the most recently occurring Valuation Date.

The "**Global Cap**" means the value specified in the applicable Final Terms. If the Global Cap is specified as not applicable in the Final Terms, the Global Cap shall be ascribed a notional value of infinity for the purposes of calculating the Redemption Amount.

The "**Global Floor**" means the value specified in the applicable Final Terms. If the Global Floor is specified as not applicable in the Final Terms, the Global Floor shall be ascribed a notional value of zero for the purposes of calculating the Redemption Amount.

The "**Initial Coupon**" means the value specified in the applicable Final Terms.

The "**Aggregate Basket Return**" for each Valuation Period (the "**relevant Valuation Period**") will be the sum of the Adjusted Periodic Basket Returns for each Valuation Period up to and including the relevant Valuation Period.

The "**Adjusted Periodic Basket Return**" for each applicable Valuation Period will be the higher of:

- (A) The Local Floor; and
- (B) the lower of: (a) the Local Cap and (b) the Unadjusted Periodic Basket Return.

The "**Local Cap**" means the value specified in the applicable Final Terms. If the Local Cap is specified as not applicable in the Final Terms, the Local Cap shall be ascribed a notional value of infinity for the purposes of calculating the Redemption Amount.

The "**Local Floor**" means the value specified in the applicable Final Terms. If the Local Floor is specified as not applicable in the Final Terms, the Local Floor shall be ascribed a notional value of zero for the purposes of calculating the Redemption Amount.

The "**Unadjusted Periodic Basket Return**" is the result obtained by taking the sum of the Weighted Asset Returns as at the applicable Valuation Date, and subtracting the sum of the Weighted Asset Returns as at the immediately preceding Valuation Date, and expressing that result as a percentage of the sum of the Weighted Asset Returns as at the immediately preceding Valuation Date.

The "**Weighted Asset Return**" is the Reference Asset Return multiplied by the applicable Basket Participation.

The "**Reference Asset Return**" will be the result obtained by dividing the Final Price for each Reference Asset by the Initial Price and subtracting the Strike Level.

(xxii) *"Reverse Cliquet" structure*

the Redemption Amount will be calculated in the same manner as for the "*Cliquet*" structure set out in Condition 6(a)(xxi), save that the definition of "Adjusted Coupon" shall read as follows:

The "**Adjusted Coupon**" means the Initial Coupon less the Aggregate Basket Return as at the most recently occurring Valuation Date

(xxiii) *"Replacement Cliquet" structure*

the Redemption Amount will be calculated in the same manner as for the "*Cliquet*" structure set out in Condition 6(a)(xxi), save that the definition of "Adjusted Periodic Basket Return" shall read as follows:

The "**Adjusted Periodic Basket Return**" for each applicable Valuation Period will be the Unadjusted Periodic Basket Return, save that in respect of the Valuation Periods with the N highest Unadjusted Periodic Basket Returns, the Unadjusted Periodic Basket

Return shall be replaced with the relevant Fixed Periodic Basket Return specified in the Final Terms.

"N" shall have the value given to it in the applicable Final Terms.

"**Fixed Periodic Basket Return**" shall be as specified in the applicable Final Terms.

(xxiv) *"Reverse Replacement Cliquet" structure*

the Redemption Amount will be calculated in the same manner as for the *"Reverse Cliquet"* structure set out in Condition 6(a)(xxii), save that the definition of *"Adjusted Periodic Basket Return"* shall read as follows:

The **"Adjusted Periodic Basket Return"** for each applicable Valuation Period will be the Unadjusted Periodic Basket Return, save that in respect of the Valuation Periods with the N highest Unadjusted Periodic Basket Returns, the Unadjusted Periodic Basket Return shall be replaced with the relevant Fixed Periodic Basket Return specified in the Final Terms.

"N" shall have the value given to it in the applicable Final Terms.

"**Fixed Periodic Basket Return**" shall be as specified in the applicable Final Terms

(xxv) *"Rainbow Replacement Cliquet" structure*

the Redemption Amount will be the sum of the principal amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the higher of:

- (i) the Minimum Basket Return; and
- (ii) the sum of the Weighted Replacement Cliquet Performance of each Reference Asset in the Basket.

The **"Weighted Replacement Cliquet Performance"** will be the Replacement Cliquet Performance of the relevant Reference Asset multiplied by the applicable Basket Participation.

The **"Basket Participation"** will be determined on the basis of the Replacement Cliquet Basket Participation.

The **"Replacement Cliquet Performance"** will be the sum of the Adjusted Periodic Reference Asset Returns of the relevant Reference Asset for each Valuation Period.

The **"Adjusted Periodic Reference Asset Return"** for each applicable Valuation Period will be the Periodic Reference Asset Return, save that in respect of the Valuation Periods with the N highest Periodic Reference Asset Returns, the Reference Asset Return shall be replaced with the relevant Fixed Reference Asset Return specified in the Final Terms.

"N" shall have the value given to it in the applicable Final Terms.

"**Fixed Reference Asset Return**" shall be as specified in the applicable Final Terms.

The **"Periodic Reference Asset Return"** will be the result (expressed as a percentage) obtained by dividing the Final Price for each Reference Asset by the Start Price and subtracting 100 per cent.

The **"Start Price"** will be the Closing Price of the relevant Reference Asset on the Valuation Date immediately preceding the start of the application Valuation Period.

The **"Final Price"** will be the Closing Price of the relevant Reference Asset on the Valuation Date at the end of the applicable Valuation Period.

(xxvi) *Reverse Convertible structure*

If the sum of the Basket Return and 1 is equal to or above the Initial Basket Level, the Redemption Amount will be equal to the Principal Amount of the Notes.

If the sum of the Basket Return and 1 is below the Initial Basket Level, the Redemption Amount will be calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the Basket Return and adding the resulting negative amount to the Principal Amount of the Notes (in this case the Redemption Amount will be less than the Principal Amount of the Notes).

The "**Basket Return**" will be calculated in the same manner as for the "Basket Long" structure set out in Condition 6(a)(ii).

(xxvii) *Reverse Convertible Risk Barrier structure*

If the sum of the Basket Return and 1 is equal to or above the Initial Basket Level on the final Valuation Date, the Redemption Amount will be equal to the Principal Amount of the Notes.

If the sum of the Basket Return and 1 is below the Barrier Level on any Valuation Date, and on the final Valuation Date the Basket Return is below the Initial Basket Level, the Redemption Amount will be calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the Basket Return and adding the resulting negative amount to the Principal Amount of the Notes (in this case the Redemption Amount will be less than the Principal Amount of the Notes).

The "**Basket Return**" will be calculated in the same manner as for the "Basket Long" structure set out in Condition 6(a)(ii).

For the purposes of calculating the Weighted Asset Return (save for in relation to calculating the Basket Return), the "**Reference Asset Return**" will be the result obtained by dividing the Closing Price for each Reference Asset by the Initial Price and subtracting the Strike Level.

(xxviii) *"Worst of" Reverse Convertible structure*

If the sum of the Worst Reference Asset Return and 1 is equal to or above the Barrier Level, the Redemption Amount will be equal to the Principal Amount of the Notes.

If the sum of the Worst Reference Asset Return and 1 is below the Initial Basket Level, the Redemption Amount will be calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the Worst Reference Asset Return and adding the resulting negative amount to the Principal Amount of the Notes. In this case the Redemption Amount will be less than the Principal Amount.

The "**Worst Reference Asset Return**" is the Reference Asset Return in respect of which the Reference Asset Return is the lowest.

The "**Reference Asset Return**" is the result obtained by dividing the Final Price for each Reference Asset by the Initial Price and subtracting the Strike Level.

(xxix) *Up and In Long*

The Redemption Amount will be equal to the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio, the Knock-In Factor and the higher of:

- (A) zero; and
- (B) the Basket Return.

The "**Knock-In Factor**" means:

- (A) a value equal to 1 if the sum of the Basket Return and 1 on any Valuation Date is at or above the Barrier Level;
- (B) a value equal to zero if the sum of the Basket Return and 1 is not at or above the Barrier Level on any Valuation Date.

The "**Basket Return**" will be calculated in the same manner as for the "Basket Long" structure set out in Condition 6(a)(ii).

(xxx) *Up and Out Long*

The Redemption Amount will be equal to the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes and the highest of:

- (A) zero;
- (B) the result of multiplying the Rebate and the Knock Out Factor; and
- (C) the result of multiplying the Participation Ratio, the Knock-Out Differential and the Basket Return.

The "**Knock-Out Factor**" means:

- (A) a value equal to 1 if the sum of the Basket Return and 1 on any Valuation Date is above the Barrier Level;
- (B) a value equal to zero if the sum of the Basket Return and 1 is not above the Barrier Level on any Valuation Date.

The "**Rebate**" means the value specified in the applicable Final Terms.

The "**Knock-Out Differential**" means the difference between 1 and the Knock-Out Factor; and

The "**Basket Return**" will be calculated in the same manner as for the "Basket Long" structure set out in Condition 6(a)(ii).

(xxxi) *Worst of Down and Out Basket Long*

The Redemption Amount will be equal to the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the highest of:

- (A) zero; and
- (B) the result of multiplying the Rebate and the Knock-Out Factor; and
- (C) the result of multiplying the Participation Ratio, the Knock-Out Differential and the Basket Return.

The "**Knock-Out Factor**" means:

- (A) a value equal to 1 if the sum of the Minimum Performance and 1 on any Valuation Date is less than or equal to the Barrier Level
- (B) a value equal to zero if the sum of the Minimum Performance and 1 is above the Barrier Level on any Valuation Date.

The "**Knock-Out Differential**" means the difference between 1 and the Knock-Out Factor

The "**Minimum Performance**" means the lowest Reference Asset Performance of all Reference Assets within the Basket

The "**Reference Asset Performance**" means the result of dividing:

- (A) the Closing Price of the relevant Reference Asset the applicable Valuation Date, as specified in the Final Terms, by
- (B) the average of the Closing Prices of the relevant Reference Asset on each Initial Valuation Date.

The "**Rebate**" means the value specified in the applicable Final Terms.

The "**Basket Return**" will be calculated in the same manner as for the "Basket Long" structure set out in Condition 6(a)(ii).

(xxxii) *Down and Out Basket Long*

The Redemption Amount will be equal to the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the highest of:

- (A) zero;
- (B) the result of multiplying the Rebate and the Knock Out Factor; and
- (C) the result of multiplying the Participation Ratio, the Knock-Out Differential and Basket Return.

The "**Knock-Out Factor**" means:

- (A) a value equal to 1 if the sum of the Basket Return and 1 on any Valuation Date is less than or equal to the Barrier Level;
- (B) a value equal to zero if the sum of the Basket Return and 1 is above the Barrier Level on any Valuation Date.

The "**Rebate**" means the value specified in the applicable Final Terms.

The "**Knock-Out Differential**" means the difference between 1 and the Knock-Out Factor.

The "**Basket Return**" will be calculated in the same manner as for the "Basket Long" structure set out in Condition 6(a)(ii) ("*Basket Long*" Structure).

(xxxiii) *Worst of Digital Memory Coupon 1*

The Redemption Amount will be equal to the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio, and the higher of: (i) zero, and (ii) the Coupon Level.

The "**Coupon Level**" means, on any Valuation Date, the higher of: (i) the Coupon Level on the immediately preceding Valuation Date (or, in the case of the Initial Valuation Date, the Initial Coupon) and (ii) the product of N, the Coupon Barrier Level and the Coupon.

"N" will be the number of Valuation Dates, as specified in the Final Terms.

The "**Coupon Barrier Level**" will be 1 if the Reference Asset Return (as determined in accordance with Condition 6(a)(ii) ("*Basket Long*" structure)) for every Reference Asset within the Basket is greater than, or equal to, the Barrier Level on each Valuation Date, otherwise it will be zero.

(xxxiv) *Worst of Call Option*

The Redemption Amount will be equal to the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio, and the higher of: (i) the Minimum Performance and (ii) zero.

The "**Minimum Performance**" means the lowest Reference Asset Performance of all Reference Assets within the Basket

The "**Reference Asset Performance**" means the result of dividing:

- (A) the Closing Price of the relevant Reference Asset on the applicable Valuation Date, as specified in the Final Terms, by
- (B) the average of the Closing Prices of the relevant Reference Asset on each Initial Valuation Date.

and subtracting the Strike Level.

(xxxv) *Outperformance Option*

The Redemption Amount will be equal to the sum of the Principal Amount of the Notes and an additional amount calculated by multiplying the Principal Amount of the Notes by the Participation Ratio, and the higher of:

- (A) zero; and
- (B) the lower of:
  - (1) the Maximum Payout, and
  - (2) the Performance Differential.

The "**Maximum Payout**" will be the value specified in the applicable Final Terms.

The "**Performance Differential**" will be calculated by subtracting the Short Performance from the Long Performance.

The "**Long Performance**" will be calculated in the same manner as "Basket Return" for the "Basket Long" structure set out in Condition 6(a)(ii) ("*Basket Long*" structure); and

The "**Short Performance**" will be calculated in the same manner as "Basket Return" for the "Basket Short" structure set out in Condition 6(a)(vi) ("*Basket Short*" structure).

The Reference Assets used for the purposes of calculating the Long Performance and the Short Performance will be grouped into two separate Baskets (the "**Long Basket**" and the "**Short Basket**" respectively, and each a "**Basket**"), as specified in the applicable Final Terms. References in Condition 6(a)(ii) to the "**Basket**" shall be construed as references to the Long Basket, and reference in Condition 6(a)(iii) to the "**Basket**" shall be construed as references to the Short Basket for the purposes of this Condition 6(a)(xxxv).

(xxxvi) *Non-Tranched CLN Structure*

the Redemption Amount will be equal to the Principal Amount of the Notes multiplied by the sum of:

- (A) 1 minus the Portfolio Exposure; and
- (B) the product of the Portfolio Exposure, the Target Redemption Amount and the Portfolio Return.

The "**Portfolio Return**" means the difference between 1 and the Portfolio Loss.

The "**Portfolio Loss**" means the sum of the Weighted Asset Loss for each Reference Entity within the Basket.

The "**Weighted Asset Loss**" means the product of the Basket Participation and the Reference Entity Loss for the relevant Reference Entity.

The "**Reference Entity Loss**" will be determined by subtracting the Recovery Value in respect of the relevant Reference Entity from 1.

The "**Recovery Value**" will be 100 per cent. if a Credit Event (as defined in Part 3: *Additional Conditions for Credit-Linked Notes*) has not occurred in relation to that Reference Entity during the period commencing on the Observation Start Date and ending on the Observation End Date, or if such a Credit Event has occurred, it will be either a Fixed Recovery Value or a Market Recovery Value, as specified in the applicable Final Terms.

(xxxvii) *Tranched CLN Structure*

the Redemption Amount will be equal to the Principal Amount of the Notes multiplied by the sum of:

- (A) 1 minus the Portfolio Exposure; and
- (B) the product of the Portfolio Exposure, the Target Redemption Amount and the Portfolio Return.

The "**Portfolio Return**" means the result obtained by subtracting the Adjusted Tranche Loss from 1.

The "**Adjusted Tranche Loss**" means the result obtained by dividing the lower of a) the Tranche Attachment Range and b) the Tranche Loss, by the Tranche Attachment Range.

The "**Tranche Loss**" means the higher of:

- (A) zero and
- (B) the result obtained by subtracting the Tranche Attachment Point from the sum of the Weighted Asset Loss for each Reference Entity within the Basket.

The "**Weighted Asset Loss**" means the product of the Basket Participation and the Reference Entity Loss for the relevant Reference Entity.

The "**Reference Entity Loss**" will be the result obtained by subtracting the Recovery Value in respect of the relevant Reference Entity from 1.

The "**Recovery Value**" will be 100 per cent. if a Credit Event (as defined in Part 3: *Additional Conditions for Credit-Linked Notes*) has not occurred in relation to that Reference Entity during the period commencing on the Observation Start Date and ending on the Observation End Date, or if such a Credit Event has occurred, it will be either a Fixed Recovery Value or a Market Recovery Value, as specified in the applicable Final Terms.

(xxxviii) *Nth to Default CLN Structure*

the Redemption Amount will be equal to the Principal Amount of the Notes multiplied by the sum of:

- (A) 1 minus the Portfolio Exposure; and
- (B) the product of the Portfolio Exposure, the Target Redemption Amount and the Portfolio Return.

The "**Portfolio Return**" means the difference between 1 and the Portfolio Loss.

The "**Portfolio Loss**" means:

- (A) if the number of Credit Events that have occurred in relation to any Reference Entity within the Basket during the period commencing on the Observation Start Date and ending on the Observation End Date, is greater than or equal to N, the Reference Entity Loss for the Nth Reference Entity within the Basket in respect of which a Credit Event occurs; or
- (B) if the number of Credit Events that have occurred in relation to any Reference Entity within the Basket during the period commencing on the Observation Start Date and ending on the Observation End Date, is less than N, zero.

"N" shall be the figure specified in the Final Terms.

The "**Reference Entity Loss**" will be the difference between 1 and the Recovery Value in respect of the relevant Reference Entity.

The "**Recovery Value**" will be 100 per cent. if a Credit Event (as defined in Part 3: *Additional Conditions for Credit-Linked Notes*) has not occurred in relation to that Reference Entity during the period commencing on the Observation Start Date and ending on the Observation End Date, or if such a Credit Event has occurred, it will be either a Fixed Recovery Value or a Market Recovery Value, as specified in the applicable Final Terms.

(xxxix) *Nth and Nth+1 to Default CLN Structure*

the Redemption Amount will be equal to the Principal Amount of the Notes multiplied by the sum of:

- (A) 1 minus the Portfolio Exposure; and
- (B) the product of the Portfolio Exposure, the Target Redemption Amount and the Portfolio Return.

The "**Portfolio Return**" means the result obtained by subtracting the Portfolio Loss from 1.

The "**Portfolio Loss**" means:

- (A) if the number of Credit Events that have occurred in relation to any Reference Entity within the Basket during the period commencing on the Observation Start Date and ending on the Observation End Date, is greater than N the sum of the Weighted Asset Loss for the Nth Reference Entity to default and the Nth plus 1 (i.e. the immediately succeeding) Reference Entity to default within the Basket; or
- (B) if the number of Credit Events that have occurred in relation to any Reference Entity within the Basket during the period commencing on the Observation Start Date and ending on the Observation End Date is equal N, an amount equal to the Weighted Asset Loss of the Nth Reference Entity in respect of which a Credit Event occurs;
- (C) if the number of Credit Events that have occurred in relation to any Reference Entity within the Basket during the period commencing on the Observation Start Date and ending on the Observation End Date, is less than N, zero.

"N" shall be the figure specified in the Final Terms.

The "**Weighted Asset Loss**" means the product of the Basket Participation and the Reference Entity Loss for the relevant Reference Entity.

The "**Reference Entity Loss**" will be the result obtained by subtracting the Recovery Value in respect of the relevant Reference Entity from 1.



The "**Recovery Value**" will be 100 per cent. if a Credit Event (as defined in Part 3: *Additional Conditions for Credit-Linked Notes*) has not occurred in relation to that Reference Entity during the period commencing on the Observation Start Date and ending on the Observation End Date, or if such a Credit Event has occurred, it will be either a Fixed Recovery Value or a Market Recovery Value, as specified in the applicable Final Terms.

(xl) *Digital Long*

If the Basket Return on the final Valuation Date exceeds the Basket Strike Level, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount equal to the Principal Amount of the Notes multiplied by the Coupon.

If the Basket Return does not exceed the Basket Strike Level on the final Valuation Date, the Redemption Amount will be the Principal Amount of the Notes.

The Basket Return will be calculated on the basis of the either the "Basket Long" Structure in accordance with Condition 6(a)(ii)(*Basket Long Structure*) or the "Basket Short Structure" in accordance with Condition 6(a)(iii)(*Basket Short Structure*), as specified in the Final Terms.

(xli) *Digital Short*

If the Basket Return on the final Valuation Date is below the Basket Strike Level, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount equal to the Principal Amount of the Notes multiplied by the Coupon.

If the Basket Return on the final Valuation Date is equal to or above the Basket Strike Level, the Redemption Amount will be the Principal Amount of the Notes.

The Basket Return will be calculated on the basis of the either the "Basket Long" Structure in accordance with Condition 6(a)(ii)(*Basket Long Structure*) or the "Basket Short Structure" in accordance with Condition 6(a)(iii)(*Basket Short Structure*), as specified in the Final Terms.

(xlii) *Worst of Digital Long*

If the Reference Asset Return of the worst performing Reference Asset on the final Valuation Date exceeds the relevant Barrier Level, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount equal to the Principal Amount of the Notes multiplied by the Coupon.

If the Reference Asset Return of the worst performing Reference Asset on the final Valuation Date does not exceed the relevant Barrier Level, the Redemption Amount will be the Principal Amount of the Notes.

The "worst performing" Reference Asset will be the Reference Asset with the lowest Reference Asset Return (as defined in Condition 6(a)(ii) ("*Basket Long Structure*") or Condition 6(a)(iii) ("*Basket Short Structure*").

(xliii) *Worst of Digital Short*

If the Reference Asset Return of the worst performing Reference Asset on the final Valuation Date is below the relevant Barrier Level, the Redemption Amount will be the sum of the Principal Amount of the Notes and an additional amount equal to the Principal Amount of the Notes multiplied by the Coupon.

If the Reference Asset Return of the worst performing Reference Asset on the final Valuation Date is equal to or above the relevant Barrier Level the Redemption Amount will be the Principal Amount of the Notes.

The "worst performing" Reference Asset will be the Reference Asset with the lowest Reference Asset Return (as defined in Condition 6(a)(ii) ("*Basket Long Structure*") or Condition 6(a)(iii) ("*Basket Short Structure*").

(xliv) *"Series of Digitals"*

The Redemption Amount will be equal to the Principal Amount of the Notes multiplied by the fraction of which the numerator is the number of Reference Assets with a Closing Price which is at or above the relevant Barrier Level on each Business Day up to and including the relevant Valuation Date and the denominator is the number of Reference Assets within the Basket.

(xlv) *Delta 1 Structures*

The occurrence of a Deferred Redemption as specified below, the Redemption Amount will payable on the Scheduled Redemption Date and will be an amount equal to the Redemption Proceeds in relation to the relevant Reference Asset(s), less the Fee Amount and less any applicable Taxes.

The "**Fee Amount**" means a structuring fee payable to the Issuer in an amount calculated as a percentage per annum. of the aggregate Principal Amount of the Notes specified in the applicable Final Terms multiplied by the relevant Day Count Fraction.

The "**Hedging Party**" means any of the Issuer, any other entity within the Nordea Group (as selected by the Issuer from time to time in its sole discretion), or a hypothetical investor located in Denmark, Finland or Sweden, that will be deemed to hold the Reference Assets.

"**Taxes**" means all taxes, fees or other deductions relating to a Hedging Party's purchase, ownership, redemption or transfer of the Reference Assets, any dividends pertaining to the Reference Assets, or any currency conversion in respect of the exchange of the Note proceeds for the currency of the relevant Reference Asset(s).

*Deferred Redemption*

If it is not possible for the Hedging Party to redeem Reference Assets before the Scheduled Redemption Date or Early Redemption Date because the Reference Assets are subject to a restriction on redemptions or for any other reason, or if the Hedging Party determines that it will not receive the full amount of any Redemption Proceeds on or before the Scheduled Redemption Date or the Early Redemption Date (as applicable) (each such event a "**Deferred Redemption**"), then the Issuer shall promptly notify the Holders of such event (a "**Deferred Redemption Notice**").

Following a Deferred Redemption Notice the Issuer shall make a partial redemption of the Notes on (i) the Scheduled Redemption Date or the Early Redemption Date, as applicable, provided and to the extent that the Hedging Party has received (or is deemed to have received) any part of the Fund Redemption Proceeds no later than on the tenth Business Day prior to such date, and thereafter (ii) within five Business Days after each date on which the Hedging Party receives (or is deemed to have received) all or part of the Redemption Proceeds (each such date, a "**Deferred Redemption Date**").

The amount of each such partial redemption of the Notes shall be calculated in accordance with the formula for calculating the Redemption Amount set out above, and for such purpose the "Redemption Proceeds" shall be deemed to be the most recent partial amount of the Redemption Proceeds received (or deemed to have been received) by the Hedging Party prior to the relevant Deferred Redemption Date and the "Fee Amount" shall be deemed to be the aggregate Fee Amount as of the relevant Deferred Redemption Date less any part of the Fee Amount that has previously been deducted from (i) the Redemption Proceeds or (ii) the Redemption Amount in connection with any prior partial redemption of the Notes.

The sum of all partial redemption payments shall never exceed the aggregate Redemption Proceeds which the Hedging Party has received (or is deemed to have received) on or prior to the Back Stop Date less (i) the aggregate Fee Amount and less (ii) the aggregate amount of all Taxes.

If the Issuer has determined that a Deferred Redemption has occurred and is continuing and that it can be reasonably expected that any amount of the Redemption Proceeds will not be received by the Hedging Party on or prior to the Back Stop Date, then the Issuer (i) may extend the Back Stop Date in order for it to be in alignment with expected future receipts of Redemption Proceeds as determined by the Issuer, or (ii) by notice to the Holders and to the relevant Clearing System(s) cancel the Notes with immediate effect, whereupon the Issuer shall not be obliged to make, and no Holder shall be entitled to receive, any redemption payment or other amount in respect of the Notes.

Any Redemption Proceeds received by the Issuer or the Hedging Party after the Back Stop Date shall not be payable to Holders and the Holders shall have no claim to receive any such remaining part of the Redemption Amount after the Back Stop Date.

(xlv) *TOM Cumulative Strategy*

If this Condition 6(a)(xlv) (*TOM Cumulative Strategy*) is specified in the applicable Final Terms, the Redemption Amount will be equal to the Principal Amount of the Notes multiplied by the Participation and multiplied by the TOM Value.

The "**TOM Value**" will be 100 on the Initial Valuation Date, and thereafter will be equal to the TOM Value on the preceding Business Day multiplied by the applicable TOM Performance applicable to the relevant Business Day.

The "**TOM Performance**" will be equal to the Basket Return for the TOM Period, and the Reference Rate Return for each Business Day that does not fall within the TOM Period.

The "**Basket Return**" will be calculated as the sum of the Weighted Reference Asset Performance for each Reference Asset within the Basket.

The "**Weighted Reference Asset Performance**" will be the Reference Asset Performance multiplied by the applicable Basket Participation of the relevant Reference Asset.

The "**Reference Asset Performance**" will be the result obtained by dividing the Closing Price of the relevant Reference Asset on the Business Day at the end of the applicable TOM Period by the Closing Price of the relevant Reference Asset on the Business Day at the start of the applicable TOM Period.

The "**Reference Rate Return**" will be equal to the applicable Reference Rate multiplied by the relevant Day Count Fraction.

(xlvii) *FX Components*

(A) *FX Component - Basket*

If "FX Component – Basket" is specified as applicable in the relevant Final Terms, then the Basket Return determined in accordance with whichever of the foregoing provisions of this Condition 6(a) (*Redemption at Maturity*) is specified in the applicable Final Terms, will be further multiplied by the applicable FX Factor for the purposes of determining the total Redemption Amount payable to the Holders on the Redemption Date. The FX Component Basket may only apply if the Basket Return is positive, or may only apply if the Basket Return is negative, in either case as specified in the Final Terms.

(B) *FX Component - Reference Asset*

If "FX Component – Reference Asset" is specified as applicable in the relevant Final Terms, then the Reference Asset Return of one or more Reference Assets specified in the Final Terms, as determined in accordance with whichever of the foregoing provisions of this Condition 6(a) (*Redemption at Maturity*) is specified in the applicable Final Terms, will be further multiplied by the

applicable FX Factor for the purposes of determining the relevant Redemption Amount in the manner specified in that Condition.

(xlviii) *Best of/Worst of Modifier*

If this Condition (xlviii) (*Best of/Worst of Modifier*) is specified as applicable in the relevant Final Terms, then references to the Basket Return shall be replaced by references to the "Reference Asset Return of the Nth best performing Reference Asset" for the purposes of calculating the Redemption Amount in accordance with all of the foregoing performance structures set out in this Condition 6(a).

The Nth best performing Reference Asset shall be the Reference Asset with the Nth highest Reference Asset Return, where "N" shall be the value specified in the Final Terms.

If the performance structure specified in the Final Terms is the:

(xlix) *Inflation Linker 2*

The Redemption Amount will be the Principal Amount of the Notes multiplied by the higher of:

- (A) 1; and
- (B) the result obtained by dividing the Inflation Rate on the Final Valuation Date by the Inflation Rate on the Initial Valuation Date.

(l) *"Barrier outperformance" structure 2*

if the Basket Return (as determined in accordance with Condition 6(a)(ii) ("*Basket Long*" Structure) or Condition 6(a)(iii) ("*Basket Short*" Structure)), as specified in the Final Terms, on any Valuation Date exceeds the Barrier Level, the Redemption Amount will be the Principal Amount of the Notes plus an additional amount calculated as the Principal Amount of the Notes multiplied by the Participation Ratio and multiplied by the higher of the Coupon and the Basket Return. If the Basket Return does not exceed the Barrier Level on any Valuation Date, the Redemption Amount will be the Principal Amount of the Notes.

(li) *"Barrier Underperformance" structure 2*

if the Basket Return (as determined in accordance with Condition 6(a)(ii) ("*Basket Long*" Structure) or Condition 6(a)(iii) ("*Basket Short*" Structure)), as specified in the Final Terms, on any Valuation Date falls below the Barrier Level, the Redemption Amount will be the Principal Amount of the Notes plus an additional amount calculated as the Principal Amount of the Notes multiplied by the Participation Ratio and multiplied by the higher of the Coupon and the Basket Return. If the Basket Return does not fall below the Barrier Level on any Valuation Date, the Redemption Amount will be the Principal Amount of the Notes.

(b) ***Combination of Structures***

If "Combination of Structures" is specified as applicable in the Final Terms, the Redemption Amount payable to the Holders on the Redemption Date may be a combination of two or more of the performance structures specified in the foregoing provisions of this Condition 6(a) (*Redemption at Maturity*). The Redemption Amounts determined in accordance with each applicable sub-paragraph of this Condition 6(a) (*Redemption at Maturity*) shall be multiplied by the applicable Performance Percentage and then aggregated for the purposes of calculating the total Redemption Amount payable by the Issuer on the applicable Redemption Date.

The "**Performance Percentage**" will be the percentage of the overall Redemption Amount that is attributable to the relevant performance structure, as specified in the applicable Final Terms.

(c) **Minimum Redemption**

If this Condition 6(c) (*Minimum Redemption*) is specified as applicable in the relevant Final Terms, the Redemption Amount shall be the greater of the amount determined in accordance with Condition 6(a) (*Redemption at Maturity*), and the Minimum Redemption Amount.

(d) **Inflation-Protected Principal**

If this Condition 6(d) (*Inflation – Protected Principal*) is specified as applicable in the relevant Final Terms, the Redemption Amount determined in accordance with Condition 6(a) (*Redemption at Maturity*) will be multiplied by the ratio obtained by dividing the Final CPI by the Base CPI.

(e) **Instalment Redemption**

If specified in the Final Terms, certain Notes may be amortising. If so, the Redemption Amount will be paid in instalments equal to the Instalment Amount on one or several Instalment Dates, as specified in the Final Terms.

(f) **Early Redemption for Taxation Reasons**

If, in relation to any Series of Notes, as a result of any change in the laws of the Issuer's jurisdiction or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the date of issue of such Notes or any earlier date specified in the relevant Final Terms on the occasion of the next payment due in respect of such Notes the Issuer would be required to pay additional amounts as provided in Condition 7 (*Taxation*), the Issuer may, at its option having given not less than thirty nor more than sixty days' notice, or such other period as may be specified in the Final Terms (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Holders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable) redeem in whole (but not, unless and to the extent that the relevant Final Terms specifies otherwise, in part) the Notes of the relevant Series at its principal amount (or such other redemption amount as may be specified in the relevant Final Terms), together with accrued interest (if any) thereon.

In the event withholding tax is introduced in Finland or Sweden and, pursuant to such Finnish or Swedish withholding tax the Issuer is obliged to effect deductions as referred to in the preceding paragraph, the Issuer reserves the right to obtain the following information regarding each Holder:

- (i) the Holder's name, personal identification number or other identification number and postal address; and
- (ii) the number of Notes held by the Holder and their Principal Amount.

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

A request for information pursuant to this Condition 6(f) (*Early Redemption for Taxation Reasons*) shall be submitted to Euroclear Sweden or Euroclear Finland (as applicable) in sufficient time for Euroclear Sweden or Euroclear Finland to process.

(g) **Optional Early Redemption (Call)**

If specified in the relevant Final Terms, the Issuer may redeem Notes early, in whole or in part, at the Early Redemption Amount together with accrued interest (if any), on the date or dates specified in the Final Terms.

The Issuer shall notify the Holders of any early redemption in accordance with Condition 16 (*Notices*) not later than 10 days prior to the relevant Early Redemption Date. Such notice of early redemption shall be irrevocable.

(h) **Optional Early Redemption (Put)**

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

In order to exercise such option, the Holder, must not less than 45 days prior to the relevant Early Redemption Date give notice to the Issuer. Such notice of early redemption shall be irrevocable.

(i) **Early Redemption of non-interest bearing Notes**

Upon early redemption of Zero Coupon Notes, the relevant Notes shall be repaid in an amount determined on the Record Date (or, in the case of Bearer Notes, the due date for payment) in accordance with the following formula:

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

$$(1 + r)^t$$

r = the Reference Yield stated in the Final Terms.

t = the remaining term of the Notes, 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.

(j) **Early Redemption of Notes with Autocallable performance structure**

If the Basket Return on any Valuation Date (other than the final Valuation Date) is at or above the relevant Call Barrier Level minus the Basket Strike Level, then the Issuer will give notice to Holders in accordance with Condition 16 (*Notices*) and redeem the Notes early, in whole but not in part, on the next following Early Redemption Date at their Early Redemption Amount which will be the Principal Amount of the relevant Notes together with any Coupon (if any) payable in accordance with Condition 5(g) (*Coupon bearing Autocallable Notes*).

(k) **Early Redemption of Notes with Best of/Worst of Autocallable Structure**

If the Final Price of the N<sup>th</sup> best performing Reference Asset (as defined in Condition 6(a)(xi) (*Best of/Worst of Autocallable Structure*)) on any Valuation Date (other than the final Valuation Date) divided by the Initial Price of the N<sup>th</sup> best performing Reference Asset is at or above the relevant Call Barrier Level, then the Issuer will give notice to Holders in accordance with Condition 16 (*Notices*) and redeem the Notes early, in whole but not in part, on the next following Early Redemption Date at their Early Redemption Amount which will be the Principal Amount of the relevant Notes together with any Coupon (if any) payable in accordance with Condition 5(g) (*Coupon bearing Autocallable Notes*).

(l) **Early Redemption of Credit Linked Notes**

If "Accelerated CLN Payment" is specified as applicable in the relevant Final Terms, then in the event that the Recovery Value in relation to one or more Reference Entities (each a "**Defaulted Reference Entity**") is determined prior to the scheduled Redemption Date for the Notes, the Issuer may elect to make an early repayment of all or part of the Notes on any Interest Payment Date by giving notice thereof to Holders in accordance with Condition 16 (*Notices*). The applicable Early Redemption Amount shall be determined by the Issuer in good faith and in a commercially reasonable manner, and shall be calculated on a pro-rata basis such that the Holder receives a share of the Redemption Amount that would (notwithstanding the early redemption of the Notes in accordance with this Condition 6(l) (*Early Redemption of Credit Linked Notes*)) otherwise be due and payable on the Redemption Date in accordance with the applicable provisions of Condition 6(a) (*Redemption at Maturity*) which is proportionate to the weighting of the relevant Defaulted Reference Entity or Defaulted Reference Entities in relation to the Basket as a whole.

(m) ***Purchase of Notes***

The Issuer and its subsidiaries (if any) may at any time purchase Notes in the open market or otherwise and at any price **provided that**, in the case of interest-bearing Definitive Notes, any unmatured Receipts and Coupons appertaining thereto are purchased therewith.

(n) ***Procedure for Payment upon Redemption***

Any redemption of the VP Notes, VPS Notes, Swedish Notes or Finnish Notes pursuant to this Condition 6 (*Redemption and Purchase*) shall be in accordance with, in the case of VP Notes, the VP Rules, in the case of VPS Notes, the VPS Rules, in the case of Swedish Notes, the Euroclear Sweden Rules and in the case of Finnish Notes, the Euroclear Finland Rules.

(o) ***Payment of Unwind Amount on Early Redemption***

If this Condition 6(o)(*Payment of Unwind Amount on Early Redemption*) is specified as applicable in the Final Terms, the Early Redemption Amount payable to the Holders shall be reduced by any applicable Unwind Amount, where: "**Unwind Amount**" means an amount determined by the Calculation Agent in its sole discretion in a commercially reasonable manner equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with such early redemption, and the related termination, settlement or re-establishment of any hedge or related trading position, plus any amount payable by the relevant hedge counterparty or swap counterparty to the Issuer or minus any amount payable by the Issuer to the relevant hedge counterparty or swap counterparty equal to any amount payable as a result of the unwind of any swap transaction entered into in connection with the Notes, **provided that** such amount is greater than zero.

7. **Taxation**

(a) All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Issuer's jurisdiction of incorporation or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holders after such withholding or deduction shall equal the respective amounts which would have been receivable in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of payment in respect of any Note or Coupon presented for payment:

- (i) in the Issuer's jurisdiction of incorporation;
- (ii) by or on behalf of a Holder who is liable to such taxes or duties in respect of such Note or Coupon by reason of such Holder having some connection with the Issuer's jurisdiction of incorporation other than the mere holding of such Note or Coupon; or
- (iii) more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days; or
- (iv) by or on behalf of, a Holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (vi) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

- (b) For the purposes of these Conditions, the "**Relevant Date**" means the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent or, as the case may be, the Registrar on or prior to such due date, it means the first date on which the full amount of such moneys has been so received and notice to that effect shall have been duly given to the Holders of the Notes of the relevant Series in accordance with Condition 16 (*Notices*).
- (c) Any reference in these Conditions to principal, redemption amount and/or interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 7 (*Taxation*) or any undertaking given in addition thereto or in substitution therefore.
- (d) Notwithstanding anything in this Condition 7 (*Taxation*) or in Condition 8 (*Payments*) to the contrary, the Issuer shall be permitted to withhold and deduct for or on account of any taxes imposed pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service, on any amount payable in respect of the Notes and shall not be required to pay any additional amounts in respect of any such taxes.

## 8. **Payments**

### (1) ***Payments — Bearer Notes***

- (a) This Condition 8(1) is applicable in relation to Bearer Notes.
- (b) Payment of amounts (including accrued interest) due on the redemption of Bearer Notes will be made against presentation and, save in the case of a partial redemption by reason of insufficiency of funds or payment of an Instalment Amount (other than the final Instalment Amount), surrender of the relevant Bearer Notes to or to the order of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note will be made against presentation of the Bearer Note together with (where applicable) the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Bearer Note to which they relate will not represent any obligation of the Issuer.

Accordingly, the presentation of a Bearer Note without the relative Receipt or the presentation of a Receipt without the Bearer Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

- (c) Payment of amounts due in respect of interest on Bearer Notes will be made:
  - (i) in the case of a Temporary Global Note or Permanent Global Note, against presentation of the relevant Temporary Global Note or Permanent Global Note at the specified office of any of the Paying Agents outside the United States and, in the case of a Temporary Global Note, upon due certification as required therein;
  - (ii) in the case of Definitive Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Notes at the specified office of any of the Paying Agents outside the United States; and
  - (iii) in the case of Definitive Notes delivered with Coupons attached thereto at the time of the initial delivery, against surrender of the relevant Coupons at the specified office of any of the Paying Agents outside the United States.
- (d) If the due date for payment of any amount due (whether in respect of principal, interest or otherwise) in respect of any Bearer Notes is not a Business Day, then the Holder



thereof will not be entitled to payment thereof until the next following such Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Conditions.

- (e) Each Definitive Note initially delivered with Coupons or Receipts attached thereto should be surrendered for final redemption together with all unmatured Coupons or Receipts appertaining thereto, failing which:
  - (i) in the case of Definitive Notes which bear interest at a fixed rate or rates, the amount of any missing unmatured Coupons will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time prior to the tenth anniversary of the due date of such final redemption or, if later, the fifth anniversary of the date of maturity of such Coupon; and
  - (ii) in the case of Definitive Notes which bear interest at, or at a margin above or below, a floating rate, all unmatured Coupon relating to such Definitive Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.
  - (iii) in the case of Bearer Notes initially delivered with Receipts attached thereto, all Receipts relating to such Bearer Notes in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

(2) ***Payments — Registered Notes***

- (a) This Condition 8(2) is applicable in relation to Registered Notes.
- (b) Payments of amounts (including accrued interest) due on the final redemption of Registered Notes will be made against presentation and, save in the case of a partial redemption by reason of insufficiency of funds, surrender of the relevant Registered Notes as the specified office of the Registrar. If the due date for payment of the final redemption amount of Registered Notes is not a Business Day, the Holder thereof will not be entitled to payment thereof until the next following such Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Conditions.
- (c) Payment of amounts (whether principal, interest or otherwise) due (other than in respect of the final redemption of Registered Notes) in respect of Registered Notes will be paid to the Holders thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at opening of business (New York time) on the fifteenth New York Banking Day before the due date for such payment (the "**Record Date**").
- (d) Notwithstanding the provisions of Condition 8(8)(b), payments of interest due (other than in respect of the final redemption of Registered Notes) in respect of Registered Notes will be made by a cheque drawn on a bank in the Relevant Financial Centre and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof, (or, in the case of joint Holders, the first-named) on the Business Day immediately preceding the relevant date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first named) has applied to the Registrar and the Registrar has acknowledged such applications for payment to be made to a designated account (in the case aforesaid, a non-resident account with an authorised foreign exchange bank).

(3) ***Payments—Swiss Franc Notes***

This Condition 8(3) is applicable in relation to Swiss Franc Notes.

Payment of principal and/or interest shall be made in freely disposable Swiss francs without collection costs in Switzerland to the Noteholders and/or Couponholders, without any restrictions, whatever the circumstances may be, irrespective of nationality, domicile or residence of the Noteholders and/or Couponholders and without requiring any certification, affidavit or the fulfilment of any other formality.

Payment to the Swiss Paying Agent by the Issuer and the receipt by the Swiss Paying Agent of the due and punctual payment of the funds in Swiss francs in Switzerland shall release the Issuer of its obligations under the Notes and Coupons for the purposes of payment of principal and interest due on the respective payment dates to the extent of such payments.

(4) **Payments—VP Notes**

Payments of principal and/or interest in respect of the VP Notes shall be made to the Holders as appearing registered in the register kept by the VP as such on the fifth business day (as defined by the then applicable VP Rules) before the due date for such payment, such day being a Danish Business Day, or such other business day falling closer to the due date as then may be stipulated in VP Rules and will be made in accordance with said VP Rules. Such day shall be the "**Record Date**" in respect of the VP Notes in accordance with VP Rules.

(5) **Payments—VPS Notes**

Payments of principal and/or interest in respect of the VPS Notes shall be made to the Holders registered in the VPS System as defined by the applicable VPS Rule) as shown in the relevant records of the VPS before the due date for such payment, or such other business day falling closer to the due date as then may be stipulated in the VPS Rules and will be made in accordance with said VPS Rules. Such day shall be the "**Record Date**" in respect of the VPS Notes in accordance with the VPS Rules. *As of the date of this Prospectus the default VPS record date for the Redemption Amount is two business days prior to the relevant payment date. Record dates for interest payments are fifteen business days prior to the relevant payment day.*

(6) **Payments—Swedish Notes**

Payments of principal and/or interest in respect of the Swedish Notes shall be made to the Holders as appearing registered in the register kept by Euroclear Sweden as such on the fifth business day (as defined by the then applicable Euroclear Sweden Rules) before the due date for such payment, such day being a Stockholm Business Day, or such other business day falling closer to the due date as then may be stipulated in Euroclear Sweden Rules and will be made in accordance with said Euroclear Sweden Rules. Such day shall be the "**Record Date**" in respect of the Swedish Notes in accordance with Euroclear Sweden Rules.

(7) **Payments — Finnish Notes**

Payments of principal and/or interest in respect of the Finnish Notes shall be made to the Holders as appearing registered in the register kept by Euroclear Finland as such on the fifth business day (as defined by the then applicable Euroclear Finland Rules) before the due date for such payment, such day being a Helsinki Business Day, or such other business day falling closer to the due date as then may be stipulated in the Euroclear Finland Rules and will be made in accordance with said Euroclear Finland Rules. Such day shall be the "**Record Date**" in respect of the Finnish Notes in accordance with the Euroclear Finland Rules.

(8) **Payments — General Provisions**

- (a) Save as otherwise specified herein, this Condition 8 (*Payments*) is applicable in relation to Notes whether in bearer or in registered form.
- (b) Payments of amounts due (whether in respect of principal, interest or otherwise) in respect of Notes denominated in a currency other than euro will be made by cheque drawn on, or by transfer to, an account maintained by the payee with, a bank in the Relevant Financial Centre and in respect of a Note denominated in euro by cheque drawn on, or by transfer to, an euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union. Payments will, without prejudice to

the provisions of Condition 7 (*Taxation*), be subject in all cases to any applicable fiscal or other laws and regulations.

- (c) For the purposes of these Conditions:

Fixed Rate Notes, Inflation-Linked Interest Notes, Rate Adjustment Notes or Zero coupon Notes shall be subject to the Following Business Day Convention, unless otherwise specified in the Final Terms. Interest will then only be payable up to and including the Redemption Date or Early Redemption Date, as applicable.

Floating Rate Notes shall be subject to the Modified Following Business Day Convention, 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.

Other Notes shall be subject to the Following Business Day Convention, unless otherwise specified in the Final Terms.

If Notes are subject to a Business Day Convention other than those specified above, then the applicable Business Day Convention shall be specified and described in the Final Terms.

- (d) In the event that the applicable Clearing System is prevented from making any payment in accordance with the above provisions due to a delay in performance by the Issuer or for any other reason, the applicable Clearing System will make such payment to each person that is registered as a Holder on the relevant Record Date as soon as payment is received from the Issuer or the reason for delay has ceased.
- (e) If the Issuer is prevented from making payments to the Holders through the applicable Clearing System because the applicable Clearing System is affected by an event or circumstance set out in the first paragraph of Condition 22 (*Limitation of liability etc.*), then the Issuer shall be entitled to defer payment until such time as the event or circumstance affecting the applicable Clearing System has ceased. In such case, interest shall be payable in accordance with Condition 8(9) (*Default Interest*).
- (f) If a person or entity to whom payment was made in accordance with the above provisions was not entitled to receive such payment, the Issuer and the applicable Clearing System shall nevertheless be deemed to have discharged their respective payment obligations, unless the Issuer or the applicable Clearing System had knowledge that payment was made to a person or entity that was not entitled to receive the payment or if the Issuer or the applicable Clearing System did not act with due care.

(9) ***Default Interest***

- (a) In the event of any default in payment, default interest shall be payable on the due and unpaid amount from its due date up to and including the day on which payment is made at a Interest Rate equal to the Interest Base Rate (as specified in the Final Terms) for a period of one week, plus two percent. The Interest Base Rate shall thereupon be determined by the Issuer on the first Business Day of each calendar week during the period of default. Notwithstanding the aforesaid, the default interest rate on interest bearing Notes shall not (except in circumstances set out in paragraph (b) below) be lower than the rate which applied to the relevant Notes on the relevant due date plus two percent. Default interest shall not be capitalised.
- (b) If any default in payment under the Notes is due to any event or circumstance affecting the Issuer or the relevant Clearing System as referred to in the first paragraph of Condition 22 (*Limitations on liability etc.*) the default interest rate shall, with respect to interest bearing Notes, not exceed the Interest Rate which applied to the relevant Notes on the relevant due date (without the addition of two per cent. in accordance with the preceding paragraph) and, with respect to non-interest bearing Notes, no default interest shall accrue or be payable.

9. **Change in Law**

The following provisions shall apply if "Change in Law" is stated to be applicable in the relevant Final Terms.

- (a) Where, in the Issuer's opinion, as a consequence of any changes in any law, ordinance, regulation or equivalent or decision by a public authority or any change in the application thereof, or if a decree of moratorium, currency restriction, embargo, blockade or boycott of a central bank, national government or other public authority such as the United Nations or the European Union, (each a "**Change in Law**") it would be unlawful, significantly more difficult or cause significant reputational damage to the Issuer to issue and to hold Notes, or if it becomes unlawful or more difficult for the Issuer or a third party or cause significant reputational damage to the Issuer to hold, acquire or divest Reference Assets or to enter into derivative transactions with respect to a Reference Asset, which may be entered into to hedge the Issuer's exposure under the Notes, the Issuer may determine that the Affected Reference Asset shall be replaced by a replacement Reference Asset (as selected by the Issuer in its discretion), or alternatively adjust the calculation of the Redemption Amount.
- (b) Where the Issuer determines that it would not provide a reasonable result to replace the Affected Reference Asset or to adjust the applicable calculation, the Issuer may perform an early calculation of the Redemption Amount and/or the yield. Such calculation shall be based on the most recently published value of the Reference Asset. When the Issuer has determined the Redemption Amount and/or the yield, the Issuer shall notify the Holders of the amount of the Redemption Amount and/or the yield and the Interest Rate which shall continue to accrue on the Notes, which shall be a market rate. The Redemption Amount (including accrued interest, if applicable) shall be paid on the Redemption Date.
- (c) The Issuer shall be entitled to make any addition, adjustment or amendment to the Conditions as the Issuer deems necessary in connection with a Change in Law.

10. **Increased Costs of Hedging**

The following terms and conditions shall apply if "Increased Costs of Hedging" is stated to be applicable in the relevant Final Terms:

- (a) Where, in the Issuer's opinion, as a consequence of any change in any law, ordinance, regulation or equivalent or decision by a public authority or the application thereof, or any other event or circumstance not directly attributable to the Issuer's deteriorated credit rating which, in the opinion of the Issuer, would affect the Issuer'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 managing the Issuer's exposure under the Notes, would increase in a manner which is not insignificant for the Issuer or if the Issuer's risk management costs, for a reason other than as listed above would, in the opinion of the Issuer, increase, or where, in the Issuer's opinion, the risk management costs significantly increase (each an "**Increased Cost**"), the Issuer may determine that the Affected Reference Asset shall be replaced by a Replacement Reference Asset or alternatively adjust the calculation of the Redemption Amount.
- (b) Where the Issuer believes that it would not provide a commercially reasonable result to replace the Affected Reference Asset or to adjust the applicable calculation, the Issuer may perform an early calculation of the Redemption Amount and/or the yield. Such early calculation shall be based on the most recently published value of the Reference Asset. When the Issuer has determined the Redemption Amount and/or the yield, the Issuer shall notify the Holders of the amount of the Redemption Amount and/or the yield and the Interest Rate which shall continue to accrue on the Notes, which shall be a market rate. The Redemption Amount (including accrued interest, if applicable) shall be paid on the Redemption Date.
- (c) The Issuer shall be entitled to make any addition, adjustment or amendment to the Conditions as the Issuer deems necessary in connection with Increased Costs.

## 11. **Hedging Disruption**

The following terms and conditions shall apply if "Hedging Disruption" is stated to be applicable in the relevant Final Terms:

- (a) Where, in the Issuer's opinion, after using commercially reasonable efforts, it would be substantially more difficult or impossible to hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of Reference Assets or enter into transactions or acquire financial instruments for the purpose of hedging/risk management with reference to Reference Assets which have been acquired to secure the Issuer's exposure/delivery obligation under the Notes), (each such event a "**Hedging Disruption**") the Issuer may determine that Affected Reference Asset shall be replaced by a Replacement Reference Asset or alternatively adjust the calculation of the Redemption Amount.
- (b) If the Issuer believes it would not provide a fair result to replace the Affected Reference Asset or to adjust the applicable calculation, the Issuer may perform an early calculation of the Redemption Amount and/or the yield. When the Issuer has determined the Redemption Amount and/or the yield, the Issuer shall notify the Holders of the Additional Amount and/or the amount of the yield and at which Interest Rate which shall continue to accrue on the Notes, which shall be a market rate. The Redemption Amount (including accrued interest, if applicable) shall be paid on the Redemption Date.

## 12. **Prescription**

- (a) Bearer Notes and the related Coupons will become void unless presented for payment within ten years (or, in the case of Coupons and save as provided in Condition 8(1)(e), five years) after the due date for payment.
- (b) Claims against the Issuer in respect of Registered Notes will be prescribed unless made within 10 years (or, in the case of claims in respect of interest, five years) after the due date for payment.
- (c) Claims in respect of Finnish Notes shall become statute barred three years after the relevant payment date (in the case of claims for both principal and interest).
- (d) Claims against the Issuer for the payment of a Redemption Amount in respect of Swedish Notes, or VPS Notes will be statute barred unless made within ten years after the relevant Redemption Date. Claims against the Issuer for the payment of interest or other yield in respect of Swedish Notes or VPS Notes shall be statute barred unless made within three years after the relevant Interest Payment Date.

If the limitation period in respect of Swedish Notes is interrupted a new limitation 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 limitation period is interrupted through any acknowledgement, claim or reminder a new limitation period shall commence on the date of the interruption or, where the limitation period is interrupted through legal proceedings or the claims for payment is brought before in a court of law, enforcement authority or in arbitration proceedings, bankruptcy proceedings or proceedings for a judicial composition with creditors, a new limitation period shall commence on the date on which a judgment or final decision is rendered or the procedure is otherwise terminated.

## 13. **The Paying Agents and the Registrar**

The initial Paying Agents and Registrar and their respective initial specified offices are specified below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or the Registrar and to appoint additional or other Paying Agents or another Registrar **provided that** it will at all times maintain (i) a Fiscal Agent, (ii) a Registrar, (iii) a Paying Agent with a specified office in continental Europe but outside the Issuer's jurisdiction of incorporation, (iv) a Paying Agent in an European Union Member State that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to, such Directive, (v) so long as any VPS Notes are cleared through VPS, a Paying Agent with a specified office in Norway, (vi) so long as any Swedish Notes are cleared through Euroclear Sweden, an Issuing Agent with a specified office in Sweden, and (vii) so long as any Finnish

Notes are cleared through Euroclear Finland, an Issuing Agent with a specified office in Finland. The Paying Agents and the Registrar reserve the right at any time to change their respective specified offices to some other specified office in the same city, and *provided further that* so long as any VP Notes are cleared through VP, the Issuer, the Fiscal Agent and the VP Issuing Agent shall have the respective rights and obligations arising under the Fiscal Agency Agreement and no other Paying Agent shall have any rights and obligations in relation thereto. Notice of all changes in the identities or specified offices of the Paying Agents or the Registrar will be notified promptly to the Holders.

In respect of Swiss Franc Notes, the Issuer will at all times maintain a paying agent having its specified office in Switzerland and at no time maintain a paying agent having its specified office outside of Switzerland.

14. **Replacement of Notes**

If any Note, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (in the case of Bearer Notes and Coupons) or of the Registrar (in the case of Registered Notes), subject to all applicable laws and the requirements of any stock exchange and/or listing authority on which the relevant Notes are listed, upon payment by the claimant of all expenses incurred in such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Fiscal Agent or, as the case may be, the Registrar may require. Mutilated or defaced Notes, Receipts and Coupons must be surrendered before replacements will be delivered.

15. **Meetings of Holders; Modifications**

The Fiscal Agency Agreement contains provisions, which are binding on the Issuer and the Holders of Notes or Coupons, for convening meetings of the Holders of Notes of any Series to consider matters affecting their interests, including the modification or waiver of the Conditions applicable to any Series of Notes.

In relation to VPS Notes only, meetings of Holders shall be held in accordance with the Fiscal Agency Agreement and in compliance with the relevant regulations of the VPS. For the purposes of a meeting of Holders, the person named in the certificate from the VPS shall be treated as the Holder specified in such certificate **provided that** he has given an undertaking not to transfer the VPS Notes so specified (prior to the close of the meeting).

In relation to Swedish Notes and Finnish Notes, meetings of Holders shall be held in accordance with the Fiscal Agency Agreement.

The Issuer is entitled to make any amendment to these Conditions that is approved at a meeting of Holders or is approved by all Holders of the relevant Notes. The Issuer shall promptly notify the Holders of any amendment to the Terms and Conditions in accordance with Condition 16 (*Notices*).

In addition to the foregoing the Issuer is entitled, without the consent of Holders, to amend these Conditions: (i) in order to correct any manifest error or (ii) to the extent appropriate upon a change in applicable mandatory law, or (iii) to the extent that any such amendment would not, in the opinion of the Issuer, be materially prejudicial to the Holders of the Notes.

16. **Notices**

(a) **To Holders of Bearer Notes**

Notices to Holders of Bearer Notes will, save where another means of effective communication has been specified in the relevant Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the *Financial Times*) or, in the case of a Temporary Global Note or Permanent Global Note if delivered to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein **provided that**, in the case of Notes admitted to listing and/or trading on any stock exchange, the requirements of such stock exchange or listing authority have been complied with. Any notice so given will be deemed to

have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be the date of such delivery.

(b) ***To Holders of Registered Notes***

Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the Register kept by the Registrar, and will be deemed to have been validly given on the fourth Business Day after the date of such mailing.

(c) ***To the Issuer***

Notices to NBAB will be deemed to be validly given if delivered to Smålandsgatan 17, SE-105 71, Stockholm and clearly marked on their exterior "Urgent — Attention: Group Treasury" and to NBF if delivered to Aleksanterinkatu 36 B FIN-00020 Nordea (Helsinki and clearly marked on their interior "Urgent – Attention: Group Treasury (or at such other address and for such other attention as may have been notified to the Holders of the Notes in accordance with this Condition 16) and will be deemed to have been validly given at the opening of business on the next day on which the Issuer's principal office is open for business.

(d) ***Notices in respect of Swiss Franc Notes***

Notices in respect of Swiss Franc Notes will, so long as the Notes are listed on the SIX Swiss Exchange and the rules of the SIX Swiss Exchange so require, be deemed to have been given if published by the Swiss Paying Agent at the expense of the Issuer, (i) by means of electronic publication on the internet website of the SIX Swiss Exchange under the section headed "Official Notices" (where notices are currently published under the address: [http://www.six-exchange-regulation.com/publications/published\\_notifications/official\\_notices\\_en.html](http://www.six-exchange-regulation.com/publications/published_notifications/official_notices_en.html)) or (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange. Notices shall be deemed to be validly given on the date of such publication or, if published more than once, on the date of the first such publication.

For Swiss Franc Notes that are not listed on the SIX Swiss Exchange, notices to Noteholders shall be given by communication through the Swiss Paying Agent to SIS (or such other intermediary) for forwarding to the holders of the Notes. Any notice so given shall be deemed to be validly given with the communication to SIS (or such other intermediary).

(e) ***Notices in respect of VP Notes***

Notices in respect of VP Notes will be in writing and shall be addressed to such Holders of the VP Notes at the address appearing in the Danish Note Register maintained by the VP Issuing Agent in accordance with the VP Rules.

(f) ***Notices in respect of VPS Notes***

Notices in respect of VPS Notes will be in writing, sent by first class mail or electronic mail, addressed to such Holders at the address appearing in the VPS Register in accordance with the VPS Rules, and will be deemed to have been validly given on the fourth Business Day after the date of such mailing.

(g) ***Notices in respect of Swedish Notes***

Notices in respect of Swedish Notes will be in writing, addressed to such Holders at the address appearing in Euroclear Sweden Register and will be deemed to have been validly given on the fourth Business Day after the date of such mailing.

(h) ***Notices in respect of Finnish Notes***

Notices regarding Finnish Notes shall be published by the Issuer in a national daily newspaper in the jurisdictions in which Notes have been offered to the public or on the Issuer website [www.nordea.fi/joukkolainat](http://www.nordea.fi/joukkolainat) or on any other website as specified in the Final Terms for the respective Notes. Written notice may also be sent to Holders at the address recorded in the Issuer's register. Where Notes have been issued as dematerialised securities, notice to Holders

may be sent via Euroclear Finland 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 Euroclear Finland or, where the notice has been sent by letter, on the seventh day after despatch of the letter.

17. **Provision of Information**

In relation to VP Notes, each Holder agrees and gives consent to the VP to provide to the VP Issuing Agent, upon request, information registered with the VP relating to the VP Notes and the Holders of the VP Notes in order that the VP Issuing Agent may provide any relevant Danish authorities, including the Financial Supervisory Authority of Denmark (*Finanstilsynet*) and the Danish tax authorities with any information required under applicable Danish laws. Such information shall include, but not be limited to, the identity of the holder of the VP Notes, the residency of the holder of the VP Notes, the number of VP Notes of the relevant holder and the address of the relevant holder.

The VPS Paying Agent is obligated, upon request, to provide any relevant Norwegian authorities, including the Financial Supervisory Authority of Norway and the Norwegian tax authorities, with any information registered on the relevant VPS account(s). Such information may include the identity of the registered Holder of the Notes, the residency of the registered Holder of the Notes, the number of Notes registered with the relevant Holder, the address of the relevant Holder, the account operator in respect of the relevant VPS account and whether or not the Notes are registered in the name of a nominee and the identity of any such nominee

In relation to Finnish Notes, each Holder agrees and gives consent to Euroclear Finland to provide to the Finnish Issuing Agent, upon request, information registered with Euroclear Finland relating to the Finnish Notes and the Holders of the Finnish Notes in order that the Finnish Issuing Agent may provide any relevant Finnish authorities, including the Finnish Financial Supervisory Authority (in Finnish: *Finanssivalvonta*) and the Finnish tax authorities, with any information required under applicable Finnish laws. Such information shall include, but not be limited to, the identity of the registered holder of the Finnish Notes, the residency of the registered holder of the Finnish Notes, the number of Finnish Notes registered with the relevant holder, the address of the relevant holder, the account operator in respect of the relevant Euroclear Finland account (in Finnish: *Tilinhoitaja*) and whether or not the Finnish Notes are registered in the name of a nominee and the identity of any such nominee.

18. **Further Issues**

The Issuer may from time to time without the consent of the Holders of any Notes of any Series create and issue further notes and other debt securities having terms and conditions the same as those of the Notes of such Series or the same except for the amount of the first payment of interest (if any), which may be consolidated and form a single Series with the outstanding Notes of such Series.

19. **Obtaining Information**

The Issuer shall be entitled to obtain information from the Euroclear Sweden Register in respect of the Swedish Notes and Holders thereof.

The Issuer has the right, with respect to Notes other than Swedish notes, to request and obtain from the relevant Clearing System certain information relating to an account in the relevant Clearing System's noteholders register, including but not limited to: (i) the Holder's name, personal identification number or other identification number as well as postal address, (ii) Notes held and the terms and conditions of such Notes and (iii) where applicable, the number of Notes and their nominal amount.

20. **Law and Jurisdiction**

- (a) The Notes and all non-contractual obligations arising out of or in connection with them may be governed by English law, Swedish law, Finnish law, Danish law or Norwegian law, as specified in the Final Terms. In relation to VP Notes, Danish law and jurisdiction will be applicable with regard to the registration of such Notes in the VP and VP Notes must comply with the Danish Securities Trading etc. Act (*Lov om værdipapirhandel m.v.*), as amended from time to time, and



the Danish Executive Order on Book Entry, etc. of dematerialised Securities in a Central Securities Depository (*Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral*), as amended from time to time. Norwegian law and jurisdiction will be applicable with regard to the registration of such VPS Notes in the VPS. Swedish law and jurisdiction will be applicable with regard to the registration of such Swedish Notes in Euroclear Sweden and the Swedish Notes must comply with the SFIA Act. Finnish law and jurisdiction will be applicable with regard to the registration of such Finnish Notes in Euroclear Finland and the Finnish Notes must comply with the Finnish Act on the Book-Entry Securities System and Clearing Activity (*laki arvo-osuusjärjestelmästä ja selvitystoiminnasta (749/2012)*), as amended, and the Finnish Act on Book-Entry Accounts (*laki arvo-osuustileistä*), as amended, as well as the rules and regulations of Euroclear Finland.

- (b) Subject to the provisions of Condition 20(a), the Issuer irrevocably agrees for the benefit of the Holders of the Notes that the Courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with Notes governed by English law (including a dispute relating to any non-contractual obligation arising out of or in connection with the Notes) (respectively, "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submit to the jurisdiction of such courts. The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum. The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to Nordea Bank Finland Plc, London Branch at its registered address in London from time to time, being presently at 8th Floor, City Place House, 55 Basinghall Street, London EC2V 5NB or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall forthwith appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Fiscal Agent. Nothing contained herein shall affect the right to serve process in any other manner permitted by law. The submission to the jurisdiction of the Courts of England shall not (and shall not be construed so as to) limit the right of the Holders of the Notes or of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.
- (c) 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.
- (d) 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 *Helsingin käräjäoikeus*.
- (e) 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 *Københavns Byret*.
- (f) If Norwegian 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 Norwegian courts. The court of first instance shall be *Oslo Tingrett*.
- (g) Notwithstanding that, under the SFIA Act or the operating procedures, rules and regulations of Euroclear Sweden (together, the "**Swedish Remedies**"), Holders of Swedish Notes may have remedies against the Issuer for non-payment or non-performance under the Conditions applicable to such Swedish Notes, a Swedish Note Holder must first exhaust all available remedies under the applicable governing law for non-payment or non-performance before any Proceedings may be brought against the Issuer in Sweden in respect of the Swedish Remedies. Notwithstanding Condition 20(b), and in this limited respect only, a Holder of Swedish Notes may therefore not take concurrent Proceedings in Sweden.

21. **Third Parties Rights**

No person shall have any right to enforce any term or condition of any Notes under the Contracts (Rights of Third Parties) Act 1999.

22. **Limitation of liability etc.**

The Issuer and the relevant Clearing System shall not, in connection with the discharge or purported discharge of any of their respective obligations in respect of the Notes, be held liable for any damage arising out of any legal enactment, or any measure undertaken by a 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 Issuer or the relevant Clearing System 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, otherwise than as a result of or in relation to the gross negligence of the Issuer or the relevant Clearing System.

Should there be an impediment to the Issuer or the relevant Clearing System taking any action pursuant to these terms and conditions due to any circumstance set out in the first paragraph of this Condition 22 (*Limitation of liability etc.*), such action may be postponed until the impediment has ceased.

The provisions of this Condition 22 (*Limitation of liability etc.*) shall apply unless otherwise provided by applicable law.

## **PART 2: ADDITIONAL CONDITIONS FOR CERTAIN STRUCTURED NOTES**

### **1. Market Disruption**

The following provisions will apply if "Market Disruption" is specified as being applicable in the Final Terms.

- (a) Market Disruption with respect to a Reference Asset exists where, in the Issuer'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 Exchange and/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 Relevant Exchange or Options or Futures Exchange ceases, is suspended or is significantly restricted;
  - (v) the ability of market participants 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 Relevant Exchange or Options or Futures Exchange ceases, is discontinued or significantly deteriorates due to any other event; or
  - (vi) in respect of Fund-linked Notes 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 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 Exchange and/or Options or Futures Exchange shall be deemed to constitute a Market Disruption.
- (d) Where, in the Issuer's opinion, a Market Disruption has occurred on an Observation Date, Rebalancing Date, Initial Valuation Date or Valuation Date, the Observation Date, Rebalancing Date, Initial Valuation Date or Valuation Date shall, with respect to determination of the Closing Price, Initial Price and/or Final Price be the Following Exchange Business Day (for each Affected Reference Asset, respectively) on which Market Disruption does not exist; however, where Market Disruption exists on the eight Exchange Business Days (for each Affected Reference Asset, respectively) that follows immediately after the original Start Date, Rebalancing Date, Initial Valuation Date or Valuation Date or another relevant day as stated in the Final Terms, such eighth Exchange Business Day (for each Affected Reference Asset, respectively) shall be deemed the Observation Date, Rebalancing Date, Initial Valuation Date or Valuation Date (or such other relevant day is stated in the Final Terms) irrespective of the existence of Market Disruption, and the Issuer shall thereupon determine the value of the Closing Price, Initial Price and/or Final Price to be applied upon calculation of the Redemption Amount, Interest Amount or in conjunction with another calculation in accordance with the Conditions.

The Issuer shall be entitled to make any addition, adjustment, or amendment to the Conditions as the Issuer deems necessary in connection with Market Disruption or Disruption.

2. **Market Disruption Commodity**

The following provisions will apply if "Market Disruption Commodity" is specified as being applicable in the Final Terms:

- (a) Market Disruption with respect to a Reference Asset exists where, in the Issuer's opinion, any of the following events occurs:
- (i) the quotation, compilation, calculation or publication of official final prices for a Reference Asset or the underlying assets included in the Reference Asset does not exist, unavailable or ceases;
  - (ii) the quotation, compilation, calculation or publication of the value of a Reference Asset or the value of the underlying assets included in the Reference Asset does not exist, is unavailable or ceases;
  - (iii) the Relevant 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 Stock 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 Relevant 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 options or 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 Initial Observation Date or Initial Valuation Date, Start Date, as a consequence of which the final price on the relevant Initial Observation Date or Initial 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 Issuer, a Market Disruption has occurred on an Observation Date, Rebalancing Date, Initial Valuation Date or Valuation Date such Observation Date, Rebalancing Date, Initial Valuation Date or Valuation Date for determination of the Closing Price, Initial Price and/or Final Price shall be the immediately following Exchange Business Day (for each Affected Reference Asset) where Market Disruption does not exist (for each Affected Reference Asset) or the Initial Price, Final Price or Closing Price may be determined or replaced by the Issuer in another appropriate manner; however, where Market Disruption occurs during the five Exchange Business Days (for each Affected Reference Asset) immediately following the Observation Date, Rebalancing Date, Initial Valuation Date or Valuation 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 Issuer in another appropriate manner, such fifth Exchange Business Day (for each Affected Reference Asset) shall be deemed to be the Observation Date, Rebalancing Date, Initial Valuation Date or Valuation Date (or another relevant day as stated in the Final Terms) irrespective of whether Market Disruption exists, and the Issuer shall thereupon determine or replace the prevailing value of the Initial Price, Final Price or Closing Price upon calculation of the Reference Asset Return or another relevant value.
- (c) Where the Issuer believes that it is not possible or would not provide a fair result to determine or replace the value of the Affected Reference Asset at the time of such Market Disruption, the Issuer may perform an early calculation of the Redemption Amount and/or the yield or Interest

Amount and determine the Redemption Amount and/or the yield or Interest Amount. Where the Issuer has determined the Redemption Amount and/or the yield or Interest Amount the Issuer shall notify the Holders of the amount of the Redemption Amount and the yield and the interest rate which will continue to accrue on the Notes. The Issuer shall pay market interest on the Principal Amount. The Redemption Amount (including accrued interest, if any) shall be paid on the Redemption Date.

- (d) The Issuer shall be entitled to make any addition, adjustment, or amendment to the Terms and Conditions and to the Final Terms as the Issuer deems necessary in connection with Market Disruption.

### 3. **Disruption Currency**

The following provisions will apply if "Disruption Currency" is specified as applicable in the Final Terms:

- (a) **"Disruption"** with respect to an FX Rate (including an FX Rate which is a Reference Asset) exists where, in the Issuer's opinion, any of the following events occurs:
  - (i) spot or futures prices are not available for the FX Rate or the underlying assets included in the FX Rate;
  - (ii) calculation or publication of any final price/exchange rate/currency price on a specified reference source for an FX Rate or the underlying assets included in the FX Rate does not exist, is unavailable or ceases to be published on the specified reference source;
  - (iii) a material price deviation occurs between the price of various currencies, exchange rates and/or currency prices;
  - (iv) 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; or
  - (v) the introduction of any currency exchange regulations or currency exchange restrictions which affect the ability to exchange a currency which constitutes an FX Rate into another currency and/or to transfer the relevant currency from the relevant jurisdiction.
- (b) Where, in the opinion of the Issuer, Disruption has occurred on an Observation Date, Observation Date, Rebalancing Date, Initial Valuation Date, Valuation Date, Initial FX Valuation Date or FX Valuation Date, the Issuer shall determine the value of the FX Rate, FX Factor, Closing Price, Initial Price, Final Price or Closing Price based on all available information which the Issuer believes to be relevant in conjunction with calculation of the Redemption Amount, Interest Amount or any other relevant value.
- (c) The Issuer shall be entitled to make any addition, adjustment, or amendment to the Conditions as the Issuer deems necessary in connection with Disruption.

### 4. **Calculation Adjustment**

The following provisions will apply if "Calculation Adjustment" is specified as applicable in the Final Terms.

- (a) Where, in the opinion of the Issuer, 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 Issuer shall be entitled, upon calculation of the Redemption Amount, to replace such Affected Reference Asset with a comparable alternative. Where, in the Issuer's opinion, a comparable alternative to such Affected Reference Asset is not compiled, calculated and published or where, in the opinion of the Issuer, the method of calculating any Affected Reference Asset or the value thereof is changed significantly, the Issuer shall be entitled to make such adjustments in the calculation as the Issuer, based reasonable grounds deems necessary, in order for the calculation of the value of the Affected 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 Affected Reference Asset in calculations of the relevant Redemption Amount or Interest Amount.

- (b) Where the Issuer believes that it would not provide a fair result to replace the Affected Reference Asset or adjust the applicable calculation, the Issuer may perform an early calculation of the Redemption Amount and/or the yield or Interest Amount and determine the Redemption Amount and/or the yield or Interest Amount. Such calculation shall be based on the most recently published value of the Reference Asset. When the Issuer has determined the Redemption Amount and/or the yield, the Issuer shall notify the Holders of the amount of the Redemption Amount and/or the yield and the Interest Rate which will continue to accrue on the Notes. The Issuer shall pay market interest on the Principal Amount. The Redemption Amount (including accrued interest, if any) shall be paid on the Redemption Date.
- (c) The Issuer is entitled to make any addition, adjustment or amendment to the Conditions as the Issuer deems necessary in connection with Calculation Adjustment.

5. **Corrections**

The following provisions will apply if "Corrections" is specified as applicable in the Final Terms:

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 Exchange Business Days after the Valuation Date, or Observation Date and such price is used to determine a Closing Price and/or Initial Price and/or Final Price, the Issuer shall be entitled to make a corresponding correction.

6. **Correction Commodity**

The following provisions will apply if "Correction Commodity" is stated as applicable in the Final Terms:

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 and/or Final Price, the Issuer shall be entitled to make a corresponding correction to the Closing Price and/or Initial Price and/or Final Price.

7. **Correction Currency**

The following provisions will apply if "Correction Currency" is specified as applicable in the Final Terms:

Where the official closing price for a Reference Asset is corrected and such price is used to determine a Closing Price and/or Initial Price and/or Final Price, the Issuer shall be entitled to make a corresponding correction not later than six Currency Business Days after the official closing price for the Reference Asset was published.

8. **Extraordinary Events**

The following provisions will apply if "Extraordinary Events" is specified as applicable in the relevant Final Terms:

- (a) Where, in the Issuer's opinion, delisting, nationalisation, bankruptcy proceedings, liquidation, 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 Issuer's opinion, a subdivision, 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 the 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 (each an "**Extraordinary Event**"), the Issuer shall be entitled to make such adjustments in the calculation of the Redemption Amount, Interest Amount and/or

compilation of Reference Assets, or to replace the Affected Reference Asset with a Replacement Reference Asset which the Issuer thereby deems necessary in order to achieve a calculation of the Redemption Amount which reflects, and is based on, the manner in which such was previously calculated.

- (b) Where the Issuer believes that it would not provide a fair result to replace the Affected Reference Asset or adjust the applicable calculation or the structure of the Reference Asset, the Issuer may perform an early calculation of the Redemption Amount and/or the yield or Interest Amount and determine the Redemption Amount and/or the yield or Interest Amount. Such early calculation shall be based on the most recently published value for the Reference Asset. When the Issuer has determined the Redemption Amount and/or the yield or Interest Amount, the Issuer shall notify the Holders of the amount of the Redemption Amount and the yield or Interest Amount and the rate at which interest will continue to accrue on the Notes. The Issuer shall pay market interest on the Principal Amount. The Redemption Amount (including accrued interest, if applicable) shall be paid on the Redemption Date.
- (c) The Issuer shall be entitled to make any addition, adjustment or amendment to the Conditions as the Issuer deems necessary in connection with Extraordinary Events.

### PART 3: ADDITIONAL CONDITIONS FOR CREDIT-LINKED NOTES

The provisions below shall apply when specified in the Final Terms.

Credit Event: The occurrence of one or more of the following events (as specified in the Final Terms), as determined by the Issuer in its sole discretion:

- (a) in relation to a Reference Entity which is not a Sovereign: (i) Failure to Pay, (ii) Restructuring or (iii) Bankruptcy;
- (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;

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).

Repudiation/Moratorium: Means the occurrence of both of the following events: (i) an authorised officer of a Reference Entity or a Governmental Authority (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Debt Obligations in an aggregate amount of not less than the Failure to Pay Amount or (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Debt Obligations in an aggregate amount of not less than the Failure to Pay Amount and (ii) a Failure to Pay or a Restructuring, determined without regard to the Failure to Pay Amount, with respect to any such Debt Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

Governmental Authority: Means any de facto or de jure government (or any agency, instrumentality, ministry or other department therefore), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

Repudiation/Moratorium Evaluation Date: If a Potential Repudiation/Moratorium occurs on or prior to the scheduled Redemption Date (determined by reference to Greenwich Mean Time), (i) if the Debt Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; **provided that**, in either case, the Repudiation/ Moratorium Evaluation Date shall occur no later than the scheduled Redemption Date.

Bond: Any Debt Obligation which is in the form of, or represented by, a bond, note, certificated debt security or other debt security.



|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Grace Period:                     | Means (i) the applicable grace period with respect to payments under the relevant Debt Obligation pursuant to the terms of the Debt Obligation in effect as at the later of the relevant Issue Date for the Notes or the date on which such Debt Obligation is issued or incurred <b>provided that</b> (ii) if the terms of the Debt Obligation do not contain a grace period or if such grace period is less than 3 Business Days the Grace Period shall be deemed to be 3 Business Days but in no circumstances shall the Grace Period end later than the Redemption Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Publicly Available Information:   | Means information confirming that a Credit Event has occurred and: <ul style="list-style-type: none"> <li>(i) That have been published in at least one Public Source;</li> <li>(ii) Which is information that has been published by the relevant Reference Entity or an agent, trustee or similar in respect of the relevant Debt Obligation; or</li> <li>(iii) Which is information based on the content of a bankruptcy filing, bankruptcy resolution, correspondence with authorities, courts or similar, or other similar information.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Potential Repudiation/Moratorium: | Means the occurrence of an event described in clause (i) of the definition of Repudiation/Moratorium.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Replacement Reference Entity:     | Such Reference Entity as may be determined by the Issuer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Bankruptcy:                       | means that a Reference Entity: <ul style="list-style-type: none"> <li>(a) is dissolved (other than through a consolidation, amalgamation or merger);</li> <li>(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;</li> <li>(c) generally assigns, settles, reconstruct or take similar measures with respect to assets or liabilities to the benefit of its creditors;</li> <li>(d) institutes or has instituted against it a proceeding seeking a judgment or decision regarding insolvency, inability to pay or bankruptcy, or any other decision pursuant to bankruptcy-, insolvency- or similar statutes or regulations which affect creditors' rights, or a petition to dissolve or place the Reference Entity into liquidation has been filed and such proceedings or such a petition <ul style="list-style-type: none"> <li>(i) result in a judgment or a decision of insolvency, inability to make payment or bankruptcy, a judgment or a decision which generally affects creditors' rights, or a decision to place the Reference Entity into liquidation; or</li> <li>(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;</li> </ul> </li> <li>(e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to consolidation, amalgamation or merger);</li> </ul> |

- (f) seeks or becomes subject to the appointment of a trustee (including every form of bankruptcy 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:**

- (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 (the "**Restructuring Amount**").
  - (i) a reduction in the rate or amount of interest or the amount of scheduled interest accruals;
  - (ii) a reduction in any amount of principal, charges or similar amounts which fall due for payment at maturity or another scheduled payment date;
  - (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;

- (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
- (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:
  - (A) legal tender in any of the G7 countries (including additional G7 countries, where new members are admitted to the G7 group); or
  - (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 & Poor's, a division of The MacGraw-Hill Companies, Inc (or any successor to 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 Entity) 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 Entity has provided or provides with

respect to the payment obligations of a third party.

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| Obligation Acceleration:    | one or more Debt Obligations in an aggregate amount of at least the amount specified in the Final Terms (the " <b>Obligation Acceleration Amount</b> ") 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 (the " <b>Failure to Pay Amount</b> ").                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Successor:                  | <p>means one or more companies which (directly or indirectly) succeed to 25 per cent. or more of the Debt Obligations through a Succession Event and less than 25 per cent. 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 succeeds to 75 per cent. 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 per cent. 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.</p> <p>The Issuer 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 Issuer 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 Issuer deems necessary upon the occurrence of a Succession Event.</p> |
| Succession Event:           | <p>Means that all or substantially all of a Reference Entity's Debt Obligations by law or agreement, directly or indirectly, is transferred to one or several legal entities by merger, consolidation, transfer of assets or liabilities, demerger or other similar event, whereby what is stated under Effect of Succession Event shall apply.</p> <p>The Issuer shall determine whether a Succession Event has occurred and carry out those calculations and determinations which is required under "<i>Successor</i>" and shall notify the holders of the outcome thereof.</p> <p>The Issuer has the right to, with binding effect on the Holders, make such adjustments to the terms and conditions of the Notes which the Issuer determines necessary as a result of the Succession Event, including replacing the relevant Reference Entity with a Replacement Reference Company.</p>                                                                                                                                                                                                                                                                                                                                               |
| Effect of Succession Event: | In case the Issuer deems that a Succession Event has occurred (which Succession Event can have occurred up to 90 days prior to the Observation Start Date, in accordance with the definition of "Succession Event Backstop Date" in the ISDA Definitions (see " <i>Other Terms</i> " below), the Successor, or the Replacement Reference Entity, shall, from the day the Issuer so determines, replace the Reference Entity as a "Reference Entity" in respect of that Note. The Issuer shall have the right to, in case of a Succession Event, adjust the relative basket weights of one or several Reference Entities in the Basket.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

Payment Deferral:

If it is not possible for the Issuer to determine the Recovery Value in respect of one or more Reference Entities before the Scheduled Redemption Date or Early Redemption Date because an auction settlement procedure has not yet been concluded, or for any other reason, or if the Issuer or applicable Hedging Party reasonably determines that it will not receive the full amount of any Redemption Proceeds on or before the Scheduled Redemption Date or the Early Redemption Date (as applicable) (each such event a "**Deferred Redemption**"), then the Issuer shall promptly notify the Holders of such event (a "**Deferred Redemption Notice**").

Following a Deferred Redemption Notice the Issuer shall make a partial redemption of the Notes on (i) the Scheduled Redemption Date or the Early Redemption Date, as applicable, provided and to the extent that the Hedging Party has received (or is deemed to have received) any part of the Redemption Proceeds no later than on the tenth Business Day prior to such date, and thereafter (ii) within five Business Days after each date on which the Hedging Party receives (or is deemed to have received) all or part of the Redemption Proceeds (each such date, a "**Deferred Redemption Date**").

The amount of each such partial redemption of the Notes shall be calculated in accordance with the formula for calculating the Redemption Amount set out above, and for such purpose the "**Redemption Proceeds**" shall be deemed to be the most recent partial amount of the Redemption Proceeds received (or deemed to have been received) by the Hedging Party prior to the relevant Deferred Redemption Date.

The sum of all partial redemption payments shall never exceed the aggregate Redemption Proceeds which the Hedging Party has received (or is deemed to have received) on or prior to the Back Stop Date.

If the Issuer has determined that a Deferred Redemption has occurred and is continuing and that it can be reasonably expected that any amount of the Redemption Proceeds will not be received by the Hedging Party on or prior to the Back Stop Date, then the Issuer (i) may extend the Back Stop Date in order for it to be in alignment with expected future receipts of Redemption Proceeds as determined by the Issuer, or (ii) by notice to the Holders and to the relevant Clearing System(s) cancel the Notes with immediate effect, whereupon the Issuer shall not be obliged to make, and no Holder shall be entitled to receive, any redemption payment or other amount in respect of the Notes.

Any Redemption Proceeds received by the Issuer or the Hedging Party after the Back Stop Date shall not be payable to Holders and the Holders shall have no claim to receive any such remaining part of the Redemption Amount after the Back Stop Date.

Other Terms:

In case of dispute regarding the interpretation of the conditions for Credit Linked Notes, guidance shall be sought in the definitions issued by ISDA in the "2003 ISDA Credit Derivatives Definitions" together with all from time to time published addendums, protocols, updates and similar (the "**ISDA Definitions**").

#### PART 4: ADDITIONAL CONDITIONS FOR FUND-LINKED NOTES

The following provisions will apply if stated in the Final Terms.

|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Fund"</b>         | As specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Fund Manager"</b> | Means in respect of a Fund, any person who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified under law or the constitutive and governing documents, subscription agreements and other agreements, applicable to the Fund, including any fund adviser, fund administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other person specified as such in the Final Terms.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Fund Event":</b>  | <p>The Issuer may, in its own discretion, determine that a Fund Event has occurred, if any of the following events should occur following the initial Observation Date or Initial Valuation Date:</p> <ol style="list-style-type: none"><li>1. the Net Asset Value ("<b>NAV</b>") in respect of the Fund is not calculated and not published on such a day or in such a way as stated in the provisions for the Fund and the terms of the Fund and Fund Manager's operations;</li><li>2. the occurrence of any event or circumstance affecting the Fund or the fund units which has (or may potentially have) a negative effect on the value of the Fund or the fund units;</li><li>3. the Fund or the Fund Manager refuses subscription or redemption (in whole or partially) of fund units of the Fund on such a day when subscription or redemption should be possible in accordance with the provisions of the Fund and in accordance with the terms of the Funds operation;</li><li>4. the proceeds that the Fund pays out as a result of a redemption consists of assets other than cash;</li><li>5. the Fund or the Fund Manager restricts the ability to subscribe for or redeem fund units, introduces or amends fees or any additional taxes or other charges arises in connection with subscription or redemption after the Initial Observation Date or Initial Valuation Date;</li><li>6. a material change of the Reference Assets of the Fund occurs, which includes expropriation or similar event, such event resulting in the assets being transferred to or taken over by an authority or similar institution or organisation, or by other by instruction from an authority or similar institution or organisation, which has a negative effect on the value of the fund units;</li><li>7. the Fund or the Fund Manager becomes insolvent, negotiations are initiated in regard to declaring either the Fund or the Fund Manager bankrupt, either the Fund or the Fund Manager seeks or becomes subject to winding up, seeks the appointment of an administrator, makes a composition or is subject to any similar event;</li><li>8. the Fund or the Fund Manager merges with or into or becomes subject to sale (in whole or partially);</li><li>9. the Fund breaches any terms applicable to the Fund's operations, including its investment guidelines and its constitutive documents;</li></ol> |

10. the Fund or the Fund Manager makes any changes in the terms applicable to the Fund's or the Fund Manager's operations such as changes in the risk profile of the Fund, changes in regard to the right to vote in respect of the fund units, change of the investment guidelines of the Fund, change of the denomination of the fund units or such other change that is adverse in the Issuer's opinion;
11. the Fund breaches any agreements to which it is party or any court order or governmental order;
12. any change in law, regulation or other set of rules (including tax legislation and accounting rules), or resolution is passed by governmental agency, court or other body which has a negative impact on the Fund or the Fund Manager or the Issuer's possibilities to subscribe for or redeem the Reference Asset;
13. the Fund, the Fund Manager, the administrator, the account operator or the board of directors becomes subject to investigation, lawsuit or similar action by an authority or other due to breach of relevant legislation or other rules applicable to the Fund, the Fund Manager, the administrator, the account operator or the board of directors or the relevant license for any of these is withdrawn;
14. the Fund Manager, the administrator, the account operator or the board of directors are replaced;
15. any conversion of the Reference Asset into other fund units;
16. any compulsory transfer or redemption of fund units occur;
17. the Fund experience difficulties, or is not able, to carry out investments;
18. any change of the derivative instruments of the Fund which has a negative effect on the value of the fund units or the possibility of the fund to admit redemption;
19. the Fund, the Fund Manager or the administrator fails to provide such information within such grace period as The Fund, the Fund Manager or the administrator has undertaken to provide information to any investor;
20. any other event or circumstance occurs which, as determined by the Issuer, has a negative effect on the application of the Conditions of the Notes.

If a Fund Event occurs with respect to one or more Funds which constitutes a Reference Asset, the Issuer shall be entitled to make such adjustments in the calculation of the Redemption Amount, Interest Amount and/or compilation of Reference Assets, or to replace the Affected Reference Asset with a Replacement Reference Asset which the Issuer thereby deems necessary in order to achieve a calculation of the Redemption Amount which reflects, and is based on, the manner in which such was previously calculated.

Where the Issuer believes that it would not provide a fair result to replace the Affected Reference Asset or adjust the applicable calculation or the structure of the Reference Asset, the Issuer may either elect to extend the Back Stop Date to such future date as may be determined by the Issuer, or perform an early calculation of the Redemption Amount and/or the yield or Interest Amount and determine the Redemption Amount and/or the yield or Interest Amount. Such early calculation shall be based on the most recently published value for the Reference Asset. When the Issuer has determined

the Redemption Amount and/or the yield or Interest Amount, the Issuer shall notify the Holders of the amount of the Redemption Amount and the yield or Interest Amount and the rate at which interest will continue to accrue on the Notes. The Issuer shall pay market interest on the Principal Amount. The Redemption Amount (including accrued interest, if applicable) shall be paid on the Redemption Date.

The Issuer shall be entitled to make any addition, adjustment or amendment to the Conditions as the Issuer deems necessary in connection with Fund Events.



## VILLKOR FÖR LÅN

*Detta avsnitt är en inofficiell översättning av villkoren för Lån och den legalt bindande texten är den engelska text som återfinns omedelbart före detta avsnitt. Den svenska översättningen är uteslutande för att underlätta för investerare att få en övergripande bild och en investerare i Lån måste ta till sig och förstå villkoren på engelska.*

*Följande Allmänna Villkor utgör, tillsammans med Slutliga Villkor för respektive emission, de fullständiga Villkoren för varje Serie av Lån.*

### DEL 1: – ALLMÄNNA VILLKOR

Utgivandet av Lån regleras i ett fiscal agency-avtal ("**Fiscal Agency-avtalet**") daterat 16 April 2013 mellan Nordea Bank AB (publ) ("**NBAB**"), Nordea Bank Finland Plc ("**NBF**"), Citibank, N.A., London Branch i egenskap av fiscal agent ("**Fiscal Agent**", vilket ska inkludera varje efterträdare till Citibank, N.A., London Branch som sådan agent), Citibank N.A. genom sitt New York-kontor som registreringsagent ("**Registreringsagent**", avseende varje Serie av Lån förutom Svenska Lån, vilket ska inkludera en efterträdare till Citibank N.A. som sådan agent), vissa finansiella institutioner angivna däri som betalningsagenter ("**Betalningsagenter**", vilket ska inkludera fiscal agent och eventuella efterträdare till denna samt eventuella ytterligare betalningsagenter utsedda i enlighet med Fiscal Agency-avtalet), Nordea Bank Danmark A/S som administrerande institut för VP-Lån (som definierat nedan) ("**VP-Administrerande Institut**"), Nordea Bank Norge ASA i egenskap av norsk betalningsagent för VPS-Lån ("**VPS-Betalningsagent**"), Nordea Bank AB (publ) i egenskap av svenskt administrerande institut för Svenska Lån ("**Svenska Administrerande Institutet**") och Nordea Bank Finland Plc i egenskap av finskt administrerande institut för Finska Lån ("**Finska Administrerande Institutet**"). NBAB och NBF har undertecknat en så kallad deed of covenant ("**Deed of Covenant**") daterad 16 April 2013 (såsom ändrad, bekräftad eller ersatt från tid till annan) avseende Lånen. Kopior av Fiscal Agency-avtalet och Deed of Covenant finns tillgängliga på de kontor som är angivna för Betalningsagenterna respektive Registreringsagenten. Varje person som från tid till annan har de rättigheter som följer av ett innehav av Lån ska anses ha vetskap om och vara bunden av samtliga villkor i Fiscal Agency-avtalet och Deed of Covenant i den utsträckning dessa villkor är tillämpliga på det relevanta Lånet. En hänvisning till "**Emittenten**" i dessa Allmänna Villkor är en hänvisning till den av NBAB och NBF som anges som emittent i tillämpliga Slutliga Villkor.

Lånen emitteras i serier (en "**Serie**") Tranched i en eller flera trancher (en "**Tranch**"). Till varje Tranch hör specifika slutliga villkor ("**Slutliga Villkor**"). I de fall ansökan har gjorts om att en Serie ska noteras på officiella listan vid Irish Stock Exchange, och sedan tas upp till handel på dess reglerade marknad, kommer en kopia av de Slutliga Villkoren att lämnas in till Irish Stock Exchange och finnas tillgänglig på det kontor som anges för Fiscal Agent, alternativt Registreringsagenten, senast på emissionsdagen för Lån i den specifika Serien. Clearing av Lån kommer att ske genom VP Securities A/S ("**VP-Lån**" respektive "**VP**"). Central värdepappersförvarare i Norge kommer att vara Verdipapirsentralen ASA ("**VPS-Lån**" respektive "**VPS**"). Central värdepappersförvarare i Sverige kommer att vara Euroclear Sweden AB, reg. nr. 556112-8074 ("**Svenska Lån**" och "**Euroclear Sverige**"). Central värdepappersförvarare i Finland kommer vara Euroclear Finland Ltd, med finskt registreringsnummer 1061446-0 ("**Finska Lån**" och "**Euroclear Finland**").

Lån i Schweiziska Franc kommer att ges ut som fysiska värdepapper och kommer att representeras av ett så kallat permanent globalt Lån, vilket kommer att förvaras av den Schweiziska Betalningsagenten hos SIX SIS AG, Olten, Schweiz ("**SIS**") eller hos en annan förvarare godkänd av SIX Regulatory Board vid SIX Swiss Exchange. En hänvisning i dessa Villkor till "**Euroclear**" och/eller "**Clearstream, Luxembourg**" ska avseende Lån i Schweiziska Franc tolkas som att inkludera SIS (vilket också ska inkludera ett eventuell annat clearinginstitut som erkänns av SIX Swiss Exchange och hos vilken det permanenta globala Lånet från tid till annan kan komma att förvaras), vilket också ska anses vara ett alternativt clearingsystem inom ramen för dessa Villkor.

VP-Lånen kommer att registreras på ett värdepapperskonto i VP varför inga fysiska värdepapper kommer att utfärdas. VP-Lån registrerade i VP är överlåtbara värdepapper vilka inte är föremål för några överlåtelsebegränsningar under dansk rätt.

Eftersom inga fysiska VP-Lån kommer att utfärdas ska de Allmänna Villkoren för VP-Lånen anses införlivade genom hänvisning i, och vara en del av, den Deed of Covenant till vilken VP-lånen är hänförliga.

VPS-Lånen kommer att registreras på ett värdepapperskonto i VPS varför inga fysiska värdepapper kommer att utfärdas. VPS-Lån registrerade i VPS är överlåtbara värdepapper vilka inte är föremål för några överlåtelsebegränsningar under norsk rätt.

Eftersom inga fysiska VPS-Lån kommer att utfärdas ska de Allmänna Villkoren för VPS-Lånen anses införlivade genom hänvisning i, och vara en del av, den Deed of Covenant till vilken VPS-lånen är hänförliga.

Ett registreringsagentavtal daterat 16 April 2013 (såsom ändrat, bekräftat eller ersatt från tid till annan, "**VPS-Registreringsagentavtalet**") har ingåtts mellan Emittenten och VPS-Betalningsagenten avseende VPS-Lånen.

Central värdepappersförvarare för en Serie av Svenska Lån kommer att vara Euroclear Sverige ("**Svensk CSD**") i enlighet med vid var tid gällande lag (1998:1479) om kontoföring av finansiella instrument ("**Kontoföringslagen**").

Svenska Lån kommer att registreras på ett värdepapperskonto i Euroclear Sverige varför inga fysiska värdepapper kommer att utfärdas. Svenska Lån registrerade i Euroclear Sverige är överlåtbara värdepapper vilka inte är föremål för några överlåtelsebegränsningar under svensk rätt.

Eftersom inga fysiska Svenska Lån kommer att utfärdas ska de Allmänna Villkoren för Svenska Lån anses införlivade genom hänvisning i, och vara en del av, den Deed of Covenant till vilken de Svenska Lånen är hänförliga.

Finska Lån kommer att registreras på ett värdepapperskonto i Euroclear Finland varför inga fysiska värdepapper kommer att utfärdas. Finska Lån registrerade i Euroclear Finland är överlåtbara värdepapper vilka inte är föremål för några överlåtelsebegränsningar under finsk rätt.

Finska Lån kommer att registreras för Innehavares räkning på ett värdepapperskonto i enlighet med den finska lagen om "kontoförda värdepapperssystem och clearingverksamhet" (Fin. *laki arvo-osuujärjestelmästä ja selvitystoiminnasta* (749/2012)), såsom ändrad från tid till annan, och den finska lagen om "kontoförda konton" (Fin. *laki arvo-osuustileistä* (827/1991)), såsom ändrad från tid till annan, varför inga fysiska värdepapper kommer att utfärdas. Begäran om en registreringsåtgärd avseende Finska Lån ska adresseras till kontoförande institut ("**Kontoförande Institut**") i enlighet med den finska lagen om kontoförda värdepapperssystem och clearingverksamhet" (Fin. *laki arvo-osuujärjestelmästä ja selvitystoiminnasta* (749/2012)), såsom ändrad från tid till annan, och Euroclear Finlands regelverk.

En hänvisning i dessa Allmänna Villkor ("**Villkoren**") till Lån är en hänvisning till Lån i den relevanta Serien. En hänvisning till Kupong eller Payment Receipts (båda såsom definierade nedan) är en hänvisning till Kupong och Payment Receipts hänförliga till Lån i den relevanta Serien.

## 1. Definitioner

I dessa Allmänna Villkor ska följande definitioner gälla.

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| "Additional Financial Centre(s)" | means the city or cities specified as such in the relevant Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| "Ytterligare Finanscentrum"      | avser den stad eller de städer såsom angivna i relevanta Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| "Affected Reference Asset"       | a Reference Asset that is affected by one or more of Market Disruption, Disruption, Calculation Adjustment, Corrections, or Extraordinary Events, Change in Law or Increased Costs. If the Reference Asset is constituted by a basket of underlying assets, Market Disruption, Market Disruption Commodity, Disruption, Calculation Adjustment, Corrections, or Extraordinary Events, Change in Law or Increased Costs shall be deemed to have occurred only for such underlying asset or assets which are affected; |

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| "Påverkad Referenstillgång" | Referenstillgång som påverkas av Marknadsavbrott, Avbrott, Ändrad Beräkning, Korrigering eller Särskilda Händelser, Ändring i Lag eller Ökade Riskhanteringskostnader. För det fall Referenstillgång utgörs av en Korg av Referenstillgångar ska Marknadsavbrott, Marknadsavbrott Råvara, Avbrott, Ändrad Beräkning, Korrigering eller Särskilda Händelser, Ändring i Lag eller Ökade Riskhanteringskostnader, anses ha inträffat endast för de respektive Referenstillgångar som är påverkade;                                                                                                                                                                                                                                                                                                                                                                                      |
| "Back Stop Date"            | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| "Back Stop-Datum"           | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| "Barrier Level"             | means each barrier level specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| "Barriärnivå"               | avser varje barriärnivå såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| "Base CPI"                  | the value of the relevant Inflation Rate as determined at the Valuation Time on the Initial Valuation Date(s);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| "Bas-KPI"                   | avser den relevanta Inflationstakten bestämd vid Värderingstidpunkten på Startdagen;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| "Base Currency"             | the currency in which the Reference Asset is denominated;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| "Basvaluta"                 | avser den valuta i vilken Referenstillgång anges;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| "Basket"                    | means the basket of Reference Assets or Reference Entities specified in the applicable Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| "Korg"                      | avser den korg av Referenstillgångar eller Referensbolag vilka närmare anges i tillämpliga Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| "Basket Participation"      | means the proportionate share of the Basket represented by each Reference Asset, determined as follows:<br><br>If " <b>Fixed Basket Participation</b> " is specified as applicable in the Final Terms, the Basket Participation will be the fixed percentage specified in the Final Terms in relation to the relevant Reference Asset.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| "Korgandel"                 | avser den andel av en Korg som representeras av en enskild Referenstillgång, bestämd enligt följande:<br><br>Om en " <b>Fast Korgandel</b> " anges i de Slutliga Villkoren ska Korgandelen vara den fasta procentsats som anges i de Slutliga Villkoren avseende den relevanta Referenstillgången.<br><br>If " <b>Rainbow Basket Participation</b> " is specified as applicable in the Final Terms, the Basket Participation will be determined by reference to the relative Reference Asset Return. Each Reference Asset will be assigned a ranking based on the Reference Asset Return as determined by the Issuer in accordance with the relevant performance structure specified in Condition 6(a) ( <i>Redemption at Maturity</i> ), and the Basket Participation of each Reference Asset will correspond to the Basket Participation shown against the relative ranking in the |

applicable Final Terms.

Om "**Rainbow Basketandel**" anges i de Slutliga Villkoren ska Korgandelen avgöras genom hänvisning till den relativa Referenstillgångsvärdeutvecklingen. Varje Referenstillgång kommer att ges en ranking baserad på Referenstillgångsvärdeutvecklingen, vilken fastställs av Emittenten i enlighet med relevant index i Punkt 6(a) (*Återbetalning på Förfallodagen*) och varje Referenstillgångs Korgandel kommer att motsvara den Korgandel som anges för respektive ranking i Slutliga Villkoren.

If "**Replacement Periodsumme Basket Participation**" is specified as applicable in the Final Terms, the Basket Participation will be determined by reference to the relative Replacement Periodsumme Performance of the relevant Reference Asset. Each Reference Asset will be assigned a ranking based on the Replacement Periodsumme Performance of the relevant Reference Asset as determined by the issuer, and the Basket Participation of each Reference Asset will correspond to the Basket Participation shown against the relative ranking in the applicable Final Terms.

Om "**Korgandel Ersättande Periodsummering**" anges i de Slutliga Villkoren ska Korgandelen avgöras genom hänvisning till den relativa Ersättande Periodsummevärdeutvecklingen för den relevanta Referenstillgången. Varje Referenstillgång kommer att ges en ranking baserad på Ersättande Periodsummeavkastningen för respektive Referenstillgång, vilken fastställs av Emittenten. Varje Referenstillgångs Korgandel kommer att motsvara den Korgandel som anges för respektive ranking i Slutliga Villkoren.

If "**Momentum Basket Participation**" is specified as applicable in the relevant Final Terms, the Basket Participation of each Reference Entity will initially be the value specified in the applicable Final Terms. Thereafter, the Basket Participation will be rebalanced on each applicable Rebalancing Date by reference to the relative Rebalancing Performance of each Reference Asset. Each Reference Asset will be assigned a ranking based on the Rebalancing Performance of the relevant Reference Asset during the period from (and including) the immediately preceding Rebalancing Date to (and including) the current Rebalancing Date, and the Basket Participation of each Reference Asset for the Rebalancing Period commencing on the current Rebalancing Date will correspond to the Basket Participation shown against the relevant ranking in the applicable Final Terms.

Om "**Korgandel Momentum**" anges i de Slutliga Villkoren ska Korgandelen för varje Referensbolag initialt vara den andel som anges i tillämpliga Slutliga Villkor. Därefter ska Korgandelen ombalanseras vid varje Ombalanseringsdag med hänvisning till den relativa Ombalanseringvärdeutvecklingen för den relevanta Referenstillgången. Varje Referenstillgång kommer att ges en ranking baserad på Ombalanseringsvärdeutvecklingen för respektive

Referenstillgång under perioden från och med den omedelbart föregående Ombalanseringsdagen till och med nuvarande Ombalanseringsdag och varje Referenstillgångs Korgandel under den Ombalanseringsperiod som påbörjas på nuvarande Ombalanseringsdag kommer att motsvara den Korgandel som anges för respektive ranking i Slutliga Villkoren.

If "**Accumulating Rainbow Basket Participation**" is specified as applicable in the Final Terms, the Basket Participation will be determined by reference to the relative Reference Asset Return. Each Reference Asset will be assigned a ranking on the Issue Date, as specified in the applicable Final Terms, and thereafter the Basket Participation will be recalculated on each Valuation Date based on the Reference Asset Return as determined by the Issuer in accordance with the relevant performance structure specified in Condition 6(a) (*Redemption at Maturity*), and the Basket Participation of each Reference Asset for the next following Valuation Period will be reset and correspond to the Basket Participation shown against the relative ranking in the applicable Final Terms.

Om "**Ackumulerande Rainbow Basketandel**" anges i de Slutliga Villkoren ska Korgandelen avgöras med hänvisning till den relativa Referenstillgångsvärdeutvecklingen. Varje Referenstillgång kommer att ges en ranking på Lånedatumet angiven i relevanta Slutliga Villkor. Därefter kommer Korgandelen att omräknas på varje Värderingsdag baserat på Referenstillgångsvärdeutvecklingen vilken fastställs av Emittenten i enlighet med relevant index i Punkt 6(a) (*Återbetalning på Förfallodagen*). Korgandelen för varje Referenstillgång för nästkommande Värderingsperiod kommer att återställas och motsvara den Korgandel som anges för respektive ranking i Slutliga Villkoren.

**"Basket Participation (Interest)"**

means the Basket Participation of each Reference Entity (Interest), determined as follows:

**"Korgandel (Ränta)"**

avser Korgandel för varje Referensbolag (Ränta), bestämd enligt följande:

If "**Fixed Basket Participation (Interest)**" is specified as applicable in the Final Terms, the Basket Participation (Interest) will be the fixed percentage specified in the Final Terms in relation to the relevant Reference Entity (Interest).

Om "**Fast Korgandel (Ränta)**" anges i de Slutliga Villkoren ska Korgandelen (Ränta) vara den fasta procentsats som anges i de Slutliga Villkoren avseende det relevanta Referensbolaget (Ränta).

If "**Rainbow Basket Participation (Interest)**" is specified as applicable in the Final Terms, the Basket Participation (Interest) will be determined by reference to the relative Reference Entity Return. Each Reference Entity (Interest) will be assigned a ranking based on the Reference Entity Return as determined by the Issuer in accordance with the relevant performance structure

specified in Condition 6(a) (*Redemption at Maturity*), and the Basket Participation (Interest) of each Reference Entity (Interest) will correspond to the Basket Participation (Interest) shown against the relative ranking in the applicable Final Terms.

Om "**Rainbow Basketandel (Ränta)**" anges i de Slutliga Villkoren ska Korgandelen (Ränta) avgöras genom hänvisning till den relativa Referensbolagsvärdeutvecklingen. Varje Referensbolag (Ränta) kommer att ges en ranking baserad på Referensbolagsvärdeutvecklingen, vilken fastställs av Emittenten i enlighet med relevant index i Punkt 6(a) (*Återbetalning på Förfallodagen*) och varje Referensbolags (Ränta) Korgandel (Ränta) kommer att motsvara den Korgandel (Ränta) som anges för respektive ranking i Slutliga Villkoren.

If "**Replacement Periodsumme Basket Participation (Interest)**" is specified as applicable in the Final Terms, the Basket Participation (Interest) will be determined by reference to the relative Replacement Periodsumme Performance of the relevant Reference Entity (Interest). Each Reference Entity (Interest) will be assigned a ranking based on the Replacement Periodsumme Performance of the relevant Reference Entity (Interest) as determined by the issuer, and the Basket Participation (Interest) of each Reference Entity (Interest) will correspond to the Basket Participation (Interest) shown against the relative ranking in the applicable Final Terms.

Om "**Korgandel Ersättningssummering (Ränta)**" anges i de Slutliga Villkoren ska Korgandelen (Ränta) bestämmas genom hänvisning till den relativa Ersättande Periodsummetvärdeutvecklingen för det relevanta Referensbolaget (Ränta). Varje Referensbolag (Ränta) kommer att ges en ranking baserad på Ersättande Periodsummetvärdeutvecklingen för respektive Referensbolag (Ränta), vilken fastställs av Emittenten. Varje Referensbolags (Ränta) Korgandel (Ränta) kommer att motsvara den Korgandel (Ränta) som anges för respektive ranking i Slutliga Villkoren.

If "**Momentum Basket Participation (Interest)**" is specified as applicable in the relevant Final Terms, the Basket Participation (Interest) of each Reference Entity (Interest) will initially be the value specified in the applicable Final Terms. Thereafter, the Basket Participation (Interest) will be rebalanced on each applicable Rebalancing Date by reference to the relative Rebalancing Performance of each Reference Entity (Interest). Each Reference Entity (Interest) will be assigned a ranking based on the Rebalancing Performance of the relevant Reference Entity (Interest) during the period from (and including) the immediately preceding Rebalancing Date to (and including) the current Rebalancing Date, and the Basket Participation (Interest) of each Reference Entity (Interest) for the Rebalancing Period commencing on the current Rebalancing Date will correspond to the Basket Participation (Interest) shown against the relevant ranking in the applicable Final Terms.

Om "**Korgandel Momentum (Ränta)**" anges i de Slutliga Villkoren ska Korgandelen (Ränta) för varje Referensbolag (Ränta) initialt vara den andel som anges i tillämpliga Slutliga Villkor. Därefter ska Korgandelen (Ränta) ombalanseras vid varje Ombalanseringsdag med hänvisning till den relativa Ombalanseringvärdeutvecklingen för det relevanta Referensbolaget (Ränta). Varje Referensbolag (Ränta) kommer att ges en ranking baserad på Ombalanseringvärdeutvecklingen för respektive Referensbolag (Ränta) under perioden från och med den omedelbart föregående Ombalanseringsdagen till och med nuvarande Ombalanseringsdag och varje Referensbolags (Ränta) Korgandel (Ränta) under den Ombalanseringsperiod som påbörjas på nuvarande Ombalanseringsdag kommer att motsvara den Korgandel (Ränta) som anges för respektive ranking i Slutliga Villkoren.

If "**Accumulating Rainbow Basket Participation (Interest)**" is specified as applicable in the Final Terms, the Basket Participation (Interest) will be determined by reference to the relative Reference Asset Return (Interest). Each Reference Asset (Interest) will be assigned a ranking on the Issue Date, as specified in the applicable Final Terms, and thereafter the Basket Participation (Interest) will be recalculated on each Interest Determination Date based on the Reference Asset Return (Interest) as determined by the Issuer in accordance with the relevant performance structure specified in Condition 6(a) (*Redemption at Maturity*), and the Basket (Interest) of each Reference Asset (interest) for the next following Interest Period will be reset and correspond to the Basket Participation (Interest) shown against the relative ranking in the applicable Final Terms.

Om "**Ackumulerande Rainbow Basketandel (Ränta)**" anges i de Slutliga Villkoren ska Korgandelen (Ränta) avgöras med hänvisning till den relativa Referenstillgångsvärdeutvecklingen (Ränta). Varje Referenstillgång (Ränta) kommer att ges en ranking på Lånedatumet angiven i relevanta Slutliga Villkor. Därefter kommer Korgandelen (Ränta) att omräknas på varje Räntebestämningsdag baserat på Referenstillgångsvärdeutvecklingen (Ränta) vilken fastställs av Emittenten i enlighet med relevant index i Punkt 6(a) (*Återbetalning på Förfallodagen*). Korgandelen (Ränta) för varje Referenstillgång (Ränta) för nästkommande Ränteperiod kommer att återställas och motsvara den Korgandel (Ränta) som anges för respektive ranking i Slutliga Villkoren.

**"Basket Strike Level"**

as specified in the Final Terms;

**"Korglösennivå"**

såsom närmare anges i Slutliga Villkor;

**"Bonus Factor"**

as specified in the Final Terms;

**"Bonusfaktor"**

såsom närmare anges i Slutliga Villkor;

**"Business Day"**

(a) means in relation to any sum payable in euro, a TARGET Settlement Day and a day on which

commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Financial Centre;

- (b) means in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Financial Centre; and
- (c) in relation to Fund-Linked Notes only, a day on which units or shares in the relevant Fund may be subscribed or redeemed in accordance with the rules of the relevant Fund, and which is also a Scheduled Trading Day in respect of the relevant Fund.

**"Bankdag"**

- (a) avser, när en betalning ska ske i euro, en TARGET Avvecklingsdag och varje dag då affärsbanker och valutamarknader generellt kan avveckla betalningar i varje Ytterligare Finanscentrum (om sådant finns);
- (b) när en betalning ska ske i annan valuta än euro, dag då affärsbanker och valutamarknader generellt kan avveckla betalningar i London, i Huvudsakligt Finansiellt Centrum för den relevanta valutan och i varje Ytterligare Finanscentrum (om sådant finns); och
- (c) avseende endast Fondobligationer, en dag då andelar eller aktier i relevant Fond kan tecknas eller lösas in i enlighet med reglerna för Fonden, och som också är en Planerad Handelsdag för den relevanta Fonden.

**"Business Day Convention"**

means the convention applicable for the purposes of adjusting a relevant day where the day would otherwise occur on a day which is not a Business Day. The adjustment may be made in accordance with any of the conventions listed below, and the applicable convention in respect of each Series of Notes will be specified in the relevant Final Terms;

**"Bankdagskonvention"**

avser den konvention som är tillämplig för att justera en relevant dag om dagen annars skulle infalla på en dag som inte är en Bankdag. Justeringen kan göras i enlighet med någon av nedan angivna konventioner, och den konvention som är tillämplig för en specifik Serie kommer att anges i relevanta Slutliga Villkor.

**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;

**Efterföljande Bankdag**

Om en Ränteförfallodag eller annan relevant dag infaller på en dag som inte är en Bankdag ska den skjutas upp till



påföljande Bankdag.

### **Modified Following Business Day**

### **Modifierad Efterföljande Bankdag**

Om en Ränteförfallodag eller annan relevant dag infaller på en dag som inte är en Bankdag ska den skjutas upp till påföljande Bankdag såvida inte den påföljande Bankdagen infaller under nästkommande kalendermånad. I sådant fall ska Ränteförfallodagen eller annan relevant dag infalla närmast föregående Bankdag.

### **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;

### **Föregående Bankdag**

Om en Ränteförfallodag eller annan relevant dag infaller på en dag som inte är en Bankdag ska den istället infalla på närmast föregående Bankdag.

|                          |                                                                                                                                                                                                                       |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Calculation Adjustment" | as specified in section Part 2: <i>Additional Conditions for Certain Structured Notes</i> to these Conditions;                                                                                                        |
| "Justerad Beräkning"     | såsom närmare anges i Del 2: <i>Särskilda villkor för vissa strukturerade Lån</i> i dessa Villkor;                                                                                                                    |
| "Calculation Agent"      | the agent for the Issuer specified in the relevant Final Terms;                                                                                                                                                       |
| "Beräkningsagent"        | den agent för Emittenten som anges i Slutliga Villkor;                                                                                                                                                                |
| "Calculation Amount"     | has the meaning given in the relevant Final Terms;                                                                                                                                                                    |
| "Beräkningsbelopp"       | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                               |
| "Call Barrier Level"     | as specified in the Final Terms;                                                                                                                                                                                      |
| "Inlösenbarriärnivå"     | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                               |
| "Cap Strike"             | means the value specified in the Final Terms;                                                                                                                                                                         |
| "Lösenpristak"           | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                               |
| "Cap Strike Lower"       | means the value specified in the Final Terms;                                                                                                                                                                         |
| "Lösenpristak Lägre"     | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                               |
| "Cap Strike Upper"       | means the value specified in the Final Terms;                                                                                                                                                                         |
| "Lösenpristak Övre"      | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                               |
| "Change in Law"          | as specified in Condition 9 ( <i>Change in Law</i> );                                                                                                                                                                 |
| "Ändring i Lag"          | såsom närmare anges i Punkt 9 ( <i>Ändring i Lag</i> );                                                                                                                                                               |
| "CIBOR"                  | the Interest Rate which, (1) at or about 11.00 am Central European Time on the relevant day is published on Reuters' "DKNA13" 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 Interest Rate which (2) at the aforementioned time corresponds to (a) the arithmetic mean of the rates for deposits in DKK for the relevant period on the Copenhagen interbank market as quoted by the Reference Banks or, where only one or no such quotation is given – (b) the Issuer's determination of the Interest Rate offered by Danish commercial banks for loans in DKK for the relevant period on the Copenhagen interbank market;

**"CIBOR"**

Den räntesats som (1) kl. 11.00 CET aktuell dag publiceras på Reuters sida "DKNA13" (eller genom sådant annat system eller på sådan annan sida som ersätter nämnda system respektive sida) eller, om sådan notering inte finns, (2) vid nyss nämnda tidpunkt motsvarar (a) genomsnittet av Referensbankers erbjudna räntor till ledande affärsbanker i Danmark för depositioner DKK för aktuell period på interbankmarknaden i Köpenhamn eller, om endast ett eller inget sådant erbjudande ges – (b) den ränta ledande affärsbanker i Köpenhamn erbjuder för utlåning av DKK för aktuell period på interbankmarknaden i Köpenhamn;

**"Clearing System"**

means one or more of Euroclear, Clearstream Luxembourg, Euroclear Finland, Euroclear Sweden, VP and VPS, as specified in the applicable Final Terms;

**"Clearinginstitut"**

avser någon eller några av Euroclear, Clearstream Luxembourg, Euroclear Finland, Euroclear Sverige, VP och VPS, såsom närmare anges i Slutliga Villkor;

**"Closing Price"**

the value of the relevant Reference Asset at the Valuation Time on the applicable Rebalancing Date(s), Valuation Date(s) or Initial Valuation Date(s), as determined by the Issuer in the manner specified in the Final Terms;

**"Stängningskurs"**

avser värdet av relevant Referenstillgång vid Värderingstidpunkten på den eller de tillämpliga Ombalanseringsdagen/arna, Värderingsdagen/arna eller Startdagen/arna, såsom fastställs av Emittenten såsom närmare anges i Slutliga Villkor;

**"Correction"**

as specified in Part 2: *Additional Conditions for Certain Structured Notes* to these Conditions;

**"Korrigerig"**

såsom närmare anges i Del 2: *Särskilda villkor för vissa strukturerade Lån* i dessa Villkor;

**"Coupon"**

the value specified in the relevant Final Terms;

**"Kupong"**

såsom närmare anges i Slutliga Villkor;

**"Coupon 2"**

the value specified in the relevant Final Terms;

**"Kupong 2"**

såsom närmare anges i Slutliga Villkor;

**"Coupon Barrier Level"**

each coupon barrier level specified in the relevant Final Terms;

**"Kupongbarriärnivå"**

såsom närmare anges i Slutliga Villkor;

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Coupon Rate"           | each coupon rate as specified in the relevant Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| "Kupongnivå"            | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| "Credit Event"          | as specified in Part 3: <i>Additional Conditions for Credit-Linked Notes</i> to these Conditions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| "Kredithändelse"        | såsom närmare anges i Del 3: <i>Särskilda villkor för Kreditlänkade Lån</i> i dessa Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| "Currency Business Day" | means any day in which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the relevant currency. In respect of any transaction where the Notes and/or Reference Asset(s) are denominated in Euro, each TARGET Settlement Day shall be a Currency Business Day.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| "Handelsdag Valuta"     | avser varje dag då kommersiella banker är öppna (inklusive för handel och insättningar i utländsk valuta) i det huvudsakliga finansiella centrumet för den relevanta valutan. För varje transaktion där Lånen och/eller Referenstillgång/ar är angivna i Euro, ska varje TARGET Avvecklingsdag vara en Handelsdag Valuta;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| "Day Count Fraction"    | means, in respect of the calculation of an amount for any period of time (the " <b>Calculation Period</b> "), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| "Dagberäkningsmetod"    | <p>avser, vid beräkningen av ett belopp med avseende på en tidsperiod ("Beräkningsperioden"), den beräkningsgrund som anges i dessa Villkor eller de relevanta Slutliga Villkoren och:</p> <ul style="list-style-type: none"> <li>(i) if "<b>Actual/Actual (ICMA)</b>" is so specified, means:</li> <li>(i) om "<b>Actual/Actual (ICMA)</b>" anges som tillämplig, avses: <ul style="list-style-type: none"> <li>(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and</li> <li>(a) om Beräkningsperioden är lika med eller Shortare än den Ordinarie Perioden till vilken den är hänförlig, det faktiska antalet dagar i Beräkningsperioden dividerat med produkten av (1) det faktiska antalet dagar i sådan Ordinarie Period och (2) antalet Ordinarie Perioder under ett år; och</li> <li>(b) where the Calculation Period is longer than one Regular Period, the sum of:</li> <li>(b) om Beräkningsperioden är längre än en</li> </ul> </li> </ul> |

Ordinarie Period, summan av:

- (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (A) antalet dagar i sådan Beräkningsperiod som infaller under den Ordinarie Period i vilken den inleds dividerat med produkten av (1) det faktiska antalet dagar i sådan Ordinarie Period och (2) antalet Ordinarie Perioder under ett år; och
  - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
  - (B) det faktiska antalet dagar i sådan Beräkningsperiod som infaller under nästa Ordinarie Period dividerat med produkten av (1) det faktiska antalet dagar i sådan Ordinarie Period och (2) antalet Ordinarie Perioder under ett år;
- (ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) Om "**Actual/Actual (ISDA)**" anges vara tillämplig, avses det faktiska antalet dagar i en Beräkningsperiod dividerat med 365 (eller, om någon del av Beräkningsperioden infaller under ett skottår, summan av (A) det faktiska antalet dagar i sådan del av Beräkningsperioden som infaller under ett skottår dividerat med 366 och (B) det faktiska antalet dagar i den del av Beräkningsperioden som löper under ett icke-skottår dividerat med 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation

Period divided by 365;

- (iii) om "**Actual/365 (Fixed)**" anges vara tillämplig, avses det faktiska antalet dagar i Beräkningsperioden dividerat med 365;
- (iv) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap years, 366;
- (iv) om "**Actual/365 (Sterling)**" anges vara tillämplig, avses det faktiska antalet dagar i Beräkningsperioden dividerat med 365 eller, vad avser en Räntebetalningsdag som infaller under ett skottår, 366;
- (v) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) om "**Actual/360**" anges vara tillämplig, avses det faktiska antalet dagar i Beräkningsperioden dividerat med 360;
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:
- (vi) om "**30/360**", "**360/360**" eller "**Bond Basis**" anges vara tillämplig, avses antalet dagar i Beräkningsperioden dividerat med 360, beräknat enligt följande formel;

Day Count Fraction =

Dagberäkningsmetod =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

vari:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>1</sub>**" är året, uttryckt som ett nummer, under vilket den första dagen i Beräkningsperioden infaller;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**Y<sub>2</sub>**" är året, uttryckt som ett nummer, under vilket den dag som omedelbart efterföljer den sista dagen i Beräkningsperioden infaller;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation

Period falls;

"**M<sub>1</sub>**" är kalendermånaden, uttryckt som ett nummer, under vilken den första dagen i Beräkningsperioden infaller;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>2</sub>**" är kalendermånaden, uttryckt som ett nummer, under vilken den dag som omedelbart efterföljer den sista dagen i Beräkningsperioden infaller;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D<sub>1</sub>**" är den första kalenderdagen, uttryckt som ett nummer, i Beräkningsperioden, om inte sådant nummer skulle vara 31, i vilket fall D1 ska vara 30; och

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30";

"**D<sub>2</sub>**" är den kalenderdag, uttryckt som ett nummer, som infallet direkt efter den sista dagen i Beräkningsperioden, om inte sådant nummer skulle vara 31 och D1 är större än 29, i vilket fall D2 ska vara 30;

- (vii) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:  
om "**30E/360**" eller "**Eurobond Basis**" anges vara tillämplig, avses antalet dagar i Beräkningsperioden dividerat med 360, beräknat enligt följande formel;

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Day Count Fraction =

Dagberäkningsmetod =

where:

vari:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;  
"**Y1**" är året, uttryckt som ett nummer, under vilket den första dagen i Beräkningsperioden

infaller;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"Y<sub>2</sub>" är året, uttryckt som ett nummer, under vilket den dag som omedelbart efterföljer den sista dagen i Beräkningsperioden infaller;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>1</sub>" är kalendermånaden, uttryckt som ett nummer, under vilken den första dagen i Beräkningsperioden infaller;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>2</sub>" är kalendermånaden, uttryckt som ett nummer, under vilken den dag som omedelbart efterföljer den sista dagen i Beräkningsperioden infaller;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>1</sub>" är den första kalenderdagen, uttryckt som ett nummer, i Beräkningsperioden, om inte sådant nummer skulle vara 31, i vilket fall D<sub>1</sub> ska vara 30; och

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

"D<sub>2</sub>" är den kalenderdag, uttryckt som ett nummer, som infaller direkt efter den sista dagen i Beräkningsperioden, om inte sådant nummer skulle vara 31, i vilket fall D<sub>2</sub> ska vara 30; och

(viii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

(viii) om "**30E/360 (ISDA)**" anges vara tillämplig, avses antalet dagar i Beräkningsperioden dividerat med 360, beräknat enligt följande formel;

Day Count Fraction =

Dagberäkningsmetod =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

vari:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>1</sub>**" är året, uttryckt som ett nummer, under vilket den första dagen i Beräkningsperioden infaller;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**Y<sub>2</sub>**" är året, uttryckt som ett nummer, under vilket den dag som omedelbart efterföljer den sista dagen i Beräkningsperioden infaller;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>1</sub>**" är kalendermånaden, uttryckt som ett nummer, under vilken den första dagen i Beräkningsperioden infaller;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>2</sub>**" är kalendermånaden, uttryckt som ett nummer, under vilken den dag som omedelbart efterföljer den sista dagen i Beräkningsperioden infaller;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D<sub>1</sub>**" är den första kalenderdagen, uttryckt som ett nummer, i Beräkningsperioden, om inte (i) sådan dag är sista dagen i februari eller (ii) sådant nummer skulle vara 31, i vilket fall D1 ska vara 30; och

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Redemption Date or (ii) such number would be 31, in which case D2 will be 30,

"**D<sub>2</sub>**" är den kalenderdag, uttryckt som ett nummer, som infaller direkt efter den sista dagen i Beräkningsperioden, om inte (i) sådan dag är sista dagen i februari men inte utgör Återbetalningsdagen eller (ii) sådant nummer



skulle vara 31, i vilket fall D2 ska vara 30,

*provided, however, that* in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period; dock med förbehåll för att i varje sådant fall beräknas antalet dagar i Beräkningsperioden från och med den första dagen i Beräkningsperioden till, men inte med, den sista dagen i Beräkningsperioden;

**"Regular Period"** means:

**"Ordinarie Period"** avser:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from but excluding the Issue Date to and including the first Interest Payment Date and each successive period from but excluding one Interest Payment Date to and including the next Interest Payment Date;
- (i) med avseende på Lån för vilka ränta avses att betalas endast på sedvanligt sätt, varje period från, men inte med, Lånedatum som infaller under ett år till och med den första Räntebetalningsdagen och varje efterföljande period från, men inte med, en Räntebetalningsdag till och med nästa Räntebetalningsdag;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from but excluding a Regular Date falling in any year to and including the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (ii) med avseende på Lån för vilka, förutom avseende den första Ränteperioden, ränta avses att erläggas endast genom regelbundna betalningar, varje period från men inte med ett Ordinarie Datum som infaller under ett år till och med nästa Ordinarie Datum, där **"Ordinarie Datum"** avser den dag och månad (men inte år) på vilken en Räntebetalningsdag infaller; och
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from but excluding a Regular Date falling in any year to and excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;
- (iii) med avseende på Lån för vilka, förutom avseende den första Ränteperioden, ränta avses

att erläggas endast genom regelbundna betalningar, varje period från men inte med ett Ordinarie Datum som infaller under ett år till, men inte med, nästa Ordinarie Datum, där "**Ordinarie Datum**" avser den dag och månad (men inte år) på vilken en Räntebetalningsdag infaller förutom Räntebetalningsdagen som infaller i slutet av den oregelbundna Ränteperioden;

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Dealer"/"Dealers"</b>             | NBAB, Nordea Bank Danmark A/S, NBF and Nordea Bank Norge ASA or any other dealer as appointed in respect of an issue of Notes under the Programme;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Emissionsinstitut"</b>            | NBAB, Nordea Bank Danmark A/S, NBF and Nordea Bank Norge ASA eller sådant annat institut som utses för respektive emission av Lån under Programmet;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Denomination"</b>                 | the denomination of the Notes as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"Valör"</b>                        | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>"Early Redemption Amount"</b>      | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>"Förtida Återbetalningsbelopp"</b> | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>"Early Redemption Date"</b>        | the Interest Payment Date(s) or other such date(s) as specified in the Final Terms on which the Issuer or, where applicable, the Holder, is entitled to demand early redemption of Notes pursuant to the Conditions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>"Förtida Återbetalningsdag"</b>    | avser Räntebetalningsdag/ar eller sådana andra dagar som anges i Slutliga Villkor på vilka Emittenten eller, om tillämpligt, Innehavaren, har rätt att begära förtliga inlösen av Lån i enlighet med Villkoren;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>"EURIBOR"</b>                      | the Interest Rate which (1) at 11:00 am Central European Time 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 Interest Rate which (2) at the aforementioned time, pursuant to notice from the Issuing Agent (or where applicable, the Calculation Agent) or the Issuer 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, Calculation Agent's) or Issuer's assessment of the Interest Rate offered by leading commercial banks in Europe for loans of EUR 10,000,000 in respect of the relevant period on the European interbank market; |
| <b>"EURIBOR"</b>                      | den Räntesats som (1) kl. 11.00 centraleuropeisk tid aktuell dag publiceras på Reuters sida "EURIBOR01" för aktuell period (eller genom annat system eller på annan sida som ersätter nämnda system respektive sida) eller – om sådan notering ej finns (2) vid nyssnämnda tidpunkt enligt meddelande från Administrerande Institut (i förekommande fall Beräkningsagent) eller Emittenten                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

motsvarar (a) genomsnittet av Europeiska Referensbankers offererade räntor till ledande affärsbanker i Europa för insättningar av 10 000 000 euro för aktuell period – eller – om endast en eller ingen sådan offert ges – (b) Administrerande Instituts (i förekommande fall Beräkningsagents) eller Emittentens bedömning av den ränta som ledande affärsbanker i Europa erbjuder för lån om 10 000 000 euro för aktuell period på interbankmarknaden i Europa;

|                                           |                                                                                                                                                                                                                                 |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Euroclear Finland"</b>                | Euroclear Finland Ltd.;                                                                                                                                                                                                         |
| <b>"Euroclear Finland"</b>                | Euroclear Finland Ltd.;                                                                                                                                                                                                         |
| <b>"Euroclear Sweden"</b>                 | Euroclear Sweden AB;                                                                                                                                                                                                            |
| <b>"Euroclear Sweden"</b>                 | Euroclear Sweden AB;                                                                                                                                                                                                            |
| <b>"European Reference Banks"</b>         | four major commercial banks which, at the time in question, quote EURIBOR and are appointed by an Issuing Agent (or, where applicable, the Calculation Agent) or the Issuer;                                                    |
| <b>"Europeiska Referens-banker"</b>       | fyra större affärsbanker som vid aktuell tidpunkt kvoterar EURIBOR och som utses av Administrerande Institut (i förekommande fall av Beräkningsagenten) eller Emittenten;                                                       |
| <b>"Exchange Business Day "</b>           | means any Scheduled Trading Day on which each Relevant Exchange and each Options or Futures Exchange is open for trading during its regular trading sessions;                                                                   |
| <b>"Börsdag"</b>                          | dag på vilken handel är avsedd att äga rum vid Relevant Börs och vid varje Options- eller terminsbörs                                                                                                                           |
| <b>"Exchange Business Day Convention"</b> | means the applicable convention for the purposes of adjusting a relevant day where the day occurs on a day which is not a Scheduled Trading Day. Adjustment may take place in accordance with any of the following conventions: |
| <b>"Börsdagskonvention"</b>               | avser den konvention som är tillämplig för att justera en relevant dag om dagen skulle infalla på en dag som inte är en Bankdag. Justeringen kan göras i enlighet med någon av nedan angivna konventioner:                      |

#### **Following Scheduled Trading Day**

##### **Efterföljande Börsdag**

where a relevant day occurs on a day which is not a Scheduled Trading Day, it shall be deferred until the Following Exchange Business Day;

Om en Ränteförfallodag eller annan relevant dag infaller på en dag som inte är en Bankdag skall den skjutas upp till påföljande Börsdag.

#### **Modified Following Scheduled Trading Day**

##### **Modifierad Efterföljande Börsdag**

where a relevant day occurs on a day which is not a

Scheduled Trading Day, it shall be deferred to the immediately following Scheduled Trading Day in the same calendar month unless that day would fall in the next calendar month, in which case the relevant day shall occur on the immediately preceding Scheduled Trading Day;

Om en Ränteförfallodag eller annan relevant dag infaller på en dag som inte är en Börsdag skall den skjutas upp till påföljande Börsdag såvida inte den påföljande Bankdagen infaller under nästkommande kalendermånad. I sådant fall skall Ränteförfallodagen eller annan relevant dag infalla närmast föregående Börsdag.

### **Preceding Scheduled Trading Day**

#### **Föregående Börsdag**

where a relevant day or another relevant day occurs on a day which is not a Scheduled Trading Day, it shall instead occur on the immediately preceding Scheduled Trading Day;

Om en Ränteförfallodag eller annan relevant dag infaller på en dag som inte är en Börsdag skall den istället infalla på närmast föregående Börsdag.

#### **"Extraordinary Events"**

as specified in Part 2: *Additional Conditions for Certain Structured Notes* to these Conditions;

#### **"Särskilda händelser"**

såsom anges i Del 2: *Särskilda Villkor för vissa Strukturerade Lån* till dessa Villkor;

#### **"Final CPI"**

the value of the relevant Inflation Rate as determined at the Valuation Time on the Valuation Date(s);

#### **"Slutligt KPI"**

värdet av den relevanta Inflationstakten så som det bestäms vid Värderingstidpunkten på Värderingsdagen;

#### **"Final Currency Value"**

as specified in the Final Terms;

#### **"Slutvärde Valuta"**

såsom närmare anges i Slutliga Villkor;

#### **"Final FX Rate"**

unless otherwise specified in these Conditions means the FX Rate, or the average value of the FX Rate, on the applicable Valuation Date(s) specified in the Final Terms;

#### **"Slutlig Valutakurs"**

avser, om inte annat anges i dessa Villkor, Valutakursen, eller det genomsnittliga värdet av Valutakursen, på den eller de tillämpliga Värderingsdagen eller Värderingsdagarna, såsom anges i Slutliga Villkor;

#### **"Final Price"**

unless otherwise specified in these Conditions, means the Closing Price, or the average of the Closing Prices, for the relevant Reference Asset, on the applicable Valuation Date(s) as specified in the Final Terms;

#### **"Slutkurs"**

avser, om inte annat anges i dessa Villkor, Stängningskursen, eller genomsnittet av Stängningskurserna, för den relevanta Referenstillgången på den eller de tillämpliga Värderingsdagen eller Värderingsdagarna, såsom anges i Slutliga Villkor;

#### **"Fixed Price"**

as specified in the Final Terms;

#### **"Fastställd Kurs"**

såsom närmare anges i Slutliga Villkor;

|                                                      |                                                                                                                                                              |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Fixed Rate Notes"                                   | has the meaning given to it in Condition 5(a) ( <i>Interest – Fixed Rate</i> );                                                                              |
| "Fasträntelån"                                       | såsom närmare anges i Punkt 5(a) ( <i>Ränta – Fast Räntesats</i> );                                                                                          |
| "Fixed Recovery Value"                               | as specified in the relevant Final Terms;                                                                                                                    |
| "Fast Återbetalningsbelopp"                          | såsom närmare anges i Slutliga Villkor;                                                                                                                      |
| "Floating Rate Notes"                                | has the meaning given to it in Condition 5(d) ( <i>Interest – FRNs</i> );                                                                                    |
| "FRN (Floating Rate Notes)" / "Lån med Rörlig Ränta" | såsom definierat i Punkt 5(c) ( <i>Ränta – FRNs</i> );                                                                                                       |
| "Floor Strike"                                       | means the value specified in the applicable Final Terms;                                                                                                     |
| "Lösenprisgolv"                                      | avser det värde såsom närmare anges i Slutliga Villkor;                                                                                                      |
| "Floor Strike Lower"                                 | means the value specified in the applicable Final Terms;                                                                                                     |
| "Lösenprisgolv Lägre"                                | avser det värde såsom närmare anges i Slutliga Villkor;                                                                                                      |
| "Floor Strike Upper"                                 | means the value specified in the applicable Final Terms;                                                                                                     |
| "Lösenprisgolv Högre"                                | avser det värde såsom närmare anges i Slutliga Villkor;                                                                                                      |
| "Fund"                                               | as specified in the Final Terms;                                                                                                                             |
| "Fond"                                               | såsom närmare anges i Slutliga Villkor;                                                                                                                      |
| "Fund Event"                                         | as further specified in Part 4: <i>Additional Conditions for Fund-Linked Notes</i> to these Conditions;                                                      |
| "Fondhändelse"                                       | såsom närmare anges i Del 4: <i>Särskilda villkor för Fondobligationer</i> till dessa Villkor;                                                               |
| "Fund-Linked Notes"                                  | means Notes in respect of which the Reference Asset(s) consist(s) of units or shares in a fund (or funds), as further specified in the relevant Final Terms; |
| "Fondobligationer"                                   | avser Lån med Referenstillgång(ar) bestående av fondandelar, såsom närmare anges i Slutliga Villkor;                                                         |
| "FX Factor"                                          | means the value obtained by dividing the Initial FX Rate by the Final FX Rate;                                                                               |
| "Valutakvot"                                         | avser den kvot som beräknas genom att dividera Valutakursen på Startdag Valuta med Slutlig Valutakurs;                                                       |
| "FX Rate"                                            | means the currency exchange rate specified in the Final Terms;                                                                                               |
| "Valutakurs"                                         | avser den valutaväxlingskurs som närmare anges i Slutliga Villkor;                                                                                           |
| "FX Valuation Date"                                  | as specified in the Final Terms;                                                                                                                             |
| "Värderingsdag Valuta"                               | såsom närmare anges i Slutliga Villkor;                                                                                                                      |
| "Hedging Disruption"                                 | as specified in Condition 11 ( <i>Hedging Disruption</i> );                                                                                                  |
| "Avbrott i Riskhantering"                            | såsom närmare anges i Punkt 11 ( <i>Avbrott i Riskhantering</i> );                                                                                           |

|                                             |                                                                                                                                                                                                                             |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Holder"</b>                             | a person or entity identified as the holder of one or more Notes in accordance with these Conditions;                                                                                                                       |
| <b>"Innehavare"</b>                         | en person som identifierats som innehavare av ett eller flera Lån i enlighet med dessa Villkor;                                                                                                                             |
| <b>"Increased Costs"</b>                    | as specified in Condition 10 ( <i>Increased Costs of Hedging</i> );                                                                                                                                                         |
| <b>"Ökade Kostnader"</b>                    | Såsom närmare anges i Punkt 10 ( <i>Ökade Riskhanteringskostnader</i> );                                                                                                                                                    |
| <b>"Inflation-Linked Interest"</b>          | the amount of interest determined in accordance with Condition 5(d) ( <i>Inflation-Linked Interest</i> );                                                                                                                   |
| <b>"Inflationslänkad Ränta"</b>             | Det räntebelopp som fastställs i enlighet med Punkt 5(d) ( <i>Inflationslänkad Ränta</i> );                                                                                                                                 |
| <b>"Inflation-Linked Interest Notes"</b>    | has the meaning given to it in Condition 5(d) ( <i>Inflation-Linked Interest</i> );                                                                                                                                         |
| <b>"Inflationslänkade Räntebärande Lån"</b> | såsom det definieras i Punkt 5(d) ( <i>Inflationslänkad Ränta</i> );                                                                                                                                                        |
| <b>"Inflation Rate"</b>                     | as specified in the Final Terms;                                                                                                                                                                                            |
| <b>"Inflationstakt"</b>                     | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                     |
| <b>"Initial Basket Level"</b>               | as specified in the Final Terms;                                                                                                                                                                                            |
| <b>"Korgs Startvärde"</b>                   | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                     |
| <b>"Initial FX Valuation Date(s)"</b>       | as specified in the Final Terms;                                                                                                                                                                                            |
| <b>"Startdag Valuta"</b>                    | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                     |
| <b>"Initial FX Rate"</b>                    | unless otherwise specified in these Conditions means the FX Rate, or the average value of the FX Rate, on the applicable Initial Valuation Date(s) as specified in the Final Terms;                                         |
| <b>"Valutastartkurs"</b>                    | om inte annat anges i de Slutliga Villkoren, Valutakursen, eller genomsnittet av Valutakursen, på den tillämpliga Startdagen såsom närmare anges i Slutliga Villkor;                                                        |
| <b>"Initial Price"</b>                      | unless otherwise specified in these Conditions, means the Closing Price, or the average of the Closing Prices, of the relevant Reference Asset on the applicable Initial Valuation Date(s) as specified in the Final Terms; |
| <b>"Startkurs"</b>                          | om inte annat anges i de Slutliga Villkoren, Stängningskursen, eller genomsnittet av Stängningskurserna, för den relevanta Referenstillgången på den tillämpliga Startdagen såsom närmare anges i Slutliga Villkor;         |
| <b>"Initial Valuation Date"</b>             | as specified in the Final Terms;                                                                                                                                                                                            |
| <b>"Startdag"</b>                           | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                     |
| <b>"Instalment Amount"</b>                  | means, in relation to an Instalment Note, the amount of each instalment as may be specified in, or determined in accordance with the provisions of, the Final Terms. To the extent that an Instalment Amount requires       |

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                      | determination, such amount may be determined by the Calculation Agent;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>"Amorteringsbelopp"</b>           | avser, för ett Amorteringslån, beloppet för respektive amortering såsom närmare anges i, eller bestäms i enlighet med, Slutliga Villkor. För det fall ett Amorteringsbelopp behöver fastställas äger Beräkningsagenten rätt att fastställa detta.                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Instalment Date"</b>             | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Amorteringsdag"</b>              | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Interest Base Rate"</b>          | EURIBOR, STIBOR, LIBOR, NIBOR or CIBOR as may be specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Basränta"</b>                    | EURIBOR, STIBOR, LIBOR, NIBOR eller CIBOR såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Interest Determination Date"</b> | the day which occurs two Business Days prior to the first day in each Interest Period, or such other date(s) as may be specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>"Räntebestämningsdag"</b>         | den dag som infaller två Bankdagar före den första dagen i Ränteperioden, eller sådant annat datum såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Interest Margin"</b>             | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Räntemarginal"</b>               | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Interest Payment Date"</b>       | as stated in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>"Räntebetalningsdag"</b>          | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Interest Period"</b>             | (i) with respect to the first Interest Period, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date; and (ii) with respect to subsequent Interest Periods, the period commencing on (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date <i>provided that</i> in the case of Swedish Notes, the period beginning on (but excluding) the Issue Date and ending on (and including) the first Interest Payment Date and each period on (but excluding) an Interest Payment Date and ending on (and including) the next Interest Payment Date shall be the relevant Interest Period; ; |
| <b>"Ränteperiod"</b>                 | (i) avseende den första Ränteperioden, perioden från (och inklusive) Lånedatum till (men exklusive) den första Räntebetalningsdagen och (ii) avseende efterföljande Ränteperioder, perioden som inleds på (och inklusive) en Räntebetalningsdag till (men exklusive) nästa Räntebetalningsdag, under förutsättning, vad gäller de svenska Lånen, att perioden vilken börjar på (men exkluderar) Lånedatumet och slutar på (och inkluderar) den inledande Räntebetalningsdagen och varje period vilken börjar på (men exkluderar) en Räntebetalningsdag och slutar på (men inkluderar) nästa Räntebetalningsdag ska vara den relevanta Ränteperioden.                  |
| <b>"Interest Rate"</b>               | as specified in the Final Terms in respect of Fixed Rate Notes or as specified in Condition 5 (d) ( <i>Interest – FRNs</i> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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|                             | ( <i>Floating Rate Notes</i> )) in the case of Floating Rate Notes;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| "Räntesats"                 | såsom närmare anges i Slutliga Villkor avseende Fasträntelån eller som anges i Punkt 5(c) ( <i>Ränta – FRNs (Lån med Rörlig Ränta)</i> ) för Lån med Rörlig Ränta;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| "Issue Date"                | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| "Lånedatum"                 | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| "Issuing Agent"             | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| "Administrerande Institut"  | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| "LIBOR"                     | the Interest Rate which, (1) at or about 11.00 am London Time on the relevant day is published on Reuters' "LIBOR01" 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 Interest Rate which (2) at the aforementioned time corresponds to (a) the arithmetic mean of the rates for deposits in GBP for the relevant period on the London interbank market as quoted by the Reference Banks or, where only one or no such quotation is given – (b) the Issuer's determination of the Interest Rate offered by London commercial banks for loans in GBP for the relevant period on the London interbank market;   |
| "LIBOR"                     | Räntesatsen som (1) klockan 11.00 eller omkring klockan 11.00 GMT på den relevanta dagen publiceras på Reuters-sidan "LIBOR01" för den relevanta perioden (eller genom sådant annat system eller på sådan annan sida som ersätter det tidigare nämnda systemet) eller, i avsaknad av sådan notering, Räntesatsen som (2) vid den tidigare nämnda tidpunkten motsvarar (a) det genomsnittliga värdet av de räntesatser för insättningar i GBP för den relevanta perioden på Londons interbankmarknad som erbjuds av Referensbankerna eller, där bara ett eller inga erbjudande ges (b) den Räntesats som enligt Emittentens uppfattning erbjuds av Londons affärsbanker för lån i GBP för den relevanta perioden på Londons interbankmarknad. |
| "Market Disruption"         | as specified in Part 2: <i>Additional Conditions for Certain Structured Notes</i> to these Conditions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| "Marknadsavbrott"           | såsom anges i Del 2: <i>Särskilda Villkor för vissa Strukturerade Lån</i> till dessa Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| "Market Recovery Value"     | means the final price for deliverable obligations of the relevant Reference Entity or Reference Entity (Interest), as applicable, as determined in accordance with any applicable auction process administered by or on behalf of the International Swaps and Derivatives Association, Inc., or any successor organisation, or in the absence of such a price, the value determined by the Issuer acting in good faith and in a commercially reasonable manner;                                                                                                                                                                                                                                                                              |
| "Marknadsåtervinningsvärde" | avser det slutliga priset för leveransåtaganden av relevant Referensbolag eller Referensbolag (Ränta), i tillämpliga delar, som bestämts i enlighet med tillämplig auktionsprocess administrerad av International Swaps and Derivatives Association, Inc., eller efterträdande                                                                                                                                                                                                                                                                                                                                                                                                                                                               |



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|                                        | organisation, eller i frånvaro av ett sådant pris, värdet bestämt av Emittenten under förutsättning att denne handlar bona fide och på ett affärsmässigt rimligt sätt.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Maximum Basket Return"</b>         | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Maximal Korgavkastning"</b>        | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Maximum Interest Rate"</b>         | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Maximal Räntesats"</b>             | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Maximum Performance"</b>           | in respect of each Reference Asset, the percentage specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Maximal Värdeutveckling"</b>       | avseende respektive Referenstillgång, procentsatsen såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>"Minimum Redemption Amount"</b>     | means the product of the Principal Amount of the Notes and the Minimum Redemption Percentage;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Lägsta Återbetalningsbelopp"</b>   | avser produkten av Kapitalbeloppet för Lånen och Lägsta Återbetalningsprocent;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Minimum Basket Return"</b>         | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Lägsta Korgavkastning"</b>         | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Minimum Redemption Percentage"</b> | as specified in the relevant Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Lägsta Återbetalningsprocent"</b>  | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Maximum Redemption Amount"</b>     | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Maximalt Återbetalningsbelopp"</b> | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"New York Banking Day"</b>          | a day on which commercial banks and foreign exchange markets are generally open for business in New York City;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Bankdag New York"</b>              | dag på vilken affärsbanker och valutamarknader normalt har öppet i New York;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>"NIBOR"</b>                         | the Interest Rate which, (1) at or about 12.00 pm Oslo Time on the relevant day is published on Reuters' "NIBR" 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 Interest Rate which (2) at the aforementioned time corresponds to (a) the arithmetic mean of the rates for deposits in NOK for the relevant period on the Oslo interbank market as quoted by the Reference Banks or, where only one or no such quotation is given – (b) the Issuer's determination of the Interest Rate offered by Norwegian commercial banks for loans in NOK for the relevant period on the Oslo interbank market; |
| <b>"NIBOR"</b>                         | Räntesatsen som (1) klockan 12.00 eller omkring klockan 12.00 CET på den relevanta dagen publiceras på Reuters-sidan "NIBR" för den relevanta perioden (eller genom sådant annat system eller på sådan annan sida som ersätter det tidigare nämnda systemet) eller, i avsaknad av sådan                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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|                                      | notering, Räntesatsen som (2) vid den tidigare nämnda tidpunkten motsvarar (a) det genomsnittliga värdet av de räntesatser för insättningar i NOK för den relevanta perioden på Oslos interbankmarknad som erbjuds av Referensbankerna eller, där bara ett eller inga erbjudande ges (b) den Räntesats som enligt Emittentens uppfattning erbjuds av Londons affärsbanker för lån i NOK för den relevanta perioden på Oslos interbankmarknad. |
| <b>"Nordea Group"</b>                | NBAB and its subsidiaries, licensed to carry on financing business in their respective country of domicile;                                                                                                                                                                                                                                                                                                                                   |
| <b>"Nordeakoncernen"</b>             | NBAB och dess dotterbolag vilka har tillstånd att bedriva finansieringsverksamhet i det land i vilket respektive bolag har sin hemvist;                                                                                                                                                                                                                                                                                                       |
| <b>"Notes"</b>                       | debt instruments which form part of a Series issued by the Issuer under this Programme, with the terms and conditions specified in the relevant Final Terms and these Conditions;                                                                                                                                                                                                                                                             |
| <b>"Lån"</b>                         | skuldebrev vilka utgör en del av en Serie emitterad av Emittenten under detta Program, i enlighet med de villkor som framgår av Slutliga Villkor och dessa Allmänna Villkor;                                                                                                                                                                                                                                                                  |
| <b>"Observation Date"</b>            | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Observationsdag"</b>             | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Observation End Date"</b>        | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Slutlig Observationsdag"</b>     | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Observation Start Date"</b>      | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Inledande Observationsdag"</b>   | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Options or Futures Exchange"</b> | means each exchange or quotation system specified in the Final Terms or, if "All Exchanges" is specified in the Final Terms, each exchange or quotation system where trading has a material effect (as determined by the Issuer) on the overall market for futures or options contracts relating to the relevant Reference Asset(s);                                                                                                          |
| <b>"Options- eller Terminsbörs"</b>  | avser varje sådan börs eller sådant system för noteringar som närmare anges i Slutliga Villkor eller, om "Samtliga Börser" är angivet i Slutliga Villkor, varje sådan börs eller sådant system för notering där handeln har en väsentlig inverkan (enligt Emittentens uppfattning) på den sammanlagda marknaden för terminer och optioner avseende den relevanta Referenstillgången;                                                          |
| <b>"Participation Ratio"</b>         | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Deltagandegrad"</b>              | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Participation Ratio 2"</b>       | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Deltagandegrad 2"</b>            | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Portfolio Exposure"</b>          | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                              |

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| <b>"Portföljexponering"</b>               | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Principal Amount"</b>                 | as specified in the Final Terms – the nominal amount of the Notes;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"Kapitalbelopp"</b>                    | såsom närmare anges i Slutliga Villkor – det nominella beloppet för Lånen;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Principal Financial Centre"</b>       | means, in relation to any currency, the principal financial centre for that currency provided, however, that: <ul style="list-style-type: none"> <li>(a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and</li> <li>(b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;</li> </ul>                  |
| <b>"Huvudsakligt Finansiellt Centrum"</b> | Avser, i förhållande till en valuta, det huvudsakliga finansiella centrumet för den valutan förutsatt dock att : <ul style="list-style-type: none"> <li>(a) i förhållande till euro, avser definitionen det finansiella centrumet i den medlemsstat av Europeiska Gemenskapen som anges (avseende betalningar) av betalningsmottagaren eller (avseende en beräkning) Beräkningsagenten; och</li> <li>(b) i förhållande till Nya Zeeländska dollar, avses definitionen antingen Wellington eller Auckland såsom angivet av (avseende betalningar) av betalningsmottagaren eller (avseende en beräkning) Beräkningsagenten;</li> </ul> |
| <b>"Programme Amount"</b>                 | €10,000,000,000 or the equivalent thereof in other currencies (unless otherwise amended by agreement between the Issuers and the Dealers).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Rambelopp"</b>                        | €10,000,000,000 eller motvärdet i annan valuta (i den mån inte tillägg gjorts efter överenskommelse mellan Emittenterna och Dealers).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>"Rate Adjustment Notes"</b>            | has the meaning given to it in Condition 5(b) ( <i>Interest – Rate Adjustment</i> );                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>"Kursjusterade Lån"</b>                | har den innebörd som ges i Punkt 5(b) (Justering av Räntesats);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Rebalancing Date"</b>                 | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Ombalanseringsdag"</b>                | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Rebalancing Performance"</b>          | is calculated by dividing the Closing Price of the relevant Reference Asset or Reference Asset (Interest) on the relevant Rebalancing Date by the Closing Price of the relevant Reference Asset or Reference Asset (Interest) on the immediately preceding Rebalancing Date or (in the case of the initial Rebalancing Date), the Start Date.                                                                                                                                                                                                                                                                                        |
| <b>"Ombalanseringsvärdeutvecklingen"</b>  | beräknas som kvoten av, Stängningskursen för den relevanta Referenstillgången eller Referenstillgång                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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| "                      | (Ränta) på den relevanta Ombalanseringsdagen genom Stängningskursen för den relevanta Referenstillgången eller Referenstillgången (Ränta) på den närmast föregående Ombalanseringsdagen eller (om det avser den första Ombalanseringsdagen), Startdagen.                                                                                                            |
| "Record Date"          | the Business Day on which the entitlement of Holders to receive payment under these Conditions, is determined, as specified in Condition 8 ( <i>Payments</i> );                                                                                                                                                                                                     |
| "Bokföringsdag"        | den Bankdag på vilken rätten för Innehavare att erhålla betalning under dessa Villkor, avgörs, såsom närmare anges i Punkt 8 ( <i>Betalningar</i> );                                                                                                                                                                                                                |
| "Redemption Amount"    | the amount calculated in accordance with Condition 6 ( <i>Redemption and Purchase</i> ) or such other amount as may be specified in the applicable Final Terms;                                                                                                                                                                                                     |
| "Återbetalningsbelopp" | det belopp som beräknats i enlighet med Punkt 6 ( <i>Återbetalning och Förvärv</i> ) eller sådant annat belopp såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                              |
| "Redemption Date"      | as specified in the Final Terms – the day on which the Notes shall be redeemed;                                                                                                                                                                                                                                                                                     |
| "Återbetalningsdag"    | såsom närmare anges i Slutliga Villkor - dagen då Lånen ska återbetalas;                                                                                                                                                                                                                                                                                            |
| "Redemption Proceeds"  | meant the amount(s) received by the Issuer or other applicable Hedging Party as a result of unwinding any hedge position entered into by the Issuer or relevant Hedging Party in order to hedge any obligation of the Issuer to make payments in respect of the Notes.                                                                                              |
| "Inlösenbelopp"        | avser det eller de belopp som Emittenten eller annan så kallad Hedging Party mottar i samband med att någon position som ingåtts av Emittenten eller relevant Hedging Party i syfte att säkra Emittentens åtagande att genomföra betalningar i enlighet med Lånen avvecklas;                                                                                        |
| "Reference Asset(s)"   | as specified in the Final Terms – Reference Assets may include equities, shares (including private equity)/depository receipts, 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 Redemption Amount; |
| "Referenstillgång(ar)" | såsom närmare anges i Slutliga Villkor – Referenstillgångarna kan bestå av värdepapper, index, räntor, valutor, fondandelar, råvaror, kreditexponeringar eller korgar av kreditexponeringar, kombinationer eller förhållanden mellan tillgångar, vilkas förändring i pris och värdeutveckling påverkar storleken på Återbetalningsbeloppet;                         |
| "Reference Banks"      | four major commercial banks which, at the relevant time, quote the relevant Interest Base Rate and are appointed by the Issuing Agent (or, where applicable, the Calculation Agent) or Issuer;                                                                                                                                                                      |

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| <b>"Referensbanker"</b>              | fyra stora affärsbanker som vid aktuell tidpunkt kvoterar relevant Basränta och som utses av Administrerande Institut (eller, i förekommande fall, Beräkningsagenten) eller Emittenten;                                                                                                                                                                                                                                                                                                                     |
| <b>"Reference Entity"</b>            | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Referensbolag"</b>               | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Reference Entity (Index)"</b>    | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Referensbolag (Index)"</b>       | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Reference Entity (Interest)"</b> | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Referensbolag (Ränta)"</b>       | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Reference Rate"</b>              | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Referenskurs"</b>                | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Reference Yield"</b>             | the yield specified in the Final Terms for calculation of the Redemption Amount under certain Zero Coupon Notes where the Issuer or, where applicable, a Holder, is entitled to require early redemption of the Notes pursuant to the Conditions;                                                                                                                                                                                                                                                           |
| <b>"Referensavkastning"</b>          | den avkastning som anges i de Slutliga Villkoren för att beräkna Återbetalningsbeloppet för vissa Nollkupongslån där Emittenten eller, i förekommande fall, en Innehavare, har rätt att kräva förtida inlösen av Lånen i enlighet med Villkoren;                                                                                                                                                                                                                                                            |
| <b>"Relevant Exchange"</b>           | the stock exchange(s) on which the underlying Reference Asset(s) is/are traded, as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Relevant Börs"</b>               | Den börs eller de börser där den underliggande Referenstillgången eller de underliggande Referenstillgångarna handlas, såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                              |
| <b>"Replacement Factor"</b>          | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Ersättningsfaktor"</b>           | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Replacement Reference Asset"</b> | means an alternative Reference Asset, as selected by the Issuer in a commercially fair and reasonable manner;                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Ersättande Referenstillgång"</b> | avser en alternativ Referenstillgång som Emittenten bestämmer på ett affärsmässigt rättvist och rimligt sätt;                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Scheduled Redemption Date"</b>   | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Planerad Återbetalningsdag"</b>  | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Scheduled Trading Day"</b>       | unless otherwise specified in the Final Terms and irrespective of whether a Market Disruption has occurred, with respect to each Reference Asset which is an equity/depository receipts, equities index or any other type of Reference Asset which is traded on a stock exchange or market place, a day on which (i) trading is intended to take place in a Reference Asset on a Relevant Exchange and on an Options or Futures Exchange and/or (ii) the relevant index sponsor is scheduled to publish the |

level of the index; and, with respect to Reference Assets which comprise a currency or a currency index or any other type of Reference Asset for which the price is published, a day on which the price for such Reference Asset or currency included in a Reference Asset is published or is intended to be 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 day as is specified in the Final Terms;

**"Planerad Handelsdag"**

avser, om inte annat anges i de Slutliga Villkoren och oavsett om Marknadsavbrott inträffat, med beaktande av varje Referenstillgång som är en aktie/insättningsbevis, aktieindex eller någon annan typ av Referenstillgång som handlas på en börs eller marknadsplats, en dag då (i) handel ska ske i en Referenstillgång på en Relevant Börs och på en Options- eller Terminsbörs och/eller (ii) den relevanta indexsponsorn avser att publicera nivån på indexet och, med hänsyn till Referenstillgång som omfattar en valuta eller valutaindex eller annan typ av Referenstillgång för vilken pris är publicerat, en dag på vilken priset för en sådan Referenstillgång eller valuta inkluderad i en Referenstillgång är publicerad eller kommer att publiceras i enlighet med de Slutliga Villkoren och, med hänsyn till en Referenstillgång som är en fond eller ett fondindex, en dag på vilken det avses att värdet av Referenstillgången eller enheter av Referenstillgången ska publiceras och, med hänsyn till någon annan Referenstillgång en dag såsom den definieras i de Slutliga Villkoren.

**"Specified Currency"**

SEK, EUR, DKK, NOK or such other currency as may be specified in the Final Terms;

**"Angiven Valuta"**

SEK, EUR, DKK, NOK eller sådan annan valuta såsom närmare anges i Slutliga Villkor;

**"STIBOR"**

the Interest Rate which, (1) at or about 11.00 am Central European Time 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 Interest Rate 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 Issuer's determination of the Interest Rate offered by Swedish commercial banks for loans in SEK for the relevant period on the Stockholm interbank market;

**"STIBOR"**

Räntesatsen som (1) klockan 11.00 eller omkring kl. 11.00 CET på den relevanta dagen publiceras på Reuters "SIOR"-sida för den relevanta perioden (eller genom sådant annat system eller på sådan annan sida som ersätter det tidigare nämnda systemet) eller, i avsaknad av sådan notering, Räntesatsen som (2) vid den tidigare nämnda tidpunkten motsvarar (a) det genomsnittliga värdet av de

|                                            |                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            | räntesatser för insättningar i SEK för den relevanta perioden på Stockholms interbankmarknad som erbjuds av Referensbankerna eller, där bara ett eller inga erbjudande ges (b) den Räntesats som enligt Emittentens uppfattning erbjuds av Londons affärsbanker för lån i SEK för den relevanta perioden på Stockholms interbankmarknad. |
| <b>"Strike Level"</b>                      | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                         |
| <b>"Lösenprisnivå"</b>                     | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                  |
| <b>"Strike Lower"</b>                      | Means the value specified in the Final Terms;                                                                                                                                                                                                                                                                                            |
| <b>"Lösenpris Lägre"</b>                   | avser det värde som anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                            |
| <b>"Strike Upper"</b>                      | Means the value specified in the Final Terms;                                                                                                                                                                                                                                                                                            |
| <b>"Lösenpris Högre"</b>                   | avser det värde som anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                            |
| <b>"TARGET2"</b>                           | means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;                                                                                                                                                        |
| <b>"TARGET2"</b>                           | avser betalningssystemet Trans-European Automated Real-Time Gross Settlement Express Transfer som använder sig av en delad plattform och som lanserades den 19 november 2007;                                                                                                                                                            |
| <b>"TARGET Settlement Day"</b>             | means any day on which TARGET2 is open for the settlement of payments in euro;                                                                                                                                                                                                                                                           |
| <b>"TARGET Avvecklingsdag"</b>             | avser dag på vilken TARGET2 är öppet för avveckling av betalningar i EUR;                                                                                                                                                                                                                                                                |
| <b>"Target Redemption Amount"</b>          | as specified in the Final Terms;                                                                                                                                                                                                                                                                                                         |
| <b>"Eftersträvat Återbetalningsbelopp"</b> | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                  |
| <b>"TOM Period"</b>                        | means the dates specified as such in the applicable Final Terms;                                                                                                                                                                                                                                                                         |
| <b>"TOM Period"</b>                        | avser de datum som närmare anges i de Slutliga Villkoren;                                                                                                                                                                                                                                                                                |
| <b>"Tranche Attachment Point"</b>          | the percentage specified in the Final Terms;                                                                                                                                                                                                                                                                                             |
| <b>"Tranch Fästpunkt"</b>                  | den procentsats som närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                    |
| <b>"Tranche Attachment Range"</b>          | means the result obtained by subtracting the Tranche Attachment Point from the Tranche Detachment Point;                                                                                                                                                                                                                                 |
| <b>"Tranch Fästspann"</b>                  | avser det resultat som fås fram genom att subtrahera Tranch Fästpunkt med Tranch Avskiljningspunkt;                                                                                                                                                                                                                                      |
| <b>"Tranche Detachment Point"</b>          | the percentage specified in the Final Terms;                                                                                                                                                                                                                                                                                             |
| <b>"Tranch Avskiljningspunkt"</b>          | den procentsats som närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                    |
| <b>"Transaction Date"</b>                  | a day on which an agreement is reached between an Issuing Agent and Issuer regarding placement of Notes or, where the Issuer itself offers Notes, as determined by the                                                                                                                                                                   |

|                              |                                                                                                                                                                                                                                |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              | Issuer;                                                                                                                                                                                                                        |
| "Affärsdag"                  | dag på vilket avtal sluts mellan ett Administrerande Institut och Emittenten avseende placeringen av Lånen eller, när Emittenten själv erbjuder Lånen, såsom fastställs av Emittenten;                                         |
| "Valuation Date(s)"          | as specified in the Final Terms;                                                                                                                                                                                               |
| "Värderingsdag"              | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                        |
| "Valuation Period"           | means the period from (but excluding) each Valuation Date (including the Initial Valuation Date), to and including the immediately following Valuation Date.                                                                   |
| "Värderingsperiod"           | avser perioden från (men exklusive) varje Värderingsdag (inklusive Startdagen, till och inklusive den närmast efterföljande Värderingsdagen;                                                                                   |
| "Valuation Time"             | unless otherwise specified 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;  |
| "Värderingstidpunkt"         | avser, om inte annat anges i de Slutliga Villkoren, för varje Referenstillgång, den tidpunkt då dess officiella stängningskurs fastställs eller värdet av densamma bestäms på annat sätt som närmare anges i Slutliga Villkor; |
| "Weighted Asset Return"      | means, unless otherwise specified in these Conditions, the product of the Reference Asset Return and the Basket Participation in respect of each relevant Reference Asset;                                                     |
| "Viktad Tillgångsavkastning" | Avser, om inte annat anges i Slutliga Villkor, produkten av Referenstillgångsavkastning och Korgandelen avseende varje relevant Referenstillgång;                                                                              |
| "Zero Coupon Notes"          | has the meaning given to it in Condition 5(f) ( <i>Zero Coupon Notes</i> ).                                                                                                                                                    |
| "Nollkupongslån"             | Har den innebörd som givits det i Punkt 5(f) ( <i>Nollkupongslån</i> );                                                                                                                                                        |

## 2. **Form och Valör**

### (a) **Form**

Lån (förutom VP-Lån, VPS-Lån, Svenska Lån och Finska Lån) ges ut antingen som fysiska värdepapper eller registreras på värdepapperskonto, vilket närmare specificeras i relevanta Slutliga Villkor. Dessa lån ges också ett serienummer.

VP-Lånen registreras på ett värdepapperskonto i VP i enlighet med den vid var tid gällande danska lagen *Værdipapirhandelsloven*, såsom vid var tid gällande, och i enlighet med den danska förordningen *Bekendtgørelse om registrering, m.v. af fondsaktiver i en værdipapircentral*, såsom vid var tid gällande.

VPS-Lånen registreras på ett värdepapperskonto i VPS i enlighet med den norska lagen *Lov om registrering av finansielle instrumenter (2002 5. juli nr. 64)*.

Svenska Lånen registreras på värdepapperskonto i enlighet med den vid var tid gällande svenska lag (1998:1479) om *kontoföring av finansiella instrument*.



Finska Lånen registreras på värdepapperskonto i enlighet med finska lagen *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012), vid var tid gällande, den finska lagen *laki arvo-osuustileistä* (827/1991), vid var tid gällande samt Euroclear Finlands regelverk.

(b) **Form för Innehavarlån**

Lån som ges ut i form av fysiska värdepapper ("**Innehavarlån**") kommer efter en emission att representeras av antingen ett temporärt globalt lån ("**Temporärt Globalt Lån**") eller ett permanent globalt lån ("**Permanent Globalt Lån**"), i båda fallen huvudsakligen med den utformning som framgår av bilaga till Fiscal Agency-avtalet (med förbehåll för att detta kan komma att ändras och ska färdigställas).

Ett Temporärt Globalt Lån och/eller ett Permanent Globalt Lån kommer att förvaras av en så kallad common depositary eller common safekeeper för Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking, société anonyme ("**Clearstream Luxembourg**") eller annat clearingsystem till vilket Lån eller rättigheter knutna därtill från tid till annan kan komma att anslutas. Betalningar av kapitalbelopp eller ränta (om sådan finns) på ett Permanent Globalt Lån kommer att ske genom Euroclear och Clearstream Luxembourg.

Räntebärande Definitiva Lån kommer, om så anges i relevanta Slutliga Villkor, vid dess initiala leverans att ha kuponger ("**Kuponger**") fogade till sig. Uppvisande av dessa Kuponger kommer att vara ett villkor för utbetalning av ränta under vissa nedan angivna omständigheter förutsatt att räntebärande Definitiva Lån, om så anges i relevanta Slutliga Villkor, vid initial leverans har Kuponger fogade till sig tillsammans med en Talong som berättigar till ytterligare Kuponger ("**Talong**", och tillsammans med Kuponger när sammanhanget så tillåter, "**Kupongerna**", vilken berättigar innehavaren till ytterligare Kuponger och en ytterligare Talong).

Innehavarlån vilkas kapitalbelopp ska återbetalas genom amorteringar ("**Amorterade Lån**") har vid initial leverans utbetalningsPayment Receipts ("**Payment Receipts**") fogade till sig vilka avser de amorteringar som ska ske av kapitalbeloppet.

(c) **Form för Registrerade Lån**

Lån som registreras på värdepapperskonto ("**Registrerade Lån**") kommer huvudsakligen att ha den utformning som framgår av bilaga till Fiscal Agency-avtalet (med förbehåll för att detta kan komma att ändras och ska färdigställas). Registrerade Lån kommer inte att kunna omvandlas till Innehavarlån.

(d) **Form för Lån i Schweiziska Franc**

Lån i Schweiziska Franc kommer att denomineras i Schweiziska Franc och emitteras i innehavarform samt att representeras exklusivt av ett Permanent Globalt Lån vilket kommer att förvaras hos SIS eller hos en annan förvarare godkänd av SIX Regulatory Board vid SIX Swiss Exchange. Då det Permanenta Globala Lånet deponerats hos Mellanhanden och förts in på konton hos en eller flera medlemmar av Mellanhanden, kommer Lånen utgöra mellanhandsförvarade värdepapper (*Bucheffekten*) ("**Mellanhandsförvarade Värdepapper**") i enlighet med den schweiziska lagen *Bucheffekengesetz*.

Varje Innehavare (såsom definierats i Villkor 3 nedan) ska ha ett proportionellt samägande (*Miteigentumsanteil*) i det Permanenta Globala Lånet i den omfattning som motsvarar Innehavarens fordran på Emittenten, **förutsatt att**, samägandet i det Globala Permanenta Lånet, under den tid som det är deponerat hos Mellanhanden, är vilande och att Lånen endast får överföras eller på annat sätt avyttras i enlighet med bestämmelser i den schweiziska lagen *Bucheffekengesetz*, d.v.s. vid införandet av de överförda Lånen på ett värdepapperskonto hos förvärvaren.

Varken Emittenten eller Innehavarna ska vid någon tidpunkt ha rätten att påverka eller kräva konvertering av det Permanenta Globala Lånet (*Globalurkunde*) till, eller leverans av, ocertifierade värdepapper (*Wertrechte*) eller Definitiva Lån (*Wertpapiere*).

Ingen fysisk leverans av Lånen ska ske förrän, alternativt om, Definitiva Lån skrivits ut. Definitiva Lån får endast skriva ut i sin helhet, och inte delvis, om den schweiziska Betalningsagenten, efter eget skön, bestämmer att utskriften av Definitiva Lån är nödvändig eller

lämpliga. Om den schweiziska Betalningsagenten skulle ta ett sådant beslut ska denne tillse att utskrifter av Definitiva Lån (*Wertpapiere*) sker utan kostnad för Innehavarna. Vid leverans av Definitiva Lån (*Wertpapiere*) ska det Permanenta Globala Lånet sägas upp och det Definitiva Lånet ska levereras till Innehavarna i utbyte mot uppsägning av Lånen i Innehavarnas värdepapperskonton.

(e) **Form för VP-Lån**

En Tranch eller Serie Lån kan, om så anges i tillämpliga Slutliga Villkor, clearas genom VP i enlighet med dansk rätt och de förfaranderegler som från tid till annan tillämpas av och/eller ges ut av VP ("**VP-Reglerna**"). I dessa Villkor ska VP-Lån anses vara Registrerade Lån. Inga fysiska Lån eller certifikat kommer att ges ut i förhållande till VP-Lån och regleringar i dessa Villkor relaterade till uppvisande, återlämnande eller utbyte av fysiska Lån eller certifikat ska inte tillämpas på VP-Lånen. Emittenten kommer att intyga att Nordea Bank Danmark A/S är, på dagen för utgivande av en Tranch eller Serie VP-Lån, antecknad i VP som konförende institut (*konførende institut*) för den registrerade innehavaren av sådan Tranch eller Serie Lån.

(f) **Form för VPS-Lån**

I dessa Villkor ska VPS-Lån anses vara Registrerade Lån under förutsättning att detta är i linje med norsk rätt och de förfaranderegler som från tid till annan tillämpas av och/eller ges ut av VPS ("**VPS-Reglerna**"). Inga fysiska VPS-Lån eller certifikat kommer att ges ut i förhållande till VPS-Lån och regleringar i dessa Villkor relaterade till uppvisande, återlämnande eller utbyte av fysiska Lån eller certifikat ska inte tillämpas på VPS-Lånen.

(g) **Form för Svenska Lån**

I dessa Villkor ska Svenska Lån anses vara Registrerade Lån under förutsättning att detta är i linje med svensk rätt och de förfaranderegler som från tid till annan tillämpas av och/eller ges ut av Euroclear Sverige ("**Euroclear Sverige-reglerna**"). Inga fysiska Svenska Lån eller certifikat kommer att ges ut i förhållande till Svenska Lån och regleringar i dessa Villkor relaterade till uppvisande, återlämnande eller utbyte av fysiska Lån eller certifikat ska inte tillämpas på Svenska Lån.

(h) **Form för Finska Lån**

I dessa Villkor ska Finska Lån anses vara Registrerade Lån under förutsättning att detta är i linje med finsk rätt och de förfaranderegler som från tid till annan tillämpas av och/eller ges ut av Euroclear Finland ("**Euroclear Finland-reglerna**"). Inga fysiska Finska Lån eller certifikat kommer att ges ut i förhållande till Finska Lån och regleringar i dessa Villkor relaterade till uppvisande, återlämnande eller utbyte av fysiska Lån eller certifikat ska inte tillämpas på Finska Lån.

(i) **Valör för Innehavarlån**

Innehavarlån kommer att ha en eller flera valörer (varje sådan valör är delbar med varje mindre valör) såsom närmare angivet i Slutliga Villkor. Innehavarlån med en valör kan inte bytas ut mot Innehavarlån med en annan valör.

(j) **Valör för Registrerade Lån**

Registrerade Lån kommer att ha en minsta valör såsom närmare angivet i Slutliga Villkor och, om inget annat anges i Slutliga Villkor, multiplar därav.

(k) **Valör för VP-Lån**

VP-Lån kommer att ha en eller flera valörer (varje sådan valör är delbar med varje mindre valör) såsom närmare angivet i Slutliga Villkor. VP-Lån med en valör kan inte bytas ut mot VP-Lån med en annan valör.

(l) **Valör för VPS-Lån**

VPS-Lån kommer att ha en eller flera valörer (varje sådan valör är delbar med varje mindre valör) såsom närmare angivet i Slutliga Villkor. VPS-Lån med en valör kan inte bytas ut mot VPS-Lån med en annan valör.

(m) **Valör för Svenska Lån**

Svenska Lån kommer att ha en eller flera valörer (varje sådan valör är delbar med varje mindre valör) såsom närmare angivet i Slutliga Villkor. Svenska Lån med en valör kan inte bytas ut mot Svenska Lån med en annan valör.

(n) **Valör för Finska Lån**

Finska Lån kommer att ha en eller flera valörer (varje sådan valör är delbar med varje mindre valör) såsom närmare angivet i Slutliga Villkor. Finska Lån med en valör kan inte bytas ut mot Finska Lån med en annan valör.

(o) **Lånens valuta**

Lån kan anges i vilken valuta som helst förutsatt att alla tillämpliga legala och/eller regulatoriska krav och/eller krav från relevant centralbank är uppfyllda.

En hänvisning till Lån i dessa Villkor ska, när sammanhanget så kräver, anses inkludera Temporära Globala Lån, Permanenta Globala Lån, Definitiva Lån och i förekommande fall Registrerade Lån.

Emittenten kan under vissa omständigheter konsolidera Lån med en eller flera andra Trancher av Lån i samma Serie, såsom närmare beskrivet i Punkt 18 ([Övrigt]) nedan.

3. **Äganderätt**

(a) **Äganderätt till Innehavarlån, Registrerade Lån, VP-Lån, VPS-Lån, Svenska Lån och Finska Lån**

Äganderätten till Innehavarlån, Payment Receipts och Kuponger övergår genom överlämnandet. Hänvisningar till "**Innehavare**" av ett Fysiskt Lån eller av Payment Receipts eller Kuponger avser innehavaren av sådant Fysiskt Lån eller sådana Payment Receipts och Kuponger.

Äganderätten till Registrerade Lån övergår genom registrering i det register som hanteras av Registreringsagenten såsom angiven i relevanta Slutliga Villkor. Hänvisningar till "**Innehavare**" av ett Registrerat Lån avser personerna i vilkas namn sådana Lån är registrerade.

Äganderätten till VP-Lån övergår genom registrering i registret ("**Danska Lånregistret**") fört av VP-Administrerande Institutet i enlighet med VP-Reglerna. Emittenten ska ha rätt att erhålla information från VP i enlighet med VP-Reglerna. Om inget annat har beslutats av behörig domstol eller fordras av gällande rätt ska Innehavare (som definierat nedan) av ett VP-Lån anses vara och behandlas som oinskränkt ägare i alla avseenden, oavsett överskridna tidsfrister, meddelanden om äganderättens övergång eller andra intressen i Lånet, och ingen person ska kunna lida skada av sådan behandling av en Innehavare. Enbart i relation till VP-Lån avses i dessa med "**Fordringshavare**" eller "**Innehavare**", mot bakgrund av relevant kontext, den person i vars namn ett VP-Lån är registrerat i det danska VPS-registret och ska även inkludera en person som i vederbörlig ordning blivit auktoriserad att agera som förvaltare och registrerad innehavare av VP-Lånen. Om Lån i en sådan Tranch slutar vara registrerade i VP ska Nordea Bank Danmark A/S som kontoförande institut för de registrerade ägarna tillhandahålla VP-Administrerande Institutet all nödvändig information avseende sådana registrerade ägare och VP-Administrerande Institutet ska föra in denna information i Danska Lånregistret.

Äganderätten till VPS-Lån övergår genom registrering i registret ("**VPS-Registret**") i enlighet med norska VPS-Reglerna. Emittenten ska ha rätt att erhålla information från VPS i enlighet med VPS-Reglerna. Om inget annat har beslutats av behörig domstol eller fordras av gällande rätt ska Innehavare (som definierat nedan) av ett VPS-Lån anses vara och behandlas som oinskränkt ägare i alla avseenden, oavsett överskridna tidsfrister, meddelanden om äganderättens övergång

eller andra intressen i Lånet, och ingen person ska kunna lida skada av sådan behandling av en Innehavare. Med "**Fordringshavare**" eller "**Innehavare**" avses, mot bakgrund av relevant kontext, den person i vars namn ett VPS-Lån är registrerat i VPS-registret och ska även inkludera en person som i vederbörlig ordning blivit auktoriserad att agera som förvaltare (*forvalter*) och registrerad innehavare av VPS-Lånen.

Äganderätten till Svenska Lån övergår genom registrering på ett värdepapperskonto i det system och register som tillhandahålls av Euroclear Sweden ("**Euroclear Sverige-Registret**"). Om inget annat har beslutats av behörig domstol eller fordras av gällande rätt ska Innehavare (som definierat nedan) av ett Svenskt Lån anses vara och behandlas som oinskränkt ägare i alla avseenden, oavsett överskridna tidsfrister, meddelanden om äganderättens övergång eller andra intressen i Lånet, och ingen person ska kunna lida skada av sådan behandling av en Innehavare. I dessa Villkor, i relation till svenska Lån endast, avses med "**Fordringshavare**" eller "**Innehavare**", mot bakgrund av relevant kontext, den person i vars namn ett Svenskt Lån är registrerat i Euroclear Sverige-Registret och ska även inkludera en person som i vederbörlig ordning blivit auktoriserad att agera som förvaltare och registrerad innehavare av de Svenska Lånen

Om en förvaltare är registrerad i enlighet med Kontoföringslagen ska denna behandlas av Emittenten som Innehavare av relevanta Svenska Lån.

Äganderätten till Finska Lån övergår genom registrering i det datoriserade registret fört av eller för Euroclear Finland. Om inget annat har beslutats av behörig domstol eller fordras av gällande rätt ska Innehavare (som definierat nedan) av ett Finskt Lån anses vara och behandlas som oinskränkt ägare i alla avseenden, oavsett överskridna tidsfrister, meddelanden om äganderättens övergång eller andra intressen i Lånet, och ingen person ska kunna lida skada av sådan behandling av en Innehavare. Hänvisningar till "**Innehavare**" av ett Finskt Lån avser personerna i vilkas namn sådana Finska Lån är registrerade.

Innehavare av ett Lån eller Kupong ska (om inget annat fordras av gällande rätt eller regulatoriska krav) anses vara och behandlas som oinskränkt ägare i alla avseenden, oavsett överskridna tidsfrister, meddelanden om äganderättens övergång, andra intressen i Lånet eller Kupongen, anteckningar på dessa eller stöld eller förlust av dessa, och ingen person ska kunna lida skada av sådan behandling av en Innehavare.

(b) **Överlåtelse av Registrerade Lån, VP Lån, VPS Lån, Svenska Lån och Finska Lån**

*Registrerade Lån*

Ett Registrerat Lån kan, beroende på villkoren i Fiscal Agency-avtalet, överföras helt eller delvis bara (**förutsatt att** sådan del är likvärdig med, eller är tillåten en heltalsmultipel som överskrider minimumvalören som specificeras i de relevanta Slutliga Villkoren, vid återlämnandet av det Registrerade Lånet att överföras, tillsammans med överföringsformuläret påskrivet på detta, korrekt fullbordat och exekverat, vid det specificerade kontoret hos Registreringsagenten. Ett nytt Registrerat Lån kommer att utföras till överlåtaren och i fall där endast en del av ett Registrerat Lån överförs, kommer ett nytt Registrerat Lån som täcker den del som inte överförs att utfärdas till överföraren.

Varje nytt Registrerat Lån som ska utfärdas vid överföring av Registrerade Lån skall, vid faktiskt mottagande hos Registreringsagenten i hans specificerade kontor, vara tillgängligt för leverans till Registreringsagenten specificerade kontor. För dessa ändamål så ska ett överföringsformulär mottaget av Registreringsagenten under en period av femton Bankdagar i London, med slut vid förfallodagen för alla betalningar för de relevanta Registrerade Lånen betraktas som inte varande i kraft hos Registreringsagenten förrän dagen efter förfallodagen för sådan betalning.

Utfärdandet av nya Registrerade Lån vid överföring ska ske utan avgift av eller för Emittenten eller Registreringsagenten, men efter betalning från sökanden av (eller efter att sökanden har givit sådan säkerhet som Registreringsagenten kan kräva med avseende på) tillämpligt skatt eller andra myndighetsbestämda avgifter som kan avkrävas i relation till detta.

### VP-Lån

Ett eller fler VP-Lån kan överföras i enlighet med VP-regler. Varje nytt VP-Lån som ska utfärdas ska finnas tillgänglig för leverans inom tre Bankdagar efter mottagandet av begäran och avgivandet av VP-Lån för utbyte. Leverans av de nya VP-Lånen/ det nya VP-Lånet ska ske till samma VP-konto på vilket de ursprungliga VP-Lånen var registrerade. I detta Villkor 2(b) (*Överföring av Registrerade Lån, Svenska Lån och Finska Lån*) ska "**Bankdag**" ha samma betydelse avseende VP-Lån som tillskrivs en sådan term av de då gällande reglerna och procedurerna för VP.

Utbyte eller överföring av VP-Lån vid registrering, överföring, partiell inlösen eller exekverandet av en sälj- eller köption ska verkställas utan avgift av Administrerande Institutet för VP, men mot betalning av tillämplig skatt eller andra myndighetsföreskrivna avgifter som kan komma att utkrävas med avseende på denna VP (eller ställande av sådan säkerhet som Administrerande Institutet för VP kan komma att kräva).

Ingen Fordringshavare får kräva att överföring av ett VP-Lån ska registreras under någon stängd period i enlighet med de tillämpliga VP-reglerna.

Alla överföringar av VP-Lån är föremål för cut-off datum tillämpliga på sådana VP-Lån och de andra regler och procedurer som för tillfället gäller för VP. VP:s regler och bestämmelser kan laddas ner från dess webbsida: <http://www.vp.dk>.

### VPS-Lån

Ett eller fler VPS-Lån kan överföras i enlighet med VPS-reglerna. I fall av exekvering av en option, som resulterar i att VPS-Lån hos samma innehavare har olika villkor, så ska separata VPS-Lån som är registrerade i VPS-registret utfärdas med avseende på de VPS-Lån som denna innehavare har som har samma villkor. Sådana VPS-Lån ska bara utfärdas under avgivande av de existerande VPS-Lånen i enlighet med VPS-reglerna.

Varje ny VPS-Lån som ska utfärdas i enlighet med det ovanstående ska vara tillgänglig för leverans inom tre Bankdagar efter mottagande av begäran och avgivandet av VPS-Lånen för utbyte. Leverans av VPS-Lånen ska ske till samma VPS-konto där de ursprungliga VPS-Lånen var registrerade. I detta Villkor 3(b) (*Överföring av Registrerade Lån, VP-Lån, VPS-Lån, Svenska Lån och Finska Lån*) med avseende bara på VPS-Lån, "**Bankdag**" betyder en dag annan än lördag eller söndag när VPS är öppet för transaktioner.

Utbyte och överföring av VPS-Lån vid registrering, överföring, partiell inlösen eller exekvering av en option ska exekveras utan avgift till eller för Emittentens räkning eller till VPS-Betalningsagenten, men efter betalning av tillämplig skatt eller annan avgift till myndigheter som kan avkrävas med avseende på den (eller ställandet av sådan säkerhet som VPS-Betalningsagenten kan komma att kräva).

Ingen Fordringshavare kan kräva överföring av en VPS-aktie för att registreras under en stängd period, i enlighet med de för tillfället gällande VPS-reglerna.

Under dessa villkor betyder "**Fordringshavare**" eller "**Innehavare**" avseende VPS-Lån, som sammanhanget kräver, den person i vars namn en VPS-Lån är registrerad i VPS-registret, och ska också inkludera personer som är auktoriserade att fungera som förvaltare (på norska "forvalter") och registrerad som en innehavare av VPS-Lån.

### Svenska Lån

Ett eller fler Svenska Lån kan överföras i enlighet med Euroclear Sverige-reglerna. Utbyte och överföring av Svenska Lån rörande överföring, partiell återbetalning, eller exekvering av en köp- eller säljoption ska exekveras utan avgift till eller för Emittentens räkning eller för det svenska Emissionsinstitutet, men efter betalning av tillämplig skatt eller andra avgifter till myndigheter som kan avkrävas med avseende på den (eller ställande av sådan säkerhet som det svenska Administrerande Institutet kan kräva).

Ingen Fordringshavare kan kräva överföring av ett Svenskt Lån att registreras under en stängd period i enlighet med de vid tillfället gällande Euroclear Sverige-reglerna.

Alla överföringar av Svenska Lån är föremål för cut-off datum tillämpliga på sådana Svenska Lån och de andra regler och procedurer som för tillfället gäller hos Euroclear Sverige. Euroclear Sveriges Regler kan laddas ner från deras webbsida: [www.euroclear.com](http://www.euroclear.com)

#### *Finska Lån*

Ett eller fler Finska Lån kan överföras i enlighet med Euroclear Finland Rules. Utbyte och överföring av Finska Lån beträffande registrering, överföring, partiell återbetalning eller exekverandet av en köp- eller sälgooption ska exekveras utan avgift till eller till förmån för Emittenten eller det finska Administrerande Institutet, men efter betalning av tillämplig skatt eller andra avgifter krävda av myndigheter i samband med det (eller ställande av sådan säkerhet som det finska Administrerande Institutet kan kräva).

Ingen Fordringshavare får kräva att överföringen av ett Finskt Lån ska registreras under en stängd period i enlighet med de för tillfället gällande Euroclear Finland Rules.

Alla överföringar av Finska Lån är föremål för cut-off datum tillämpliga på sådana Finska Lån, och de andra regler och procedurer som för tillfället gäller hos Euroclear Finland. Euroclear Finlands regler och förordningar kan laddas ner från deras webbsida: <http://www.euroclear.com>.

#### *Lån i Schweiziska Franc*

Mellanhandens register avgör antalet Lån som innehas av varje medlem av Mellanhanden. Avseende Lån som är Värdepapper förvarade hos Mellanhanden, ska innehavaren av Lånen ("**Innehavaren**") vara den person som innehar Lånen på ett värdepapperskonto (*Effektenkonto*) utställt i eget namn, eller för det fall att mellanhand (*Verwahrungsstellen*) finns, att mellanhanden (*Verwahrungsstellen*) innehar Lånen för egen räkning på ett värdepapperskonto (*Effektenkonto*) utställt i eget namn.

#### 4. **Status**

Lånen i varje Serie utgör ej säkrade och ej eftersälda förpliktelser av Emittenten och rankas jämsides (*pari passu*) utan någon preferens bland de själva och åtminstone jämställt (*pari passu*) med alla andra nuvarande och framtida utestående ej säkerställda och ej efterställda förpliktelser av Emittenten,.

#### 5. **Ränta**

Lån kan vara räntebärande eller icke-räntebärande, såsom specificerats i de relevanta Slutliga Villkoren. Den ränta som ska betalas per Beräkningsbelopp på varje Räntebetalningsdag ("**Räntebeloppet**") beräknas i enlighet med ett av följande alternativ och såsom ytterligare specificerats i de Slutliga Villkoren. Såvida inte annat anges i dessa Villkor, ska Räntebeloppet vara ett belopp per Beräkningsbelopp och ska betalas i efterskott på varje Räntebetalningsdag.

##### (a) **Ränta – Fast Ränta**

Om Lånen är specificerade som Lån med Fast Ränta ska Lånen bära ränta enligt Räntesatsen, från och inklusive Lånedatumet till men exklusive Återbetalningsdagen **förutsatt att**, såvitt gäller Svenska Lån, sådana Svenska Lån ska vara räntebärande från, men exklusive deras Lånedatum till och inklusive Återbetalningsdagen.

Ränta som upplupit under varje Ränteperiod ska vara betalningsbar i efterhand på varje relevant Räntebetalningsdag och ska beräknas genom att tillämpa Räntesatsen på Beräkningsbeloppet, och multiplicera produkten med Dagsräkningsmetoden, och avrunda det resulterande beloppet till den närmaste underenheten för den specificerade valutan (en halv subenhet avrundas uppåt) och multiplicera detta avrundade tal med en bråkdel som är lika med den specificerade Valören för sådant Lån dividerad med Beräkningsbeloppet. I detta Villkor 5 (*Ränta*), avser en "**underenhet**" för alla valutor utom Euro, den minsta enhet av sådan valuta som finns tillgänglig som lagligt betalningsmedel i valutans hemland, och i fallet Euro betyder det en cent.

Om inte annat specificerats i de Slutliga Villkoren så tillämpas Bankdagskonventionen i Villkor 8 (8)(c) nedan på Lån med Fast Ränta.

(b) **Ränta – Räntejustering**

Om Lånen är specificerade som Lån med Räntejustering får detta Villkor 5 (*Ränta*), som ska användas för beräkning av den Ränta som ska betalas för Lånen, justeras periodiskt i enlighet med de tillämpliga Slutliga Villkoren.

(c) **Ränta – Kombination**

Om specificerat i de tillämpliga Slutliga Villkoren, kan Lån även ge ränta i enlighet med fler än ett av räntealternativen i detta Villkor 5 (*Ränta*), och de två Räntebeloppen som sålunda fastställs ska aggregeras i syfte att fastställa det totala belopp som ska betalas till innehavarna vid den relevanta Räntebetalningsdagen.

(d) **Ränta – Lån med Rörlig Ränta (FRN)**

Om Lånen är specificerade som Lån med Rörlig Ränta ska Lånen ge ränta från och inklusive Lånedatumet till men exklusive Återbetalningsdagen **förutsatt att**, såvitt gäller Svenska Lån, sådana Svenska Lån ska vara räntebärande från, men exklusive deras Lånedatum till och inklusive Återbetalningsdagen. Räntesatsen som är tillämplig för varje Ränteperiod ska fastställas av Emissionsinstitutet (eller, där det är tillämpligt, Beräkningsagenten) eller Emittenten, vid den relevanta Räntebestämningsdagen, såsom summan av Basräntan och Räntemarginalen för den relevanta perioden. Basräntan för varje Ränteperiod ska meddelas Innehavarna i enlighet med Villkor 16 (*Meddelanden*).

Ränta för varje Ränteperiod betalas i efterskott vid den relevanta Räntebetalningsdagen och beräknas genom att tillämpa Räntesatsen, och att multiplicera med Dagberäkningsmetoden, och avrunda till den närmaste underenheten för den specificerade valutan (en halv underenhet avrundas uppåt) och att multiplicera med sålunda avrundade tal med en bråkdel som är lika den specificerade Valören för sådant Lån dividerad med Beräkningsbeloppet. I detta Villkor 4 avser en "**underenhet**" för alla valutor utom Euron, den minsta enheten av en sådan valuta som finns tillgänglig som lagligt betalningsmedel i hemlandet för denna valuta, och avseende Euron, en cent.

Om inte annat specificerats i de Slutliga Villkoren, så tillämpas Bankdagskonventionen i Villkor 8(8)(c) nedan på Lån med Rörlig Ränta.

(e) **Ränta – Inflationslänkad**

(f) Om Lånen är specificerade som Inflationslänkade Lån ska Lånen ge Inflationslänkad Ränta från och inklusive Lånedatumet till men exklusive Återbetalningsdagen **förutsatt att**, såvitt gäller Svenska Lån, sådana Svenska Lån ska vara räntebärande från, men exklusive deras Lånedatum till och inklusive Återbetalningsdagen. Räntesatsen kan vara fast eller rörlig och räntebeloppet för varje Ränteperiod ska beräknas på det sätt som specificeras i Villkor 5(a) (*Ränta – Fast Ränta*) eller Villkor 5(d) (*Ränta – Lån med Rörlig Ränta (FRN)*) och multipliceras med ett tal i enlighet med den kvot som beräknats genom att dividera Slutligt KPI med Bas-KPI. Mängden ränta som är kopplad till inflationen för varje Ränteperiod ska meddelas Innehavarna i enlighet med Villkor 16 (*Meddelanden*), så snart beloppet har fastställts av Emittenten.

Såvida inte annat specificerats i de Slutliga Villkoren, så ska Bankdagskonventionen specificerad i Villkor 8(8)(c) nedan tillämpas på Inflationslänkade Lån.

(g) **Nollkupongslån**

Om Lånen är specificerade som Nollkupongslån ska de inte vara räntebärande. Nollkupongslån kan utfärdas med rabatt och lösas in till Kapitalbeloppet. Alternativt kan Nollkupongslån utfärdas till Kapitalbeloppet och lösas in till ett högre värde i enlighet med de tillämpliga Slutliga Villkoren och vilket, i ett sådant fall, ska betalas på Inlösningsdagen.

Om inte något annat anges i Slutliga Villkor, så tillämpas Bankdagskonventionen i Villkor 8(8)(c) nedan för Nollkupongslån.

Om inget annat anges i Slutliga Villkor ska Lånen inte bära ränta såsom ett Nollkupongslån och vid inlösen av Lånen ska betalning av Återbetalningsbelopp som understiger eller överstiger Kapitalbeloppet anses vara ränta eller avkastning.

(h) **Kupongbärande Autocalllån**

Om Lånen är specificerade som Kupongbärande Autocalllån och om Korgvärdet vid någon Värderingsdag är högre än eller lika med en eller flera specificerade Kupongbarriärnivå(er), då ska Lånen betala ränta ("**Kupongen**") på den omedelbart efterföljande Räntebetalningsdagen. Beloppet av en sådan Kupongbetalning fastställs enligt följande.

- (i) Om "**Flat Kupong**" är specificerad i Slutliga Villkor, så är Kupongbetalningen lika med Kapitalbeloppet på Lånen multiplicerat med den relevanta Kupongnivån;
- (ii) Om "**Memory Kupong**" är specificerad i de Slutliga Villkoren, så blir Kupongbetalningen lika med Kapitalbeloppet på Lånen multiplicerat med den relevanta Kupongnivån, multiplicerat med antalet omedelbart föregående Räntebetalningsdagar (fram till och inklusive den Räntebetalningsdag som omedelbart följer den tillämpliga Värderingsdagen) för vilka en Kupong inte har betalats;
- (iii) Om "**Plus Flat Kupong**" är specificerad i Slutliga Villkor så kommer Kupongbetalningen att bli lika med Kapitalbeloppet för Lånen multiplicerat med det högre av: (a) den relevanta Kupongnivån och (b) Bonusfaktorn, och
- (iv) Om "**Plus Memory Kupong**" är specificerad i Slutliga Villkor, så blir betalningen lika med Kapitalbeloppet för Lånen multiplicerat med det högre av: (a) den relevanta Kupongnivån, multiplicerat med antalet omedelbart föregående Räntebetalningsdagar (upp till och inklusive den Räntebetalningsdag som omedelbart följer den tillämpliga Värderingsdagen) för vilket en Kupong inte har betalats och (b) Bonusfaktorn.

"**Bonusfaktorn**" och "**Korgvärdet**" blir:

- (i) Om "**Korgnivån**" är specificerad i de Slutliga Villkoren, kommer Bonusfaktorn vara Korgvärdeutvecklingen och Korgvärdet kommer vara Korgvärdeutvecklingen plus Startkursen;
- (ii) Om "**Bästa/Sämsta Kurs**" är specificerat i Slutliga Villkor, blir Bonusfaktorn Referenstillgångsavkastningen för den Nth bästa värdeutvecklande Referenstillgången och Korgvärdet kommer vara Slutkursen för den Nth bästa värdeutvecklande Referenstillgången på den relevanta Värderingsdagen delat med den Nth bästa Startkursen av den värdeutvecklande Referenstillgången.

Om Korgvärdet på någon Värderingsdag är under den lägsta Kupongbarriärnivån, så betalas ingen ränta ut på den omedelbart följande Räntebetalningsdagen.

Den "Nth bästa värdeutvecklande" Referenstillgången kommer att vara den Nth högsta Referenstillgångsavkastningen.

"**Referenstillgångsavkastningen**" och "**Korgavkastningen**" kommer att beräknas i enlighet med den Värdeutvecklingsstruktur som är tillämplig på Lånen i enlighet med Villkor 6(a) (Återbetalning på Förfallodagen).

(h) **Non-tranched CLN Ränta**

Om Lånen är specificerade som Non-tranched CLN Ränta så kan räntesatsen vara fast eller rörlig och mängden ränta för varje Ränteperiod ska beräknas på det sätt som specificeras i någon av de andra bestämmelserna i detta Villkor 5 (Ränta), utom att Beräkningsbeloppet på vilket Räntesatsen tillämpas ska vara antingen:

- (i) om "**Bestämningsdag Exponering**" är specificerad i de Slutliga Villkoren, multiplicerad med Justerad Portföljavkastning (Ränta) vid den Observationsdag som omedelbart föregår den relevanta Räntebetalningsdagen, eller



- (ii) om "**Viktad Genomsnittlig Exponering**" är specificerad i de Slutliga Villkoren, multiplicerat med det viktade medelvärdet av Justerad Portföljavkastning (ränta) under varje kalenderdag från och med det omedelbart föregående Observationsdag (men exklusive) Observationsdag som är omedelbart föregående den relevanta Räntebetalningsdagen, såsom fastställts av Emittenten enligt dennes gottfinnande.

Den "**Justerade Portföljavkastningen (Ränta)**" ska vara skillnaden mellan 1 och den Justerade Portföljförlusten (Ränta).

Den "**Justerade Portföljförlusten (Ränta)**" betyder summan av Default-viktningen för varje Referensenhet (ränta) inom Korgen.

"**Default-viktningen**" ska beräknas genom att multiplicera Korgandelen (Ränta) med Default-värdet med avseende på varje Referensenhet (Ränta).

"**Default-Värdet**" med avseende på varje Referensenhet (Ränta) blir skillnaden mellan 100% och Återvinningsvärdet.

"**Återvinningsvärdet**" blir 100 procent om en Kredithändelse (såsom definieras i Del 3; *Ytterligare villkor för Kreditlänkade Lån*) inte har inträffat i förbindelse med denna Referensenhet (Ränta) sedan Inledande Observationsdag eller, om en sådan Kredithändelse har inträffat, så blir den noll.

(i) **Tranched CLN Ränta**

Om Lånen är specificerade som Tranched CLN Ränta, så kan räntesatsen vara fast eller rörlig och mängden ränta för varje Ränteperiod ska beräknas på det sätt som specificerats i någon av de andra bestämmelserna i detta Villkor 5 (*Ränta*), utom att Beräkningsbeloppet på vilket Räntesatsen ska användas ska vara antingen:

- (i) om "**Bestämningsdag Exponering**" är specificerat i Slutliga Villkor, multiplicerat med Justerad Portföljavkastning (Ränta) såsom vid Observationsdag omedelbart föregående den relevanta Räntebetalningsdagen, eller
- (ii) om "**Viktad Genomsnittlig Exponering**" är specificerat i de Slutliga Villkoren, multiplicerat med det viktade medelvärdet av Justerad Portföljavkastning (ränta) under varje kalenderdag från och med den omedelbart föregående Observationsdagen (men exklusive) Observationsdagen som är omedelbart föregående den relevanta Räntebetalningsdagen, såsom fastställts av Emittenten enligt dennes gottfinnande.

"**Justerad Portföljavkastning (Ränta)**" ska vara resultatet som erhålles genom att subtrahera Justerad Tranchförlust (Ränta) (Justerad skiva, förlust (Ränta)) från 1.

"**Justerad Tranchförlust (Ränta)**" blir resultatet som erhålls genom att dividera det lägre av a) Tranch Fästspann och b) Tranchförlust (Ränta), med Tranch Fästspann.

"**Tranchförlust (Ränta)**" beräknas genom att lägga till Kupongriskfaktorn till det högre av:

- (i) noll och
- (ii) det resultat som erhållits genom att subtrahera Tranch Fästpunkt från summan av den Viktade Tillgångsförlusten (Ränta) för varje Referensenhet (ränta) inom Korgen.

"**Viktad Tillgångsförlust (Ränta)**" betyder produkten av Korgdeltagande (Ränta) och Referensenhetsförlusten (Ränta) för den relevanta Referensenheten (Ränta).

"**Referensenhetsförlusten (Ränta)**" blir resultatet som erhålles genom att subtrahera Återvinningsvärdet med avseende på den relevanta Referensenheten (Ränta) från 1,

"**Återvinningsvärdet**" blir 100 procent om en Kredithändelse såsom definieras i Del 3; *Ytterligare villkor för Kreditlänkade Lån*) inte har inträffat med avseende på denna Referensenhet (Ränta) sedan Inledande Observationsdag eller, om en sådan Kredithändelse har inträffat, så blir det antingen ett Fast Återbetalningsbelopp (såsom specificerats i de Slutliga Villkoren) eller ett Marknadsåtervinningsvärde, i alla fallen uttryckt som ett procentvärde.

**"Kupongriskfaktorn"** betyder det högre av (i) noll och (ii) summan av Viktat Tillgångsåtervinningssvärde (Ränta) minus resultatet som erhålls genom att subtrahera Tranch Avskiljningspunkt från 1.

Den **"Viktade Tillgångsåtervinningen (Ränta)"** betyder produkten av Korgandelen (Ränta) och Återvinningssvärdet för den relevanta Referensenheten (Ränta).

(j) ***Nth till Default CLN Ränta***

Om Lånen är specificerade som att de ger Nth till Default CLN Ränta, så kan räntesatsen vara fast eller rörlig och mängden ränta för varje Ränteperiod ska beräknas i enlighet med den metod som specificerats i någon av de bestämmelserna i detta Villkor 5 (*Ränta*), utom att Beräkningsbeloppet till vilket Räntesatsen ska appliceras ska vara antingen:

- (i) om **"Bestämningsdag Exponering"** är specificerat i Slutliga Villkor, multiplicerat med Justerad Portföljavkastning (Ränta) såsom vid Observationsdag omedelbart föregående den relevanta Räntebetalningsdagen, eller
- (ii) om **"Viktad Genomsnittlig Exponering"** är specificerat i de Slutliga Villkoren, multiplicerat med det viktade medelvärdet av Justerad Portföljavkastning (ränta) under varje kalenderdag från och med den omedelbart föregående Observationsdagen (men exklusive) Observationsdagen som är omedelbart föregående den relevanta Räntebetalningsdagen, såsom fastställts av Emittenten enligt dennes gottfinnande.

Den **"Justerade Portföljavkastningen (Ränta)"** ska vara resultatet som erhålls genom att subtrahera den Justerade Portföljförlusten (Ränta) från 1.

Den **"Justerade Portföljförlusten (Ränta)"** betyder a) om antalet Kredithändelser som har inträffat med avseende på någon eller några Referensenheter (Ränta) inom Korgen under den period som börjar med Inledande Observationsdag och slutar med Observationsdagen som infaller närmast före den relevanta Räntebetalningsdagen, är större än större än eller lika med N, 1; eller b) om antalet Kredithändelser som har inträffat i relation till någon Referensenhet (Ränta) inom Korgen under den period som börjar med Inledande Observationsdag och slutar med Observationsdagen som infaller närmast före den relevanta Räntebetalningsdagen är mindre än N, noll.

"N" ska vara det tal som specificerats i de Slutliga Villkoren.

(k) ***Nth och Nth + 1 till Default CLN Ränta***

Om Lånen som specificerats som att de ger Nth och Nth + 1 till Default CLN Ränta, så kan räntesatsen vara fast eller rörlig och mängden ränta för varje Ränteperiod ska beräknas på det sätt som specificerats i en av bestämmelserna i detta Villkor 5 (*Ränta*), utom att Beräkningsbeloppet på vilken Räntesatsen tillämpas ska vara antingen:

- (i) om **"Bestämningsdag Exponering"** är specificerat i Slutliga Villkor, multiplicerat med Justerad Portföljavkastning (Ränta) såsom vid Observationsdagen omedelbart föregående den relevanta Räntebetalningsdagen, eller
- (ii) om **"Viktad Medelvärdesexponering"** är specificerad i de Slutliga Villkoren, multiplicerad med det viktade medelvärdet av Justerad Portföljavkastning (Ränta) varje kalenderdag från och med den omedelbart föregående Räntebetalningsdagen till (men exklusive) Observationsdagen omedelbart föregående den relevanta Räntebetalningsdagen, såsom fastställt av Emittenten enligt dennes gottfinnande.

Den **"Justerade Portföljavkastningen (Ränta)"** ska vara resultatet som erhålls genom att subtrahera den Justerade Portföljförlusten (Ränta) från 1.

Den **"Justerade Portföljförlusten (Ränta)"** kommer att betyda:

- (i) om antalet Kredithändelser som har inträffat med avseende på någon Referensenhet (Ränta) inom Korgen under den period som börjar på Inledande Observationsdagen och slutar på Observationsdagen som infaller närmast före den relevanta

Räntebetalningsdagen är större än N, summan av Korgandelen för Nth Referensenheten (Ränta) till brott och den Nth plus 1 (dvs. den omedelbart följande) Referensenheten (Ränta) till brott inom Korgen; eller

- (ii) om antalet Kredithändelser som har inträffat med avseende på någon Referensenhet (Ränta) inom Korgen under den period som började vid Inledande Observationsdag och slutade vid Observationsdagen som infaller närmast före den relevanta Räntebetalningsdagen är lika med N, ett belopp lika med Korgandelen hos Nth Referensenheten (Ränta) med avseende på vilken en Kredithändelse inträffar; eller
- (iii) om antalet Kredithändelser som har inträffat med avseende på någon Referensenhet (Ränta) inom Korgen under den period som började vid Inledande Observationsdag och slutade vid Observationsdagen som infaller närmast före den relevanta Räntebetalningsdagen är mindre än N, noll.

"N" ska vara det tal som specificerats i de Slutliga Villkoren.

(l) ***Tak Golv Float***

Om Villkoret 5(l) (*Tak Golv Float*) är specificerat i de relevanta Slutliga Villkoren, så blir Räntebeloppet för den tillämpliga Ränteperioden lika med Beräkningsbeloppet multiplicerat med:

- (a) det lägre av Lösenpristak och Justerad Referensräntesatsavkastning; och
- (b) Dagberäkningsmetoden;

Den "**Justerade Referensräntesatsavkastningen**" blir det högre av:

- (a) summan av Referensräntesatsen och den tillämpliga Spread; och
- (b) Lösenprisgolv.

"**Spread**" blir det värde som är specificerat i de tillämpliga Slutliga Villkoren

(m) ***Tak Golv Spread***

Om detta Villkor 5(m) (*Tak Golv Spread*) är specificerad som tillämplig i de relevanta Slutliga Villkoren, så blir Räntebeloppet för den tillämpliga Ränteperioden lika med summan av Tak-Spreadbeloppet och Golvspreadbeloppet.

"**Tak-Spreadbeloppet**" blir lika med Beräkningsbeloppet multiplicerat med:

- (a) Takvärdet;
- (b) Hävstång (Tak);
- (c) Takavkastningen; och
- (d) Dagberäkningsmetoden.

"**Takvärdet**" kommer att bli antingen 1, minus 1 eller noll, såsom specificerats i de tillämpliga Slutliga Villkoren.

"**Hävstång (Tak)**" blir det värde som specificerats i de tillämpliga Slutliga Villkoren.

"**Takavkastningen**" blir det lägre av:

- (a) det resultat som erhålls genom att subtrahera Lösenpristak Lägre från Lösenpristak Högre; och
- (b) det högre av (x), resultatet som erhålls genom att subtrahera Lösenpristak Lägre från Referensräntesatsen; och (y) noll.

**"Golvspreadbeloppet"** är lika med Beräkningsbeloppet multiplicerat medan:

- (a) Golvvärdet;
- (b) Hävstång (Golv);
- (c) Golvavkastningen; och
- (d) Dagberäkningsmetoden.

**"Golvvärdet"** är antingen 1, minus 1 eller noll, såsom specificerats i de tillämpliga Slutliga Villkoren.

**"Hävstång (Golv)"** kommer att vara det värde som specificerats i de tillämpliga Final Terms.

**"Golvavkastningen"** kommer att vara det lägre av:

- (a) det resultat som erhålles genom att subtrahera Lösenprisgolv Lägre från Lösenprisgolv Högre; och
- (b) det högre av (x) - det resultat som erhålles genom att subtrahera Referenskursen från Lösenprisgolv Högre och (y) noll.

(n) ***Range Accrual***

Om detta Villkor 5(n) (*Range Accrual*) är specificerat såsom tillämplbart i de relevanta Slutliga Villkoren, så är räntebeloppet för den tillämplbara ränteperioden lika med Beräkningsbeloppet multiplicerat med:

- (a) X
- (b) den Relevanta Proportionen; och
- (c) Dagberäkningsmetoden.

**"X"** ska vara det värde som specificerats i de tillämpliga Slutliga Villkoren

Den **"Relevanta Proportionen"** ska beräknas genom att dividera antalet dagar under den relevanta Ränteperioden under vilket Referenskursen, Referenstillgången eller Korgen är lägre än eller lika med Startkurs Högre och högre än eller lika med Startkurs Lägre, med det totala antalet dagar under den tillämpliga ränteperioden.

(o) ***Range Accrual In/Ut***

Om detta Villkor 5(o) (*Range Accrual In/Ut*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, så kommer Räntebeloppet för den tillämpliga Ränteperioden att vara lika med Beräkningsbeloppet multiplicerat med:

- (a) Justerad Spännviddsvärdeutveckling; och
- (b) Dagberäkningsmetoden.

**"Justerad Spännviddsvärdeutveckling "** kommer att vara högre än Lösenprisgolv och Spännviddsvärdeutveckling.

**"Spännviddsvärdeutveckling"** beräknas genom att subtrahera Spännviddsfallerande Värde från Spännviddsframgångsvärde, och dividera resultatet med det totala antalet dagar under den tillämpliga Ränteperioden.

**"Spännviddsframgångsvärde"** är produkten av X och antalet dagar under den relevanta Ränteperioden då Referenskursen var lägre än Startkurs Högre och högre än Startkurs Lägre.

Så **"Spännviddsfallerande Värde "** är produkten av Y och antalet dagar under den relevanta Ränteperioden där Referenskursen är högre än Startkurs Högre eller lägre än Startkurs Lägre.

"X" och "Y" är de värden som specificeras i de tillämpliga Slutliga Villkoren

(p) ***Knock-Out Range Accrual***

Om detta Villkor 5(p) (*Knock-Out Range Accrual*) är specificerat som tillämbart i de relevanta Slutliga Villkoren, så är räntesatsen för den tillämbara Rän-tepe-rioden lika med Beräk-nings-belopp-et multi-pli-cer-at med:

- (a) X
- (b) den Relevanta Proportionen; och
- (c) Dagberäk-nings-metoden.

"X" ska vara det värde som specificerats i de tillämpliga Slutliga Villkoren

Den "**Relevanta Proportionen**", i förhållande till varje tillämbig Rän-te-pe-riod:

- (a) ska, om ingen Knock-Out-Händelse har inträffat i tidigare Rän-te-pe-rioder eller i den innevarande Rän-te-pe-rioden, vara 1 (ett);
- (b) ska, om en Knock-Out-Händelse inträffar för första gången i den innevarande Rän-te-pe-rioden, beräknas genom att dividera antalet Observationsdagar i den innevarande Rän-te-pe-rioden som infallit före Knock-Out-Händelsen med det totala antalet Observationsdagar i den tillämbiga Rän-te-pe-rioden;
- (c) ska, om en Knock-Out-Händelse har inträffat i en tidigare Rän-te-pe-riod, vara 0 (noll).

"**Knock-Out-Händelse**" definieras som varje Observationsdag då Referenskursen är högre än Startkurs Högre eller lägre än Startkurs Lägre.

(q) ***Binärt Tak/Golv***

Om detta Villkor 5(q) (*Binärt Tak/Golv*) är specificerat som tillämbart i de relevanta Slutliga Villkoren, då:

Om Referenskursen är högre än eller lika med Lösenpristaket då är Rän-te-belopp-et för den tillämbara Rän-te-pe-rioden lika med Beräk-nings-belopp-et multi-pli-cer-at med:

- (a) X; och
- (b) Dagberäk-nings-metoden.

Om Referenskursen är lägre än Lösenpristaket, så är Rän-te-belopp-et för den tillämbara Rän-te-pe-rioden lika med Beräk-nings-belopp-et multi-pli-cer-at med:

- (a) Z; och
- (b) Dagberäk-nings-metoden.

Om Referenskursen är lägre än eller lika med Lösenprisgolv, så är Rän-te-belopp-et lika med Beräk-nings-belopp-et multi-pli-cer-at med:

- (a) Y; och
- (b) Dagberäk-nings-metoden.

Om Referenskursen är högre än Lösenprisgolv, så är Rän-te-belopp-et lika med Beräk-nings-belopp-et multi-pli-cer-at med:

- (a) W; och
- (b) Dagberäk-nings-metoden.

"W", "X", "Y" och "Z" kommer att vara värdena som specificerats i de tillämpliga Slutliga Villkoren.

(r) ***Binär Nollkupong***

Om detta Villkor 5(r) (*Binär Nollkupong*) är specificerat i de relevanta Slutliga Villkoren, så kommer Räntebeloppet att vara utbetalningsbart bara vid Återbetalningsdagen, och kommer att vara lika med:

- (a) produkten av Beräkningsbeloppet och den Periodisk Avkastningen, minus
- (b) Beräkningsbeloppet.

Den "**Periodiska Avkastningen**" är produkten av Referenskursavkastningen.

"**Referenskursavkastningen**" för varje tillämplig Referenskurs blir summan av:

- (a) 1; och
- (b) Rate-värdet multiplicerat med den tillämpliga Dagberäkningsmetoden

Där "**Rate-värdet**" kommer att vara X om Referenskursen är högre än K, eller Y om Referenskursen är lägre än eller lika med K.

"K", "X" och "Y" har de värden som specificerats i Slutliga Villkor.

(s) ***Inverterad Floater***

Om detta Villkor 5(s) (*Inverterad Floater*) är specificerad som tillämplig i de relevanta Slutliga Villkoren, så är Räntebeloppet för den tillämpliga Ränteperioden lika med produkten av Beräkningsbeloppet, Referenskursavkastningen och den tillämpliga Dagberäkningsmetoden.

"**Referenskursavkastningen**" blir summan av Y och det lägre av

- (a) Z och
- (b) det högre av: (x) noll; och (y) k multiplicerat med resultatet av att subtrahera Referenskursen från X.

"k", "X", "Y" och "Z" är värdena specificerade i de tillämpliga Slutliga Villkoren..

(t) ***Autocall***

Om detta Villkor 5(t) (*Autocall*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, då om Autocall-villkoret är uppfyllt vid någon tillämplig Värderingsdag under Ränteperioden, så kommer Räntebeloppet för den relevanta ränteperioden att vara lika med Beräkningsbeloppet, multiplicerat med X, multiplicerat med N och multiplicerat med den tillämpliga Dagberäkningsmetoden.

Om Autocallvillkoret inte är uppfyllt vid någon tillämplig Värderingsdag under den relevanta Ränteperioden, så blir Räntebeloppet för den relevanta Ränteperioden noll.

"N" betyder antalet Ränteperioder som har förlupit fram till och inklusive Ränteperioden då Autocallvillkoret är uppfyllt.

"X" är det värde som är specificerat i de tillämpliga Slutliga Villkoren.

Så "**Autocallvillkoret**" betyder att Referenskursen är högre än Kupongbarriärnivån, är lika med Kupongbarriärnivån, eller är lägre än Kupongbarriärnivån, såsom specificerats i de tillämpliga Slutliga Villkoren.

(u) ***Digital Long***

Om detta Villkor 5(u) (*Digital Long*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, om Korgavkastningen för någon Räntebestämningsdag är lika med eller överskrider

Korglösennivån så blir Räntebeloppet lika med Beräkningsbeloppet multiplicerat med Kupongen..

Om Korgavkastningen inte är lika med eller överskrider Korglösennivån vid någon Räntebestämningsdag så blir Räntebeloppet noll.

(v) **Digital Short**

Om detta Villkor 5(v) (*Digital Short*) är specificerat som tillämbart i de relevanta Slutliga Villkoren, om Korgavkastningen vid någon Räntebestämningsdag är lika med eller lägre än Korglösennivån så blir Räntebeloppet för den relevanta Ränteperioden Beräkningsbeloppet multiplicerat med Kupongen.

Om Korgavkastningen är högre än Korglösennivån vid någon Räntebestämningsdag så blir Räntebeloppet för den relevanta Ränteperioden noll.

(w) **Worst of Digital Long**

Om detta Villkor 5(w) (*Worst of Digital Long*) är specificerat i de relevanta Slutliga Villkoren, då, om Referenstillgångsavkastningen för Referenstillgången med Sämst Värdeutveckling vid någon Räntebestämningsdag är lika med eller överskrider Barriärnivån, blir Räntebeloppet för den relevanta Ränteperioden Beräkningsbeloppet multiplicerat med Kupongen.

Om Referenstillgångsavkastningen för Referens för Referenstillgången med Sämst Värdeutveckling understiger Barriärnivån vid någon Räntebestämningsdag, så blir Räntebeloppet för den relevanta Ränteperioden noll.

Referenstillgången med "**Sämst Värdeutveckling**" blir den Referenstillgång som har sämst Referenstillgångsavkastningen, i enlighet med Villkor 6(a)(ii) ("*Basket Long*" struktur).

(x) **Worst of Digital Short**

Om detta Villkor 5(x) (*Worst of Digital Short*) är specificerat som tillämbart i de relevanta Slutliga Villkoren, då:

Om Referenstillgångsavkastningen för Referenstillgången med Sämst Värdeutveckling vid någon Räntebestämningsdag är lika med eller lägre än Barriärnivån, så blir Räntebeloppet för den relevanta Ränteperioden Beräkningsbeloppet multiplicerat med Kupongen.

Om Värdeutvecklingen för Referenstillgången med Sämst Värdeutveckling överstiger Barriärnivån vid någon Räntebestämningsdag, så blir Räntebeloppet för den relevanta Ränteperioden noll.

Referenstillgången med "**Sämst Värdeutveckling**" blir den Referenstillgång som har sämsta Referenstillgångsavkastningen i enlighet med Villkor 6(a)(iii) ("*Basket Short*" struktur).

(y) **Worst of Digital Memory Kupong 2**

Om detta Villkor 5(y) (*Worst of Digital Memory Kupong 2*) är specificerat som tillämbart i de relevanta Slutliga Villkoren, då kommer Räntebeloppet för den relevanta Ränteperioden beräknas genom att multiplicera Beräkningsbeloppet multipliceras med Deltagandegraden, och det högre av: (i) Räntenivån minus den Utbetalda Räntan och (ii) noll. Innehavarna kommer även ha rätt att motta ett belopp som är lika med Lånens Kapitalbelopp vid Återbetalningsdagen.

"**Räntenivå**" syftar, med hänsyn till alla Värderingsdagar, till det högre av: (i) Räntenivån vid den direkt föregående Värderingsdagen (eller, avseende Startdagen, Ingångsräntan), (ii) och produkten av N, Kupongbarriärnivån och Bonusnivån.

"N" kommer vara antalet Värderingsdagar, i enlighet med det angivna i de Slutliga Villkoren

"**Årlig Kupong**" kommer vara det värde som angivits i de tillämbbara Slutliga Villkoren, och

**"Kupongbarriärnivån"** kommer vara 1 om Referenstillgångsavkastningen (i enlighet med det angivna i Villkor 6(a)(ii) ("*Basket Long*" struktur) för varje Referenstillgång inom Korgen är högre än, eller lika med, Barriärnivån vid varje Räntebestämningsdag, och annars lika med noll.

**"Utbetald ränta"** syftar till summan av alla räntor som har blivit betalda fram till (men exklusive) den relevanta Räntebestämningsdagen.

(z) **Digital Podium Long**

Om detta Villkor 5(z) (*Digital Podium Long*) är specificerat som tillämbart i de relevanta Slutliga Villkoren:

Om Referenstillgångsavkastningen hos varje Referenstillgång vid någon Räntebestämningsdag är lika med eller överskrider den relevanta Barriärnivån, så blir Räntebeloppet för den relevanta Ränteperioden Beräkningsbeloppet multiplicerat med Kupongen.

Om Referenstillgångsavkastningen av var och en av de N Referenstillgångarna med bästa Värdeutvecklingarna är lika med eller överskrider den relevanta Barriärnivån vid någon Räntebestämningsdag, så blir Räntebeloppet för den relevanta Ränteperioden Beräkningsbeloppet multiplicerat med Kupong 2.

De "**N Referenstillgångarna med bästa Värdeutvecklingarna**" Referenstillgångarna kommer att bli det förutbestämda antalet Referenstillgångar med den bästa Referenstillgångsavkastningen, såsom det bestäms i enlighet med Villkor 6(a)(ii) ("*Basket Long*" struktur), såsom specificerat i Slutliga Villkor.

Om Referenstillgångsavkastningen för var och en av de N bästa Referenstillgångarna inte är lika med eller överskrider den relevanta Barriärnivån vid någon Räntebestämningsdag, så blir Räntebeloppet för den relevanta Ränteperioden noll.

(aa) **Digital Podium Short**

Om detta Villkor 5(aa) (*Digital Podium Short*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, då:

Om Referenstillgångsavkastningen hos varje Referenstillgång vid någon Räntebestämningsdag är lika med eller under den relevanta Barriärnivån, så blir Räntebeloppet för den relevanta Ränteperioden Beräkningsbeloppet multiplicerat med Kupongen.

Om Referenstillgångsavkastningen hos var och en av de N Referenstillgångarna med bästa Värdeutvecklingarna är lika med eller under den relevanta Barriärnivån vid någon Räntebestämningsdag, så blir Räntebeloppet för den relevanta Ränteperioden Beräkningsbeloppet multiplicerat med Kupong 2.

De "**N Referenstillgångarna med bästa Värdeutvecklingarna**" kommer att bli ett på förhand specificerat antal Referenstillgångar med bäst Referenstillgångsavkastning, såsom det bestäms i enlighet med Villkor 6(a)(iii) ("*Basket Short*" struktur), såsom specificerats i Slutliga Villkor.

Om Referenstillgångsavkastningen för var och en av de N Referenstillgångarna med bästa Värdeutvecklingarna inte är lika med eller under den relevanta Barriärnivån vid någon Räntebestämningsdag, så blir Räntebeloppet för den relevanta Ränteperioden noll.

(bb) **Serier av Digitala**

Om detta Villkor 5(bb) (*Serier av Digitala*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, då blir Räntebeloppet för den relevanta Ränteperioden lika med det Justerade Beräkningsbeloppet multiplicerat med Kupongen.

Det "**Justerade Beräkningsbeloppet**" är Beräkningsbeloppet multiplicerat med ett bråk där täljaren är antalet Referenstillgångar med en Slutkurs som är lika med eller högre än den relevanta Barriärnivån varje dag upp till och inklusive den relevanta Räntebestämningsdagen och nämnaren är antalet Referenstillgångar inom Korgen.



(cc) **Cash Settled Swaption Straddle**

Om detta Villkor 5(cc) (*Cash Settled Swaption Straddle*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden summan av Cash Settled Payer Swaption och Cash Settled Received Swaption.

**"Cash Settled Payer Swaption"** betyder ett belopp lika med Beräkningsbeloppet multiplicerat med:

- (a) Gearing Payer;
- (b) det högsta av noll och resultatet som fås genom att subtrahera Payer Strike från Referenskursen på den relevanta Värderingsdagen; och
- (c) Payer Annuity (Cash).

**"Gearing Payer"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Payer Strike"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Payer Annuity (Cash)"** betyder värdet som det nuvarande värdet av en "annuity payment" av 1 baserat på samma betalningsdagar och konventioner som den bestämda räntefoten i den underliggande swappen av swaptionen och beräknad av Beräkningsagenten på Värderingsdagen med användning av Referenskursen som rabattkurs.

**"Cash Settled Receiver Swaption"** betyder ett värde motsvarande Beräkningsbeloppet multiplicerat med:

- (a) Gearing Receiver;
- (b) det högsta av noll och resultatet som fås genom att subtrahera Referenskursen på Värderingstidpunkten på den relevanta Värderingsdagen från Receiver Strike; och
- (c) Receiver Annuity (Cash).

**"Gearing Receiver"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Receiver Strike"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Receiver Annuity (Cash)"** betyder värdet som det nuvarande värdet av en "annuity payment" av 1 baserat på samma betalningsdagar och konventioner som den bestämda räntefoten i den underliggande swappen av swaptionen och beräknad av Beräkningsagenten på Värderingsdagen med användning av Referenskursen som rabattkurs.

(dd) **Power Tak/Golv**

Om detta Villkor 5(dd) (*Power Tak/Golv*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med Beräkningsbeloppet multiplicerat med:

- (a) Räntesatsen; och
- (b) Dagberäkningsmetoden.

**"Räntesatsen"** betyder det lägsta av den Maximala Räntesatsen och Poweravkastningen.

**"Poweravkastningen"** betyder det högsta av: (i) noll och (ii) Justerade Referensräntesatsavkastningen, i bägge fall höjda till styrkan av Powerfaktorn.

**"Justerade Referensräntesatsavkastningen"** betyder produkten av Gearing och resultatet som fås av att subtrahera Startkursen från Referenskursen vid Värderingstidpunkten på den relevanta Värderingsdagen.

**"Gearing"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Powerfaktorn"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(ee) ***Compounding Floater***

Om detta Villkor 5(ee) (*Compounding Floater*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, kommer Räntebeloppet för den relevanta Ränteperioden betalas på Återbetalningsdagen och vara lika med Beräkningsbeloppet multiplicerat med den Kapitaliserade Räntesatsen.

**"Kapitaliserade Räntesatsen"** är den periodiskt kapitaliserade Räntesatsen, med hänsyn till den tillämpliga Dagberäkningsmetoden.

**"Räntesatsen"** är det lägsta av den Maximala Räntesatsen och Justerade Referensräntesatsavkastningen.

**"Justerade Referensräntesatsavkastningen"** betyder det högsta av:

- (i) Golvet, och
- (ii) Gearing multiplicerad med summan av Referenskursen på den tillämpliga Värderingsdagen och Spread.

**"Spread"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Gearing"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(ff) ***Lock-In 1***

Om detta Villkor 5(ff) (*Lock-In 1*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Räntesatsen och den tillämpliga Dagberäkningsmetoden.

**"Räntesatsen"** betyder:

- (a) om Referenskursen har uppfyllt Lock-In Villkoret vid Värderingstidpunkten på var Värderingsdag, kommer Räntesatsen vara lika med den Fasta Rântan;
- (b) om Referenskursen inte har uppfyllt Lock-In Villkoret vid Värderingstidpunkten på var Värderingsdag, kommer Räntesatsen vara det lägre av den Maximala Räntesatsen och Justerade Referensräntesatsavkastningen;

**"Lock-In Villkoret"** är uppfyllt om Referenskursen är antingen högre än Startkurs Högre eller lägre än Startkurs Lägre.

**"Fasta Rântan"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Justerade Referensräntesatsavkastningen"** betyder det högsta av:

- (i) Golvet, och
- (ii) summan av Referenskursen på Värderingstidpunkten på den relevanta Värderingsdagen och Spread, minus Startkursen.

**"Spread"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(gg) ***Lock-In 2***

Om detta Villkor 5(gg) (*Lock-In 2*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Räntesatsen och den tillämpliga Dagberäkningsmetoden.

**"Räntesatsen"** betyder:

- (a) om Referenskursen inte har uppfyllt Lock in Villkoret vid Värderingstidpunkten på var Värderingsdag, kommer Räntesatsen vara lika med den Fasta Rântan;

- (b) om Referenskursen har uppfyllt Lock-In Villkoret vid Värderingstidpunkten på var Värderingsdag, kommer Räntesatsen var det lägre av den Maximala Räntesatsen och Justerade Referensräntesatsavkastningen;

**"Lock-In Villkoret"** är uppfyllt om Referenskursen är antingen högre än Startkurs Högre eller lägre än Startkurs Lägre.

**"Fasta Räntan"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Justerade Referensräntesatsavkastningen"** betyder det högsta av:

- (i) Golvet, och
- (ii) summan av Referenskursen på Värderingstidpunkten på var Värderingsdag och Spridningen, minus Startkursen.

**"Spread"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(hh) ***Snowball***

Om detta Villkor 5(hh) (*Snowball*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Räntesatsen och den tillämpliga Dagberäkningsmetoden.

**"Räntesatsen"** kommer vara lika med summan av Kupongavkastningen för varje tillämplig Värderingsperiod.

**"Kupongavkastningen"** kommer:

- (i) på Startdagen, vara Kupongen;
- (ii) på varje följande Värderingsdag, vara den Justerade Kupongen.

**"Justerade Kupongen"** kommer vara det högre av:

- (i) noll; och
- (ii) summan av:
  - (a) Kupongavkastningen på den direkt föregående Värderingsdagen; och
  - (b) produkten av (X) resultatet som fås genom att subtrahera Referenskursen på Värderingsdagen på den tillämpliga Värderingsdagen från Startkursen, och (Y) K.

**"K"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(ii) ***Ackumulator***

Om detta Villkor 5(ii) (*Ackumulator*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Räntesatsen och den tillämpliga Dagberäkningsmetoden.

**"Räntesatsen"** kommer vara lika med Kupongavkastningen för varje tillämplig Värderingsperiod.

**"Kupongavkastningen"** kommer vara:

- (i) på Startdagen, den Initiala Kupongen;
- (ii) på varje följande Värderingsdag, summan av:
  - (a) Kupongavkastningen på den direkt föregående Värderingsdagen; och
  - (b) Justerade Kupongen.

**"Justerade Kupongen"** kommer vara Gearing multiplicerat med det högre av:

- (i) Golvet; och
- (ii) resultatet som fås genom att subtrahera Startkursen från Referenskursen på Värderingstidpunkten på den relevanta Värderingsdagen.

**"Gearing"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Floor"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(jj) ***Binär Ackumulator***

Om detta Villkor 5(jj) (*Binär Ackumulator*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Räntesatsen och den tillämpliga Dagberäkningsmetoden.

**"Räntesatsen"** kommer vara lika med Kupongavkastningen för varje tillämplig Värderingsperiod.

**"Kupongavkastningen"** kommer:

- (i) på Startdagen, vara den Initiala Kupongen;
- (ii) på varje följande Värderingsdag, vara summan av:
  - (a) Kupongavkastningen på den direkt föregående Värderingsdagen; och
  - (b) Justerade Kupongen.

**"Justerade Kupongen"** kommer vara Gearing multiplicerat med det högre av:

- (i) Golvet; och
- (ii) Kupongnivån.

**"Floor"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Kupongnivån"** betyder:

- (a) om Referenskursen på Värderingstidpunkten på den tillämpliga Värderingsdagen är lägre än eller lika med X och större än eller lika med Y, Kupongen; eller
- (b) annars, noll.

(kk) ***Betingat Tak/Golv***

Om detta Villkor 5(kk) (*Betingat Tak/Golv*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Räntesatsen och den tillämpliga Dagberäkningsmetoden.

**"Räntesatsen"** kommer:

- (a) om Referenskursen 2 på Värderingstidpunkten på den tillämpliga Värderingsdagen är större än eller lika med Lösenpris 2, vara det högsta av:
  - (i) noll, och
  - (ii) Gearing multiplicerad med resultatet som fås av att subtrahera Startkursen från Referensnivån på den tillämpliga Värderingsdagen.
- (b) om Referensräntan 2 på den tillämpliga Värderingsdagen är mindre än Lösenpris 2, vara noll.

**"Referenskursen 2"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Lösenpris 2"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Gearing"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(ll) **Dubbel Digital Tak**

Om detta Villkor 5(ll) (*Dubbel Digital Tak*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Räntesatsen och den tillämpliga Dagberäkningsmetoden.

**"Räntesatsen"** kommer:

- (a) om Referenskursen på Värderingstidpunkten på den tillämpliga Värderingsdagen är större än eller lika med Startkursen och Referenskursen 2 vid Värderingstidpunkten på den tillämpligt Värderingsdagen är större än eller lika med Lösenpris 2, vara Kupongen,
- (b) om Referenskursen på Värderingstidpunkten på den tillämpliga Värderingsdagen är lägre än Startkursen och/eller Referenskursen 2 vid Värderingstidpunkten på den tillämpliga Värderingsdagen är lägre än Lösenpris 2, vara noll.

**"Referenskursen 2"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Lösenpris 2"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(mm) **Dubbel Digital Golv**

Om detta Villkor 5(mm) (*Dubbel Digital Golv*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Räntesatsen och den tillämpliga Dagberäkningsmetoden.

**"Räntesatsen"** kommer:

- (a) om Referenskursen på Värderingstidpunkten på den tillämpliga Värderingsdagen är mindre än eller lika med Startkursen och Referenskursen 2 vid Värderingstidpunkten på den tillämpligt Värderingsdagen är mindre än eller lika med Lösenpris 2, vara Kupongen,
- (b) om Referenskursen på Värderingstidpunkten på den tillämpliga Värderingsdagen är större än Startkursen och/eller Referenskursen 2 vid Värderingstidpunkten på den tillämpliga Värderingsdagen är större än Lösenpris 2, vara noll.

**"Referenskursen 2"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

**"Lösenpris 2"** betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(nn) **Binärt Inflationstak**

Om detta Villkor 5(nn) (*Binärt Inflationstak*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Räntesatsen och den tillämpliga Dagberäkningsmetoden.

**"Räntesatsen"** kommer:

m Inflationstakten är större än eller lika med Startnivån vid Värderingstidpunkten på den tillämpliga Värderingsdagen, vara lika med Kupongen, annars kommer Räntesatsen vara noll.

(oo) **Binärt Inflationsgolv**

Om detta Villkor 5(oo) (*Binärt Inflationsgolv*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Räntesatsen och den tillämpliga Dagberäkningsmetoden.

**"Räntesatsen"** kommer:

om Inflationstakten är lägre än eller lika med Startnivån vid Värderingstidpunkten på den tillämpliga Värderingsdagen, vara lika med Kupongen, annars kommer Räntesatsen vara noll.

(pp) ***Binärt Inflationsspann***

Om detta Villkor 5(pp) (*Binärt Inflationsspann*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Räntesatsen och den tillämpliga Dagberäkningsmetoden.

"**Räntesatsen**" kommer:

om Inflationstakten är större än eller lika med Startkurs Lägre och lägre än eller lika med Startkurs Högre vid Värderingstidpunkten på den tillämpliga Värderingsdagen, vara lika med Kupongen, annars kommer Räntesatsen vara noll.

(qq) ***Inflationsspann Periodiserad***

Om detta Villkor 5(qq) (*Inflationsspann Periodiserad*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Räntesatsen och den tillämpliga Dagberäkningsmetoden.

"**Räntesatsen**" kommer vara lika med Kupongen multiplicerad med resultatet av bråket där täljaren är antalet Värderingsperioder som uppfyller det Periodiserat Spann Villkoret, och där nämnaren är det totala antalet Värderingsperioder.

"**Periodiserat Spann Villkoret**" betyder att Inflationstakten är högre än eller lika med Startkurs Lägre och lägre än Startkurs Högre vid Värderingstidpunkten på den tillämpliga Värderingsdagen.

(rr) ***Inflation Tak/Golv***

Om detta Villkor 5(rr) (*Inflation Tak/Golv*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Gearing, Inflationsavkastningen och den tillämpliga Dagberäkningsmetoden.

"**Gearing**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

"**Inflationsavkastningen**" kommer vara det högre av:

- (a) noll, och
- (b) produkten av Flaggan och resultatet av att subtrahera Startkursen från Inflationstakten vid Värderingstidpunkten på den tillämpliga Värderingsdagen.

"**Flaggan**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(ss) ***Inflation Ömsesidig***

Om detta Villkor 5(ss) (*Inflation Ömsesidig*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av summan av Inflationstaket och Inflationsgolvet, Beräkningsbeloppet den tillämpliga Dagberäkningsmetoden.

"**Inflationstaket**" kommer vara lika med produkten av Gearing (Tak) och det högre av;

- (a) resultatet som fås av att subtrahera Startkursen (Tak) från Inflationstakten vid Värderingstidpunkten på den tillämpliga Värderingsdagen; och
- (b) noll.

"**Inflationsgolvet**" kommer vara lika med produkten av Gearing (Golv) och det högre av;

- (a) resultatet som fås av att subtrahera Startkursen (Golv) från Inflationstakten vid Värderingstidpunkten på den tillämpliga Värderingsdagen; och

(b) noll.

"**Gearing (Tak)**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

"**Gearing (Golv)**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

"**Lösenpris (Tak)**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

"**Lösenpris (Golv)**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(tt) ***Inflation Tak Golv Spread***

Om detta Villkor 5(tt) (*Inflation Tak Golv Spread*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av summan av Inflationstak Spread och Inflationsgolv Spread, Beräkningsbeloppet och den tillämpliga Dagberäkningsmetoden.

"**Inflation Tak Spread**" kommer vara lika med produkten av:

- (a) Takvärdet;
- (b) Hävstång (Tak); och
- (c) Takavkastningen

"**Takvärdet**" kommer vara antingen 1, minus 1 eller noll, såsom specificerat i de tillämpliga Slutliga Villkoren.

"**Hävstång (Tak)**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

"**Takavkastningen**" kommer vara det lägre av:

- (a) resultatet som fås av att subtrahera Lösenpristak Lägre från Lösenpristak Övre; och
- (b) det högre av (x) resultatet som fås av att subtrahera Lösenpristak Lägre från Inflationstakten vid Värderingstidpunkten på den tillämpliga Värderingsdagen; och (y) noll.

"**Inflation Golv Spread**" kommer vara lika med produkten av:

- (a) Golvvärdet;
- (b) Hävstång (Golv); och
- (c) Golvavkastningen

"**Golvvärdet**" kommer vara antingen 1, minus 1 eller noll, såsom specificerat i tillämpliga Slutliga Villkoren.

"**Hävstång (Golv)**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

"**Golvavkastningen**" kommer vara det lägre av:

- (a) resultatet som fås av att subtrahera Lösenprisgolv Lägre från Lösenprisgolv Högre; och
- (b) det högre av (x) resultatet som fås av att subtrahera Inflationstakten Värderingstidpunkten på den tillämpliga Värderingsdagen från Lösenprisgolv Högre; och (y) noll.

(uu) ***ZC Inflation Tak Golv***

Om detta Villkor 5(uu) (*ZC Inflation Tak Golv*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Gearing och det högre av:

- (a) noll; och
- (b) Inflationsavkastningen.

"**Gearing**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

"**Inflationsavkastningen**" kommer vara produkten av:

- (i) Flaggan, och
- (ii) resultatet som fås av att subtrahera Startkurs Avdragsbar från Inflationstakten vid Värderingstidpunkten på den tillämpliga Värderingsdagen.

"**Startkurs Avdragsbar**" betyder:

- (i) summan av 1 och Startkursen;
- (ii) upphöjd med Löptiden;
- (iii) minskat med 1.

"**Flaggan**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

"**Löptid**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(vv) ***Inflationslänkad 1***

Om detta Villkor 5(vv) (*Inflationslänkad 1*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Gearing och Inflationsavkastningen.

"**Gearing**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

"**Inflationsavkastningen**" kommer vara det högre av:

- (i) noll, och
- (ii) summan av Inflationstakten vid Värderingstidpunkten på den tillämpliga Värderingsdagen och Spreaden.

"**Spreaden**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(ww) ***Inflation Linker 2***

Om detta Villkor 5(ww) (*Inflation Linker 2*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet, Kupongen och Inflationsjustering.

"**Inflationsjustering**" kommer vara lika med resultatet som fås av att dela Inflationsindex vid Värderingstidpunkten på den tillämpliga Värderingsdagen med Inflationsindex på Startdagen.

"**Inflationsindex**" betyder värdet som specificeras i de tillämpliga Slutliga Villkoren.

(xx) ***Strip of Call Spreads***

Om detta Villkor 5(xx) (*Strip of Call Spreads*) är specificerat som tillämpligt i de relevanta Slutliga Villkoren, är Räntebeloppet för den relevanta Ränteperioden lika med produkten av Beräkningsbeloppet och det högre av:

- (a) Lägsta Korgavkastningen; och
- (b) det lägre av (i) Kupongen och (ii) Korgavkastningen (Ränta).

"**Korgavkastningen (Ränta)**" kommer vara summan av den Viktade Tillgångsavkastningen (Ränta) för varje Referenstillgång (Ränta) i Korgen.



**"Viktade Tillgångsavkastningen (Ränta)"** är genomsnittet av Referenstillgångsavkastningen (Ränta) multiplicerat med den tillämpliga Korgandelen (Ränta) för den relevanta Referenstillgången på varje Räntebestämningsdag.

**"Referenstillgångsavkastningen (Ränta)"** kommer vara resultatet som fås genom att dela Slutkursen för den relevanta Referenstillgången (Ränta) på den tillämpliga Räntebestämningsdagen med Startkursen och subtrahera Lösenprisnivån.

(yy) **Allmänna Villkor rörande ränta**

Om en Räntesats av någon anledning inte kan fastställas, vare sig det beror på en oförmåga att värdera någon specifik Referenstillgång eller en händelse som refereras till i första stycket av Villkor 22 (*Ansvarsbegränsning etc.*) eller beror på vilket som helst annat skäl, så ska ränta fortsätta att upplupas på Lånen till den räntesats som är tillämplig för den dåvarande Ränteperioden. Administrerande Institut (eller i tillämpliga fall Beräkningsagenten) skall, så snart den relevanta händelsen har upphört, beräkna den nya Räntesatsen som ska tillämpas från den andra Bankdagen efter det datum beräkningen gjordes tills den aktuella Ränteperioden utlöper.

Emittenten har rätt att utse en annan person, fysisk eller juridisk, för att utföra beräkningar i enlighet med dessa Villkor (**"Beräkningsagenten"**). Namnet på sådan Beräkningsagent ska specificeras i de tillämpliga Slutliga Villkoren.

Om Emittenten enligt eget gottfinnande beslutar att räntan som faktiskt betalats till Fordringshavarna vid någon Räntebetalningsdag översteg beloppet på hur mycket ränta skulle betalas till Fordringshavarna, vid en sådan Räntebetalningsdag, såsom beräknats i enlighet med Villkor 5 (sådan belopp är en **"Överbetalning"**), så kan Emittenten reducera det belopp som ska betalas vid vilken som helst Räntebetalningsdag för att kompensera Emittenten för en sådan Överbetalning. Beloppet för ränta som ska dras av vid någon Räntebetalningsdag ska inte överstiga summan av alla Överbetalningar med avseende på de relevanta Lånen, minus alla eventuella tidigare avdrag i enlighet med Villkor 5(yy). Emittenten ska meddela Låneinnehavare om eventuell reduktion av den räntesumma som är planlagd att betalas på en Räntebetalningsdag, och anledningarna därtill, åtminstone 2 Bankdagar före Räntebetalningsdagen. Sådan meddelande ska ges till Låneinnehavare i enlighet med bestämmelserna i Villkor 16 (*Meddelanden*).

6. **Återbetalning och köp**

(a) **Återbetalning på Återbetalningsdagen**

Emittenten ska lösa in Lånen till deras Återbetalningsbelopp på Återbetalningsdagen specificerad i de Slutliga Villkoren. Återbetalningsbeloppet fastställs i enlighet med en eller flera av resultatstrukturerna specificerad nedan (alltid föremål för Villkor 6(c) (*Lägst Återbetalning*) eller 6(d) (*Inflationsskyddat Kapitalbelopp*), om tillämpligt, och de Slutliga Villkoren specificerar vilken av de följande resultatstrukturerna är tillämplig på varje Serie. Om Räntebeloppet som ska betalas på Återbetalningsdagen är ett negativt belopp, ska det dras av från Återbetalningsbeloppet som bestäms i enlighet med detta Villkor 6(a) (*Återbetalning på Återbetalningsdagen*), med iakttagande av att Återbetalningsbeloppet aldrig skavara lägre än noll.

Om resultatstrukturen specificerad i de Slutliga Villkoren är:

(i) **"Par" struktur**

kommer Återbetalningsbeloppet att vara lika med Lånens Kapitalbelopp.

(ii) **"Basket Long" struktur**

kommer Återbetalningsbeloppet att vara lika med Lånens Kapitalbelopp och en ytterligare summa beräknad genom att multiplicera Lånens Kapitalbelopp med: (x) Korgavkastningen och (y) Deltagandegraden.

**"Korgavkastningen"** är summan av den Viktade Tillgångsavkastningen för varje Referenstillgång i Korgen, **under förutsättning att**, om "Korggolv" är specificerat som

tillämpligt i de relevanta Slutliga Villkoren, ska Korgavkastningen vara det högre av a) den Lägsta Korgavkastningen, och b) summan av den Viktade Tillgångsavkastningen för varje Referenstillgång i Korgen.

Den "**Viktade Tillgångsavkastningen**" är Referenstillgångsavkastningen multiplicerad med det tillämpliga Korgandelen.

"**Referenstillgångsavkastningen**" är resultatet som erhålls genom division av Slutkursen för varje Referenstillgång med Startkursen och subtraktion av Lösenprisnivån.

(iii) *"Basket Short" struktur*

Återbetalningsbeloppet kommer att vara summan av Lånens Kapitalbelopp och en ytterligare summa beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och med Korgavkastningen.

"**Korgavkastning**" är summan av den Viktade Tillgångsavkastningen för varje Referenstillgång i Korgen.

Den "**Viktade Tillgångsavkastningen**" är Referenstillgångsavkastningen multiplicerad med det tillämpliga Korgandelen.

"**Referenstillgångsavkastningen**" kommer att fastställas genom att subtrahera från Startkursen och resultatet som erhållits genom att dividera Slutkursen för varje Referenstillgång med Startkursen.

(iv) *"Barriär Outperformance" struktur*

om Korgavkastningen (fastställd i enlighet med Villkor 6(a)(ii) ("*Basket Long*" struktur) eller Villkor 6(a)(iii) ("*Basket Short*" struktur)), såsom specificerat i de Slutliga Villkoren, på någon Värderingsdag överstiger Barriärnivån, kommer Återbetalningsbeloppet att vara den Maximala Korgavkastningen. Om Korgavkastningen inte överstiger Barriärnivån på någon Värderingsdag, kommer Återbetalningsbeloppet att vara Lånens Kapitalbelopp.

(v) *"Barriär Underperformance" struktur*

om Korgavkastningen (fastställd i enlighet med Villkor 6(a)(ii) ("*Basket Long*" struktur) eller Villkor 6(a)(iii) ("*Basket Short*" struktur)), såsom specificerat i de Slutliga Villkoren, på någon Värderingsdag faller under Barriärnivån, kommer Återbetalningsbeloppet att vara den Maximala Korgavkastningen. Om Korgavkastningen inte faller under Barriärnivån på någon Värderingsdag, kommer Återbetalningsbeloppet att vara Lånens Kapitalbelopp.

(vi) *"Best of/Worst of Barriär Outperformance" struktur*

om Referenstillgångsavkastningen av den Nth bäst presterande Referenstillgången (såsom fastställt i enlighet med Villkor 6(a)(ii) ("*Basket Long*" struktur) eller Villkor 6(a)(iii) ("*Basket Short*" struktur)), såsom specificerat i de Slutliga Villkoren, på någon Värderingsdag överstiger Barriärnivån, kommer Återbetalningsbeloppet att vara den Maximala Korgavkastningen. Om Referenstillgångsavkastningen av den Nth bäst presterande Referenstillgången inte överstiger Barriärnivån på någon Värderingsdag, kommer Återbetalningsbeloppet att vara Lånens Kapitalbelopp.

Den "Nth bäst presterande" Referenstillgången ska vara den Referenstillgång med de Nth högsta Referenstillgångsavkastningen, där "N" ska vara värdet som specificeras i de Slutliga Villkoren.

(vii) *"Best of/Worst of Barriär Underperformance" struktur*

om Referenstillgångsavkastningen av den Nth bäst presterande Referenstillgången (såsom fastställt i enlighet med Villkor 6(a)(ii) ("*Basket Long*" struktur) eller Villkor 6(a)(iii) ("*Basket Short*" struktur)), såsom specificerat i de Slutliga Villkoren, på någon

Värderingsdag faller under Barriärnivån, kommer Återbetalningsbeloppet att vara den Maximala Korgavkastningen. Om Referenstillgångsavkastningen av den Nth bäst presterande Referenstillgången inte faller under Barriärnivån på någon Värderingsdag, kommer Återbetalningsbeloppet att vara Lånens Kapitalbelopp.

Den "Nth bäst presterande" Referenstillgången ska vara den Referenstillgång med de Nth högsta Referenstillgångsavkastningen, där "N" ska vara värdet som specificeras i de Slutliga Villkoren.

(viii) *"Max" struktur*

Återbetalningsbeloppet är det lägre av: a) Återbetalningsbeloppet fastställt i enlighet med en eller flera av de andra värdeutvecklingsstrukturerna specificerade i detta Villkor 6(a) (*Återbetalning på Återbetalningsdagen*) och b) det Maximala Återbetalningsbeloppet.

(ix) *"Autocallstruktur Long"*

Om Lånen inte varit föremål för förtida återbetalning i enlighet med Villkor 6(j) (*Förtida Återbetalning av Lån med Värdeutvecklingsstrukturen Autocall*), kommer Återbetalningsbeloppet att beräknas såsom följer:

- (A) Om Korgavkastningen på den slutliga Värderingsdagen är lika med eller under slutliga Barriärnivån minus Korgens Startkurs, kommer Återbetalningsbeloppet att vara summan av Lånens Kapitalbelopp och en ytterligare summa beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och Korgavkastningen;
- (B) Om Korgavkastningen på den slutliga Värderingsdagen är vid eller högre än slutliga Barriärnivån minus Korgens Startkurs, kommer Återbetalningsbeloppet att vara summan av Lånens Kapitalbelopp och en ytterligare summa som är lika med det högsta av a) Korgavkastningen multiplicerad med Deltagandegraden 2 eller b) den Lägsta Korgavkastningen;. eller
- (C) Till undvikande av tvivel kan en Kupong (om någon) vara betalbar i enlighet med Villkor 5(g) (*Kupongbärande Autocalllån*);

**"Korgavkastningen"** beräknas på samma sätt som för "Basket Long" strukturen framställd i Villkor 6(a)(ii).

För beräkning av Korgavkastningen, ska **"Referenstillgångsavkastning"** vara resultatet som erhålls genom division av Slutkursen för varje Referenstillgång med Startkursen, och subtraktion av Startkursen.

(x) *"Autocallstruktur – Short"*

Om Lånen inte varit föremål för förtida återbetalning i enlighet med Villkor 6(j) (*Förtida Återbetalning av Lån med Värdeutvecklingsstrukturen Autocall*), så kommer Återbetalningsbeloppet att beräknas på samma sätt som Autocallstrukturen – Long beskriven i Villkor 6(a)(ix) (*Autocallstruktur Long*) ovan, förutom att definitionen av **"Referenstillgångsavkastning"** ska vara som följer:

**"Referenstillgångsavkastning"** ska fastställas genom att subtrahera från Startkursen resultatet som erhålls genom att dividera Slutkursen för den relevanta Referenstillgången med Startkursen och uttryckt som en procentsats.

(xi) *"Best of/Worst of Autocall" struktur*

Om Lånen inte har varit föremål för förtida återbetalning i enlighet med Villkor 6(k) (*Förtida Återbetalning av Lån med Värdeutvecklingsstrukturen Best of/Worst of Autocall*), så ska Återbetalningsbeloppet vara såsom följer:

- (A) Om Slutkursen för den Nth bäst presterande Referenstillgången på den slutliga Värderingsdagen delad med Startkursen för den Nth bäst presterande

Referenstillgången är lika med eller högre än den slutliga Barriärnivån, ska summan av Lånens Kapitalbelopp och ett ytterligare belopp beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och det högsta av a) Korgavkastningen och b) noll.

- (B) Om Slutkursen för den Nth bäst presterande Referenstillgången på den slutliga Värderingsdagen delad med Startkursen för den Nth bäst presterande Referenstillgången är lägre än den slutliga Barriärnivån, ska summan av Lånens Kapitalbelopp och ett ytterligare belopp beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegrad 2 och Referenstillgångsavkastningen av den Nth bäst presterande Referenstillgången.

För detta Villkor 6(a)(xi), ska den "Nth bäst presterande" Referenstillgången vara den Referenstillgång med den Nth bästa Referenstillgångsavkastningen, där "N" ska vara värdet specificerat i de Slutliga Villkoren.

**"Referenstillgångsavkastningen"** ska vara det resultat som nås genom att dela Slutkursen för den relevanta Referenstillgången med Startkursen och subtrahera Lösenprisnivån.

- (xii) *"Replacement Basket" struktur*

Återbetalningsbeloppet kommer att vara summan av Lånens Kapitalbelopp beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och Korgavkastningen.

**"Korgavkastning"** är summan av den Viktade Tillgångsavkastningen för varje Referenstillgång i Korgen.

Den **"Viktade Tillgångsavkastningen"** är Referenstillgångsavkastningen multiplicerad med den tillämpliga Korgandelen, *förutsatt att* Referenstillgångsavkastningen av de Nth bäst presterande Referenstillgångarna kommer att ersättas med Ersättningsfaktorn i syfte att fastställa den Viktade Referensavkastningen av de relevanta Referenstillgångarna.

De **"N bäst presterande Referenstillgångarna"** kommer att vara antalet "N" av Referenstillgångar (såsom specificerat i de Slutliga Villkoren) med den högsta Referenstillgångsavkastningen.

**"Referenstillgångsavkastningen"** är resultatet som erhålls genom division av Slutkursen för varje Referenstillgång med Startkursen och subtraktion av Lösenprisnivån.

- (xiii) *"Locally Capped Basket" struktur*

Återbetalningsbeloppet kommer att vara summan av Lånens Kapitalbelopp och en ytterligare summa beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och med Korgavkastningen.

**"Korgavkastning"** är summan av den Viktade Tillgångsavkastningen för varje Referenstillgång i Korgen.

Den **"Viktade Tillgångsavkastningen"** är den lägre av: (i) Referenstillgångsavkastningen och (ii) den Maximala Värdeutvecklingen, i bägge fall multiplicerad med den tillämpliga Korgandelen.

**"Referenstillgångsavkastningen"** är resultatet som erhålls genom division av Slutkursen för varje Referenstillgång med Startkursen och subtraktion av Lösenprisnivån.

- (xiv) *"Rainbow Basket" struktur*

Återbetalningsbeloppet kommer att vara summan av Lånens Kapitalbelopp och en ytterligare summa beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och med Korgavkastningen.

**"Korgavkastning"** är summan av den Viktade Tillgångsavkastningen för varje Referenstillgång i Korgen.

Den **"Viktade Tillgångsavkastningen"** är Referenstillgångsavkastningen multiplicerad i bägge fall med den tillämpliga Korgandelen.

**"Referenstillgångsavkastningen"** är resultatet som erhålls genom division av Slutkursen för varje Referenstillgång med Startkursen och subtraktion av Startkursen.

**"Korgandelen"** kommer att fastställas på basis av Rainbow Basketandelen.

(xv) *"Booster Short" struktur*

Om Korgavkastningen är positiv, kommer Återbetalningsbeloppet att vara summan av Lånens Kapitalbelopp och en ytterligare summa beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och med Korgavkastningen.

Om Korgavkastningen är negativ, kommer Återbetalningsbeloppet vara summan av Lånens Kapitalbelopp och ett ytterligare belopp som beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegrad 2 och Korgavkastningen (vilket kommer resultera i ett Återbetalningsbelopp som är lägre än Lånens Kapitalbelopp).

**"Korgavkastningen"** beräknas på samma sätt som för "Basket Short" strukturen i Villkor 6(a)(iii) (*"Basket Short" struktur*).

I syfte att beräkna Korgavkastningen, ska **"Referenstillgångsavkastning"** vara resultatet som erhålls genom att subtrahera från Startkursen resultatet som erhålls genom att dividera Slutkursen för varje Referenstillgång med Startkursen.

(xvi) *"Booster Long" struktur*

Om Korgavkastningen är positiv, kommer Återbetalningsbeloppet att vara summan av Lånens Kapitalbelopp och en ytterligare summa beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och med Korgavkastningen.

Om Korgavkastningen är negativ, kommer Återbetalningsbeloppet att vara summan av Lånens Kapitalbelopp och en ytterligare summa beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegrad 2 och med Korgavkastningen (vilket kommer resultera i ett Återbetalningsbelopp som är lägre än Lånens Kapitalbelopp).

**"Korgavkastningen"** beräknas på samma sätt som för "Basket Long" strukturen framställd i Villkor 6(a)(ii) (*"Basket Long" struktur*).

(xvii) *"Booster Riskbarriär Short" struktur*

Om summan av Korgavkastningen och 1 är lika med eller högre än den Initiala Barriärnivån på den slutliga Värderingsdagen, kommer Återbetalningsbeloppet vara summan av Lånens Kapitalbelopp och ett ytterligare belopp som beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och Korgavkastningen.

Om summan av Korgavkastningen och 1 är lika med eller högre än Barriärnivån på alla Värderingsdagar men under Korgs Startvärde på den slutliga Värderingsdagen, kommer Återbetalningsbeloppet att vara Lånens Kapitalbelopp.

Om summan av Korgavkastningen och 1 är under Barriärnivån vid någon Värderingsdag och under den Korg Startvärde på den slutliga Värderingsdagen, blir Återbetalningsbeloppet summan av Lånens Kapitalbelopp och ett ytterligare belopp som beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegrad 2 och Korgavkastningen (vilket kommer resultera i ett Återbetalningsbelopp som är lägre än Lånens Kapitalbelopp).

**"Korgavkastningen"** beräknas på samma sätt som för "Basket Short" strukturen i Villkor 6(a)(iii) (*"Basket Short" struktur*).

(xviii) *"Booster Risk Barriär Long" struktur*

Om summan av Korgavkastningen och 1 är lika med eller högre än Korgs Startvärde på den slutliga Värderingsdagen, kommer Återbetalningsbeloppet att vara summan av Lånens Kapitalbelopp och en ytterligare summa beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och med Korgavkastningen.

Om summan av Korgavkastningen och 1 är lika med eller högre än Barriärnivån vid alla Värderingsdagar men under Korgs Startvärde på den slutliga Värderingsdagen, kommer Återbetalningsbeloppet att vara Lånens Kapitalbelopp.

Om summan av Korgavkastningen och 1 är under Barriärnivån vid någon Värderingsdag och under Korgs Startvärde på den slutliga Värderingsdagen, blir Återbetalningsbeloppet summan av Lånens Kapitalbelopp och ett tillkommande belopp som beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegrad 2 och Korgavkastningen vilket kommer resultera i ett Återbetalningsbelopp som är lägre än Lånens Kapitalbelopp).

**"Korgavkastningen"** kommer att beräknas på samma sätt som för den "Basket Long"-struktur angiven i Villkor 6(a)(ii) (*"Basket Long" struktur*).

För beräkning av Korgavkastningen, ska **"Referenstillgångsavkastning"** vara resultatet som erhålls genom division av Slutkursen för varje Referenstillgång med Startkursen, och subtraktion av Startkursen.

(xix) *"Bonus Booster Short" struktur*

Om summan Korgavkastningen och 1 är lika med eller högre än Barriärnivån vid någon Värderingsdag och under Korg Startvärde på den slutliga Värderingsdagen, blir Återbetalningsbeloppet summan av Lånens Kapitalbelopp och ett tillkommande belopp som beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegrad och med Korgavkastningen.

Om summan av Korgavkastningen och 1 är under Barriärnivån vid någon Värderingsdag och under Korgs Startvärde på den slutliga Värderingsdagen, blir Återbetalningsbeloppet summan av Lånens Kapitalbelopp och ett ytterligare belopp som beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegrad 2 och Korgavkastningen (vilket kommer resultera i ett Återbetalningsbelopp som är lägre än Lånens Kapitalbelopp).

Om summan av Korgavkastningen och 1 aldrig är under Barriärnivån vid någon Värderingsdag, blir Återbetalningsbeloppet summan av Lånens Kapitalbelopp och ett tillkommande belopp lika med det högre av:

- (A) Kupongen; och
- (B) det beräknade beloppet genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och med Korgavkastningen.

**"Basket Return"** kommer att beräknas på samma sätt som för den "Basket Short"-struktur angiven i Villkor 6(a)(iii) (*"Basket Short" struktur*).

För syftet att beräkna Korgavkastningen, ska **"Referenstillgångsavkastning"** vara resultatet som erhålls genom att subtrahera från Startkursen resultatet som erhålls genom att dividera Slutkursen för varje Referenstillgång med Startkursen.

(xx) *"Bonus Booster Long" struktur*

Om summan av Korgavkastningen och 1 är lika med eller högre än Korgs Startvärde på den slutliga Värderingsdagen, kommer Återbetalningsbeloppet att vara summan av Lånens Kapitalbelopp och en ytterligare summa beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och med Korgavkastningen.

Om summan av Korgavkastningen och 1 är under Barriärnivån vid någon Värderingsdag och under Korgs Startvärde på den slutliga Värderingsdagen, blir Återbetalningsbeloppet summan av Lånens Kapitalbelopp och ett tillkommande belopp som beräknas genom att

multiplitera Lånens Kapitalbelopp med Deltagandegrad 2 och Korgavkastningen (vilket kommer resultera i ett Återbetalningsbelopp som är lägre än Lånens Kapitalbelopp).

Om summan av Korgavkastningen och 1 aldrig är under Barriärnivån vid någon Värderingsdag, blir Återbetalningsbeloppet summan av Lånens Kapitalbelopp och ett tillkommande belopp som är lika med det högre av:

- (A) Kupongen; och
- (B) det beräknade beloppet genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och med Korgavkastningen.

**"Korgavkastningen"** kommer att beräknas på samma sätt som för den "Basket Long"-struktur angiven i Villkor 6(a)(ii) ("*Basket Long*" struktur).

I syfte att beräkna Korgavkastningen, kommer "Referenstillgångsavkastningen" att vara det resultat som erhålles genom att dividera det Slutkursen för varje Referenstillgång med Startkursen, och subtrahera Startkursen.

(xxi) "*Periodsumme*" struktur

Återbetalningsbeloppet kommer att vara summan av Lånens Kapitalbelopp och ett belopp som beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och det högsta av:

- (i) den Slutliga Lock-In-Nivån;
- (ii) Periodsumme-Avkastningen; och
- (iii) det Globala Golvet.

Den "**Slutliga Lock-In-Nivån**" innebär den högsta Lock-In-Nivå som nås eller överskrids av den sammantagna Korgavkastningen vid någon Värderingsdag.

**"Lock-In-Nivån"** innebär varje nivå som specificeras som sådan i de tillämpliga Slutliga Villkoren.

**"Periodsumme-Avkastningen"** innebär det lägre av:

- (i) det Globala Taket; och
- (ii) den Justerade Kupongen.

Den "**Justerade Kupongen**" innebär den Initiala Kupongen plus den sammantagna Korgavkastningen vid den senaste Värderingsdagen.

Det "**Globala Taket**" innebär det värde som specificerats i de tillämpliga Slutliga Villkoren. Om det Globala Taket är specificerat som inte tillämpligt i Slutliga Villkoren, ska det Globala Taket tillskrivas ett noterat oändligt värde i syfte att beräkna Återbetalningsbeloppet.

Det "**Globala Golvet**" innebär det värde som specificerats i de tillämpliga Slutliga Villkoren. Om det Globala Golvet har specificerats som inte tillämpligt i de Slutliga Villkoren, ska det Globala Golvet tillskrivas ett noterat värde på noll, i syfte att beräkna Återbetalningsbeloppet.

Den "**Initiala Kupongen**" innebär det värde som specificerats i de tillämpliga Slutliga Villkoren.

Den "**Sammantagna Korgavkastningen**" för varje Värderingsperiod (den "**Relevanta Värderingsperioden**") kommer att vara summan av de Justerade Periodiska Korgavkastningarna för varje Värderingsperiod fram till och inkluderande den relevanta Värderingsperioden.

Den "**Justerade Periodiska Korgavkastningen**" för varje tillämpbar Värderingsperiod kommer att vara det högre av:

- (A) Det Lokala Golvet; och
- (B) det lägre av: (a) det Lokala Taket och (b) den Ojusterade Periodiska Korgavkastningen.

Det "**Lokala Taket**" innebär det värde som specificerats i de tillämpliga Slutliga Villkoren. Om det Lokala Taket är specificerat som inte tillämpligt i de Slutliga Villkoren, ska det Lokala Taket tillskrivas ett noterat oändligt värde i syfte att beräkna Återbetalningsbeloppet.

Det "**Lokala Golvet**" innebär det värde som specificerats i de tillämpliga Slutliga Villkoren. Om det Lokala Golvet är specificerat som inte tillämpligt i de Slutliga Villkoren, ska det lokala golvet tillskrivas ett noterat värde om noll i syfte att beräkna Återbetalningsbeloppet.

Den "**Ojusterade Periodiska Korgavkastningen**" är det resultat som erhålles genom att ta summan av de viktade avkastningarna på tillgångarna vid tillämplig Värderingsdag, och subtrahera summan av de viktade avkastningarna på tillgångarna vid den omedelbart föregående Värderingsdagen, och uttrycka detta resultat som en procentandel av summan av de viktade avkastningarna på tillgångarna vid den omedelbart föregående Värderingsdagen.

Den "**Viktade Tillgångsavkastningen**" är Referenstillgångsavkastningen multiplicerad med den tillämpliga Korgandelen.

"**Referenstillgångsavkastningen**" är resultatet som erhålls genom division av Slutkursen för varje Referenstillgång med Startkursen och subtraktion av Startkursen.

(xxii) "*Omvänd Periodsumme*" struktur

Avkastningsbeloppet kommer att beräknas på samma sätt som för den "*Periodsumme*"-struktur som anges i Villkor 6(a)(xxi), med reservation för att definitionen av "Justerad Kupong" ska lyda som följer:

Den "**Justerade Kupongen**" innebär den Initiala Kupongen minus den sammantagna Korgavkastningen vid den allra senast inträffade Värderingsdagen

(xxiii) "*Ersättande periodsumme*" -struktur

Återbetalningsbeloppet kommer att beräknas på samma sätt som för den "*Periodsumme*"-struktur som anges i Villkor 6(a)(xxi), med reservation för att definitionen av "Justerad Periodisk Korgavkastning" ska lyda som följer:

Den "**Justerade Periodiska Korgavkastningen**" för varje tillämpbar Värderingsperiod ska vara den ojusterade periodiska Korgavkastningen, med reservation för att med avseende på Värderingsperioderna med de N högsta ojusterade periodiska Korgavkastningarna, ska den ojusterade periodiska Korgavkastningen ersättas med den relevanta låsta periodiska Korgavkastning som specificerats i de Slutliga Villkoren.

"N" ska ha ett sig tilldelat värde i de tillämpliga Slutliga Villkoren.

"**Låst periodisk Korgavkastning (Fixed Periodic Basket Return)**" ska vara efter vad som specificerats i de tillämpliga Slutliga Villkoren.

(xxiv) "*Omvänd Ersättning Periodsumme*" struktur

Återbetalningsbeloppet kommer att beräknas på samma sätt som för den "*Reverse Periodsumme*"-struktur som anges i Villkor 6(a)(xxii), med reservation för att definitionen av "*justerad periodisk Korgavkastning*" ska lyda som följer:



Den "**justerade periodiska Korgavkastningen**" för varje tillämpbar Värderingsperiod ska vara den ojusterade periodiska Korgavkastningen, med reservation för att med avseende på Värderingsperioderna med de N högsta ojusterade periodiska Korgavkastningarna, ska den ojusterade periodiska Korgavkastningen ersättas med den relevanta låsta periodiska Korgavkastning som specificerats i de Slutliga Villkoren.

"N" ska ha ett sig tilldelat värde i de tillämpliga Slutliga Villkoren.

"**Låst periodisk Korgavkastning**" ska vara så som specificerats i de tillämpliga Slutliga Villkoren

(xxv) *"Rainbow Ersättande periodsumme" -struktur*

Återbetalningsbeloppet kommer att vara summan av Lånens Kapitalbelopp och ett tillkommande belopp som beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegrad och det högre av:

- (i) den Lägsta Korgavkastningen; och
- (ii) summan av den Viktade Ersättningen av Periodsummeprestationen för varje Referenstillgång i Korgen.

Den "**Viktade Ersättningen av Periodsummeprestationen**" kommer att vara Periodsummeersättningsprestationen för den relevanta Referenstillgången, multiplicerad med den tillämpliga Korgandelen.

"**Korgandelen**" bestäms baserat på Korgandelen i Periodsumme-ersättningen.

"**Periodsummeersättningsprestationen**" kommer att vara summan av de Justerade Periodiska Referenstillgångarnas Avkastning för den relevanta Referenstillgången i varje Värderingsperiod.

"**Justerade Periodiska Referenstillgångarnas Avkastning**" för varje tillämpbar Värderingsperiod kommer att vara avkastningen från den Periodiska Referenstillgången, med reservation för att med avseende på Värderingsperioderna med de N högsta avkastningarna från den periodiska Referenstillgången ska avkastningen från Referenstillgången ersättas med den relevanta avkastningen från den låsta Referenstillgång som som specificerats i de Slutliga Villkoren.

"N" ska ha det värde som det tilldelats under de tillämpliga Slutliga Villkoren

"**Avkastningen från den Fasta Referenstillgången**" ska vara enligt vad som specificerats under de tillämpliga Slutliga Villkoren.

"**Avkastningen från den Periodiska Referenstillgången**" kommer att vara det resultat (uttryckt som en procentandel) som erhålles genom att dividera det Slutkursen för varje Referenstillgång med startpriset, och subtrahera 100 procent.

"**Startpriset**" kommer att vara Stängningskursen för den relevanta Referenstillgången på Värderingsdagen omedelbart föregående början på applikationens Värderingsperiod.

"**Slutkursen**" kommer att vara Stängningskursen för den relevanta Referenstillgången på Värderingsdagen vid slutet av den tillämpliga Värderingsperioden.

(xxvi) *Omvänd Konvertibel struktur*

Om summan av Korgavkastningen och 1 är lika med eller högre än Korgs Startvärde, kommer Återbetalningsbeloppet att bli lika med Lånens Kapitalbelopp.

Om summan av Korgavkastningen och 1 är under den Korgs Startvärde, kommer Återbetalningsbeloppet att beräknas genom att multiplicera Lånens Kapitalbelopp med en Deltagandegrad och Korgavkastningen, och addera det resulterande negativa beloppet till från Lånens Kapitalbelopp (i vilket fall Återbetalningsbeloppet kommer vara lägre än Lånens Kapitalbelopp).

**"Korgavkastningen"** kommer att beräknas på samma sätt som för "Basket Short"-strukturen som anges i Villkor 6(a)(ii)

(xxvii) *Omvänd Konvertibel Riskbarriärstruktur*

Om summan av Korgavkastningen och 1 är lika med eller högre än Korgs Startvärde på den slutliga Värderingsdagen, kommer Återbetalningsbeloppet att bli lika med Lånens Kapitalbelopp.

Om summan av Korgavkastningen och 1 är under Barriärnivån vid någon Värderingsdag, och på den slutliga Värderingsdagen Korgavkastningen är under den Korgs Startvärde, kommer Återbetalningsbeloppet att beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och Korgavkastningen, och addera det resulterande negativa beloppet till Lånens Kapitalbelopp (i vilket fall Återbetalningsbeloppet kommer vara lägre än Lånens Kapitalbelopp).

**"Korgavkastningen"** kommer att beräknas på samma sätt som för den "Basket Long"-struktur som anges i Villkor 6(a)(ii).

För syftet att beräkna den Viktade Tillgångsavkastningen (utom för syftet att beräkna Korgavkastningen) ska "Referenstillgångsavkastningen" vara resultatet som nås genom att dela Stängningskursen för varje Referenstillgång med Startkursen och subtrahera Lösenprisnivån.

(xxviii) *"Worst of" Omvänd Konvertibel struktur*

Om summan av den Sämsta Referenstillgångsavkastningen och 1 är lika med eller högre än Barriärnivån, kommer Återbetalningsbeloppet vara lika med Lånens Kapitalbelopp.

Om summan av den Sämsta Referenstillgångsavkastningen och 1 är under den ursprungliga Korgnivån, ska Återbetalningsbeloppet beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och den Sämsta Referenstillgångsavkastningen och addera det negativa resultatet till Lånens Kapitalbelopp. I detta fall kommer Återbetalningsbeloppet bli lägre än Lånens Kapitalbelopp.

Den **"Sämsta Referenstillgångsavkastningen"** är den Avkastning på Referenstillgången som är lägst.

**"Referenstillgångsavkastningen"** är det resultat som fås genom att dela Slutkursen för varje Referenstillgång med Startkursen och subtrahera Lösenprisnivån.

(xxix) *Up and In Long*

Återbetalningsbeloppet kommer att vara lika med summan av Lånens Kapitalbelopp och ett tillkommande belopp, som beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden, Knock-In-Faktorn och det högre av:

- (A) noll, och
- (B) Korgavkastningen.

**"Knock-In-Faktorn"** innebär:

- (A) ett värde lika med 1 om summan av Korgavkastningen och 1 vid någon Värderingsdag är på eller över Barriärnivån,
- (B) ett värde lika med noll om summan av Korgavkastningen och 1 inte är på eller över Barriärnivån vid någon Värderingsdag.

**"Korgavkastningen"** kommer att beräknas på samma sätt som för "Basket Long"-strukturen som anges i Villkor 6(a)(ii).

(xxx) *Up and Out Long*

Återbetalningsbeloppet kommer att vara lika med summan av Lånens Kapitalbelopp och ett tillkommande belopp, som beräknas genom att multiplicera Lånens Kapitalbelopp och det högsta av:

- (A) noll;
- (B) summan av att multiplicera Rabatten och Knock-Out-Faktorn; och
- (C) resultatet av att multiplicera Deltagandegraden, Knock-Out-Differentialen och Korgavkastningen, och Knock-Out-Faktorn.

**"Knock-Out-Faktorn"** innebär:

- (A) ett värde lika med 1 om summan av Korgavkastningen och 1 på någon Värderingsdag är över Barriärnivån;
- (B) ett värde lika med noll om summan av Korgavkastningen och 1 inte är över Barriärnivån på någon Värderingsdag.

**"Rabatten"** syftar till det värde som anges i de Slutliga Villkoren

**"Knock-Out-Differentialen"** syftar till skillnaden mellan 1 och Utslagsfaktorn.

**"Korgavkastningen"** kommer att beräknas på samma sätt som för "Basket Long"-strukturen som anges i Villkor 6(a)(ii).

(xxxi) *Worst of Down and Out Basket Long*

Återbetalningsbeloppet kommer att vara lika med summan av Lånens Kapitalbelopp och ett tillkommande belopp, som beräknas genom att multiplicera Lånens Kapitalbelopp med det högsta av:

- (A) noll, och
- (B) resultatet av att multiplicera Rabatten och Knock-Out-Faktorn, och
- (C) resultatet av att multiplicera Deltagandegraden, Knock-Out-Differentialen och Korgavkastningen.

**"Knock-Out-Faktorn"** innebär:

- (A) ett värde lika med 1 om summan av den Lägsta Värdeutvecklingen och 1 vid någon Värderingsdag är lägre än eller lika med Barriärnivån,
- (B) ett värde lika med noll om summan av den Lägsta Värdeutvecklingen och 1 är högre än Barriärnivån vid någon Värderingsdag.

**"Knock-Out-Differentialen"** syftar till skillnaden mellan 1 och Knock-Out-Faktorn.

**"Lägsta Värdeutvecklingen"** syftar till den Lägsta Värdeutvecklingen för en Underliggande tillgång bland alla Referenstillgångar inom Korgen.

**"Utfall för Referenstillgång"** syftar till kvoten av:

- (A) Stängningskursen för den relevanta Referenstillgången på den tillämpliga Värderingsdagen, i enlighet med de Slutliga Villkoren, genom
- (B) medelvärdet av Stängningskurserna för den relevanta Referenstillgången för varje Inledande Värderingsdag.

**"Rabatten"** betyder det värde som specificeras i de tillämpliga Slutliga Villkoren.

**"Korgavkastningen"** kommer att beräknas på samma sätt som för "Basket Long"-strukturen som anges i Villkor 6(a)(ii).

(xxxii) *Down and Out Basket Long*

Återbetalningsbeloppet kommer vara lika med summan av Lånens Kapitalbelopp och ett ytterligare belopp som beräknas genom att multiplicera Lånens Kapitalbelopp med det högsta av:

- (A) noll;
- (B) resultatet av att multiplicera Rabatten och Knock-Out-Faktorn; och
- (C) resultatet av att multiplicera Deltagandegraden, Knock-Out-Differentialen och Korgavkastningen.

**"Knock-Out-Faktorn"** innebär:

- (A) ett värde lika med 1 om summan av Korgavkastningen och 1 på någon Värderingsdag är lägre än eller lika med Barriärnivån;
- (B) ett värde lika med noll om summan av Korgavkastningen och 1 är högre än Barriärnivån på någon Värderingsdag.

**"Rabatten"** betyder det värde som specificeras i de tillämpla Slutliga Villkoren.

**"Knock-Out-Differentialen"** syftar till skillnaden mellan 1 och Knock-Out-Faktorn.

**"Korgavkastningen"** kommer att beräknas på samma sätt som för "Basket Long"-strukturen som anges i Villkor 6(a)(ii) ("*Basket Long*" struktur).

(xxxiii) *Worst of Digital Memory Coupon 1*

Återbetalningsbeloppet kommer vara lika med summan av Lånens Nominella belopp och ett extrabelopp som beräknas genom att multiplicera Lånens Nominella belopp med Deltagandegraden, och det högre av: (i) noll och (ii) Kupongnivån.

**"Kupongnivå"** syftar, med hänsyn till alla Värderingsdagar, till det högre av: (i) Kupongnivån vid den direkt föregående Värderingsdagen (eller Initiala Kupongen, avseende Startdagen) (ii) och produkten av N, Kupongbarriärnivån och den Kupongen.

**"N"** kommer vara antalet Värderingsdagar, i enlighet med det angivna i de Slutliga Villkoren.

**"Kupongbarriärnivån"** kommer vara 1 om den Referenstillgångens avkastning (i enlighet med det angivna i Villkor 6(a)(ii) ("*Basket Long*" struktur) för varje Referenstillgång inom Korgen är högre än, eller lika med, Startkursen vid varje Värderingsdag, annars är det lika med noll.

(xxxiv) *Worst of Call Option*

Återbetalningsbeloppet kommer vara lika med summan av Lånens Nominella belopp och ett extrabelopp som beräknas genom att multiplicera Lånens Nominella belopp med Deltagandegraden, och det högre av: (i) den Lägsta Värdeutvecklingen och (ii) noll.

**"Lägsta Värdeutvecklingen"** betyder den lägsta Referenstillgångsvärdeutvecklingen för alla Referenstillgångar i Korgen.

**"Referenstillgångsvärdeutvecklingen"** betyder resultatet av att dela:

- (A) stängningskursen för den relevanta Referenstillgången på den tillämpliga Värderingsdagen, såsom specificerat i de Slutliga Villkoren, genom

- (B) genomsnittet av Stängningspriset för den relevanta Referenstillgången på varje Startdag,

och dra av Lösenprisnivån.

(xxxv) *Outperformance Option*

Återbetalningsbeloppet kommer vara lika med summan av Lånens Kapitalbelopp och ett extrabelopp som beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden, och det högre av:

- (A) noll, och
- (B) det lägre av:
- (1) den Högsta Utbetalningen, och
  - (2) Värdeutvecklingsdifferensen

Den "**Högsta Utbetalningen**" kommer vara värdet som angivits i de tillämpbara Slutliga Villkoren

"**Värdeutvecklingsdifferensen**" kommer att beräknas genom att subtrahera den Värdeutveckling Short från den Värdeutveckling Long.

"**Värdeutveckling Long**" kommer beräknas på samma sätt som "Korgavkastning" för strukturen "Basket Long" som anges i Villkor 6(a)(ii) ("*Basket Long*" struktur); och

"**Värdeutveckling Short**" kommer beräknas på samma sätt som "Korgavkastning" för strukturen "Basket Short" som anges i Villkor 6(a)(iii) ("*Basket Short*" struktur).

De Referenstillgångar som används i syfte att beräkna det Longa och Värdeutveckling Short respektive kommer att grupperas i två separata Korgar ("**Korg Long**" och "**Korg Short**" respektive, och en "**Korg**"), i enlighet med de tillämpbara Slutliga Villkoren. Referenser till "**Korg**" i Villkor 6(a)(ii) ska tolkas som referenser till Korg Long, och referenser till "**Korg**" i Villkor 6(a)(iii) ska tolkas som referenser till Korg Short för tillämpningen av detta Villkor 6(a)(xxxv).

(xxxvi) *Non-tranched CLN struktur*

Återbetalningsbeloppet kommer vara lika med Lånens Kapitalbelopp multiplicerat med summan av:

- (A) 1 minus Portföljexponeringen, och
- (B) produkten av Portföljexponeringen, Eftersträvat Återbetalningsbelopp och Portföljavkastningen.

"**Portföljavkastningen**" syftar till skillnaden mellan 1 och Portföljens förluster.

"**Portföljens förluster**" syftar till summan av den vägda avkastningen på tillgång för varje Referensenhet inom Korgen.

"**Viktad Tillgångsförlust**" syftar till produkten av Korgandelen och Referensenhets förlust för relevant Referensenhet.

"**Referensenhetsförlust**" kommer bestämmas av differensen mellan Återvinningsvärdet med hänsyn till den relevanta Referensenheten och 1.

"**Återvinningsvärde**" kommer vara 100 procent. Om en Kredithändelse (i enlighet med angivna i Del 3: *Kompletterande Villkor för Kreditlån*) inte har inträffat med hänsyn till den Referensenheten under perioden som börjar på Inledande Observationsdag och som avslutas på Slutlig Observationsdag, eller om sådan Kredithändelse har inträffat,

kommer det antingen vara ett Fast Återbetalningsbelopp eller ett Marknadsmässigt Återvinningsbelopp, i enlighet med det angivna i de tillämpbara Slutliga Villkoren.

(xxxvii) *Tranched CLN struktur*

Återbetalningsbeloppet kommer vara lika med Lånens Kapitalbelopp multiplicerat med summan av:

- (A) 1 minus Portföljexponeringen, och
- (B) produkten av Portföljexponeringen, Eftersträvat Återbetalningsbelopp och Portföljavkastningen.

**"Portföljavkastningen"** syftar till differensen mellan den Justerade Tranchförlusten och 1.

**"Justerad Tranchförlust"** syftar till kvoten av det lägre av a) Tranchens fastställda värde och b) Tranchens förlust, genom Tranchens fastställda värde.

**"Tranchförlust"** syftar till det högre av:

- (A) noll och
- (B) differensen mellan Tranchens fastställda värde och summan av den vägd tillgångsförlusten för varje Referensenhet inom Korgen.

**"Vägd tillgångsförlust"** syftar till produkten av Korgandelen och Förlusten för relevant Referensenhet.

**"Förlust för Referenstillgång"** kommer bli differens mellan Återvinningsvärde med hänsyn till den relevanta Referensenheten och 1.

**"Återvinningsvärde"** kommer vara 100 procent. Om en Kredithändelse (i enlighet med angivna i Del 3: *Kompletterande Villkor för Kreditlån*) inte har inträffat med hänsyn till den Referensenheten under perioden som börjar på Inledande Observationsdag och som avslutas på Slutlig Observationsdag, eller om sådan Kredithändelse har inträffat, kommer det antingen vara ett Fast Återbetalningsbelopp eller ett Marknadsmässigt Återvinningsbelopp, i enlighet med det angivna i de tillämpbara Slutliga Villkoren.

(xxxviii) *Nth to Default CLN struktur*

Återbetalningsbeloppet kommer vara lika med Lånens Kapitalbelopp multiplicerat med summan av:

- (A) 1 minus Portföljexponeringen, och
- (B) produkten av Portföljexponeringen, Eftersträvat Återbetalningsbelopp och Portföljavkastningen.

**"Portföljavkastningen"** syftar till skillnaden mellan 1 och Portföljförluster.

**"Portföljförluster"** syftar till:

- (A) Förlust på Referensenhet för den Nth Referensenheten inom Korgen där en Kredithändelse inträffar, om antalet Kredithändelser som har inträffat med hänsyn till någon Referensenhet inom Korgen under perioden som börjar på Inledande Observationsdag och som avslutas på Slutlig Observationsdag är större än, eller lika med, N, eller
- (B) om antalet Kredithändelser som har inträffat med hänsyn till någon Referensenhet inom Korgen under perioden som börjar på Inledande Observationsdag och som avslutas på Slutlig Observationsdag är lägre än N, noll.

"N" ska vara det tal som specificerats i de Slutliga Villkoren.

**"Förlust på Referensenhet"** kommer att vara differensen mellan 1 och Återvinningsvärdet med hänsyn till den relevanta Referensenheten.

**"Återvinningsvärde"** kommer vara 100 procent. Om en Kredithändelse (i enlighet med angivna i Del 3: *Kompletterande Villkor för Kreditlån*) inte har inträffat med hänsyn till den Referensenheten under perioden som börjar på Inledande Observationsdag och som avslutas på Slutlig Observationsdag, eller om sådan Kredithändelse har inträffat, kommer det antingen vara ett Fast Återbetalningsbelopp eller ett Marknadsmässigt Återvinningsbelopp, i enlighet med det angivna i de tillämplbara Slutliga Villkoren.

(xxxix) *Nth och Nth+1 Default CLN struktur*

Återbetalningsbeloppet kommer vara lika med Lånens Kapitalbelopp multiplicerat med summan av:

- (A) 1 minus Portföljexponeringen, och
- (B) produkten av Portföljexponeringen, Eftersträvat Återbetalningsbelopp och Portföljavkastningen.

**"Portföljavkastning"** syftar till differensen mellan Portföljförlusten och 1.

**"Portföljförlust"** syftar till:

- (A) om antalet Kredithändelser som har inträffat med hänsyn till någon Referensenhet inom Korgen under perioden som börjar på Inledande Observationsdag och som avslutas på Slutlig Observationsdag, är större än N kommer summan av de Viktade Tillgångsförlusten för den Nth Referensenheten till dröjsmål och den Nth plus 1 (d.v.s. den omedelbart efterföljande) Referensenheten till dröjsmål inom Korgen, eller
- (B) om antalet Kredithändelser som har inträffat med hänsyn till någon Referensenhet inom Korgen under perioden som börjar på Inledande Observationsdag och som avslutas på Slutlig Observationsdag är lika med N, en summa som är lika med den Viktade Tillgångsförlusten av den Nth Referensenheten avseende vilken en Kredithändelse inträffar;
- (C) noll, om antalet Kredithändelser som har inträffat med hänsyn till någon Referensenhet inom Korgen under perioden som börjar på Inledande Observationsdag och som avslutas på Slutlig Observationsdag är lägre än N.

"N" ska vara det tal som specificerats i de Slutliga Villkoren.

**"Viktade Tillgångsvkastningen"** syftar till produkten av Korgandelen och Referensenhets avkastning för relevant Referensenhet.

**"Referensenhetsförlusten"** kommer vara differensen mellan Återvinningsvärdet med hänsyn till den relevanta Referensenheten och 1.

**"Återvinningsvärde"** kommer vara 100 procent. Om en Kredithändelse (i enlighet med angivna i Del 3: *Kompletterande Villkor för Kreditlänkade Lån*) inte har inträffat med hänsyn till den Referensenheten under perioden som börjar på Inledande Observationsdag och som avslutas på Slutlig Observationsdag, eller om sådan Kredithändelse har inträffat, kommer det antingen vara ett Fast Återbetalningsbelopp eller ett Marknadsmässigt Återvinningsbelopp, i enlighet med det angivna i de tillämplbara Slutliga Villkoren.

(xl) *Digital Long*

Om Korgavkastningen på den slutliga Värderingsdagen överstiger Korglösennivån, kommer Återbetalningsbeloppet vara Lånens Kapitalbelopp multiplicerat med Kupongen.

Om Korgavkastningen inte överstiger Korglösennivån på den slutliga Värderingsdagen kommer Återbetalningsbeloppet vara noll.

(xli) *Digital Short*

Om Korgavkastningen på den slutliga Värderingsdagen understiger Korglösennivån, kommer Återbetalningsbeloppet vara Lånens Kapitalbelopp multiplicerat med Kupongen.

Om Korgavkastningen på den slutliga Värderingsdagen är lika med eller överstiger Korglösennivån kommer Återbetalningsbeloppet vara noll.

(xlii) *Worst of Digital Long*

Om Referenstillgångsavkastningen på den sämst presterande Referenstillgången på den slutliga Värderingsdagen överstiger den relevanta Barriärnivån, kommer Återbetalningsbeloppet vara Lånens Kapitalbelopp multiplicerat med Kupongen.

Om Referenstillgångsavkastningen på den sämst presterande Referenstillgången på den slutliga Värderingsdagen inte överstiger den relevanta Barriärnivån, kommer Återbetalningsbeloppet vara noll.

Den "sämst presterande" Referenstillgången kommer vara den Referenstillgång som har den lägsta Referenstillgångsavkastningen (såsom definierat i Villkor 6(a)(ii) "*Basket Long*" Struktur) eller Villkor 6(a)(iii) ("*Basket Short*" Struktur).

(xliii) *Worst of Digital Short*

Om Referenstillgångsavkastningen på den sämst presterande Referenstillgången på den slutliga Värderingsdagen understiger den relevanta Barriärnivån, kommer Återbetalningsbeloppet vara Lånens Kapitalbelopp multiplicerat med Kupongen.

Om Referenstillgångsavkastningen på den sämst presterande Referenstillgången på den slutliga Värderingsdagen är lika med eller överstiger den relevanta Barriärnivån kommer Återbetalningsbeloppet vara noll.

Den "sämst presterande" Referenstillgången kommer vara den Referenstillgång som har den lägsta Referenstillgångsavkastningen (såsom definierat i Villkor 6(a)(ii) "*Basket Long*" Struktur) eller Villkor 6(a)(iii) ("*Basket Short*" Struktur).

(xliv) *Series of Digitala*

Återbetalningsbeloppet kommer vara det samma som Lånens Kapitalbelopp multiplicerat med kvoten av täljaren, som är antalet Referenstillgångar med ett Stängningskurs som ligger på eller över den relevanta Barriärnivån på varje Bankdag upp till och inklusive den relevanta Värderingsdagen, och nämnaren, som är antalet Referenstillgångar i Korgen.

(xlv) *Delta 1 strukturer*

I händelse av en Uppskjuten Återbetalning, i enlighet med nedan, ska Återbetalningsbeloppet utbetalas på den Planerade Återbetalningsdagen och det kommer vara ett belopp som är lika med Inlösenbeloppet relaterat till de relevanta Referenstillgångarna, minus Avgifter och gällande Skatter.

**"Avgifter"** syftar till en struktureringsavgift som betalas till Emittenten genom ett belopp som beräknas som en procentsats per år på det totala beloppet av Lånens Kapitalbelopp som står specificerat i de tillämplbara Slutliga Villkoren multiplicerat med den relevanta Dagberäkningsmetoden.

**"Hedging Party"** syftar till någon av Emittenten, någon annan enhet inom Nordeagruppen (som väljs av Emittenten från tid till annan efter dennes egna diskretion), eller en hypotetisk investerare bosatt i Danmark, Finland eller Sverige, som kommer anses inneha de Referenstillgångarna.



"Skatter" syftar till alla skatter, avgifter eller andra avdrag relaterade till en Hedging Partys köp, ägarskap, inlösen eller överföring av de Referenstillgångarna, eventuella utdelningar tillhörande de Referenstillgångarna eller några valutaomvandlingar med hänsyn till byte av Lånelikvid för valutan för de(n) relevanta Referenstillgången(-arna).

#### *Uppskjuten Återbetalning*

Om Hedging Party inte har möjlighet att lösa in Referenstillgångar innan den planliga Återbetalningsdagen eller Förtida Återbetalningsdagen på grund av att de Referenstillgångarna omfattas av en restriktion gällande inlösen eller av någon annan anledning, eller om Hedging Party bedömer att denne inte kommer erhålla det fullständiga Återbetalningsbeloppet på eller innan den planliga Återbetalningsdagen eller den Förtida Återbetalningsdagen (varje sådan händelse kallas en "**Uppskjuten Återbetalning**"), ska Emittenten omedelbart meddela Fordringshavarna om detta (ett "**Meddelande om Uppskjuten Återbetalning**").

Efter ett Meddelande om Uppskjuten Återbetalning ska Emittenten göra en delåterbetalning av Lån på (i) den planliga Återbetalningsdagen eller den förtida återbetalningsdagen förutsatt att, och i den utsträckning som, Hedging Party har mottagit (eller anses ha mottagit) någon del av tillgångarnas Återbetalningsbelopp ej senare än på den tionde Bankdagen innan sådant datum, och därefter (ii) inom fem Bankdagar efter varje datum då Hedging Party mottar (eller anses ha mottagit) alla eller delar av Återbetalningsbeloppet (varje sådant datum kallas för ett "**Uppskjutet Återbetalningsdag**").

Beloppet för varje sådan delåterbetalning av Lån ska beräknas i enlighet med formeln för beräkning av Återbetalningsbelopp angivet ovan och för detta ändamål ska "Återbetalningsbeloppen" anses vara det senaste delbeloppet av de Återbetalningsbelopp som mottagits (eller anses ha mottagits) av Hedging Party innan den relevanta Uppskjutna Återbetalningsdagen och "Avgiften" ska anses vara den totala avgiften per det relevanta Uppskjutna Återbetalningsdagen minus den eventuella del av Avgiften som tidigare har avdragits från (i) Återbetalningsbelopp eller (ii) Återbetalningsbeloppet i anknytning till tidigare delåterbetalningar av Lån.

Summan av alla delinlösenbetalningar ska aldrig överstiga de totala Återbetalningsbeloppen som Hedging Party har mottagit (eller anses ha mottagit) på eller innan Back-Stop datumet *minus* (i) totala Avgifter och *minus* (ii) den totala summan av alla Skatter.

Om Emittenten har fastställt att en Uppskjuten Återbetalning har inträffat och fortgår, och att det skäligen kan förväntas att någon del av Återbetalningsbeloppen inte har mottagits av Hedgingparten på eller innan Back-Stop datumet, kan Emittenten (i) förlänga Back-Stop datumet för att detta ska anpassas till förväntade framtida erhållna Återbetalningsbelopp i enlighet med det som fastställts av Emittenten, eller (ii) genom meddelande till Innehavarna och till relevanta Clearingsystem terminera Lånen med omedelbar effekt varpå Emittenten inte ska vara förpliktigad att göra, och Fordringshavare ej heller ska vara berättigade att motta, någon återbetalning eller andra belopp med avseende till Lånen.

Återbetalningsbelopp som har mottagits av Emittenten eller Hedging Party efter Back-Stop datumet ska inte betalas till Innehavarna och Innehavarna ska inte ha någon rätt att motta någon sådan återstående del av Återbetalningsbeloppet efter Back-Stop datumet.

#### (xlv) *TOM Ackumulerande-struktur*

Om detta Villkor 6(a)(xlv) (*TOM Ackumulerande-struktur*) finns specificerat i de tillämplbara Slutliga Villkoren kommer Återbetalningsbeloppet vara lika med Lånens Kapitalbelopp multiplicerat med Deltaandegraden och multiplicerat med TOM-Värdet.

"**TOM-Värdet**" kommer vara 100 vid den Startdagen och därefter lika med TOM-Värdet på den föregående Bankdagen multiplicerat med den tillämpliga TOM-Värdeutvecklingen på den relevanta Bankdagen.

"**TOM-Värdeutvecklingen**" kommer vara lika med Korgavkastningen för TOM Perioden och Referensränteavkastningen för varje Bankdag som inte faller inom TOM Perioden.

"**Korgavkastningen**" kommer beräknas som summan av den Viktade Värdeutvecklingen för Referenstillgång inom Korgen.

"**Viktade Värdeutvecklingen för Referenstillgång**" kommer vara Värdeutvecklingen för Referenstillgång multiplicerat med Korgens tillämpliga deltagande i den relevanta Referenstillgången.

"**Värdeutvecklingen för Referenstillgång**" kommer vara kvoten av Stängningskursen för den relevanta Referenstillgången på Bankdagen vid slutet av den tillämpliga TOM Perioden genom Stängningskursen för den relevanta Referenstillgången på Bankdagen vid starten av den tillämpliga TOM Perioden.

"**Referensränteavkastning**" kommer vara lika med den tillämpliga underliggande räntan multiplicerad med den relevanta Dagberäkningsmetoden.

(xlvii) *Valutakomponenter*

(A) *Valutakomponenter – Korg*

(A) Om "Valutakomponenter – Korg" finns specificerat som tillämplig i de relevanta Slutliga Villkoren kommer Korgavkastningen, som fastställts i enlighet med villkoren av de föregående avsättningarna till detta Villkor 6(a) (*Återbetalning på Återbetalningsdagen*) och finns specificerat i de tillämpliga Slutliga Villkoren, vidare att multipliceras med den tillämpliga Valutakvoten i syfte att fastställa det totala betalbara Återbetalningsbeloppet till Fordringshavarna vid Återbetalningsdagen. Valutakomponentkorgen kan endast vara tillämpligt när Korgavkastningen är positiv, eller kan endast vara tillämpligt när Korgavkastningen är negativ, i bägge fall såsom specificeras i de Slutliga Villkoren.

(B) *Valutakomponent – Referenstillgång*

(B) Om "Valutakomponent – Referenstillgång" finns specificerat som tillämpligt i de relevanta Slutliga Villkoren, kommer varje Referenstillgångsavkastning av en eller flera Referenstillgångar specificerade i de Slutliga Villkoren, som fastställts i enlighet med villkoren av de föregående bestämmelserna i detta Villkor 6(a) (*Återbetalning på Återbetalningsdagen*) och som specificerats i de tillämpliga Slutliga Villkoren, vidare att multipliceras med den tillämpliga Valutakvoten i syfte att fastställa det Återbetalningsbeloppet på det sätt som finns specificerat i det Villkoret.

(xlviii) *Best of/ Worst of Modifier*

Om detta Villkor (xlviii) (*Best of/Worst of Modifier*) är angivet som tillämpligt i de relevanta Slutliga Villkoren, ska hänvisningar till Korgavkastning ersättas med hänvisningar till "Referenstillgångsavkastning av den Nth bäst presterande Referenstillgången" för beräkningen av Återbetalningsbeloppet i enlighet med de föregående värdeutvecklingsstrukturerna angivna i detta Villkor 6(a).

Den Nth bäst presterande Referenstillgången ska vara den Referenstillgång som har den Nth högsta Referenstillgångsavkastningen, där "N" ska vara det värde som anges i de Slutliga Villkoren.

(xlix) *Inflation Linker 2*

Återbetalningsbeloppet kommer vara Lånens Kapitalbelopp multiplicerat med det högsta av:

(A) 1; och

(B) resultatet som fås genom att dela Inflationsnivån på den Slutliga Värderingsdagen med Inflationsnivån på Startdagen.

(l) **"Barrier Outperformance" struktur 2**

om Korgavkastningen (fastställd i enlighet med Villkor 6(a)(ii) ("*Basket Long*" struktur) eller Villkor 6(a)(iii) ("*Basket Short*" struktur)), såsom specificerat i de Slutliga Villkoren, på någon Värderingsdag överstiger Barriärnivån, kommer Återbetalningsbeloppet att vara summan av Lånens Kapitalbelopp och en ytterligare summa beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och det högre av Kupongen och Korgavkastningen. Om Korgavkastningen inte överstiger Barriärnivån på någon Värderingsdag, kommer Återbetalningsbeloppet att vara Lånens Kapitalbelopp.

(li) **"Barrier Underperformance" struktur 2**

om Korgavkastningen (fastställd i enlighet med Villkor 6(a)(ii) ("*Basket Long*" struktur) eller Villkor 6(a)(iii) ("*Basket Short*" struktur)), såsom specificerat i de Slutliga Villkoren, på någon Värderingsdag faller under Barriärnivån, kommer Återbetalningsbeloppet att vara summan av Lånens Kapitalbelopp och en ytterligare summa beräknad genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och det högre av Kupongen och Korgavkastningen. Om Korgavkastningen inte faller under Barriärnivån på någon Värderingsdag, kommer Återbetalningsbeloppet att vara Lånens Kapitalbelopp.

(b) **Kombinationer av strukturer**

Om "Kombination av strukturer" finns specificerad som tillämplig i de Slutliga Villkoren kan det betalbara Återbetalningsbeloppet till Innehavarna på Återbetalningsdagen vara en kombination av två eller fler av de Värdeutvecklingsstrukturer som finns specificerade i de föregående bestämmelserna i Villkor 6(a) (*Återbetalning på Återbetalningsdagen*). Återbetalningsbeloppet som fastställts i enlighet med varje tillämplig underparagraf i Villkor 6(a) (*Återbetalning på Återbetalningsdagen*) ska multipliceras med den tillämpliga Värdeutvecklingsprocentsatsen och därefter summeras i syfte att beräkna det totala Återbetalningsbeloppet som ska betalas av Emittenten vid den tillämpliga Återbetalningsdagen.

**"Värdeutvecklingsprocentsatsen"** kommer vara procentsatsen på det övergripande Återbetalningsbeloppet för den relevanta värdeutvecklingsstrukturen, såsom specificerad i de Slutliga Villkoren.

(c) **Lägsta Återbetalning**

Om detta Villkor 6(c) (*Lägsta Återbetalning*) finns specificerat som tillämpligt i de relevanta Slutliga Villkoren ska Återbetalningsbeloppet vara det högre av beloppet som fastställts i enlighet med Villkor 6(a) (*Återbetalning på Återbetalningsdagen*) och det Lägsta Återbetalningsbeloppet.

(d) **Inflationsskyddat Kapitalbelopp**

Om detta Villkor 6(d) (*Inflationsskyddat Kapitalbelopp*) finns specificerat som tillämpligt i de relevanta Slutliga Villkoren kommer Återbetalningsbeloppet som fastställts i enlighet med Villkor 6(a) (*Återbetalning på Återbetalningsdagen*) att multipliceras med proportionen som erhålls genom att dividera Slutligt KPI med Bas KPI.

(e) **Amorterande Återbetalning**

Vissa Lån kan amorteras om detta specificeras i de Slutliga Villkoren. Om så är fallet kommer Återbetalningsbeloppet betalas i utbetalningar motsvarande Amorteringsbeloppet vid ett eller flera Amorteringsdagar, i enlighet med de Slutliga Villkoren.

(f) **Förtida Återbetalning av Skatteskäl**

Om Emittenten skulle komma behöva betala extrabelopp i enlighet med Villkor 7 (*Beskattning*), för någon Seriea av Lån, som en konsekvens av någon lagändring i Emittentens jurisdiktion eller av någon politisk underavdelning därav eller någon myndighet eller organ som däri eller därav har befogenhet att beskatta eller genom tolkning eller administration av någon sådan lag eller bestämmelse som träder i kraft på eller efter Lånedatumet av sådana Lån eller något tidigare datum specificerat i de relevanta Slutliga Villkoren vid nästkommande utbetalning med hänsyn till sådana Lån, har denne möjlighet att med minst trettio och högst sextio dagars notifiering, eller sådan annan period som specificeras i de Slutliga Villkoren (utgående, i händelse av Lån som genererar rörlig ränta, på en dag då räntan är betalbar), hos Innehavarna, i enlighet med Villkor 16 (*Meddelanden*) (vilket meddelande ska vara oåterkalleligt) inlösa hela (men inte delar därav, såvida inte och i den utsträckning som de relevanta Slutliga Villkoren specificerar annat) Lånesinnehavet i den relevanta serien till dess Kapitalbelopp (eller sådant annat Återbetalningsbelopp som kan finnas specificerat i de relevanta Slutliga Villkoren), tillsammans med upplupen ränta (om någon) därtill.

I händelse av att kupongskatt införs i Finland eller Sverige och, enligt sådan finsk eller svensk kupongskatt Emittenten förpliktigas att utföra sådana avdrag som syftas till i den föregående paragrafen, reserverar sig Emittenten rätten att erhålla följande information gällande varje Innehavare:

- (i) Innehavarens namn, personnummer eller annat identifieringsnummer och postadress, samt
- (ii) antal Lån som innehas av Innehavaren och dess Kapitalbelopp.

Informationen som hänvisas till ovan behöver endast tillgängliggöras med avseende på Lån som utställts under detta Program.

En förfrågan om information enligt detta Villkor 6(f) (*Förtida Återbetalning av Skatteskäl*) ska ges in till Euroclear Sverige eller Euroclear Finland (som tillämpligt) i tillräckligt god tid för Euroclear Sverige eller Euroclear Finland att handlägga denna.

(g) **Frivillig Förtida Återbetalning (Call)**

Emittenten kan, om så anges i de relevanta Slutliga Villkoren, inlösa Lån i förtid, i sin helhet eller delvis, till det Förtida Återbetalningsbeloppet tillsammans med upplupen ränta (om någon), på de(t) datum som angivits i de Slutliga Villkoren.

Emittenten ska tillkännage Innehavarna om varje förtida återbetalning i enlighet med Villkor 16 (*Meddelanden*) senast 10 dagar innan den relevanta förtida återbetalningsdagen. Sådant meddelande om förtida återbetalning ska vara oåterkalleligt.

(h) **Frivillig Förtida Återbetalning (Put)**

Om det står specificerat i de relevanta Slutliga Villkoren ska Innehavaren vara berättigad att kräva en förtida återbetalning av Lån till det Förtida Återbetalningsbeloppet tillsammans med upplupna räntor (om några) på de(t) datum som anges i de Slutliga Villkoren och omfattas av Villkoren i de Slutliga Villkoren.

För att nyttja sådan möjlighet måste Innehavaren minst 45 dagar innan den relevanta Förtida Återbetalningsdagen meddela detta till Emittenten. Sådant meddelande om Förtida Återbetalning ska vara oåterkalleligt.

(i) **Förtida Återbetalning av icke-räntebärande Lån**

Vid förtida återbetalning av Nollkupongare ska de relevanta Lånen återbetalas till ett belopp som fastställs på Bokföringsdagen (eller förfallodagen för betalningen, gällande Innehavarlån) i enlighet med följande formel:

### Kapitalbelopp

$$(1 + r)^t$$

r = Referensavkastningen enligt de Slutliga Villkoren.

t = den återstående löptiden på Lånen, uttryckt som antal dagar dividerat på 360 (där varje månad antas bestå av 30 dagar) eller baserat på det faktiska antalet dagar/faktiska antalet dagar.

(j) **Förtida Återbetalning av Lån med Värdeutvecklingsstrukturen Autocall**

Om Korgavkastningen på någon Värderingsdag (annan än den slutliga Värderingsdagen) är på eller över den relevanta Inlösenbarriärnivån minus Startkursen kommer Emittenten tillkännage detta för Innehavaren i enlighet med Villkor 16 (*Meddelanden*) och inlösa Lånen i förtid, i sin helhet men inte delvis, på nästkommande Förtida Återbetalningsdag till sitt Förtida Återbetalningsbelopp vilket kommer vara Kapitalbeloppet för de relevanta Lånen tillsammans med alla betalbara räntor på nominellt belopp (om några) i enlighet med Villkor 5(g) (*Räntebärande automatiskt inlösbara Lån*).

(k) **Förtida Återbetalning av Lån med Best of/Worst of Autocallstruktur**

Om Stängningskursen för den Nth bäst presterande Referenstillgången (i enlighet med Villkor 6(a)(xi) (*Best of/Worst of Autocallstruktur*) på någon Värderingsdag (annat än den slutliga Värderingsdagen) delat med Startkursen för den Nth bäst presterande Referenstillgången är på eller över den relevanta Inlösenbarriärnivån kommer Emittenten tillkännage detta för Innehavarna i enlighet med Villkor 16 (*Meddelanden*) och inlösa Lånen i förtid, i sin helhet men inte delvis, på nästkommande Förtida Återbetalningsdag till sina Förtida Återbetalningsbelopp som kommer vara Kapitalbeloppet för de relevanta Lånen tillsammans med alla betalbara Kuponger (om några) i enlighet med Villkor 5(g) (*Räntebärande Autocalllån*).

(l) **Förtida Återbetalning av Kreditlänkade Lån**

Om "Accelererad CLN Betalning" finns specificerad och är tillämplig i de relevanta Slutliga Villkoren och i händelse av att Återvinningsvärdet i förhållande till en eller flera Referensenheter (var och en kallade för en "**Fallerad Referensenhet**") fastställs till det planerade Återbetalningsdagen för Lån kan Emittenten välja att göra en Förtida Återbetalning av alla eller delar av Lånen på en Räntebetalningsdag genom att tillkännage detta till Innehavarna i enlighet med Villkor 16 (*Meddelanden*). Det tillämpliga Förtida Återbetalningsbeloppet ska fastställas av Emittenten i god tro och på ett kommersiellt rimligt sätt och ska beräknas på en proportionerlig grund så att Innehavaren mottar en del av Återbetalningsbeloppet som annars skulle (utan hinder av vad som anges om förtida återbetalning av Lån i enlighet med detta Villkor 6(1) (*Förtida Återbetalning av Kreditlänkade Lån*)) vara förfallet och betalbart på Återbetalningsdagen i enlighet med de tillämpliga avsättningarna från Villkor 6(a) (*Återbetalning på Förfallodagen*) som är proportionerliga till vägningen av den relevanta Fallerade Referensenheten eller Fallerade Referensenheterna med hänsyn till Korgen som helhet.

(m) **Köp av Lån**

Emittenten och dess dotterbolag (om några) kan när som helst köpa Lån på den öppna marknaden eller på annat sätt för vilket pris som helst **förutsatt att**, gällande räntebärande Lån som är Definitiva Lån, alla ej förfallna Payment Receipts och Kuponger därtill tillhörande köps därmed.

(n) **Förfarande för Betalning vid Återbetalning**

Alla återbetalningar av Lån av typen VP, VPS, Svenska eller Finska Lån enligt detta Villkor 6 (*Återbetalning och Köp*) ska ske i enlighet med reglerna för VP gällande Lån av typen VP, reglerna för VPS gällande Lån av typen VPS, reglerna för Euroclear Sverige gällande Svenska Lån och reglerna för Euroclear Finland gällande Finska Lån.

(o) **Betalning av Korrigeringsbelopp vid Förtida Inlösen**

Om detta Villkor 6(o)(*Betalning av Korrigeringsbelopp vid Förtida Inlösen*) finns specificerat som tillämpligt i de Slutliga Villkoren ska det betalbara Förtida Återbetalningsbeloppet till Innehavarna reduceras med alla gällande Korrigeringsbelopp, där: "**Korrigeringsbelopp**" syftar till ett belopp som fastställs av Beräkningsombudet efter eget gottfinnande på ett kommersiellt rimligt sätt motsvarande summan av (utan duplicering) alla kostnader, utgifter (inklusive förlust av finansiering), skatter och förpliktelser som ingåtts av Emittenten i anslutning till sådan tidigare återbetalning, samt det relaterade avslutandet, kvittandet eller återinförandet av någon hedge eller liknande handelsposition, plus varje belopp som ska betalas av någon hedgemotpart eller swapmotpart till Emittenten eller minus varje belopp som ska betalas av Emittenten till den relevanta hedgemotparten eller swapmotparten lika med varje belopp som ska betalas som ett resultat av avslutande av någon swaptransaktion som har ingåtts i samband med Lånen, **förutsatt att** ett sådant belopp är större än noll.

7. **Beskattning**

- (a) Alla belopp (vare sig kapital, återbetalningsbelopp, ränta eller annat) avseende Lånen kommer betalas utan innehållande av eller avdrag för, eller med anledning av, nuvarande eller framtida skatter eller annan avgift oavsett om dessa påförs eller påläggs av eller på uppdrag av jurisdiktionen för Emittentens hemvist eller någon politisk underavdelning därav eller någon myndighet eller organ som däri eller därav berättigas att beskatta, såvida innehållandet eller avdraget av sådana skatter eller andra avgifter krävs av lag. I händelse därav ska Emittenten betala sådana extrabelopp som krävs för att Innehavarnas nettofordran efter sådant innehållande eller avdrag ska vara lika med respektive belopp som skulle ha utgjort fordran i avsaknad av nämnda innehållande eller avdrag, dock att inga sådana extrabelopp ska vara betalbara för Lån eller Kuponger som presenterats för betalning:
- (i) inom jurisdiktionen för Emittentens hemvist,
  - (ii) av eller till förmån för en Fordringshavare som är ansvarig för sådana skatter eller förpliktelser med hänsyn till sådana Lån eller Kuponger med anledning av att sådan Fordringshavare har någon anknytning med jurisdiktionen för Emittentens hemvist annan än själva innehavet av sådant Lån eller Kupong, eller
  - (iii) fler än trettio dagar efter det Relevanta Datumet, förutom i sådan utsträckning som den relevanta Innehavaren skulle vara berättigad till sådana extrabelopp vid presentation av den samma för betalning vid utlöpan av sådan trettiodagarsperiod, eller
  - (iv) av eller på uppdrag av en Fordringshavare som inte skulle vara förpliktad eller omfattas av innehållandet eller avdraget genom att lämna en deklaration för utomlandsboende eller andra liknande yrkande till relevant skattemyndighet, eller
  - (v) där sådant innehållande eller avdrag påläggs på en betalning till en individ och så måste påläggas i enlighet med EU-direktiv 2003/48/EG eller lag i syfte att tillämpa eller uppfylla, eller introducerats för att överensstämma med, sådant Direktiv, eller
  - (vi) av eller på uppdrag av en Fordringshavare som skulle kunna ha möjligheten att undvika sådant innehållande eller avdrag genom att presentera det relevanta Lånet, Payment Receiptst eller Kupong för ett annat Betalningsombud i en Medlemsstat inom den Europeiska Unionen.
- (b) Vid tillämpning av dessa Villkor syftar "**Relevant datum**" till det datum när sådan betalning först förfaller och blir betalbar, men om det fullständiga beloppet av de betalbara pengarna inte har mottagits av Fiscal Agent eller, om fallet är sådant, Registreringsagenten på eller innan sådant förfallodatum syftar det till det första datumet när det fullständiga beloppet har mottagits och tillkännagivande om detta har givits till Innehavarna av sådana Lån i de relevanta serierna i enlighet med Villkor 16 (*Meddelanden*).
- (c) Alla referenser i dessa Villkor till kapitalbelopp, återbetalningsbelopp och/eller ränta med hänsyn till Lån ska omfatta eventuella extrabelopp som kan bli betalbara under detta Villkor 7 (*Beskattning*) eller eventuella åtaganden som ges därtill eller som ersättning därför.

- (d) Utan hinder av detta Villkor 7 (*Beskattning*) eller Villkor 8 (*Betalningar*) ska Emittenten tillåtas att innehålla och göra avdrag för eller till följd av eventuella skatter som pålagts i enlighet med avsnitten 1471 till 1474 under U.S. Internal Revenue Code of 1986, såsom ändrad, och lagstiftning som utfärdats därunder i enlighet med alla mellanstatliga avtal, eller implementering av lagstiftning som antagits av andra jurisdiktioner i anslutning till dessa bestämmelser, eller i enlighet med avtal med U.S. Internal Revenue Service, för alla betalbara belopp gällande Lånen och ska inte krävas på betalning av extrabelopp gällande sådana skatter.

## 8. **Betalningar**

### (1) ***Betalningar — Innehavarlån***

- (a) Detta Villkor 8(1) är tillämpligt för Innehavarlån.
- (b) Betalning av förfallna belopp (inklusive upplupen ränta) vid inlösen av Innehavarlån kommer göras mot uppvisande och återlämnande av relevanta Innehavarlån till något av Betalningsombuden eller order, förutom i händelse av en delvis inlösen till följd av otillräckliga medel eller betalning av ett Amorteringsbelopp (annat än det slutliga Amorteringsbeloppet).

Betalning av Amorteringsbelopp (andra än slutliga Amorteringsbeloppet) för Amortering Lån kommer ske mot presentation av det Innehavarlånet tillsammans med (i förekommande fall) det relevanta Payment Receiptst och återlämnandet av sådant Payment Receipts.

Payment Receiptsa är inte och ska inte under några som helst omständigheter anses utgöra ägarbevis och om de separeras från det Innehavarlånet som de tillhör kommer de ej heller vara bärare av någon förpliktelse för Emittenten.

Således ska presentationen av Innehavarlån utan tillhörande Payment Receiptst eller uppvisande av ett Payment Receipts utan det Innehavarlånet som detta tillhör inte berättiga Innehavaren till någon betalning med hänsyn till det relevanta Amorteringsbeloppet.

- (c) Betalning av förfallna belopp avseende ränta på Innehavarlån kommer ske:
- (i) i de fall det rör sig om ett Temporärt Globalt Lån eller Permanent Globalt Lån, mot presentation av det relevanta Temporära Globala Lånet eller Permanent Globala Lånet vid det angivna kontoret hos något av Betalningsombuden utanför USA och, gällande Temporära Globala Lån, med vederbörlig certifiering som krävs däri,
- (ii) i de fall det rör sig om Definitiva Lån utan bifogade Kuponger därtill vid tidpunkten för deras ursprungliga leverans, mot presentation av de relevanta Definitiva Lånen vid det angivna kontoret hos något av Betalningsombuden utanför USA, och
- (iii) i de fall det rör sig om Definitiva Lån som levererats med bifogade Kuponger därtill vid tidpunkten för deras ursprungliga leverans, mot avträdet av relevanta Kuponger vid det angivna kontoret hos något av Betalningsombuden utanför USA.
- (d) Om förfallodagen för betalning av något förfallet belopp (vare sig det gäller kapital, räntor eller annat) gällande något Fysiskt Lån inte är en Bankdag kommer Innehavaren därav inte vara berättigad betalning därav förrän nästkommande sådan Bankdag och inga ytterligare betalningar kommer bero på sådan fördröjning förutom i händelse av en efterföljande underlåtenhet till betalning i enlighet med dessa Villkor inträffar.
- (e) Varje Definitivt Lån som ursprungligen levererats med bifogade Kuponger eller Payment Receipts ska återlämnas för slutlig inlösen tillsammans med alla tillhörande, ej förfallna Kuponger eller Payment Receipts, i annat fall ska:

- (i) i de fall det rör sig om Definitiva Lån som är räntebärande till en fast ränta eller fasta räntor, beloppet för eventuella saknade ej förfallna Kuponger dras av från det belopp som annars är betalbart vid sådan slutlig inlösen, där beloppet som dras av blir betalbart mot återlämnas från den relevanta Kupongen vid det angivna kontoret hos något av Betalningsombuden när som helst innan tioårsdagen efter förfallodatumet för sådan slutlig inlösen eller, om senare, femårsdagen från förfallodatumet för sådan Kupong, och
- (ii) i de fall det rör sig om Definitiva Lån som är räntebärande till en rörlig ränta, eller till en marginal över eller under en sådan, alla ej förfallna Kuponger relaterade till sådana Definitiva Lån (oavsett om de återlämnas därmed) bli ogiltiga och ingen betalning kommer därefter utgå för dem.
- (iii) i de fall det rör sig om Innehavarlån som ursprungligen levererats med bifogade Payment Receipts därtill, alla Payment Receipts gällande sådana Innehavarlån med hänsyn till en betalning av ett Amorteringsbelopp som (men för sådan inlösen) skulle ha förfallit på ett datum efter sådant förfallodatum för inlösen (oavsett om de därmed återlämnas), bli ogiltiga och ingen betalning kommer därefter att utgå för dem.

(2) **Betalningar — Registrerade Lån**

- (a) Detta Villkor 8(2) är tillämpligt för Registrerade Lån.
- (b) Betalning av förfallna belopp (inklusive upplupen ränta) vid den slutliga inlösen av Registrerade Lån kommer ske mot presentation och återlämnande av de relevanta Registrerade Lånen vid det specificerade kontoret hos Registreringsagenten, förutom i händelse av en delvis inlösen till följd av otillräckliga medel. Om förfallodatumet för betalning av det slutliga Återbetalningsbeloppet för de Registrerade Lånen inte är en Bankdag kommer Innehavaren inte vara berättigad till betalning därav förrän nästföljande sådan Bankdag och ingen ytterligare betalning kommer bero därav till följd av sådan fördröjning förutom i händelse av en efterföljande underlåtenhet till betalning i enlighet med dessa Villkor inträffar.
- (c) Betalning av förfallna (förutom gällande den slutliga inlösen av Registrerade Lån) belopp (huruvida kapital, ränta eller eljest) med hänsyn till Registrerade Lån kommer betalas till Innehavarna därav (eller, i de fall det rör sig om flera Fordringshavare, den förstnämnda) som framgår i registret som förs av Registreringsagenten vid öppningen av verksamheten (New York-tid) på den femtonde Bankdagen i New York före sådant förfallodatum för sådan betalning ("**Avstämningsdagen**").
- (d) Oaktat bestämmelserna i Villkor 8(8)(b), kommer betalning av förfallen ränta (annan än avseende slutgiltig inlösen av Registrerade Lån) gällande Registrerade Lån att ske med check utfärdad i bank i tillämpligt finanscentrum och postas till adressen (enligt register som upprättats av registrator) till dess Fordringshavare (eller vid flera Fordringshavare, den förstnämnde) på den Bankdag som närmast föregår gällande betalningsdag, om inte Innehavaren (eller vid flera Fordringshavare, den förstnämnde) före gällande avstämningsdag har ansökt till registrator och registrator har godkänt sådan ansökan om att betalning ska ske till ett härför avsett konto (i nämnda fall ett utländskt konto i en auktoriserad valutahandelsbank).

(3) **Betalningar – Lån i Schweiziska Franc**

Detta Villkor 8(3) gäller för Lån i Schweiziska Franc.

Betalning av kapitalbelopp och/eller ränta ska ske i fritt tillgängliga Schweizerfranc utan uppbördskostnader i Schweiz till Fordringshavarna och/eller Innehavare av Kuponger, utan några begränsningar, under alla omständigheter, oavsett nationalitet, hemort eller vistelseort för Fordringshavarna och/eller Innehavarna av Kuponger och utan att någon certifiering, skriftlig försäkran eller något uppfyllande av någon annan formalitet krävs.

Betalning till den Schweiziska Betalningsagenten av Emittenten och mottagandet av den schweiziska betalningsagenten av förfallen punktlig betalning i Schweiziska Franc i Schweiz ska



frita Emittenten från dess förpliktelser enligt Lån och Kuponger vad gäller betalning av huvudkapital och förfallen ränta till betalning på respektive betalningsdatum enligt omfattningen på dessa betalningar.

(4) **Betalningar – VP-Lån**

Betalningar av kapitalbelopp och/eller ränta avseende VP-Lån ska ske till innehavarna enligt VP:s register per den femte Bankdagen (enligt definition i gällande VP-regler) före förfallodagen för sådan betalning, om denna dag är en dansk Bankdag eller annan Bankdag som ligger närmare förfallodagen enligt vad som anges i VP-reglerna och kommer att ske enligt nämnda VP-regler. Denna dag ska vara "**Bokföringsdag**" avseende VP-Lån enligt VP-reglerna.

(5) **Betalningar – VPS-Lån**

Betalningar av kapitalbelopp och/eller ränta avseende VPS-värdepapper ska ske till registrerade Fordringshavare i VPS-Systemet (enligt definition i gällande VPS-regler) som anges i tillämpliga VPS-register före förfalldatum för sådan betalning eller annan Bankdag som ligger närmare förfalldatum som anges i VPS-reglerna och kommer att ske enligt nämnda VPS-regler. Denna dag ska vara "**Bokföringsdag**" avseende VPS-värdepapper enligt VPS-reglerna. *Vid dagen för detta Grundprospekt är utgångspunkten för VPS bokföringsdag med avseende på Återbetalningsbelopp att den infaller två dagar före den relevanta betalningsdagen. Bokföringsdagar för räntebetalningar infaller femton bankdagar före den relevanta betalningsdagen.*

(6) **Betalningar – Svenska Lån**

Betalningar av kapitalbelopp och/eller ränta avseende Svenska Lån ska göras till Fordringshavare enligt register förda av Euroclear Sverige, på den femte Bankdagen (enligt definition i Euroclear Sveriges gällande regler) före förfallodagen för sådan betalning om denna dag är Bankdag i Stockholm eller annan Bankdag som ligger närmare förfallodagen enligt vad som anges i Euroclear Sveriges regler och kommer att ske enligt Euroclear Sveriges regler. Denna dag ska vara "**Bokföringsdag**" avseende Svenska Värdepapper enligt Euroclear Sveriges regler.

(7) **Betalningar – Finska Lån**

Betalningar av kapitalbelopp och/eller ränta avseende Finska Lån ska göras till Fordringshavare enligt register förda av Euroclear Finland på den femte Bankdagen (enligt definition i Euroclear Finlands gällande regler) före förfallodagen för sådan betalning om denna dag är Bankdag i Helsingfors eller annan Bankdag som ligger närmare förfallodagen enligt vad som anges i Euroclear Finlands regler och kommer att ske enligt Euroclear Finlands regler. Denna dag ska vara "**Bokföringsdag**" avseende Finska Lån enligt Euroclear Finlands regler.

(8) **Betalningar – allmänna villkor**

(a) Förutom i de fall som anges på andra ställen i detta dokument gäller detta Villkor 8 (*Betalningar*) för Lån i fysisk eller registrerad form.

(b) Betalningar av förfallet belopp (vare sig gällande kapitalbelopp, ränta eller annat) avseende Lån i en annan valuta än euro sker med check utställd på eller överförs till ett konto som tillhör betalningsmottagaren hos en bank i tillämpligt finanscentrum och gällande Lån i euro med check utställd på eller genom överföring till ett eurokonto (eller annat konto till vilket euro kan krediteras eller överföras) som innehas av betalningsmottagaren hos en bank i huvudfinanscentret i en medlemsstat i Europeiska unionen. Betalningar lyder under alla omständigheter under gällande skattelagstiftning och annan lagstiftning, utan inverkan på bestämmelserna i Villkor 7 (*Beskattning*).

(c) För dessa Villkor:

Lån med Fast Ränta, Inflationslänkade Lån, Lån med Räntjustering eller Nollkuponglån lyder under Bankdagskonventionen Efterföljande Bankdag, om inte annat anges i de Slutliga Villkoren. Ränta utgår därefter endast fram till och med Återbetalningsdagen respektive Förtida Återbetalningsdagen.

Lån med Rörlig Ränta lyder under Bankdagskonventionen Modifierad Efterföljande Bankdag, om inte annat anges i de Slutliga Villkoren. Ränta kommer därefter att beräknas justerat eller ojusterat, enligt vad som anges i de Slutliga Villkoren.

För andra värdepapper gäller Bankdagskonventionen Efterföljande Bankdag, om inte annat anges i de Slutliga Villkoren.

Om någon annan Bankdagskonvention än ovan gäller för Lånen i fråga, ska den tillämpliga Bankdagskonventionen anges och beskrivas i de Slutliga Villkoren.

- (d) Om tillämpligt Clearinginstitut förhindras att göra en betalning enligt Villkoren ovan på grund av en försening av Emittentens fullgöranden eller av någon annan anledning, gör Clearinginstitutet i fråga betalningen till varje person som är registrerad som Fordringshavare per gällande avstämningsdag så snart som betalning mottagits från Emittenten eller anledningen till förseningen har upphört.
- (e) Om Emittenten förhindras från att göra betalningar till Innehavarna genom tillämpligt Clearinginstitut på grund av att Clearinginstitutet i fråga drabbats av en händelse eller omständighet som anges i första stycket av Villkor 22 (*Ansvarsbegränsning etc.*), är Emittenten berättigad till att skjuta upp betalningen till dess händelsen eller omständigheten som påverkar Clearinginstitutet i fråga har upphört. I sådana fall utgår ränta enligt Villkor 8 (9) (*Dröjsmålsränta*).
- (f) Om en person eller juridisk person till vilken betalning skett enligt Villkoren ovan, inte varit berättigad till sådan betalning, ska Emittenten och tillämpligt Clearinginstitut vara befriade från sina respektive betalningsförpliktelser, om inte Emittenten eller tillämpligt Clearinginstitut hade kännedom om att betalningen gjordes till en person eller juridisk person som inte var berättigad till betalningen eller om Emittenten eller tillämpligt Clearinginstitut inte agerade med tillbörlig aktsamhet.

(9) **Dröjsmålsränta**

- (a) Vid försenad betalning utgår dröjsmålsränta på det förfallna och obetalda beloppet från förfallodatum fram till och med den dag betalning sker med en räntesats som är lika med basräntesatsen (enligt de Slutliga Villkoren) för en vecka plus två procent. Basräntesatsen ska därpå fastställas av Emittenten på den första Bankdagen i varje kalendervecka under dröjsmålsperioden. Oaktat ovanstående ska dröjsmålsräntesatsen på räntebärande Lån inte vara lägre än den ränta som gällde för värdepappren i fråga på förfallodagen plus två procent (förutom vid de omständigheter som anges i paragraf (b) nedan). Dröjsmålsränta får inte kapitaliseras.
- (b) Om förseningen av betalningen gällande Lån beror på någon händelse eller omständighet som drabbat Emittenten eller tillämpligt Clearinginstitut enligt första paragrafen i Villkor 22 (*Ansvarsbegränsning etc.*) får dröjsmålsräntan avseende räntebärande Lån inte överskrida den räntesats som gällde för värdepappren i fråga på förfallodagen (utan två procents tillägg enligt föregående paragraf) och, avseende icke räntebärande Lån, ska ingen dröjsmålsränta tillkomma eller utgå.

9. **Lagändring**

Följande Villkor ska gälla om "Lagändring" anges vara tillämplig i gällande Slutliga Villkor.

- (a) Om det, enligt Emittentens åsikt som en följd av lagändring, påbud, bestämmelse eller motsvarande eller på grund av beslut av myndighet eller ändring av tillämpningen därav eller på grund av moratorium, valutarestriktion, embargo, blockad eller bojkott av centralbank, nationell regering eller annan offentlig myndighet som Förenta nationerna eller Europeiska unionen (vardera en "**Lagändring**") skulle bli olagligt, betydligt svårare eller leda till betydande skadat rykte för Emittenten att utfärda och inneha Lån eller om det blir olagligt eller svårare för Emittenten eller tredje part eller leda till betydande skadat rykte för Emittenten att inneha, förvärva eller avveckla Referenstillgångar eller att ingå i derivattransaktioner gällande Referenstillgång, som kan ingås för att skydda Emittentens exponering på grund av värdepappren, kan Emittenten bestämma att den drabbade Referenstillgången ska ersättas av en

ersättningsreferenstillgång (som väljs av Emittenten enligt dennes gottfinnande) eller alternativt justera beräkningen av Återbetalningsbeloppet.

- (b) Om Emittenten fastställer att det inte skulle ge ett rimligt resultat att ersätta den drabbade Referenstillgången eller att justera den tillämpliga beräkningen kan Emittenten genomföra en förtida beräkning av Återbetalningsbeloppet och eller avkastningen. En sådan beräkning ska baseras på det senaste publicerade värdet för Referenstillgången. När Emittenten har fastställt Återbetalningsbeloppet och/eller avkastningen ska Emittenten meddela Innehavarna om beloppet för Återbetalningsbelopp och/eller avkastning och den räntesats som ska fortsätta att utgå på värdepappren, vilket ska vara en marknadsränta. Återbetalningsbeloppet (inklusive ackumulerad ränta, om så är tillämpligt) ska betalas på inlösendagen.
- (c) Emittenten ska vara berättigad till att göra eventuella tillägg, justeringar eller ändringar av Villkoren efter vad Emittenten finner nödvändigt i samband med en lagändring.

#### 10. **Ökade Riskhanteringskostnader**

Följande Villkor ska gälla om "Ökade Riskhanteringskostnader" anges gälla i tillämpliga Slutliga Villkor:

- (a) Om Emittentens kostnader för innehav, förvärv eller avveckling av Referenstillgångar eller inträdande i, underhåll eller avslut av derivatinstrument som hör till Referenstillgången för ändamålet att hantera Emittentens exponering på grund av värdepappren, enligt Emittentens åsikt som en följd av eventuell ändring av lagändring, påbud, bestämmelse eller motsvarande eller beslut av myndighet eller ändring av tillämpningen därav eller på grund av någon annan händelse eller omständighet som inte direkt kan tillskrivas försämrade kreditbedömning av Emittenten, enligt Emittenten, skulle öka på ett sätt som inte är obetydligt för Emittenten eller om Emittentens riskhanteringskostnader, av någon annan anledning än ovanstående enligt Emittenten skulle öka eller om riskhanteringskostnaderna enligt emittentens åsikt skulle öka betydligt (alla utgör en "**Ökad Kostnad**"), får Emittenten bestämma att den drabbade Referenstillgången ska ersättas av en ersättningsreferenstillgång eller alternativt justera beräkningen av Återbetalningsbeloppen.
- (b) I fall där Emittenten anser att det inte skulle leda till ett kommersiellt skäligt resultat att ersätta den berörda Referenstillgången eller att justera den tillämpliga beräkningen kan Emittenten genomföra en tidig beräkning av Återbetalningsbeloppet och/eller avkastningen. Dylika tidiga beräkningar ska grundas på senast publicerade värde på Referenstillgången. När Emittenten har fastställt Återbetalningsbeloppet och/eller avkastningen ska Emittenten meddela Innehavarna om beloppet för Återbetalningsbelopp och/eller avkastning och den räntesats som ska fortsätta att utgå på värdepappren, vilket ska vara en marknadsränta. Återbetalningsbeloppet (inklusive ackumulerad ränta, om så är tillämpligt) ska betalas på Återbetalningsdagen.
- (c) Emittenten ska ha rätt att göra eventuella tillägg, justeringar eller ändringar till de Villkor som Emittenten anser nödvändiga i samband med en Ökad Kostnad.

#### 11. **Störning av Riskhantering**

Följande Villkor ska gälla om "Störning av Riskhantering" sägs gälla för de Slutliga Villkoren i fråga.

- (a) I fall där Emittenten anse, efter att ha nyttjat affärsmässigt rimliga insatser, det skulle vara avsevärt mycket svårare eller omöjligt att inneha, införskaffa, upprätta, återupprätta, byta ut, underhålla, avveckla eller avyttra Referenstillgångar eller ingå transaktioner eller införskaffa finansiella instrument för att använda vid hedging/riskhantering med hänvisning till Referenstillgångar som har införskaffats för att säkerställa Emittentens exponering/leveransskuldighet enligt Notes), (varje dylik tilldragelse är en "**Störning av Riskhantering**") kan Emittenten besluta att den berörda Referenstillgången ska bytas ut mot en ny Referenstillgång eller alternativt justera beräkningen av Återbetalningsbeloppet.
- (b) Om Emittenten anser att det inte skulle leda till ett rättvist resultat om man byter ut den berörda Referenstillgången eller om man justerar den gällande beräkningen kan Emittenten genomföra en tidig beräkning av Återbetalningsbeloppet och/eller avkastningen. När Emittenten har fastslagit Återbetalningsbeloppet och/eller avkastningen ska Emittenten meddela Innehavarna om de extra

summorna och/eller summan av avkastningen och vilken ränta som ska fortsätta att utgå på Notes, en ränta som ska vara marknadsmässig. Återbetalningsbeloppet (inklusive ackumulerad ränta, om så är tillämpligt) ska betalas på inlösendagen.

12. **Preskription**

- (a) Innehavarlån och tillhörande Kuponger blir ogiltiga om de inte löses in inom tio år (eller, avseende Kuponger och med förbehåll för Villkor 8(1)(e), fem år) efter förfallodatumet för betalning.
- (b) Krav mot Emittenten avseende Registrerade Lån kommer att preskriberas om de inte görs inom 10 år (eller, avseende krav i samband med ränta, fem år) efter förfallodagen för betalning.
- (c) Krav avseende Finska Lån ska preskriberas tre år efter relevant betalningsdatum (avseende krav på både kapital och ränta).
- (d) Krav mot Emittenten på betalning av ett Återbetalningsbelopp avseende Svenska Lån eller VPS-Lån kommer att preskriberas såvida de inte reses inom tio år efter den relevanta Återbetalningsdagen. Krav mot den Emittenten gällande betalning av ränta eller annan avkastning avseende Svenska Lån eller VPS Lån ska avskrivas såvida inte kravet görs inom tre år räknat från räntans förfallodag.

Om preskriptionstiden för Svenska Lån avbryts kommer en ny preskriptionstid på tio år att påbörjas för fordringar avseende lösenbelopp och tre år för fordringar avseende räntebelopp och annan avkastning. När preskriptionstiden avbryts på grund av eventuell bekräftelse, krav eller påminnelse, ska en ny preskriptionstid börja på den dag då avbrottet inträffade eller om preskriptionen avbryts genom rättsliga förfaranden eller ett krav på betalning väcks vid en domstol, tillsynsmyndighet eller skiljeförfarande, konkurs process eller för ett rättsligt ackordsförfarande, ska en ny preskriptionstid börja den dag då en dom eller slutligt beslut meddelas eller förfarandet avslutas på annat sätt.

13. **Betalningsombuden och Registreringsombudet**

Det första Betalningsombudet och Registreringsombudet och deras respektive första specificerade kontor anges nedan. Emittenten förbehåller sig rätten att när som helst ändra eller avbryta uppdraget åt Betalningsombud (vilket omfattar Fiscal Agent) eller Registreringsombud och utse ytterligare eller annat Betalningsombud eller annat Registreringsombud **förutsatt att** det alltid kommer att finnas (i) en Fiscal Agent, (ii) ett Registreringsombud (iii) ett betalningsombud med ett angivet kontor på det europeiska fastlandet men utanför den lagsaga där Emittentens företag är registrerat, (iv) ett betalningsombud i en medlemsstat i den europeiska unionen som inte ska åläggas att undanhålla eller dra av skatt enligt Europeiska rådets direktiv 2003/48/EC eller någon lag som genomför eller uppfyller, eller som introduceras för att efterleva dylika direktiv (v) förutsatt att eventuella VPS-Lån hanteras av VPS, ett betalningsombud med ett specificerat kontor i Norge, (vi) förutsatt att Svenska Lån hanteras av Euroclear Sverige, ett Emittentombud med ett specificerat kontor i Sverige och (vii) förutsatt att Finska Lån hanteras av Euroclear Finland, ett Administrerande Institut med ett specificerat kontor i Finland. Betalningsombudet och Registreringsombudet förbehåller sig rätten att ändra sina respektive specificerade kontor till annat specificerat kontor i samma stad, och förutsatt att VP-Lån clearas genom VP, ska Emittenten, Fiscal Agent och VP Administrerande Institut ha samma respektive rättigheter och skyldigheter som uppkommer under Fiscal Agency-avtalet och ingen annan Betalningsagent ska ha några rättigheter eller skyldigheter därtill. Meddelanden om eventuella ändringar avseende identiteter eller specificerade kontor till betalningsombuden eller Registreringsombudet ska i god tid meddelas Innehavarna.

Avseende Lån i Schweiziska Franc ska Emittenten vid varje given tidpunkt tillse att en Betalningsagent har sitt specificerade kontor i Schweiz och att inte vid något tillfälle ha en Betalningsagent som har sitt specificerade kontor utanför Schweiz.

14. **Utfärdande av nya Lån för att ersätta gamla**

Om ett Lån, ett Payment Receipts eller en Kupong skulle tappas bort, stjälas, skadas, utplånas eller förstöras, kan den/det ersättas på Fiscal Agents angivna kontor (avseende Innehavarlån och Kuponger) eller om Registreringsagenten (avseende Registrerade Lån), i enlighet med alla

tillämpliga lagar och de krav som ställs av eventuella börser och/eller noteringsmyndighet där de relevanta Lånen är noterade, efter betalning av Innehavaren av alla kostnader för sådan ersättning och på sådana villkor som omfattar bevisning, säkerhet, gottgörelse och i övrigt enligt Emittentens och Fiscal Agent eller, i förekommande fall, Registreringsagenten kan begära. Skadade eller vanställda Lån, Payment Receipts och Kuponger måste överlämnas innan nya kan utfärdas.

15. **Fordringshavarmöten; Ändringar**

Fiscal Agency-avtalet innehåller bestämmelser som är bindande för Emittenten och Fordringshavarna eller innehavare av Kuponger, avseende sammankallande av möten för Innehavare av Lån av varje Serie för att behandla frågor som berör deras intressen, innefattande ändringar av eller upphävande av de Villkor som gäller för alla Serier av Lån.

För VPS-Lån ska Fordringshavarmöten hållas i enlighet med Fiscal Agency-avtalet och relevanta regleringar för VPS. Avseende Fordringshavarmöten ska den person vars namn står på certifikatet från VPS betraktas som den Innehavare som anges i certifikatet i fråga **förutsatt att** han har åtagit sig att inte överföra några angivna VPS-Lån (före mötet är över).

För Svenska och Finska Lån ska Fordringshavarmöten hållas i enlighet med Fiscal Agency-avtalet.

Emittenten har rätt att göra ändringar i dessa Villkor som har godkänts vid ett möte med Innehavare av de relevanta Lånen. Emittenten ska i god tid meddela Innehavarna om ändringar av Villkoren i enlighet med Villkor 16 (*Meddelande*).

Utöver ovanstående har Emittenten rätt att utan medgivande av Innehavarna ändra i dessa Villkor: (i) för att korrigera ett uppenbart fel eller (ii) i den utsträckning det krävs efter en förändring av gällande lag, eller (iii) i den mån en sådan ändring inte enligt Emittenten skulle vara till väsentlig nackdel för Innehavare av Lån.

16. **Meddelanden**

(a) ***Till innehavare av Innehavarlån***

Meddelande till innehavare av Innehavarlån ska, förutom i fall där ett annat effektivt sätt att kommunicera har angivits i de relevanta Slutliga Villkoren, betraktas som överlämnade om de offentliggörs i en rikstäckande dagstidning med allmän spridning i Storbritannien (vilket förväntas vara *Financial Times*) och avseende ett Temporärt Globalt Lån eller Permanent Globalt Lån som levereras till Euroclear och Clearstream, Luxemburg för kommunikation till de personer som anges ha intresse därav i deras annaler **under förutsättning av** att för Lån som givits tillstånd till notering och/eller handel på börser, att de regler som den börsen eller noteringsmyndigheten har ska efterföljas. Meddelanden som överlämnas på detta sätt ska betraktas som överlämnade på det datum då de offentliggörs (eller, om de offentliggörs mer än en gång, det datum då de först offentliggjordes) eller, i förekommande fall det datum då en dylik leverans äger rum.

(b) ***Till innehavare av Registrerade Lån***

Meddelanden till innehavare av Registrerade Lån ska betraktas som överlämnade om de skickas med post till dem (eller, avseende gemensamma innehavare, den vars namn kommer först i det register som administreras av Registreringsombudet) till deras respektive adresser enligt inskrivning i det register som administreras av Registreringsombudet, och ska betraktas som överlämnat på den fjärde Bankdagen efter poststämpeln på brevet.

(c) ***Till Emittenten***

Meddelanden till NBAB ska betraktas som överlämnade om de levereras till Smålandsgatan 17, SE 105 71, Stockholm och om det tydligt står på utsidan "**Brådskande—Attn: Group Treasury**" och till NBF om det levereras till Aleksanterinkatu 36 B FIN-00020 Nordea (Helsingfors och om det tydligt står på utsidan "**Brådskande—Attn:Group Treasury** (eller till annan adress och för annan person som meddelats till innehavare av Lån i enlighet med detta

Villkor 16) och ska betraktas som överlämnade vid öppningsdags på nästa Bankdag då Emittentens huvudkontor är öppet.

(d) **Meddelanden avseende Lån i Schweiziska Franc**

Meddelanden avseende Lån i Schweiziska Franc ska, förutsatt att Lånen är noterade på SIX Swiss Exchange och att reglerna för SIX Swiss Exchange kräver det, betraktas som överlämnade om de offentliggörs av det schweiziska Betalningsagenten på bekostnad av Emittenten (i) på elektronisk väg på internet på hemsidan för SIX Swiss Exchange under avsnittet med rubriken "Official Notices" (där meddelanden för tillfället publiceras på adressen: [http://www.six-exchange-regulation.com/publications/published\\_notifications/official\\_notices\\_en.html](http://www.six-exchange-regulation.com/publications/published_notifications/official_notices_en.html)) eller (ii) på annat sätt i enlighet med reglerna för SIX Swiss Exchange. Meddelanden ska betraktas som överlämnade på det datum då offentliggörandet sker eller om de offentliggörs mer än en gång, på det datum då de offentliggörs första gången.

Avseende Lån i Schweiziska Franc som inte finns noterade på SIX Swiss Exchange ska meddelanden till innehavare av Lån överlämnas med hjälp av kommunikation via det schweiziska betalningsombudet till SIS (eller annan mellanhand) för vidarebefordran till Innehavare av Lån. Meddelanden som lämnas på detta sätt ska betraktas som överlämnade när kommunikationen kommer SIS tillhanda (eller annan mellanhand).

(e) **Meddelanden avseende VP-Lån**

Meddelanden avseende VP-Lån ska göras skriftligen och adresseras till Innehavare av VP-Lån på den adress som anges i det danska registret för Lån som administreras av VP:s emissionsinstitut i enlighet med reglerna för VP.

(f) **Meddelanden avseende VPS-Lån**

Meddelanden avseende VPS-Lån ska göras skriftligen och skickas med post eller elektronisk post, adresserat till Innehavare på den adress som anges i VPS-registret i enlighet med reglerna för VPS och ska betraktas som överlämnade på den fjärde Bankdagen efter poststämpeln på kuvertet.

(g) **Meddelanden avseende Svenska Lån**

Meddelanden avseende Svenska Lån ska göras skriftligen och adresseras till Innehavare på den adress som anges i Euroclear Sveriges register och ska betraktas som överlämnade på den fjärde Bankdagen efter poststämpeln på kuvertet.

(h) **Meddelanden avseende Finska Lån**

Meddelanden avseende Finska Lån ska offentliggöras av Emittenten i en rikstäckande dagstidning i den jurisdiktion där Lån har bjudits ut till allmänheten eller på Emittentens hemsida [www.nordea.fi/joukkolainat](http://www.nordea.fi/joukkolainat) eller annan hemsida som angivits i de Slutliga Villkoren för Lån i fråga. Skriftligt besked kan dessutom komma att skickas till Innehavare på den adress som finns antecknad i Emittentens register. I de fall besked har skickats ut som dematerialiserade säkerheter kan besked till Innehavare komma att skickas via Euroclear Finland och kontoansvariga. Meddelanden ska anses vara mottagna av Innehavare på den dag de publiceras i en rikstäckande dagstidning, på en relevant webbplats eller hos Euroclear Finland, eller, i de fall beskedet har skickats med brev, på den sjunde dagen efter dess avsändande.

17. **Tillhandahållande av information**

I förhållande till VP-Lån gäller att varje Innehavare samtycker till och ger godkännande till VP att till VPs Administrerande Institut på begäran tillhandahålla den information som finns registrerad hos VP som är relaterad till VP-Lån och innehavarna av VP-Lån, så att VPs Administrerande Institut kan tillhandahålla till alla relevanta danska myndigheter, inklusive det danska Finanstilsynet och de danska skattemyndigheterna all den information som erfordras under tillämpliga danska lagar. Sådan information ska inkludera, men inte vara begränsad till, identiteten på Innehavaren av VP-Lån, bostadsort för Innehavaren av VP-Lån, antalet VP-Lån hos den relevanta Innehavaren och adressen till den relevanta Innehavaren.

VPS Betalningsombud är förpliktigad, att på begäran förse alla relevanta norska myndigheter, inklusive den norska *Kredittilsynet* och den norska skattemyndigheten med information registrerad på relevant VPS-konto(n). Sådan information kan utgöras av vem som är den registrerade Innehavaren av Lånen, boplatssort för den registrerade Innehavaren av Lånen, antal Lånen registrerade för den registrerade Innehavaren av Lånen, den relevanta Innehavarens adress, den kontoansvarige med avseende på det relevanta VPS-kontot och huruvida Lånen är förvaltarregistrerade och identiteten för varje sådan förvaltare.

I förhållande till Svenska Lån gäller att varje Innehavare samtycker till och ger godkännande till Euroclear Sverige att till det svenska Administrerande Institutet på begäran tillhandahålla information till Euroclear Sverige, som är relaterad till Svenska Lån, och Innehavare av Svenska Lån, så att det svenska Administrerande Institutet kan tillhandahålla till alla relevanta svenska myndigheter, inklusive svenska Finansinspektionen och de svenska skattemyndigheterna all den information som erfordras under tillämpliga svenska lagar. Sådan information ska inkludera, men inte vara begränsad till, identiteten på den registrerade Innehavaren av Svenska Lån, bostadsort för den registrerade Innehavaren av de Svenska Lånen, antalet Svenska Lån som finns registrerade för den relevanta Innehavaren, adressen till den relevanta Innehavaren, den kontoansvarige med avseende på det relevanta kontot för Euroclear Sverige (*Kontoförande*) och huruvida de Svenska Lånen är förvaltarregistrerade och identiteten för varje sådan förvaltare.

I förhållande till Finska Lån gäller att varje Innehavare samtycker till och ger godkännande till Euroclear Finland att till det svenska Administrerande Institutet på begäran tillhandahålla information till Euroclear Finland, som är relaterad till Finska Lån, och Innehavare av Finska Lån, så att det finska Administrerande Institutet kan tillhandahålla till alla relevanta finska myndigheter, inklusive finska finansinspektionen (*Finanssivalvonta*) och de finska skattemyndigheterna all den information som erfordras under tillämpliga finska lagar. Sådan information ska inkludera, men inte vara begränsad till, identiteten på den registrerade Innehavaren av Finska Lån, bostadsort för den registrerade Innehavaren av de Finska Lånen, antalet Finska Lån som finns registrerade för den relevanta Innehavaren, adressen till den relevanta Innehavaren, den kontoansvarige med avseende på det relevanta kontot för Euroclear Finland (*Tilinhoitaja*) och huruvida de Finska Lånen är förvaltarregistrerade och identiteten för varje sådan förvaltare.

18. **Ytterligare emissioner**

Emittenten kan från tid till annan komma att, utan godkännande från Innehavarna av eventuella Lån, i varje Serie skapa och utge ytterligare Lån och andra skuldsäkerheter, som har samma föreskrifter och villkor som de som gäller för Lån i sådana serier eller desamma, med undantag för beloppet på den första utbetalningen av ränta (om det blir någon), vilka kan komma att konsolideras och bilda en enda serie tillsammans med de utestående Lånen i en sådan Serie.

19. **Tillgång till information**

Emittenten har rätt att begära och erhålla från det relevanta Clearinginstitut information rörande ett konto i det relevanta clearing-systemets innehavar-register för Lån (med undantag för Svenska Lån), inklusive, men inte begränsat till: (i) Innehavarens namn, personnummer eller annat identifieringsnummer, liksom postadress, (ii) de Lån som innehas och föreskrifterna och villkoren för sådana Lån, och (iii) där så är tillämpligt, antalet Lån och deras nominella belopp.

Med avseende på Svenska Lån har Emittenten rätt att erhålla information om sådana Lån och dess Innehavare från Euroclear Sveriges innehavarregister.

20. **Lagstiftning och jurisdiktion**

- (a) Lånen och alla utomkontraktuella förpliktelser som uppkommer utifrån eller i samband med dem kan komma att regleras av engelsk lagstiftning, svensk lagstiftning, finsk lagstiftning, dansk lagstiftning eller norsk lagstiftning, efter vad som specificeras i de Slutliga Villkoren. I förhållande till VP-Lån kommer dansk lagstiftning och jurisdiktion att vara tillämplig med avseende på registreringen av sådana sedlar i VP, och VP-Lån måste efterleva den danska lagen om värdepappershandel (*Lov om værdipapirhandel m.v.*), såsom vid var tid gällande, den danska lagen *Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral*, såsom vid var tid gällande och den danska statens bestämmelse nr. 4, 4:e januari 2008, enligt ändringar. Norsk lagstiftning och jurisdiktion kommer att vara tillämplig med avseende på registreringen av

sådana VPS-Lån i VPS. Svensk lagstiftning och jurisdiktion kommer att vara tillämpbar med avseende på registreringen av sådana Svenska Lån i Euroclear Sverige, och de Svenska Lån måste efterleva Kontoföringslagen. Finsk lagstiftning och jurisdiktion kommer att vara tillämpbar med avseende på registreringen av sådana Finska Lån i Euroclear Finland, och de Finska Lånen måste efterleva den finska lagen *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012), enligt ändringar, och den finska lagen *laki arvo-osuustileistä* (827/1991), enligt ändringar, såväl som reglerna och bestämmelserna hos Euroclear Finland.

- (b) Med förbehåll för föreskrifterna i Villkor 20(a), godtar Emittenten oåterkalleligen för sedelinnehavarnas förmån, att de engelska domstolarna ska ha domsrätt att höra och fastställa varje eventuell stämning, rättsprocess eller förhandling, och att bilägga varje tvist som kan uppkomma från eller i samband med Lån som regleras av engelsk lagstiftning (inkluderande en tvist som rör varje icke-kontraktmässig förpliktelse som uppkommer ur eller i samband med Lånen) ("**Rättsprocesser**" respektive "**Tvister**") och, för sådana ändamål, oåterkalleligen rätta sig efter domsrätten hos sådana domstolar. Emittenten avstår oåterkalleligen från varje eventuell invändning som denne nu eller i det följande skulle kunna ha gentemot de engelska domstolar som är utsedda till forum för att höra och avgöra alla eventuella Rättsprocesser, och att överenskomma alla eventuella Dispyter, och samtycker till att inte hävda att någon sådan domstol inte är ett lämpligt eller passande forum. Emittenten bekräftar att den process med vilken Tvister i England påbörjas kan delgivas Emittenten genom att delgivningen levereras till Nordea Bank Finland Plc, Londonkontoret vid deras registrerade adress i London från tid till en annan, deras nuvarande adress är 8th Floor, City Place House, 55 Basinghall Street, London EC2V 5NB eller, om annat, deras registrerade kontor kan från en tid till en annan vara någon av Emittentens adresser i Storbritannien vid vilken processen kan delges i enlighet med Companies Act 2006. Om en sådan person inte är eller upphör att vara funktionellt kapabel att ta emot delgivning på Emittentens vägnar, så ska Emittenten med omedelbar verkan utse en ytterligare person i England att kunna ta emot delgivning för process på Emittentens vägnar, och, om personen uraktlåter att sålunda utse någon inom 15 dagar, så varje Fordringshavare ha rätt att utse en sådan person med hjälp av ett skriftligt meddelande till Emittenten och levererat till Emittenten och meddelandet levererat till Emittenten eller till dennes Ekonomiska Agent. Ingenting som innehålls häri ska påverka rätten att delge process på vilket som helst annat sätt som tillåts enligt lag. Underkastelsen till Englands rättsväsen ska inte (och ska inte tolkas såsom att) det begränsar rätten för Fordringshavare eller någon av dem att vidta Rättsprocesser i någon annan domstol hos en kompetent jurisdiktion, och inte heller ska startande av Rättsprocesser i någon annan jurisdiktion förhindra att starta en Rättsprocess i någon annan jurisdiktion (vare sig Rättsprocesserna går samtidigt eller ej) om och i den utsträckning som det är tillåtet enligt tillämplig lag.
- (c) Om svensk rätt är specificerad i de Slutliga Villkoren som gällande rätt, så ska Tvister rörande tolkningen av dessa Villkor fastställas av svenska domstolar. Stockholms Tingsrätt ska vara domstol i första instans.
- (d) Om finsk rätt är specificerad i de Slutliga Villkoren som gällande rätt, så ska Tvister rörande tolkningen av dessa Villkor fastställas av finska domstolar. *Helsingin käräjäoikeus /Helsingfors' Tingsrätt* ska vara domstol i första instans.
- (e) Om dansk rätt är specificerad i de Slutliga Villkoren som gällande rätt, så ska Tvister rörande tolkningen av dessa Villkor fastställas av danska domstolar. *Københavns Byret* ska vara domstol i första instans.
- (f) Om norsk rätt är specificerad i de Slutliga Villkoren som gällande rätt, så ska Tvister rörande tolkningen av dessa Villkor fastställas av norska domstolar. *Oslo Tingrett* ska vara domstol i första instans.
- (g) Oavsett att en Fordringshavare avseende Svenska Lån under Kontoföringslagen eller de operationella procedurerna, reglerna och förordningarna hos Euroclear Sverige (tillsammans, "**Svenska Åtgärder**") kan ha rätt att vidta åtgärder gentemot Emittenten i anledning av obetalda belopp eller underlåtenhet att vidta åtgärder enligt Villkoren för sådana Svenska Lån, måste en svensk Fordringshavare uttömma alla tillgängliga åtgärder under den för Villkoren gällande rätten innan någon Rättsprocess kan bringas mot Emittenten med avseende på Svenska Åtgärder. Oavsett Villkoret 20(b), och bara i detta begränsade avseende, kan en Fordringshavare avseende Svenska Lån inte initiera samtida Rättsprocesser i Sverige.



21. **Tredjemansrättigheter**

Ingen person ska ha några rättigheter att verkställa något Villkor fört Lån under Contracts (Rights of Third Parties) Act 1999.

22. **Ansvarsbegränsningar etc.**

Emittenten och det relevanta Clearinginstitutet ska inte, i förbindelse med utförandet eller det påstådda utförandet av sina respektive skyldigheter med avseende på Lån, hållas ersättningsskyldiga för någon som helst skada som uppstår genom någon rättslig åtgärd eller annan åtgärd vidtagen av en officiell myndighet, eller krig, strejk, lockout, bojkott, blockad eller någon liknande omständighet. Reservationen gällande strejker, lockouter, bojkotter och blockader gäller även om den nämnda enheten vidtar sådana åtgärder, eller är föremål för sådana åtgärder.

Emittenten eller det relevanta Clearinginstitutet ska inte hållas ansvarigt för någon annan skada som uppstått, om denna enhet har använt normal omsorg. De förutnämnda enheterna ska inte i något fall hållas ansvariga för någon indirekt skada, följdskada och/eller förlust av vinst, annat än som ett resultat av eller i samband med grov försummelse hos Emittenten eller det relevanta Clearinginstitutet.

Skulle det föreligga något hinder för Emittenten eller det relevanta Clearinginstitutet att vidta någon åtgärd i enlighet med dessa Villkor på grund av omständigheter visade i det första stycket av detta Villkor 22 (*Ansvarsbegränsningar etc.*), så får sådana åtgärder uppskjutas tills hindret har upphört.

Reglerna enligt detta Villkor 22 (*Ansvarsbegränsningar etc.*) ska gälla om inte annat stadgat i tillämplig lag.

## DEL 2: SÄRSKILDA VILLKOR FÖR VISSA STRUKTURERADE LÅN

### 1. Marknadsavbrott

Följande bestämmelser gäller då det särskilt anges i Slutliga Villkor.

- (a) Marknadsavbrott avseende Referenstillgång föreligger om någon av följande händelser, enligt Emittentens bedömning, inträffar:
- (i) notering av officiell slutkurs för Referenstillgång eller väsentlig andel av de underliggande tillgångar som ingår i Referenstillgång saknas, är otillgänglig eller upphör;
  - (ii) i förekommande fall, om en sammanställning och/eller offentliggörande av Referenstillgångs värde upphör;
  - (iii) relevant Börs och/eller Options- eller terminsbörs öppnar inte för handel under sin normala öppettid eller stänger för handel innan ordinarie stängningstid;
  - (iv) handeln med Referenstillgång eller en väsentlig del av de underliggande tillgångar som ingår i Referenstillgång eller options- eller terminskontrakt relaterade till Referenstillgång, vilken/vilka handlas på Börs respektive Options- eller terminsbörs upphör, stoppas eller begränsas på ett väsentligt sätt;
  - (v) marknadsaktörernas möjligheter att göra avslut i eller erhålla marknadsvärden för Referenstillgång eller väsentlig del av de underliggande tillgångar som ingår i Referenstillgång eller options- eller terminskontrakt relaterade till Referenstillgång vilken/vilka handlas vid Börs respektive Options- eller terminsbörs upphör, avbryts eller försämras på ett väsentligt sätt på grund av någon annan händelse; eller
  - (vi) gällande enbart Fondobligationer, värderingen av Referenstillgång, som utgör fond eller fondandel, på en Värderingsdag för Referenstillgången uteblir eller full betalning för inlösenbeloppet avseende sådan Referenstillgång uteblir på en inlösendag för Fonden.
- (b) En begränsning av det antal timmar eller dagar när handel sker skall inte anses utgöra ett Marknadsavbrott om begränsningen följer av en offentliggjord förändring av den normala öppethållandetiden för aktuell Börs och/eller Options- eller terminsbörs.
- (c) En begränsning av handeln som införs under loppet av en dag på grund av förändringar i priser som överstiger tillåtna nivåer enligt aktuell Börs och/eller Options- eller terminsbörs skall anses utgöra ett Marknadsavbrott.
- (d) Om Marknadsavbrott enligt Emittentens bedömning inträffat på Observations-, Ombalanserings-, Start- eller Värderingsdag skall sådan Observations-, Ombalanserings-, Start- eller Värderingsdag för fastställande av Stängningskurs, Startkurs och/eller Slutkurs vara Efterföljande Börsdag (avseende respektive Påverkad Referenstillgång) då Marknadsavbrott ej föreligger för respektive Påverkad Referenstillgång, dock att om Marknadsavbrott föreligger på de åtta Börsdagar (avseende respektive Påverkad Referenstillgång) som följer omedelbart efter den ursprungliga Start- eller Stängningsdagen eller annan relevant dag såsom anges i dessa villkor skall sådan åttonde Börsdag (avseende respektive Påverkad Referenstillgång) anses vara Observations-, Ombalanserings-, Start- eller Värderingsdag eller annan relevant dag såsom anges i dessa villkor oberoende av att Marknadsavbrott föreligger, och Emittenten skall då fastställa det värde av Stängningskurs, Startkurs och/eller Slutkurs som skall tillämpas vid beräkningen av Återbetalningsbelopp, Räntebelopp eller vid annan beräkning enligt dessa Villkor.
- (e) Emittenten äger göra samtliga de tillägg och justeringar till Villkoren som Emittenten bedömer vara nödvändiga i samband med Marknadsavbrott eller Avbrott.

## 2. Marknadsavbrott Råvara

Följande bestämmelser gäller då det särskilt anges i Slutliga Villkor.

- (a) Marknadsavbrott avseende Referenstillgång föreligger om någon av följande händelser, enligt Emittentens bedömning, inträffar:
- (i) notering, sammanställning, beräkning eller offentliggörande av officiell slutkurs för Referenstillgång eller de underliggande tillgångar som ingår i Referenstillgång saknas, är otillgänglig eller upphör;
  - (ii) notering, sammanställning, beräkning eller offentliggörande av Referenstillgångs värde eller värdet av de underliggande tillgångar som ingår i Referenstillgång saknas, är otillgänglig eller upphör;
  - (iii) relevant Börs öppnar inte för handel under sin normala öppettid;
  - (iv) handeln med Referenstillgång eller de underliggande tillgångar som ingår i Referenstillgång eller options- eller terminskontrakt relaterade till Referenstillgång, vilken/vilka handlas på Börs upphör, stoppas eller begränsas på ett väsentligt sätt;
  - (v) marknadsaktörernas möjligheter att göra avslut i eller erhålla marknadsvärden för Referenstillgång eller väsentlig del av de underliggande tillgångar som ingår i Referenstillgång eller options- eller terminskontrakt relaterade till Referenstillgång, vilken/vilka handlas på Börs upphör eller avbryts eller försämras på ett väsentligt sätt på grund av någon annan händelse;
  - (vi) sättet att beräkna Referenstillgång eller de underliggande tillgångar som ingår i Referenstillgång eller värdet därav förändras på ett väsentligt sätt;
  - (vii) innehåll, sammanställning eller struktur av Referenstillgång eller de underliggande tillgångar som ingår i Referenstillgång eller relevanta options- eller terminskontrakt förändras på ett väsentligt sätt; eller
  - (viii) införande, ändring eller upphävande av skattebestämmelse för Referenstillgång eller skattebestämmelse för skatt som beräknas med hänvisning till de underliggande tillgångar som ingår i Referenstillgång (dock ej skatt på eller som beräknas med hänvisning till brutto- eller nettointkomst) efter Startdagen vilken gör att slutkursen på Värderingsdagen förändras i förhållande till hur den skulle ha blivit om skattebestämmelsen inte hade införts, ändrats eller upphävts.
- (b) Om Marknadsavbrott enligt Emittentens bedömning inträffat på Observations-, Ombalanserings-, Start- eller Värderingsdag skall sådan Observations-, Ombalanserings-, Start- eller Värderingsdag för fastställande av Stängningskurs, Startkurs och/eller Slutkurs vara Efterföljande Börsdag (avseende respektive Påverkad Referenstillgång) då Marknadsavbrott ej föreligger för respektive Påverkad Referenstillgång, dock att om Marknadsavbrott föreligger på de åtta Börsdagar (avseende respektive Påverkad Referenstillgång) som följer omedelbart efter den ursprungliga Start- eller Stängningsdagen eller annan relevant dag såsom anges i dessa villkor skall sådan åttonde Börsdag (avseende respektive Påverkad Referenstillgång) anses vara Observations-, Ombalanserings-, Start- eller Värderingsdag eller annan relevant dag såsom anges i dessa villkor oberoende av att Marknadsavbrott föreligger, och Emittenten skall då fastställa det värde av Stängningskurs, Startkurs och/eller Slutkurs som skall tillämpas vid beräkningen av Återbetalningsbelopp eller vid annan beräkning enligt dessa Villkor.
- (c) Om Emittenten bedömer att det inte är möjligt eller inte skulle ge ett skäligt resultat att fastställa eller ersätta värdet av Påverkad Referenstillgång vid sådant Marknadsavbrott, får Emittenten göra en förtida beräkning av Återbetalningsbeloppet och/eller avkastningen eller Räntebeloppet och fastställa Återbetalningsbeloppet och/eller avkastningen eller Räntebeloppet. Då Emittenten fastställt Återbetalningsbeloppet och/eller avkastningen eller Räntebeloppet skall Emittenten informera Fordringshavarna om Återbetalningsbeloppet och/eller avkastningens eller Räntebeloppets storlek och till vilken räntesats Lånet fortsättningsvis löper. Emittenten skall på Återbetalningsbeloppet erlagga marknadsmässig ränta. Återbetalningsbeloppet (jämta upplupen ränta, om någon) återbetalas på Återbetalningsdagen.

- (d) Emittenten äger göra samtliga de tillägg och justeringar till Villkoren som Emittenten bedömer vara nödvändiga i samband med Marknadsavbrott.

### 3. **Avbrott Valuta**

Följande bestämmelser gäller då det särskilt anges i Slutliga Villkor.

- (a) Avbrott avseende Valutakurs (inklusive avseende Valutakurs som utgör en Referenstillgång) föreligger om någon av följande händelser, enligt Emittentens bedömning, inträffar:
  - (i) om avista- eller terminskurs inte finns att tillgå för Valutakursen eller de underliggande tillgångar som ingår i Valutakursen;
  - (ii) om beräkning eller offentliggörande av slutkurs/växelkurs/valutakurs på angiven referensskälla för en Valutakurs eller de underliggande tillgångar som ingår i Valutakursen saknas är otillgänglig eller upphör att publiceras på angiven referensskälla;
  - (iii) en väsentlig prisavvikelse mellan priset på olika valutor, växelkurser och/eller valutakurser;
  - (iv) om en kvotering av avista- och/eller terminskurs inte kan erhållas på föranstaltat minimibelopp i en eller ett rimligt antal valutatransaktioner som tillsammans uppgår till föranstaltat minimibelopp; eller
  - (v) om valutareglering eller valutarestriktioner införs som påverkar möjligheten att utväxla valuta som utgör en Valutakurs mot annan valuta samt att föra ut valuta ur relevant jurisdiktion.
- (b) Om Avbrott enligt Emittentens bedömning inträffat på Observations-, Ombalanserings-, Start-, Värderingsdag, Startdag Valuta eller Värderingsdag Valuta skall Emittenten fastställa värdet av Valutakurs, Valutakvot, Startkurs, Slutkurs eller Stängningskurs på basis av all tillgänglig information som Emittenten bedömer vara relevant vid beräkningen av Återbetalningsbelopp, Räntebelopp eller annat relevant värde.
- (c) Emittenten äger göra samtliga de tillägg och justeringar till Villkoren som Emittenten bedömer vara nödvändiga i samband med Avbrott.

### 4. **Ändrad Beräkning**

Följande bestämmelser gäller då det särskilt anges i Slutliga Villkor.

- (a) Om sammanställning, beräkning eller offentliggörande av någon Referenstillgång skulle upphöra, helt eller delvis eller Referenstillgångens egenskaper skulle förändras på ett väsentligt sätt, enligt Emittentens bedömning, äger Emittenten vid beräkningen av Återbetalningsbeloppet ersätta sådan Påverkad Referenstillgång med ett jämförbart alternativ. Skulle ett jämförbart alternativ till sådan Påverkad Referenstillgång, enligt Emittentens bedömning, inte sammanställas, beräknas och offentliggöras, eller om sättet att beräkna någon Påverkad Referenstillgång eller värdet därav förändras på ett väsentligt sätt, enligt Emittentens bedömning, äger Emittenten göra sådana justeringar i beräkningen såsom Emittenten på goda grunder anser nödvändiga i syfte att uppnå en beräkning av värdet av Påverkad Referenstillgång som avspeglar och är grundad på hur denna tidigare sammanställts, beräknats och offentliggjorts. Det sålunda beräknade värdet skall då ersätta värdet av Påverkad Referenstillgång vid beräkning av relevant Återbetalningsbelopp eller Räntebelopp.
- (b) Om Emittenten bedömer att det inte skulle ge ett skäligt resultat att ersätta Påverkad Referenstillgång eller justera tillämplig beräkning, får Emittenten göra en förtida beräkning av Återbetalningsbeloppet och/eller avkastningen och fastställa Återbetalningsbeloppet och/eller avkastningen. Då Emittenten fastställt Återbetalningsbeloppet och/eller avkastningen eller Räntebeloppet skall Emittenten informera Fordringshavarna om Återbetalningsbeloppets och/eller avkastningens eller Räntebeloppets storlek och till vilken räntesats Lånet fortsättningsvis löper. Emittenten skall på Återbetalningsbeloppet erlagga marknadsmässig ränta. Återbetalningsbeloppet (jämte upplupen ränta, om någon) återbetalas på Återbetalningsdagen.

- (c) Emittenten äger göra samtliga de tillägg och justeringar till Allmänna Villkor och Slutliga Villkor som Emittenten bedömer vara nödvändiga i samband med Ändrad Beräkning.

5. **Korrigerings**

Följande bestämmelse gäller då det särskilt anges i Slutliga Villkor.

Om den officiella stängningskursen för Referenstillgång blir korrigerad inom det antal dagar från det ursprungliga offentliggörandet som normalt förflyter mellan avslut och likviddag vid avistahandel med Påverkad Referenstillgång eller med de underliggande tillgångar som ingår i Referenstillgång, dock senast tre Börsdagar efter Värderingsdagen eller Observationsdagen, och sådan kurs använts för att bestämma en Stängningskurs och/eller Start- och/eller Slutkurs äger Emittenten göra motsvarande korrigerings.

6. **Korrigerings Råvara**

Följande bestämmelser gäller då det särskilt anges i Slutliga Villkor.

Om den officiella stängningskursen för Referenstillgång blir korrigerad inom 30 dagar från det ursprungliga offentliggörandet och sådan kurs använts för att bestämma en Stängningskurs och/eller Start- och/eller Slutkurs äger Emittenten göra motsvarande korrigerings.

7. **Korrigerings Valuta**

Följande bestämmelser gäller då det särskilt anges i Slutliga Villkor.

Om den officiella stängningskursen för Referenstillgång blir korrigerad och sådan kurs använts för att bestämma en Stängningskurs och/eller Start- eller Slutkurs äger Emittenten göra motsvarande korrigerings, dock ej senare än sex Handelsdagar Valuta från det att den officiella stängningskursen för Referenstillgång blev offentliggjord.

8. **Särskilda Händelser**

Följande bestämmelser gäller då det särskilt anges i Slutliga Villkor.

- (a) Om avnotering, nationalisering, konkursförfarande, likvidation, företagsrekonstruktion, tvångsinlösen, fusion, fission, verksamhetsöverlåtelse, aktieutbyte, utbyteserbjudande, offentligt uppköpserbjudande eller annan liknande händelse, enligt Emittentens bedömning, inträffar beträffande Referenstillgång eller avseende företag till vilka Referenstillgången relaterar, eller om split, nyemission, fondemission, utgivande av optioner eller konvertibler, sammanläggning eller återköp såvitt avser Referenstillgång, enligt Emittentens bedömning, sker, eller annan händelse sker som närmare anges i dessa Slutliga Villkor eller som enligt praxis på marknaden för aktierelaterade derivatprodukter kan föranleda justering i beräkningar under utestående transaktioner (varje sådan en "Särskild Händelse"), äger Emittenten göra sådana justeringar i beräkningen av Återbetalningsbelopp, Räntebelopp och/eller sammansättningen av Referenstillgångar, eller ersätta Påverkad Referenstillgången med en Ersättande Referenstillgång, som Emittenten därmed anser nödvändiga i syfte att uppnå en beräkning av Återbetalningsbeloppet som avspeglar och är grundad på hur denna tidigare beräknats.
- (b) Om Emittenten bedömer att det inte skulle ge ett skäligt resultat att ersätta Påverkad Referenstillgången eller justera tillämplig beräkning eller sammansättningen av Referenstillgångar, får Emittenten göra en förtida beräkning av Återbetalningsbeloppet och/eller avkastningen eller Räntebeloppet och fastställa Återbetalningsbeloppet och/eller avkastningen eller Räntebeloppet. Då Emittenten fastställt Återbetalningsbeloppet och/eller avkastningen eller Räntebeloppet skall Emittenten informera Fordringshavarna om Återbetalningsbeloppet och/eller avkastningens eller Räntebeloppets storlek och till vilken räntesats Lånet fortsättningsvis löper. Emittenten skall på Återbetalningsbeloppet erlagga marknadsmässig ränta. Återbetalningsbeloppet (jänte upplupen ränta, om någon) återbetalas på Återbetalningsdagen.
- (c) Emittenten äger göra samtliga de tillägg och justeringar till Villkoren som Emittenten bedömer vara nödvändiga i samband med Särskilda Händelser.

### DEL 3: SÄRSKILDA VILLKOR FÖR KREDITLÄNKADE LÅN

Följande bestämmelser gäller då det särskilt anges i Slutliga Villkor.

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Kredithändelse:                          | <p>Inträffandet av en eller flera av följande händelser (såsom särskilt anges i Slutliga Villkor) i förhållande till något av Referensbolagen, enligt Emittentens bedömning:</p> <p>(a) med avseende på en Referenstillgång som inte utgör en Stat: (i) Utebliven Betalning, (ii) Omläggning av Skulder; eller (iii) Insolvensförfarande;</p> <p>(b) med avseende på en Referenstillgång som är en Stat: (i) Utebliven Betalning, (ii) Avstående/Moratorium eller Omläggning av Skulder och, med avseende på europeiska eller centralasiatiska Stater, (iv) Uppsägning av Åtagande;</p> <p>varvid gäller att en Kredithändelse skall anses föreligga även om den relevanta händelsen föranleds direkt eller indirekt av, eller invändning gjorts med hänvisning till, något av följande: (i) obehörighet, bristande rättskapacitet, bristande rättshandlingsförmåga eller liknande hos det relevanta Referensbolaget, (ii) faktisk eller påstådd ogiltighet, lagstridighet eller icke verkställbarhet rörande Skuldförbindelse (iii) tillämplig lag, föreskrift, myndighetsbeslut, dom, domstolsbeslut, beslut av skiljenämnd eller liknande handlingsorder eller införandet av, ändring av, eller domstolsskiljenämnds- eller myndighets tolkning av tillämplig lag eller föreskrift eller liknande eller (iv) införande av, eller ändring av, valutareglering, monetära restriktioner eller liknande föreskrifter från monetär eller annan myndighet (inklusive centralbank).</p> |
| Avstående/Moratorium:                    | <p>Avser att följande två omständigheter inträffar: (i) en behörig företrädare av en Referenstillgång eller Behörig Myndighet (x) underkänner, avsäger, förnekar eller avfärdar, helt eller delvis, eller ifrågasätter giltigheten av, en eller flera Skuldförbindelser om ett sammanlagt belopp motsvarande minst Utebliven Betalning – Belopp eller (y) förklarar eller ålägger ett moratorium, stillestånd, uppskjutning eller anstånd, faktiskt eller legalt, med avseende en eller flera Skuldförbindelser om ett sammanlagt belopp motsvarande minst Utebliven Betalning – Belopp och (ii) en Utebliven Betalning eller en Omläggning av Skulder, med avseende på sådant Skuldinstrument inträffar på eller innan Avstämningsdag för Avstående/Moratorium.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Behörig Myndighet:                       | <p>Avser en faktisk eller legal statlig (eller myndighet, institution, ministerium eller annan funktion för detta), domstol, tribunal, administrativ eller annan statlig myndighet eller annan civil eller offentlig person som har rätt att utöva övervakning av den finansiella marknaden (inklusive centralbanken) med avseende på en Referenstillgång eller inom den jurisdiktion inom vilken Referenstillgången är etablerad.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Avstämningsdag för Avstående/Moratorium: | <p>Om ett Potentiell Avstående/Moratorium inträffar på eller innan den planerade Återbetalningsdagen (enligt GMT-tid), (i) om de Skuldförbindelser till vilka Potentiellt Avstående/Moratorium relaterar inkluderar Obligationer, den dag som infaller på det senare av (A) the datum som infallet 60 dagar efter dagen för sådan Potentiellt Avstående/Moratorium (eller, om senare, den sista dagen i en tillämplig Anståndsperiod med avseende på sådan betalningsdag) och (ii) om de Skuldförbindelser till vilka Potentiellt Avstående/Moratorium relaterar inte inkluderar Obligationer, den dag som infaller 60 dagar efter dagen för sådant Potentiellt Avstående/Moratorium; <b>förutsatt att</b>, i varje fall, att Avstämningsdag för Avstående/Moratorium inte ska infalla senare än den planerade Återbetalningsdagen.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Obligation:                         | Varje Skuldförbindelse som är i formen av, eller representeras av, en obligation, skuldebrev, skuldinstrument i fysisk form eller annan skuldförbindelse.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Anståndsperiod:                     | Avser: (i) anståndsperiod för betalning, vilken har avtalats i samband med utgivandet eller upptagandet av en Skuldförbindelse såsom tillämplig vid senare av Lånedatum för Lånen eller dagen då sådan Skuldförbindelse emitterades eller uppstod; eller (ii) om sådan anståndsperiod inte avtalats eller den avtalade anståndsperioden är kortare än tre (3) Bankdagar, så skall Anståndsperioden vara tre (3) Bankdagar, dock gäller att Anståndsperiod skall anses löpa ut senast på Återbetalningsdagen.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Offentligt Tillgänglig Information: | Avser information som bekräftar att en Kredithändelse har inträffat och: (i) som har offentliggjorts i minst en Nyhetskälla; (ii) som är information som offentliggjorts av relevant Referensbolag eller agent, trustee eller liknande för relevant Skuldförbindelse; (iii) som är information baserad på innehåll i konkursansökan, konkursbeslut, korrespondens med myndigheter, domstolar eller liknande, eller annan likartad information; eller (iv) Beräkningagenten bekräftar i intyg till Emittenten att Kredithändelse har inträffat och Kredithändelsens natur.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Potentiellt Avstående/Moratorium:   | Avser inträffandet av den händelse som beskrivs i (i) i definitionen av Avstående/Moratorium.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Ersättande Referenstillgång:        | Sådan Referenstillgång som Emittenten bestämmer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Insolvensförarande:                 | <p>Avser att något av Referensbolagen;</p> <ul style="list-style-type: none"> <li>(a) upplöses (annat än genom fusion);</li> <li>(b) blir insolvent, blir oförmögen att betala sina skulder vid förfall, ställer in betalningarna eller skriftligen i ett rättegångsförfarande, administrativt förfarande, myndighetsförfarande eller annars medger eller förklarar generell oförmåga att betala sina skulder vid förfall;</li> <li>(c) genomför en generell överlåtelse, förlikning, rekonstruktion eller liknande åtgärd med avseende på tillgångar eller skulder till förmån för sina borgenärer;</li> <li>(d) inleder eller blir föremål för förfarande som syftar till en dom eller ett beslut om insolvens, betalningsoförmåga eller konkurs, eller annat beslut med stöd av konkurs-, insolvens- eller liknande lagar eller förordningar som påverkar borgenärers rätt (innefattande även företagsrekonstruktion), eller ansökan om att upplösa eller försätta Referensbolaget i likvidation har lämnats och ett sådant förfarande eller en sådan ansökan: <ul style="list-style-type: none"> <li>(i) leder till en dom eller ett beslut om insolvens, betalningsoförmåga eller konkurs, ett beslut som generellt påverkar borgenärernas rätt eller ett beslut om att försätta det relevanta Referensbolaget i likvidation, eller</li> <li>(ii) inte återkallas, ogillas, avskrivs, avbryts eller generellt begränsas inom trettio dagar efter det att förfarandet inletts eller ansökan inlämnats;</li> </ul> </li> <li>(e) omfattas av ett beslut av bolagsstämma eller annat organ om att upplösa Referensbolaget, ställa Referensbolaget under företagsrekonstruktion eller tvångsförvaltning, eller försätta Referensbolaget i likvidation (annat än genom fusion);</li> <li>(f) ansöker om eller blir föremål för ett förordnande om förvaltare</li> </ul> |

(innefattande varje form av konkurs- eller insolvensförvaltning), syssloman, utredningsman, god man eller annan motsvarande befattningshavare med avseende på Referensbolaget och samtliga eller en väsentlig del av Referensbolagets tillgångar;

- (g) låter en borgenär med säkerhet i någon av Referensbolagets tillgångar komma i besittning av samtliga eller en väsentlig del av Referensbolagets tillgångar eller Referensbolaget blir föremål för utmätning, kvarstad, annan verkställighetsåtgärd eller annat förfarande med avseende på samtliga eller en väsentlig del av Referensbolagets tillgångar, och sådan borgenär behåller besittningen eller sådant förfarande inte återkallas, ogillas, avskrivs, avbryts eller begränsas inom trettio dagar; eller
- (h) orsakar eller utsätts för en händelse eller omständighet som enligt en på Referensbolaget tillämplig lag har motsvarande effekt som en eller flera av de händelser som nämns i punkterna (a)-(g).

Korg: Avser den korg av Referenstillgångar såsom anges i Slutliga Villkor.

Nyhetskälla: Nyhetskälla såsom 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 (eller ersättande publikation eller elektronisk nyhetskälla), huvudkällan för affärsnyheter i Referensbolagets hemlandsjurisdiktion och varje annan internationellt erkänd nyhetskälla.

Stat: Avser en stat eller dessa administrativa organ eller politiska underdivisioner (såsom regering, ministerium, civilförvaltning och liknande), myndigheter som bedriver ekonomisk verksamhet, myndigheter, centralbanker, kommuner, städer, och andra funktioner som kan åtnjuta juridisk immunitet.

Omläggning av Skulder: (a) Med "Omläggning av Skulder" avses, i förhållande till en eller flera Skuldförbindelser, att (A) antingen det relevanta Referensbolaget eller en domstol, skiljenämnd, centralbank, myndighet eller annat offentligrättsligt eller privaträttsligt organ med normgivningsmakt träffar överenskommelse med innehavaren/innehavarna av Skuldförbindelsen med bindande verkan för samtliga innehavare av Skuldförbindelsen med den innebörd som framgår i någon av punkterna (i)-(v) nedan, eller (B) att Referensbolaget eller en domstol, skiljenämnd, centralbank, myndighet eller annat offentligrättsligt eller privaträttsligt organ med normgivningsmakt tillkännager eller förordnar en eller flera av de i punkterna (i)-(v) nedan nämnda åtgärderna med bindande verkan för samtliga innehavare av Skuldförbindelsen. Därutöver förutsätts att den Skuldförbindelse eller de Skuldförbindelser som är föremål för åtgärden/åtgärderna i punkterna (i)-(v) nedan sammanlagt uppgår till Tröskelbeloppet.

- (i) en minskning av räntesats, räntebelopp eller upplupen ränta;
- (ii) en minskning av kapitalbelopp, avgift eller liknande belopp som förfaller till betalning på slutförfallodagen eller på annan förfallodag;
- (iii) en senareläggning eller annat uppskjutande av (A) förfallodagen för betalning av ränta eller tidpunkten för ränteberäkning eller (B) förfallodagen för betalning av kapitalbelopp, avgift eller liknande belopp;
- (iv) en förändring av Skuldförbindelsens förmånsrätt som innebär



att Skuldförbindelsen blir efterställd i förhållande till någon annan Skuldförbindelse; eller

- (v) en ändring av den valuta (eller i sammansättningen av valutor) i vilken betalning av ränta, kapitalbelopp eller avgift under Skuldförbindelsen skall erläggas, om ändring sker till någon annan valuta än en valuta som är:
  - (A) lagligt betalningsmedel i något av G7-länderna (inklusive tillkommande G7-länder, om nya medlemmar antas till G7-gruppen), eller
  - (B) lagligt betalningsmedel i något land, som vid tiden för ändringen ifråga är OECD-medlem och vars hemmavaluta har en långfristig rating som är antingen minst AAA hos Standard & Poor's, a division of The MacGraw-Hill Companies, Inc (eller hos en eventuell efterträdare till deras ratingverksamhet), minst Aaa hos Moody's Investor Service, Inc (eller hos en eventuell efterträdare till deras ratingverksamhet) eller minst AAA hos Fitch Ratings (eller hos en eventuell efterträdare till deras ratingverksamhet).
- (b) Inget av följande skall utgöra en "Omläggning av Skulder":
  - (i) betalning i euro av ränta eller kapitalbelopp avseende en Skuldförbindelse i en till Europeiska unionen hörande medlemsstats nationella valuta, då medlemsstaten ifråga har infört eller ska införa den gemensamma valutan enligt fördraget om etablerandet av den Europeiska Gemenskapen;
  - (ii) om någon av de i punkterna (a) (i)-(v) ovan nämnda åtgärderna inträffar, avtalas eller tillkännages som en följd av en administrativ, bokföringsmässig, skattemässig eller annan teknisk justering eller korrigering inom ramen för normal affärsverksamhet;
  - (iii) om någon av de i punkterna (a) (i)-(v) ovan nämnda händelserna inträffar, avtalas eller tillkännages under omständigheter som innebär att händelsen inte är en direkt eller indirekt följd av en försämring av Referensbolagets kreditvärdighet eller finansiella ställning.
- (c) I punkterna (a) och (b) ovan avses med "Skuldförbindelse" även de förbindelser för vilka Referensbolaget har ställt en garanti eller borgen, varvid med Referensbolag i punkt (a) avses gäldenären i den förbindelse för vilken borgen eller garanti ställts och i punkt (b) avses Referensbolaget.

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Referensbolag:          | Varje bolag (inklusive Ersättande Referenstillgång) vilket från tid till annan utgör Referenstillgång).                                                                                                                                                                                                                                                                                                                                                            |
| Referenstillgång:       | Varje Referensbolag och Stat som från tid till annan ingår i Korgen.                                                                                                                                                                                                                                                                                                                                                                                               |
| Skuldförbindelse:       | Referensbolags samtliga nuvarande, framtida, villkorade eller övriga betalningsförpliktelser under (a) med upplåning förknippade avtal, såsom bland annat kreditavtal, obligations-, eller certifikatlån (oavsett löptid) eller finansieringslimiter, betalningsförpliktelse avseende insättning eller remburs och (b) borgen eller annan skriftlig garanti eller förbindelse, som ett Referensbolag ställt eller ställer för någon annans betalningsförpliktelse. |
| Uppsägning av Åtagande: | En eller flera Skuldförbindelser som tillsammans uppgår till det belopp som anges i Slutliga Villkor (" <b>Uppsägning av Åtagande – Belopp</b> ") förfaller                                                                                                                                                                                                                                                                                                        |

till förtida betalning (genom uppsägning eller på annat sätt) som ett resultat av, eller på basis av att en uppsägningsgrund inträffar eller annat liknande villkor eller händelse som relaterar till Referenstillgången (och sådant kontraktsbrott inte relaterar till Utebliven Betalning).

**Utebliven Betalning:** Ett Referensbolags eller Stats underlåtenhet att i enlighet med villkoren för en eller flera Skuldförbindelser erlagga förfallen betalning (och efter att eventuell Anståndsperiod löpt ut) och det belopp som är förfallet till betalning eller summan av de belopp som är förfallna till betalning uppgår till lägst det belopp som anges i Slutliga Villkor ("**Utebliven Betalning – Belopp**").

**Ersättande Referensbolag:** Avser vardera bolag som var för sig övertar (direkt eller indirekt) 25 % eller mer av Skuldförbindelserna från ett Referensbolag genom en Särskild Händelse. Om mindre än 25 % av Skuldförbindelserna stannar hos Referensbolaget skall Referensbolaget upphöra att vara ett "Referensbolag". Om något bolag övertar 75% av Skuldförbindelserna genom en Särskild händelse ska sådant bolag ensamt utgöra Ersättande Referensbolag. Om ett eller flera bolag var för sig övertar en del av Skuldförbindelserna men inget bolag övertar mer än 25 % av Skuldförbindelserna och det relevanta Referensbolaget upphör att existera, skall det eller de bolag som övertar störst andel av Skuldförbindelserna utgöra Ersättande Referensbolag och Referensbolaget skall upphöra att vara ett "Referensbolag".

Emittenten ska utföra de beräkningar och avgöranden som är nödvändiga för att kunna bestämma om trösklarna som anges ovan har passerats och ska meddela parterna om detta. Emittenten ska göra relevanta justeringar i Slutliga Villkor för att reflektera att ett Ersättande Referensbolag och omfattningen av Skuldförbindelser samt samtliga övriga ändringar som Emittenten finner nödvändiga i anslutning till en Särskild Händelse.

**Särskild Händelse:** För det fall samtliga eller merparten av ett Referensbolags Skuldförbindelser genom lag eller avtal, direkt eller indirekt övergår till en eller flera juridiska personer genom fusion, sammanslagning, överlåtelse av tillgångar eller skulder, fission, uppdelning, avyttring eller annan liknande händelse skall vad som anges under Effekt av Särskild Händelse nedan, gälla. Särskild Händelse är inte tillämplig för det fall ett Referensbolags samtliga förpliktelser byts ut mot ett annat bolags förpliktelser, i annat fall än om sådant utbyte sker i samband med någon av de händelser som anges ovan.

Emittenten skall fastställa om en Särskild Händelse föreligger och skall utföra de beräkningar och bedömningar som föranleds av vad som anges under "Ersättande Referensbolag" nedan och underrätta Fordringshaverna därom.

Emittenten äger rätt att med bindande verkan för Fordringshaverna genomföra de justeringar till Slutliga Villkor som Emittenten anser vara behövliga i anledning av att en Särskild Händelse har inträffat eller förväntas inträffa.

**Effekt av Särskild Händelse:** För det fall Emittenten bedömer att en Särskild Händelse har inträffat (vilken kan inträffa upp till 90 dagar innan första dagen i Observationsperioden, i enlighet med definitionen av "Succession Event Backstop Date" i ISDA Definitionerna (se "Övriga Bestämmelser" nedan), skall det Ersättande Referensbolaget, från och med den dag som Beräkningsagenten bestämmer, ersätta det relevanta Referensbolaget som "Referensbolag" vid tillämpning av villkoren för Lånet. Emittenten har rätt att i fall av Särskilda Händelser justera det eller de relevanta Referensbolagens, eller Ersättande Referensbolagens, andelstal i korgen.

Uppskjuten Betalning:

Om Hedging Party inte har möjlighet att bestämma Återbetalningsbeloppet med avseende på en eller flera Referenstillgångar innan den Planerade Återbetalningsdagen eftersom ett auktionsförfarande in har avslutats, eller av någon annan anledning, eller om Emittenten eller den relevanta Hedging Party rimligen bedömer att den inte kommer att ta emot det fulla av Återbetalningsbeloppet vid eller innan den Planerade Återbetalningsdagen eller Förtida Återbetalningsdag (såsom tillämpligt) (varje sådan händelse kallas en "**Uppskjuten Återbetalning**"), ska Emittenten omedelbart meddela Fordringshavarna om detta (ett "**Meddelande om Uppskjuten Återbetalning**").

Efter ett Meddelande om Uppskjuten Återbetalning ska Emittenten göra en delåterbetalning av Lån på (i) den planerade Återbetalningsdagen eller den förtida återbetalningsdagen förutsatt att, och i den utsträckning som, Hedging Party har mottagit (eller anses ha mottagit) någon del av tillgångarnas Återbetalningsbelopp ej senare än på den tionde Bankdagen innan sådant datum, och därefter (ii) inom fem Bankdagar efter varje datum då Hedging Party mottar (eller anses ha mottagit) alla eller delar av Återbetalningsbeloppet (varje sådant datum kallas för en "**Uppskjutet Återbetalningsdag**").

Beloppet för varje sådan delåterbetalning av Lån ska beräknas i enlighet med formeln för beräkning av Återbetalningsbelopp angivet ovan och för detta ändamål ska "**Återbetalningsbeloppet**" anses vara det senaste delbeloppet av de Återbetalningsbelopp som mottagits (eller anses ha mottagits) av Hedging Party innan den relevanta Uppskjutna Återbetalningsdagen och "Avgiften" ska anses vara den totala avgiften per det relevanta Uppskjutna Återbetalningsdagen minus den eventuella del av Avgiften som tidigare har avdragits från (i) Återbetalningsbelopp eller (ii) Återbetalningsbeloppet i anknytning till tidigare delåterbetalningar av Lån.

Summan av alla delinlösenbetalningar ska aldrig överstiga de totala Återbetalningsbeloppen som Hedging Party har mottagit (eller anses ha mottagit) på eller innan Back-Stop datumet minus (i) totala Avgifter och minus (ii) den totala summan av alla Skatter.

Om Emittenten har fastställt att en Uppskjuten Återbetalning har inträffat och fortgår, och att det skäligen kan förväntas att någon del av Återbetalningsbeloppen inte har mottagits av Hedgingparten på eller innan Back-Stop datumet, kan Emittenten (i) förlänga Back-Stop datumet för att detta ska anpassas till förväntade framtida erhållna Återbetalningsbelopp i enlighet med det som fastställts av Emittenten, eller (ii) genom meddelande till Innehavarna och till relevanta Clearingsystem terminera Lånen med omedelbar effekt varpå Emittenten inte ska vara förpliktigad att göra, och Fordringshavare ej heller ska vara berättigade att motta, någon återbetalning eller andra belopp med avseende till Lånen.

Återbetalningsbelopp som har mottagits av Emittenten eller Hedging Party efter Back-Stop datumet ska inte betalas till Innehavarna och Innehavarna ska inte ha någon rätt att motta någon sådan återstående del av Återbetalningsbeloppet efter Back-Stop datumet.

Övriga Bestämmelser:

I händelse av oklarhet rörande tolkningen eller tillämpningen av viss bestämmelse för Lånet skall ledning sökas i de definitioner som publicerats av ISDA under benämningen "2003 ISDA Credit Derivatives Definitions" jämte samtliga från tid till annan publicerade tillägg ("**ISDA Definitionerna**").

#### DEL 4: SÄRSKILDA VILLKOR FÖR FONDLÄNKADE LÅN

Följande bestämmelser gäller då det särskilt anges i Slutliga Villkor.

|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Fonden"</b>       | såsom närmare anges i Slutliga Villkor;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Fondbolaget"</b>  | Avser, med avseende på en Fond, varje person som är utsedd att utföra tjänster, direkt eller indirekt, åt Fonden, oavsett om detta följer enligt lag eller de konstituerande eller de styrande handlingarna, teckningshandlingar, och andra handlingar och avtal, som är tillämpliga på Fonden, inklusive fondens rådgivare, administratör, fondbolag, förvaringsinstitut, mäklare, registrator, och alla andra liknande funktionärer och andra personer såsom närmare anges i Slutliga Villkor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Fondhändelse"</b> | <p>Emittenten har rätt att bestämma och bedöma att en Fondhändelse har inträffat, om någon av följande händelser inträffar efter Startdagen:</p> <ol style="list-style-type: none"><li>1. Net Asset Value-värdet ("<b>NAV-värdet</b>") med avseende på Fonden inte beräknas och publiceras för Fonden på sådan dag och sådant sätt som anges i bestämmelserna för Fonden och i villkoren för Fondens eller Fondbolagets verksamhet;</li><li>2. någon förändring av Fondens, eller fondandelarnas, egenskaper görs vilket, enligt Emittentens bedömning, kan komma att påverka värdet på fondandelarna negativt;</li><li>3. Fonden eller Fondbolaget (helt eller delvis) inte medger teckning eller inlösen av fondandelar för Fonden på sådan dag då teckning och inlösen ska vara möjlig enligt bestämmelserna för Fonden och i enlighet med villkoren för Fondens verksamhet;</li><li>4. de medel som betalas ut av Fond som en följd av en begäran om inlösen inte består av kontanta medel;</li><li>5. Fond eller Fondbolag inför restriktioner eller nya ändrade avgifter för teckning eller inlösen av fondandelar alternativt att skatt eller annan påлага tillkommer efter Startdagen i samband med teckning eller inlösen av fondandelar;</li><li>6. en väsentlig förändring av de underliggande tillgångarna i Fond sker, vilket inkluderar expropriation eller liknande händelse som medför att tillgångarna överläts till eller övertas av myndighet eller av liknande organ eller organisation, eller av annan efter instruktion av myndighet eller liknade organ eller organisation, som på ett ogynnsamt sätt påverkar värdet på fondandelarna;</li><li>7. Fond eller Fondbolag blir insolvent, förhandlingar inleds om Fonds eller Fondbolags försättande i konkurs, Fonden eller Fondbolaget beslutar om eller försätts i likvidation, inleder företagsrekonstruktion, inleder förhandlingar om ackord eller blir föremål för liknande händelse;</li><li>8. Fonden eller Fondbolaget fusioneras eller blir föremål för försäljning helt eller delvis;</li><li>9. Fond bryter mot de bestämmelser som gäller för Fondens verksamhet vilket inkluderar dess investment guidelines och Fondens konstituerande dokument;</li><li>10. Fond eller Fondbolag genomför förändringar i bestämmelserna för Fonden eller Fondens verksamhet såsom förändring av riskprofilen i Fonden, förändring i rösträtten för fondandelarna, förändring görs av investeringsriktlinjerna för Fonden, förändring av vilken valuta</li></ol> |

fondandelarna är denominerade i eller sådan annan förändring som Emittenten bedömer är av materiell betydelse;

11. Fonden bryter mot avtal som den är bunden av eller mot domstols eller annan myndighets beslut;
12. ändring i lag, förordning eller annat regelverk (inklusive skattelagstiftning och redovisningsregler), eller beslut av myndighet, domstol eller annat organ som har en negativ effekt på Fond eller Fondbolag eller Emittentens möjligheter att investera i eller inlösa Referenstillgången;
13. Fond, Fondbolag, administratör, förvaringsinstitut eller styrelse blir föremål för utredning, process eller liknande från myndigheter eller annan som avser överträdelse av relevant lagstiftning eller andra regler som är tillämpliga för Fond, Fondbolag, administratör, förvaringsinstitut eller styrelse eller tillståndet att bedriva relevant verksamhet för någon av dessa dras in;
14. Fondbolaget, administratören, förvaringsinstitutet eller styrelsen byts ut;
15. Referenstillgången konverteras till annan fondandel;
16. Referenstillgången omfattas av tvångsinlösen eller tvångsförsäljning;
17. Fond har inte möjlighet att genomföra investeringar;
18. en förändring sker med avseende på någon av Fondernas derivatinstrument som på ett ogynnsamt påverkar värdet av dess fondandelar eller Fondens möjlighet att medge inlösen därav;
19. Fonden, Fondbolaget eller administratören av Fonden underlåter att tillhandahålla sådan information inom sådan tidsgräns som någon av dessa har åtagit sig att tillhandahålla information till en eller flera investerare;
20. händelse som, enligt Emittentens bedömning, har en negativ effekt på tillämpningen av Slutliga Villkor.

Om en Fondhändelse inträffar med avseende på en eller flera Fonder som utgör en Referenstillgång äger Emittenten göra sådana justeringar i beräkningen av Återbetalningsbelopp, Räntebelopp och/eller sammansättningen av Referenstillgångar, eller ersätta Påverkad Referenstillgången med en Ersättande Referenstillgång, som Emittenten därmed anser nödvändiga i syfte att uppnå en beräkning av Återbetalningsbeloppet som avspeglar och är grundad på hur denna tidigare beräknats.

Om Emittenten bedömer att det inte skulle ge ett skäligt resultat att ersätta Påverkad Referenstillgången eller justera tillämplig beräkning eller sammansättningen av Referenstillgångar, får Emittenten senarelägga Back Stop-Datomet att infalla på ett datum enligt Emittentens bedömning, eller göra en förtida beräkning av Återbetalningsbeloppet och/eller avkastningen eller Räntebeloppet och fastställa Återbetalningsbeloppet och/eller avkastningen eller Räntebeloppet. Då Emittenten fastställt Återbetalningsbeloppet och/eller avkastningen eller Räntebeloppet skall Emittenten informera Fordringshavarna om Återbetalningsbeloppet och/eller avkastningens eller Räntebeloppets storlek och till vilken räntesats Lånet fortsättningsvis löper. Emittenten skall på Återbetalningsbeloppet erlagga marknadsmässig ränta. Återbetalningsbeloppet (jämta upplupen ränta, om någon) återbetalas på Återbetalningsdagen.

Emittenten äger göra samtliga de tillägg och justeringar till Villkoren som Emittenten bedömer vara nödvändiga i samband med Fondhändelser.

## FORMS OF FINAL TERMS FOR NOTES

### MALLAR FÖR SLUTLIGA VILLKOR FÖR LÅN

*Form of Final Terms for Certain Structured Notes with a denomination of less than €100,000 to be admitted to trading on the Main Securities Market of the Irish Stock Exchange and/or offered to the public in the EEA*

*Mall för Slutliga Villkor för Särskilda Strukturerade Lån med valörer om mindre än €100 000 som ska bli föremål för handel på Irish Stock Exchanges Main Securities Market och/eller erbjudas till allmänheten inom EES.*

#### IMPORTANT NOTICE

#### VIKTIGT MEDDELANDE

***In accessing the attached final terms (the "Final Terms") you agree to be bound by the following terms and conditions.***

***Genom att ta del av de bilagda slutliga villkoren ("Slutliga Villkoren") godkänner du att bli bunden av följande villkor.***

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

Informationen i dessa Slutliga Villkor är endast adresserad till och/eller riktad till personer som bor i de särskilda länder som anges i de Slutliga Villkoren och/eller i Grundprospektet (definierat i de Slutliga Villkoren) och är inte ämnad för användning och ska inte förlitas på av någon person utanför de länderna och/eller till vilka erbjudandet i dessa Slutliga Villkor inte är adresserat. **Innan du förlitar dig på innehållet i dessa Slutliga Villkor måste du säkerställa att du är en avsedd adressat av informationen i de Slutliga Villkoren och/eller Grundprospektet.**

Neither the Final Terms nor the Base Prospectus constitutes an offer to sell or the solicitation of an offer to buy securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities law of any such jurisdiction.

Varken de Slutliga Villkoren eller Grundprospektet utgör ett erbjudande att sälja eller en inbjudan att köpa värdepapper i USA eller i någon annan jurisdiktion i vilka ett sådant erbjudande, inbjudan eller försäljning skulle vara olagligt innan de har registrerats, ett undantag från registrering har erhållits eller enligt annan bestämmelse under värdepapperslagarna i en sådan jurisdiktion.

The securities described in the Final Terms and the Base Prospectus have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons or to persons within the United States of America (as such terms are defined in Regulation S under the Securities Act ("**Regulation S**")). The securities described in the Final Terms will only be offered in offshore transactions to non-U.S. persons in reliance upon Regulation S.

De värdepapper som beskrivs i de Slutliga Villkoren och i Grundprospektet har inte, och kommer inte, registreras i enlighet med U.S. Securities Act of 1933, såsom den har ändrats ("**Securities Act**") och får inte erbjudas eller säljas direkt eller indirekt inom USA eller till, för, eller till förmån för, amerikanska medborgare eller till personer i USA (såsom termerna definieras i Regulation S i Securities Act ("**Regulation S**")). De värdepapper som beskrivs i dessa Slutliga Villkor kommer endast erbjudas i offshore-transaktioner till icke-amerikanska medborgare i enlighet med Regulation S.

**Final Terms dated [•]**

**Slutliga Villkor daterade [•]**

**NORDEA BANK AB (PUBL) / NORDEA BANK FINLAND PLC**  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**  
**under the €10,000,000,000**  
**Structured Note Programme**

**NORDEA BANK AB (PUBL) / NORDEA BANK FINLAND PLC**  
**Utgivande av [Sammanlagt Nominellt Belopp av Tranch] [Namn på Lån]**  
**under ett €10 000 000 000**  
**Program för Strukturerade Lån**

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (a) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (b) in those Public Offer Jurisdictions mentioned in Paragraph 10 of Part B below, provided such person is one of the persons described in Paragraph 10 of Part B below [and which satisfies conditions set out therein] and that such offer is made during the Offer Period specified for such purpose therein.

[Grundprospektet som det hänvisas till nedan (som kompletteras av dessa Slutliga Villkor) har tagits fram under förutsättningen att, förutom såsom anges i punkten (ii) nedan, varje erbjudande om Lån i varje Medlemsstat i det Europeiska Ekonomiska Samarbetsområdet som har implementerat Prospektdirektivet (var och en benämnda en "**Relevant Medlemsstat**") kommer att göras under med stöd av ett undantag i Prospektdirektivet, såsom det har implementerats i den Medlemsstaten, från kravet på att publicera ett prospekt för erbjudanden om Lån. Följaktligen kan personer som lämnar eller som avser att lämna erbjudanden avseende Lånen göra det enbart:

- (a) under omständigheter då ingen förpliktelse uppstår för Emittenten eller något Emissionsinstitut att publicera ett prospekt i enlighet med Artikel 3 i Prospektdirektivet eller att komplettera ett prospekt i enlighet med Artikel 16 i Prospektdirektivet, i bägge fall i samband med ett sådant erbjudande; eller:
- (b) i de Erbjudande till Allmänheten – Jurisdiktioner som anges i punkt 10 av Del B nedan, under förutsättning att sådana personer är en av de personer som beskrivs i punkt 10 av Del B nedan [och som uppfyller de villkor som anges däri] och att erbjudandet görs under den Erbjudandeperiod som specificeras däri för sådant syfte.

With respect to any subsequent resale or final placement of Notes as provided in sub-paragraph (ii) above, the Issuer consents to the use of the Base Prospectus and accepts responsibility for the content of the Base Prospectus. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Avseende varje senare återförsäljning eller slutlig placering av Lånen såsom anges i punkt (ii) ovan, samtycker Emittenten användandet av Grundprospektet och accepterar ansvar för innehållet i Grundprospektet. Varken Emittenten eller något Emissionsinstitut har godkänt, eller godkänner, att några erbjudanden avseende Lånen görs under några andra omständigheter.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU **provided, however, that** all references in this document to the "Prospectus Directive" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and

amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and include any relevant implementing measure in the relevant Member State.]]<sup>5</sup>

Uttrycket "**Prospektdirektivet**" avser direktivet 2003/71/EG (och därmed tillhörande ändringar, inklusive ändringsdirektivet 2010 för prospektdirektivet och uttrycket "**Ändringsdirektivet 2010 för Prospektdirektivet**" avser direktivet 2010/73/EU **under förutsättning, att** alla hänvisningar i detta dokument till "Prospektdirektivet" i relation till varje Medlemsstat i det Europeiska Ekonomiska Samarbetsområdet hänvisar till direktiv 2003/71/EG (och därmed tillhörande ändringar inklusive Ändringsdirektivet 2010 för Prospektdirektivet, i den utsträckning som det har implementerats i den relevanta Medlemsstaten), och inkluderar varje relevant implementeringsåtgärd i den relevanta Medlemsstaten).]]<sup>6</sup>

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

[Grundprospektet som det hänvisas till nedan (som kompletteras av dessa Slutliga Villkor) har tagits fram under förutsättningen att varje erbjudande om Lån i varje Medlemsstat i det Europeiska Ekonomiska Samarbetsområdet som har implementerat Prospektdirektivet (var och en benämnda en "**Relevant Medlemsstat**") kommer att göras med stöd av ett undantag i Prospektdirektivet, såsom det har implementerats i den Medlemsstaten, från kravet på att publicera ett prospekt för erbjudanden om Lån. Följaktligen kan personer som lämnar eller som avser att lämna erbjudanden avseende Lånen göra det enbart under omständigheter då ingen förpliktelse uppstår för Emittenten eller något Emissionsinstitut att publicera ett prospekt i enlighet med Artikel 3 i Prospektdirektivet eller att komplettera ett prospekt i enlighet med Artikel 16 i Prospektdirektivet, i bägge fall i samband med ett sådant erbjudande. Varken Emittenten eller något Emissionsinstitut har godkänt, eller godkänner, att några erbjudanden avseende Lånen görs under några andra omständigheter.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU **provided, however, that** all references in this document to the "Prospectus Directive" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and include any relevant implementing measure in the relevant Member State.]]<sup>7</sup>

Uttrycket "**Prospektdirektivet**" avser direktivet 2003/71/EG (och därmed tillhörande ändringar, inklusive ändringsdirektivet 2010 för prospektdirektivet och uttrycket "**Ändringsdirektivet 2010 för Prospektdirektivet**" avser direktivet 2010/73/EU **under förutsättning, att** alla hänvisningar i detta dokument till "Prospektdirektivet" i relation till varje Medlemsstat i det Europeiska Ekonomiska Samarbetsområdet hänvisar till direktiv 2003/71/EG (och därmed tillhörande ändringar inklusive Ändringsdirektivet 2010 för Prospektdirektivet, i den utsträckning som det har implementerats i den relevanta Medlemsstaten), och inkluderar varje relevant implementeringsåtgärd i den relevanta Medlemsstaten).]]<sup>8</sup>

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<sup>5</sup> Include this legend where a non-exempt offer of Notes is anticipated.

<sup>6</sup> Inkludera detta avsnitt om ett icke-undantaget erbjudande av Lånen förväntas.

<sup>7</sup> Include this legend where a non-exempt offer of Notes is NOT anticipated.

<sup>8</sup> Inkludera detta avsnitt om ett icke-undantaget erbjudande av Lånen INTE förväntas.



## PART A – CONTRACTUAL TERMS

### DEL A – KONTRAKTUELLA VILLKOR

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [•] [and the supplemental Base Prospectus dated [•]] [which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive<sup>9</sup>]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive<sup>10</sup>] and must be read in conjunction with the Base Prospectus a summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the base prospectus supplement[s]] [is] [are] available for viewing during normal business hours at, and copies may be obtained from, the principal office of the Issuer, Smålandsgatan 17, SE-105 71 Stockholm, Sweden].

Ord som används häri ska anses ha samma innebörd som i Villkoren ("**Villkoren**") som anges i Grundprospektet daterat [•] [och i supplement till Grundprospektet daterat [•]] [vilka/[et] [tillsammans] utgör ett grundprospekt ("**Grundprospektet**") i Prospektdirektivets mening<sup>11</sup>]. Det här dokumentet utgör de Slutliga Villkoren för Lånen som beskrivs häri [i enlighet med artikel 5.4 i Prospektdirektivet<sup>12</sup>] och måste läsas tillsammans med Grundprospektet. En sammanfattning av Lånen (innefattande sammanfattningen i Grundprospektet modifierad för att reflektera bestämmelserna i dessa Slutliga Villkor) är bilagt till dessa Slutliga Villkor. Fullständig information om Emittenten och erbjudandet om Lån kan endast fås genom dessa Slutliga Villkor och Grundprospektet (tillsammans med eventuella tillägg) i kombination. Grundprospektet [och tillägg till Grundprospektet] [är] tillgängligt för granskning under normal arbetstid och kopior kan erhållas från Emittentens huvudkontor på Smålandsgatan 17, 105 71 Stockholm, Sverige].

*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

*[Inkludera samtliga av följande som är tillämpliga eller ange "Inte Tillämpligt" (N/A). Notera att numreringen ska bibehållas såsom den har angetts nedan, även om "Inte Tillämpligt" har angetts för enkilda punkter (i vilket fall underpunkterna till sådana punkter som inte är tillgängliga kan raderas). Kursiv text är vägledning för att färdigställa de Slutliga Villkoren.]*

- |    |         |                                          |                                                                                                                                                   |
|----|---------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | (i)     | Issuer:                                  | [Nordea Bank AB (publ) / Nordea Bank Finland Plc]                                                                                                 |
|    | (i)     | Emittent                                 | [Nordea Bank AB (publ) / Nordea Bank Finland Plc]                                                                                                 |
| 2. | (i)     | Series Number:                           | [•]                                                                                                                                               |
|    | (i)     | Serienummer:                             | [•]                                                                                                                                               |
|    | (ii)    | Tranche Number:                          | [•]                                                                                                                                               |
|    | (ii)    | Tranchenummer:                           | [•]                                                                                                                                               |
|    | [(iii)] | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of |

<sup>9</sup> Delete wording in square brackets for an unlisted, exempt offer.

<sup>10</sup> Delete wording in square brackets for an unlisted, exempt offer.

<sup>11</sup> Radera text inom hakparenteser för ett erbjudande som inte listas och är undantaget.

<sup>12</sup> Radera text inom hakparenteser för ett erbjudande som inte listas och är undantaget.

*series*] on *[[insert date]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 51 below [which is expected to occur on or about [insert date]].]*

- [(iii) Datum då Lånen blir fungibla: [Inte Tillämpligt/Lånen ska konsolideras, bli en enda serie och vara utbytbara för handel med *[ange beskrivning av serier]* på *[[ange datum]/Lånedatum/utbyte av Temporära Globala Lån för intressen i Permanenta Globala Lån, såsom beskrivs i punkt 51 nedan [vilket är beräknat att inträffa på eller runt omkring [ange datum]].]*
3. Specified Currency or Currencies: [•]  
Angiven Valuta [•]
4. Aggregate Nominal Amount: [•]  
Sammanlagt Nominellt Belopp: [•]  
(i) Series: [•]  
(i) Serie: [•]  
(ii) Tranche: [•]  
(ii) Tranche: [•]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]*]  
Pris: [•] procent av det Sammanlagda Nominella Beloppet (plus upplupen ränta från *[datum]*).
6. (i) Specified Denominations: [•]  
(i) Valörer: [•]  
(ii) Calculation Amount: [•]  
(ii) Beräkningsbelopp: [•]
7. (i) Issue Date: [•]  
(i) Lånedatum: [•]  
(ii) Interest Commencement Date: *[[insert date]/Issue Date/Not Applicable]*  
(ii) Startdatum för Ränta: *[[datum]/Lånedatum/Inte Tillämpligt]*
8. Redemption Date: *[[•]/[Interest Payment Date falling in or nearest to [•]]]*  
Återbetalningsdag: *[[•]/[Räntebetalningsdag som infaller i eller närmast [•]]]*
9. Interest Basis: *[[•] per cent. Fixed Rate]*  
Räntebas: *[[•] procent Fast Ränta]*  
*[EURIBOR]/[LIBOR]/[STIBOR]/[NIBOR]/[CIB]*

OR] +/- [•] per cent. Floating Rate]  
 [EURIBOR]/[LIBOR]/[STIBOR]/[NIBOR]/[CIB  
 OR] +/- [•] procent Rörlig Ränta]  
 [Inflation Linked]  
 [Inflationslänkad]  
 [Zero Coupon]  
 [Nollkupong]  
 [Coupon Bearing Autocallable Notes]  
 [Kupongbärande Autocalllån]  
 [Non-Tranched CLN Interest]  
 [Non-Tranched CLN Ränta]  
 [Tranched CLN Interest]  
 [Tranched CLN Ränta]  
 [Nth to Default CLN Interest]  
 [Nth to Default CLN Ränta]  
 [Nth and Nth + 1 to Default CLN Interest]  
 [Nth and Nth + 1 to Default CLN Ränta]  
 [Capped Floor Float]  
 [Tak Golv Float]  
 [Cap Floor Spread]  
 [Tak Golv Spread]  
 [Range Accrual]  
 [Range Accrual]  
 [Range Accrual In/Out]  
 [Range Accrual In/Ut]  
 [Knockout Range Accrual]  
 [Knock-Out Range Accrual]  
 [Binary Cap/Floor]  
 [Binärt Tak/Golv]  
 [Binary Zero Coupon]  
 [Binär Nollkupong]  
 [Inverse Floater]  
 [Inverterad Floater]

[Autocallable]  
 [Autocall]  
 [Digital Long]  
 [Digital Long]  
 [Digital Short]  
 [Digital Short]  
 [Worst of Digital Long]  
 [Worst of Digital Long]  
 [Worst of Digital Short]  
 [Worst of Digital Short]  
 [Worst of Digital Memory Coupon 2]  
 [Worst of Digital Memory Coupon 2]  
 [Digital Podium Long]  
 [Digital Podium Lång]  
 [Digital Podium Short]  
 [Digital Podium Kort]  
 [Series of Digitals]  
 [Serier av Digitala]  
 [Cash Settled Swaption Straddle]  
 [Cash Settled Swaption Straddle]  
 [Power Cap/Floor]  
 [Power Tak/Golv]  
 [Compounding Floater]  
 [Compounding Floater]  
 [Lock-In 1]  
 [Lock-In 1]  
 [Lock-In 2]  
 [Lock-In 2]  
 [Snowball]  
 [Snowball]  
 [Accumulator]  
 [Ackumulator]  
 [Binary Accumulator]

[Binär Ackumulator]  
[Contingent Cap/Floor]  
[Betingat Tak/Golv]  
[Dual Digital Cap]  
[Dubbel Digital Tak]  
[Dual Digital Floor]  
[Dubbel Digital Golv]  
[Binary Inflation Cap]  
[Binärt Inflationstak]  
[Binary Inflation Floor]  
[Binärt Inflationsgolv]  
[Binary Inflation Range]  
[Binärt Inflationsspann]  
[Inflation Range Accrual]  
[Inflationsspann Periodiserad]  
[Inflation Cap/Floor]  
[Inflation Tak/Golv]  
[Inflation Straddle]  
[Inflation Ömsesidig]  
[Inflation Cap Floor Spread]  
[Inflation Tak Golv Spread]  
[ZC Inflation Cap Floor]  
[ZC Inflation Tak Golv]  
[Inflation Linker 1]  
[Inflationslänkad 1]  
[Inflation Linker 2]  
[Inflationslänkad 2]  
[Strip of Call Spreads]  
[Strip of Call Spreads]  
[Rate Adjustment]  
[Räntejustering]  
[Combination]  
[Kombination]

|     |                                                              |                                                                                                                                                                                                                                                       |
|-----|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                                                              | (further particulars specified below)                                                                                                                                                                                                                 |
|     |                                                              | (ytterligare detaljer specificerade nedan)                                                                                                                                                                                                            |
| 10. | Redemption/Payment Basis:                                    | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at the Redemption Amount, which will be determined in accordance with the performance structure(s) specified in paragraph 23.           |
|     | Återbetalnings-/Betalningsgrund:                             | Med förbehåll för köp och annullering eller förtida återbetalning, kommer Lånen att återbetalas på Återbetalningsdagen för Återbetalningsbeloppet, vilket ska bestämmas i enlighet med värdeutvecklingsstruktur(en/erna) som specificeras i punkt 23. |
| 11. | Change of Interest or Redemption/Payment Basis:              | [Applicable/Not Applicable]                                                                                                                                                                                                                           |
|     | Ändring av Ränta eller Återbetalnings-/Betalningsgrund:      | [Tillämpligt/Inte Tillämpligt]                                                                                                                                                                                                                        |
| 12. | Put/Call Options:                                            | [Investor Put]                                                                                                                                                                                                                                        |
|     | Möjligheter till Put/Call:                                   | [Put från Investerares]                                                                                                                                                                                                                               |
|     |                                                              | [Issuer Call]                                                                                                                                                                                                                                         |
|     |                                                              | [Call från Emittenten]                                                                                                                                                                                                                                |
|     |                                                              | [(further particulars specified below)]                                                                                                                                                                                                               |
|     |                                                              | [(ytterligare detaljer specificerade nedan)]                                                                                                                                                                                                          |
| 13. | (i) Status of the Notes:                                     | Senior                                                                                                                                                                                                                                                |
|     | (i) Typ av Lån:                                              | Icke efterställt                                                                                                                                                                                                                                      |
|     | (ii) Date [Board] approval for issuance of Notes obtained:   | [•]                                                                                                                                                                                                                                                   |
|     | (ii) Datum för [styrelsens] godkännande av utgivande av Lån: | [•]                                                                                                                                                                                                                                                   |

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

#### BESTÄMMELSER FÖR RÄNTA (OM NÅGON)

|     |                                    |                                |
|-----|------------------------------------|--------------------------------|
| 14. | <b>Fixed Rate Note Provisions</b>  | [Applicable/Not Applicable]    |
|     | <b>Bestämmelser för Fast Ränta</b> | [Tillämpligt/Inte Tillämpligt] |
|     | (i) Interest Rate:                 | [•] per cent. per annum        |
|     | (i) Räntesats:                     | [•] procent årligen            |
|     | (ii) Interest Payment Date(s):     | [•] in each year               |
|     | (ii) Räntebetalningsdag(ar):       | [•] varje år                   |
|     | (iii) Interest Determination Date: | [[•]/Not Applicable]           |

|       |                                      |                                                                                                                          |
|-------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| (iii) | Räntebestämningsdag:                 | [[•]/Inte Tillämpligt]                                                                                                   |
| (iv)  | Broken Amount(s):                    | [[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]/Not Applicable]                    |
| (iv)  | Brutna Belopp:                       | [[•] per Beräkningsbelopp, att betalas på Räntebetalningsdagen som infaller [i/på] [•]/[Inte Tillämpligt]                |
| (v)   | Day Count Fraction:                  | [[Actual/Actual (ICMA/ISDA)] / [Actual/365 (Fixed)] / [Actual 365 (Sterling)] / [Actual/360] / [30/360] / [30E/360]]     |
| (v)   | Dagberäkningsmetod:                  | [[Faktisk/Faktisk (ICMA/ISDA)] / [Faktisk/365 (Fast)] / [Faktisk 365 (Sterling)] / [Faktisk/360] / [30/360] / [30E/360]] |
| (vi)  | Business Day Convention:             | [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]         |
| (vi)  | Bankdagskonvention:                  | [Efterföljande Bankdag/Modifierad Efterföljande Bankdag /Föregående Bankdag]                                             |
| 15.   | <b>Floating Rate Note Provisions</b> | [Applicable/Not Applicable]                                                                                              |
|       | <b>Bestämmelser för Rörlig Ränta</b> | [Tillämpligt/Inte Tillämpligt]                                                                                           |
| (i)   | Interest Payment Dates:              | [[•], subject to adjustment in accordance with the Business Day Convention set out in (iv) below]                        |
| (i)   | Räntebetalningsdag(ar):              | [[•], med förbehåll för justering i enlighet med Bankdagskonventionen i (iv) nedan]                                      |
| (ii)  | First Interest Payment Date:         | [•]                                                                                                                      |
| (ii)  | Första Räntebetalningsdag:           | [•]                                                                                                                      |
| (iii) | Interest Determination Date:         | [[•]/Not Applicable]                                                                                                     |
| (iii) | Räntebestämningsdag:                 | [[•]/Inte Tillämpligt]                                                                                                   |
| (iv)  | Business Day Convention:             | [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day]                    |
| (iv)  | Bankdagskonvention:                  | [Efterföljande Bankdag/Modifierad Efterföljande Bankdag/Föregående Bankdag]                                              |
| (v)   | Issuing Agent:                       | [Not Applicable/[•]]                                                                                                     |
| (v)   | Administrerande Institut:            | [Inte Tillämpligt/[•]]                                                                                                   |
| (vi)  | Calculation Agent:                   | [Not Applicable/[•]]                                                                                                     |
| (vi)  | Beräkningsagent:                     | [Inte Tillämpligt/[•]]                                                                                                   |
| (vii) | Interest Base Rate:                  | [[EURIBOR]/[LIBOR]/[STIBOR]/[NIBOR]/[CIB OR]]                                                                            |
| (vii) | Basränta:                            | [[EURIBOR]/[LIBOR]/[STIBOR]/[NIBOR]/[CIB OR]]                                                                            |

|     |        |                                                            |                                                                                                                                                                           |
|-----|--------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     | (viii) | Interest Margin(s):                                        | [+/-][•] per cent. per annum                                                                                                                                              |
|     | (viii) | Räntemarginal(er):                                         | [+/-][•] procent årligen                                                                                                                                                  |
|     | (ix)   | Day Count Fraction:                                        | [[Actual/Actual (ICMA/ISDA)] / [Actual/365 (Fixed)]] / [Actual 365 (Sterling)] / [Actual/360] / [30/360] / [30E/360]]                                                     |
|     | (v)    | Dagberäkningsmetod:                                        | [[Faktisk/Faktisk (ICMA/ISDA)] / [Faktisk/365 (Fast)]] / [Faktisk 365 (Sterling)] / [Faktisk/360] / [30/360] / [30E/360]]                                                 |
| 16. |        | <b>Zero Coupon Note Provisions</b>                         | [Applicable/Not Applicable]                                                                                                                                               |
|     |        | <b>Bestämmelser för Nollkupongslån</b>                     | [Tillämpligt/Inte tillämplig]                                                                                                                                             |
|     |        | Reference Yield:                                           | [•] per cent. per annum                                                                                                                                                   |
|     |        | Referensavkastning:                                        | [•] procent årligen                                                                                                                                                       |
| 17. |        | <b>Inflation-Linked Interest Note Provisions</b>           | [Applicable/Not Applicable]                                                                                                                                               |
|     |        | <b>Bestämmelser för Inflationslänkade Räntebärande Lån</b> | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
|     | (i)    | Interest Rate:                                             | [Fixed Rate Note Provisions (further details specified in paragraph 14)/Floating Rate Note Provisions (further details specified in paragraph 15)]                        |
|     | (i)    | Räntesats:                                                 | [Bestämmelser om Lån med Fast Ränta (ytterligare detaljer specificerade I punkt 14)/Bestämmelser om Lån med Rörlig Ränta (ytterligare detaljer specificerade i punkt 15)] |
|     | (ii)   | Inflation-Linked Index:                                    |                                                                                                                                                                           |
|     | (ii)   | Inflationslänkat Index:                                    |                                                                                                                                                                           |
|     |        | • Relevant date:                                           | [•]                                                                                                                                                                       |
|     |        | • Relevant datum:                                          | [•]                                                                                                                                                                       |
|     |        | • Relevant time:                                           | [•] [a.m./p.m.]                                                                                                                                                           |
|     |        | • Relevant tid:                                            | [•] [a.m./p.m.]                                                                                                                                                           |
|     | (iii)  | Base Index/CPI:                                            |                                                                                                                                                                           |
|     | (iii)  | Bas Index/CPI:                                             |                                                                                                                                                                           |
|     |        | • Relevant date:                                           | [•]                                                                                                                                                                       |
|     |        | • Relevant datum:                                          | [•]                                                                                                                                                                       |
|     |        | • Relevant time:                                           | [•] [a.m./p.m.]                                                                                                                                                           |
|     |        | • Relevant tid:                                            | [•] [a.m./p.m.]                                                                                                                                                           |
|     | (iv)   | Business Day Convention:                                   | [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]                                                          |



|     |                                                                  |                                                                                                      |
|-----|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
|     | (iv) Bankdagskonvention:                                         | [Efterföljande Bankdag/Modifierad Efterföljande Bankdag/Föregående Bankdag]                          |
| 18. | <b>[Rate Adjustment Note Provisions]</b>                         | [Applicable/Not Applicable]                                                                          |
|     | <b>[Bestämmelser för Kursjusterade Lån]</b>                      | [Tillämpligt/Inte Tillämpligt]                                                                       |
|     | (i) Interest Rate:                                               | [•]                                                                                                  |
|     | (i) Räntesats:                                                   | [•]                                                                                                  |
|     | (ii) Interest Payment Dates:                                     | [•]                                                                                                  |
|     | (ii) Räntebetalningsdagar:                                       | [•]                                                                                                  |
|     | (iii) Interest Determination Dates:                              | [[•]/Not Applicable]                                                                                 |
|     | (iii) Räntebestämningsdag(ar):                                   | [[•]/Inte Tillämpligt]                                                                               |
|     | (iv) Provisions relating to the adjustment of the Interest Rate: | [•]                                                                                                  |
|     | (iv) Bestämmelser relaterade till justering av Räntesatsen:      | [•]                                                                                                  |
| 19. | <b>Coupon Bearing Autocallable Note Provisions</b>               | [Applicable/Not Applicable]                                                                          |
|     | <b>Bestämmelser för Kupongbärande Autoinlösenlån</b>             | [Tillämpligt/Inte Tillämpligt]                                                                       |
|     | (i) Valuation Date(s):                                           | [•]                                                                                                  |
|     | (i) Värderingsdag(ar):                                           | [•]                                                                                                  |
|     | (ii) Coupon Barrier Level(s):                                    | [•]                                                                                                  |
|     | (ii) Kupongbarriärnivå(er):                                      | [•]                                                                                                  |
|     | (iii) Interest Payment Date(s):                                  | [•] in each year                                                                                     |
|     | (iii) Räntebetalningsdag(ar):                                    | [•] varje år                                                                                         |
|     | (iv) Flat Coupon:                                                | [Applicable/Not Applicable if Coupon Barrier [•] is reached [and Coupon Barrier [•] is not reached]] |
|     | (iv) Flat Kupong:                                                | [Tillämpligt/Inte Tillämpligt om Kupongbarriär [•] uppnås [och Kupongbarriär [•] inte uppnås]]       |
|     | (v) Memory Coupon:                                               | [Applicable/Not Applicable if Coupon Barrier [•] is reached [and Coupon Barrier [•] is not reached]] |
|     | (v) Memory Kupong:                                               | [Tillämpligt/Inte Tillämpligt om Kupongbarriär [•] uppnås [och Kupongbarriär [•] inte uppnås]]       |
|     | (vi) Plus Flat Coupon:                                           | [Applicable/Not Applicable if Coupon Barrier [•] is reached [and Coupon Barrier [•] is not reached]] |
|     | (vi) Plus Flat Kupong:                                           | [Tillämpligt/Inte Tillämpligt om Kupongbarriär [•] uppnås [och Kupongbarriär [•] inte uppnås]]       |

|        |                                   |                                                                                                                                                                           |
|--------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                   | inte uppnås]]                                                                                                                                                             |
| (vii)  | Plus Memory Coupon:               | [Applicable/Not Applicable if Coupon Barrier [•] is reached [and Coupon Barrier [•] is not reached]]                                                                      |
| (vii)  | Plus Memory Kupong:               | [Tillämpligt/Inte Tillämpligt om Kupongbarriär [•] uppnås [och Kupongbarriär [•] inte uppnås]]                                                                            |
| (viii) | Coupon Rate(s):                   | [[•] of Coupon Barrier [•] is reached/Not Applicable]                                                                                                                     |
| (viii) | Kupongnivå(er):                   | [[•] av Kupongbarriär [•] uppnås/Inte Tillämpligt]                                                                                                                        |
| (ix)   | Bonus Factor:                     | [Applicable/Not Applicable]                                                                                                                                               |
| (ix)   | Bonusfaktor:                      | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
|        | • Basket Rate:                    | [Applicable/Not Applicable]                                                                                                                                               |
|        | • Korgnivå:                       | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
|        | • Best of/Worst of Rate:          | [Applicable/Not Applicable]                                                                                                                                               |
|        | • Best of/Worst of Kurs:          | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
|        | • N:                              | [[•]/Not Applicable]                                                                                                                                                      |
|        | • N:                              | [[•]/Inte Tillämpligt]                                                                                                                                                    |
| 20.    | <b>CLN Interest Provisions</b>    | [Applicable/Not Applicable]                                                                                                                                               |
|        | <b>Bestämmelser för CLN Ränta</b> | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
| (i)    | Interest Rate:                    | [Fixed Rate Note Provisions (further details specified in paragraph 14)/Floating Rate Note Provisions (further details specified in paragraph 15)]                        |
| (i)    | Räntesats:                        | [Bestämmelser om Lån med Fast Ränta (ytterligare detaljer specificerade i punkt 14)/Bestämmelser om Lån med Rörlig Ränta (ytterligare detaljer specificerade i punkt 15)] |
| (ii)   | Determination Date Exposure:      | [Applicable/Not Applicable]                                                                                                                                               |
| (ii)   | Bestämningsdag Exponering:        | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
| (iii)  | Weighted Average Exposure:        | [Applicable/Not Applicable]                                                                                                                                               |
| (iii)  | Viktad Genomsnittlig Exponering:  | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
| (iv)   | Tranche Attachment Point          | [[•]/Not Applicable]                                                                                                                                                      |
| (iv)   | Fästpunkt Tranche:                | [[•]/Inte Tillämpligt]                                                                                                                                                    |
| (v)    | Tranche Detachment Point:         | [[•]/Not Applicable]                                                                                                                                                      |
| (v)    | Avskiljningspunkt Tranche:        | [[•]/Inte Tillämpligt]                                                                                                                                                    |
| (vi)   | Fixed Recovery Value:             | [[•]/Not Applicable]                                                                                                                                                      |

|     |                                       |                                            |                                                                                                                          |
|-----|---------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
|     | (vi)                                  | Fast Återbetalningsbelopp:                 | [[•]/Inte Tillämpligt]                                                                                                   |
|     | (vii)                                 | N:                                         | [[•]/Not Applicable]                                                                                                     |
|     | (vii)                                 | N:                                         | [[•]/Inte Tillämpligt]                                                                                                   |
|     | (viii)                                | Observation Date(s):                       | [[•]/Not Applicable/the day falling [•] Business Days prior to each Interest Payment Date]                               |
|     | (viii)                                | Observationsdag(ar):                       | [[•]/Inte Tillämpligt/dagen som infaller [•] Bankdagar före varje Räntebetalningsdag]                                    |
| 21. | <b>Digital Interest Provisions</b>    |                                            | [Applicable/Not Applicable]                                                                                              |
|     | <b>Bestämmelser om Digital Ränta</b>  |                                            | [Tillämpligt/Inte Tillämpligt]                                                                                           |
|     | (i)                                   | Interest Determination Date:               | [[•]/Not Applicable]                                                                                                     |
|     | (i)                                   | Räntebestämningsdag:                       | [[•]/Inte Tillämpligt]                                                                                                   |
|     | (ii)                                  | Strike Level:                              | [[•]/Not Applicable]                                                                                                     |
|     | (ii)                                  | Lösenprisnivå:                             | [[•]/Inte Tillämpligt]                                                                                                   |
|     | (iii)                                 | Coupon:                                    | [•]                                                                                                                      |
|     | (iii)                                 | Kupong:                                    | [•]                                                                                                                      |
|     | (iv)                                  | Coupon 2:                                  | [[•]/Not Applicable]                                                                                                     |
|     | (iv)                                  | Kupong 2:                                  | [[•]/Inte Tillämpligt]                                                                                                   |
|     | (v)                                   | N:                                         | [[•]/Not Applicable]                                                                                                     |
|     | (v)                                   | N:                                         | [[•]/Inte Tillämpligt]                                                                                                   |
|     | (vi)                                  | Barrier Level:                             | [[•]/Not Applicable]                                                                                                     |
|     | (vi)                                  | Barriärnivå:                               | [[•]/Inte Tillämpligt]                                                                                                   |
| 22. | <b>Additional Interest Provisions</b> |                                            | [Applicable/Not Applicable]                                                                                              |
|     | <b>Ytterligare Räntebestämmelser</b>  |                                            | [Tillämpligt/Inte Tillämpligt]                                                                                           |
|     | (i)                                   | Day Count Fraction:                        | [[Actual/Actual (ICMA/ISDA)] / [Actual/365 (Fixed)] / [Actual 365 (Sterling)] / [Actual/360] / [30/360] / [30E/360]]     |
|     | (i)                                   | Dagberäkningsmetod:                        | [[Faktisk/Faktisk (ICMA/ISDA)] / [Faktisk/365 (Fast)] / [Faktisk 365 (Sterling)] / [Faktisk/360] / [30/360] / [30E/360]] |
|     | (ii)                                  | Basket Participation (Interest):           |                                                                                                                          |
|     | (ii)                                  | Korgandel (Ränta)                          |                                                                                                                          |
|     |                                       | • Fixed Basket Participation (Interest):   | [Applicable/Not Applicable]                                                                                              |
|     |                                       | • Fast Korgandel (Ränta):                  | [Tillämpligt/Inte Tillämpligt]                                                                                           |
|     |                                       | • Rainbow Basket Participation (Interest): | [Applicable/Not Applicable]                                                                                              |

|                                                                                         | <ul style="list-style-type: none"><li>Regnbågskorgandel (Ränta):</li></ul>                            | [Tillämpligt/Inte Tillämpligt]                                                                                                                                                                                                                                                       |                                                                                         |                       |   |      |   |      |   |      |   |      |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------|---|------|---|------|---|------|---|------|
|                                                                                         |                                                                                                       | <table><tr><th>Ranking (<i>Best performing first</i>)<br/>Betyg (<i>Bäst värdeutveckling först</i>)</th><th>Weighting<br/>Viktning</th></tr><tr><td>1</td><td>[•]%</td></tr><tr><td>2</td><td>[•]%</td></tr><tr><td>3</td><td>[•]%</td></tr><tr><td>N</td><td>[•]%</td></tr></table> | Ranking ( <i>Best performing first</i> )<br>Betyg ( <i>Bäst värdeutveckling först</i> ) | Weighting<br>Viktning | 1 | [•]% | 2 | [•]% | 3 | [•]% | N | [•]% |
| Ranking ( <i>Best performing first</i> )<br>Betyg ( <i>Bäst värdeutveckling först</i> ) | Weighting<br>Viktning                                                                                 |                                                                                                                                                                                                                                                                                      |                                                                                         |                       |   |      |   |      |   |      |   |      |
| 1                                                                                       | [•]%                                                                                                  |                                                                                                                                                                                                                                                                                      |                                                                                         |                       |   |      |   |      |   |      |   |      |
| 2                                                                                       | [•]%                                                                                                  |                                                                                                                                                                                                                                                                                      |                                                                                         |                       |   |      |   |      |   |      |   |      |
| 3                                                                                       | [•]%                                                                                                  |                                                                                                                                                                                                                                                                                      |                                                                                         |                       |   |      |   |      |   |      |   |      |
| N                                                                                       | [•]%                                                                                                  |                                                                                                                                                                                                                                                                                      |                                                                                         |                       |   |      |   |      |   |      |   |      |
|                                                                                         | <ul style="list-style-type: none"><li>Replacement Cliquet Basket Participation (Interest):</li></ul>  | [Applicable/Not Applicable]                                                                                                                                                                                                                                                          |                                                                                         |                       |   |      |   |      |   |      |   |      |
|                                                                                         | <ul style="list-style-type: none"><li>Korgandel Ersättningscliquet (Ränta)</li></ul>                  | [Tillämpligt/Inte Tillämpligt]                                                                                                                                                                                                                                                       |                                                                                         |                       |   |      |   |      |   |      |   |      |
|                                                                                         | <ul style="list-style-type: none"><li>Momentum Basket Participation (Interest):</li></ul>             | [Applicable/Not Applicable]                                                                                                                                                                                                                                                          |                                                                                         |                       |   |      |   |      |   |      |   |      |
|                                                                                         | <ul style="list-style-type: none"><li>Korgandel Momentum (Ränta):</li></ul>                           | [Tillämpligt/Inte Tillämpligt]                                                                                                                                                                                                                                                       |                                                                                         |                       |   |      |   |      |   |      |   |      |
|                                                                                         | <ul style="list-style-type: none"><li>Accumulating Rainbow Basket Participation (Interest):</li></ul> | [Applicable/Not Applicable]                                                                                                                                                                                                                                                          |                                                                                         |                       |   |      |   |      |   |      |   |      |
|                                                                                         | <ul style="list-style-type: none"><li>Ackumulerande Regnbågskorgandel (Ränta):</li></ul>              | [Tillämpligt/Inte Tillämpligt]                                                                                                                                                                                                                                                       |                                                                                         |                       |   |      |   |      |   |      |   |      |
|                                                                                         |                                                                                                       | <i>(Further details of the Basket Participation are set out in Part B, item 7)</i>                                                                                                                                                                                                   |                                                                                         |                       |   |      |   |      |   |      |   |      |
|                                                                                         |                                                                                                       | <i>(Ytterligare detaljer om Korgandel anges i Del B, punkt 7.)</i>                                                                                                                                                                                                                   |                                                                                         |                       |   |      |   |      |   |      |   |      |
| (iii)                                                                                   | Reference Rate:                                                                                       | [[•]/Not Applicable]                                                                                                                                                                                                                                                                 |                                                                                         |                       |   |      |   |      |   |      |   |      |
| (iii)                                                                                   | Referensränta:                                                                                        | [[•]/Inte Tillämpligt]                                                                                                                                                                                                                                                               |                                                                                         |                       |   |      |   |      |   |      |   |      |
|                                                                                         | Reference Rate 2                                                                                      | [[•]/Not Applicable]                                                                                                                                                                                                                                                                 |                                                                                         |                       |   |      |   |      |   |      |   |      |
|                                                                                         | Referensränta 2                                                                                       | [[•]/Inte Tillämpligt]                                                                                                                                                                                                                                                               |                                                                                         |                       |   |      |   |      |   |      |   |      |
| (iv)                                                                                    | Spread:                                                                                               | [[•]/Not Applicable]                                                                                                                                                                                                                                                                 |                                                                                         |                       |   |      |   |      |   |      |   |      |
| (iv)                                                                                    | Spread:                                                                                               | [[•]/Inte Tillämpligt]                                                                                                                                                                                                                                                               |                                                                                         |                       |   |      |   |      |   |      |   |      |
| (v)                                                                                     | Cap Strike:                                                                                           | [[•]/Not Applicable]                                                                                                                                                                                                                                                                 |                                                                                         |                       |   |      |   |      |   |      |   |      |
| (v)                                                                                     | Lösenpristak:                                                                                         | [[•]/Inte Tillämpligt]                                                                                                                                                                                                                                                               |                                                                                         |                       |   |      |   |      |   |      |   |      |
| (vi)                                                                                    | Floor Strike:                                                                                         | [[•]/Not Applicable]                                                                                                                                                                                                                                                                 |                                                                                         |                       |   |      |   |      |   |      |   |      |
| (vi)                                                                                    | Lösenprisgolv:                                                                                        | [[•]/Inte Tillämpligt]                                                                                                                                                                                                                                                               |                                                                                         |                       |   |      |   |      |   |      |   |      |
| (vii)                                                                                   | Cap Value:                                                                                            | [1/-1/0/Not Applicable]                                                                                                                                                                                                                                                              |                                                                                         |                       |   |      |   |      |   |      |   |      |
| (vii)                                                                                   | Takvärde:                                                                                             | [1/-1/0/Inte Tillämpligt]                                                                                                                                                                                                                                                            |                                                                                         |                       |   |      |   |      |   |      |   |      |

|         |                      |                           |
|---------|----------------------|---------------------------|
| (viii)  | Floor Value:         | [1/-1/0/Not Applicable]   |
| (viii)  | Golvvärde Value:     | [1/-1/0/Inte Tillämpligt] |
| (ix)    | Leverage (Cap):      | [[•]/Not Applicable]      |
| (ix)    | Hävstång (Tak):      | [[•]/Inte Tillämpligt]    |
| (x)     | Leverage (Floor):    | [[•]/Not Applicable]      |
| (x)     | Hävstång (Golv):     | [[•]/Inte Tillämpligt]    |
| (xi)    | Cap Strike Upper:    | [[•]/Not Applicable]      |
| (xi)    | Lösenpristak Högre:  | [[•]/Inte Tillämpligt]    |
| (xii)   | Cap Strike Lower:    | [[•]/Not Applicable]      |
| (xii)   | Lösenpristak Lägre:  | [[•]/Inte Tillämpligt]    |
| (xiii)  | Floor Strike Upper:  | [[•]/Not Applicable]      |
| (xiii)  | Lösenprisgolv Högre: | [[•]/Inte Tillämpligt]    |
| (xiv)   | Floor Strike Lower:  | [[•]/Not Applicable]      |
| (xiv)   | Lösenprisgolv Lägre: | [[•]/Inte Tillämpligt]    |
| (xv)    | Strike Upper:        | [[•]/Not Applicable]      |
| (xv)    | Lösenpris Högre:     | [[•]/Inte Tillämpligt]    |
| (xvi)   | Strike Lower:        | [[•]/Not Applicable]      |
| (xvi)   | Lösenpris Lägre:     | [[•]/Inte Tillämpligt]    |
| (xvii)  | Strike 2             | [[•]/Not Applicable]      |
| (xvii)  | Lösenpris 2          | [[•]/Inte Tillämpligt]    |
| (xviii) | K:                   | [[•]/Not Applicable]      |
| (xviii) | K:                   | [[•]/Inte Tillämpligt]    |
| (xix)   | N:                   | [[•]/Not Applicable]      |
| (xix)   | N:                   | [[•]/Inte Tillämpligt]    |
| (xx)    | W:                   | [[•]/Not Applicable]      |
| (xx)    | W:                   | [[•]/Inte Tillämpligt]    |
| (xxi)   | X:                   | [[•]/Not Applicable]      |
| (xxi)   | X:                   | [[•]/Inte Tillämpligt]    |
| (xxii)  | Y:                   | [[•]/Not Applicable]      |
| (xxii)  | Y:                   | [[•]/Inte Tillämpligt]    |
| (xxiii) | Z:                   | [[•]/Not Applicable]      |
| (xxiii) | Z:                   | [[•]/Inte Tillämpligt]    |
| (xxiv)  | Rebate:              | [[•]/Not Applicable]      |

|         |                        |                        |
|---------|------------------------|------------------------|
| (xxiv)  | Rabatt:                | [[•]/Inte Tillämpligt] |
| (xxv)   | Start Valuation Date:  | [[•]/Not Applicable]   |
| (xxv)   | Start Värderingsdatum: | [[•]/Inte Tillämpligt] |
| (xxvi)  | Maximum Interest Rate: | [[•]/Not Applicable]   |
| (xxvi)  | Maximal Räntesats:     | [[•]/Inte Tillämpligt] |
| (xxvii) | Gearing                | [[•]/Not Applicable]   |
| (xxvii) | Gearing                | [[•]/Inte Tillämpligt] |

## PROVISIONS RELATING TO REDEMPTION

### BESTÄMMELSER FÖR ÅTERBETALNING

|     |                                             |                                                                              |
|-----|---------------------------------------------|------------------------------------------------------------------------------|
| 23. | Applicable performance structures:          | ["Par" structure]                                                            |
|     | Tillämpliga strukturer för värdeutveckling: | ["Par" struktur]                                                             |
|     |                                             | ["Basket Long" structure]                                                    |
|     |                                             | ["Basket Long" struktur]                                                     |
|     |                                             | ["Basket Short" structure]                                                   |
|     |                                             | ["Basket Short" struktur]                                                    |
|     |                                             | ["Barrier outperformance" structure]                                         |
|     |                                             | ["Barriär outperformance" struktur]                                          |
|     |                                             | [Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]   |
|     |                                             | [Underliggande Korgavkastning: [Basket Long struktur/Basket Short struktur]] |
|     |                                             | ["Barrier underperformance" structure]                                       |
|     |                                             | ["Barriär underperformance" struktur]                                        |
|     |                                             | [Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]   |
|     |                                             | [Underliggande Korgavkastning: [Basket Long struktur/Basket Short struktur]] |
|     |                                             | ["Best of/Worst of Barrier Outperformance" structure]                        |
|     |                                             | ["Best of/Worst of Barriär Outperformance" struktur]                         |
|     |                                             | [Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]   |
|     |                                             | [Underliggande Korgavkastning: [Basket Long struktur/Basket Short struktur]] |
|     |                                             | ["Best of/ Worst of Barrier Underperformance" structure]                     |
|     |                                             | ["Best of/ Worst of Barriär Underperformance"                                |

struktur]

[Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]

[Underliggande Korgavkastning: [Basket Long struktur/Basket Short Struktur]]

["Max" structure]

["Max" struktur]

["Autocallable Structure Long"]

["Autocallstruktur Long"]

["Autocallable Structure Short"]

["Autocallstruktur Short"]

["Best of/Worst Autocallable" structure]

["Best of/Worst Autocall" struktur]

["Replacement Basket" structure]

["Ersättningskorg" struktur]

["Locally Capped Basket" structure]

["Lokalt Begränsad Korg" struktur]

["Rainbow Basket" structure]

["Rainbow" struktur]

["Booster Short" structure]

["Booster Kort" struktur]

["Booster Long" structure]

["Booster Long" struktur]

["Booster Risk Barrier Short" structure]

["Booster Risk Barriär Short" struktur]

["Booster Risk Barrier Long" structure]

["Booster Risk Barriär Long" struktur]

["Bonus Booster Short" structure]

["Bonus Booster Short" struktur]

["Bonus Booster Long" structure]

["Bonus Booster Long" struktur]

["Cliquet" structure]

["Cliquet" struktur]

["Reverse Cliquet" structure]

["Omvänd Periodsumme" struktur]  
 ["Replacement Cliquet" structure]  
 ["Ersättning Periodsumme" struktur]  
 ["Reverse Replacement Cliquet" structure]  
 ["Omvänd Ersättande Periodsumme" struktur]  
 ["Rainbow Replacement Cliquet" structure]  
 ["Regnbåge Ersättande Periodsumme" struktur]  
 ["Reverse Convertible" structure]  
 ["Omvänd Konvertibel" struktur]  
 ["Reverse Convertible Risk Barrier" structure]  
 ["Omvänd Konvertibel Riskbarriär" struktur]  
 ["Worst of Reserve Convertible" structure]  
 ["Worst of Omvänd Konvertibel" struktur]  
 [Up and In Long]  
 [Up and In Long]  
 [Up and Out Put Option]  
 [Up and Out Put Option]  
 [Worst of Down and Out Barrier Long]  
 [Worst of Down and Out Barriär Long]  
 [Worst of Digital Memory Coupon 1]  
 [Worst of Digital Memory Kupong 1]  
 [Down and Out Barrier Long]  
 [Down and Out Barriär Long]  
 [Worst of Call Option]  
 [Worst of Call Option]  
 [Outperformance Option]  
 [Outperformance Option]  
 ["Non-Tranched CLN" structure]  
 ["Non-Tranched CLN" struktur]  
 ["Tranched CLN" structure]  
 ["Tranched CLN" struktur]  
 ["Nth to Default CLN" structure]  
 ["Nth to Default CLN" struktur]



["Nth and Nth + 1 Default CLN" structure]

["Nth and Nth + 1 Default CLN" struktur]

["Digital Long" structure]

["Digital Long" struktur]

[Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]

[Underliggende Korgavkastning: [Basket Long Structure/Basket Short Struktur]]

["Digital Short" structure]

["Digital Kort" struktur]

[Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]

[Underliggende Korgavkastning: [Basket Long Structure/Basket Short Struktur]]

["Worst of Digital Long" structure]

["Worst of Digital Long" struktur]

[Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]

[Underliggende Korgavkastning: [Basket Long Structure/Basket Short Struktur]]

["Worst of Digital Short" structure]

["Worst of Digital Short" struktur]

[Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]

[Underliggende Korgavkastning: [Basket Long Structure/Basket Short Struktur]]

["Series of Digitals" structure]

["Serier av Digitala"-struktur]

["Delta 1" structure]

["Delta 1" struktur]

["TOM Cumulative Strategy"]

["TOM Ackumulerande struktur"]

["Inflation Linker 2"]

[Inflation Linker 2]

["Barrier Outperformance" Structure 2]

[Barrier Outperformance" Struktur 2]

[Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]

[Underliggande Korgavkastning: [Basket Long Structure/Basket Short Struktur]]

["Barrier Underperformance" Structure 2]

[Barrier Underperformance" Struktur 2]

[Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]

[Underliggande Korgavkastning: [Basket Long Structure/Basket Short Struktur]]

24. Combination of structures:

[Applicable. The applicable performance structures are [•] and [•]/Not Applicable]

Kombinationer av strukturer:

[Tillämpligt. Den tillämpliga strukturen för värdeutveckling är [•] och [•]/Inte Tillämpligt]

|       |                                              | Performance<br>Structure                        | Performance<br>Percentage  |
|-------|----------------------------------------------|-------------------------------------------------|----------------------------|
|       |                                              | Värdeutvecklingsstrukt<br>ur                    | Värdeutveckling<br>Procent |
|       |                                              | [•]                                             | [•]                        |
|       |                                              | [•]                                             | [•]                        |
|       |                                              | [•]                                             | [•]                        |
| 25.   | Best of/Worst of Modifier                    | [Applicable/Not Applicable]                     |                            |
|       | Best of/Worst of Modifier                    | [Tillämpligt/Inte Tillämpligt]                  |                            |
| 26.   | Performance structure-related items:         |                                                 |                            |
|       | Värdeutvecklingsstruktur-relaterade punkter: |                                                 |                            |
| (i)   | Participation Ratio:                         | [[•]/Not Applicable]                            |                            |
|       | Deltagandegrad:                              | [[•]/Inte Tillämpligt]                          |                            |
| (ii)  | Participation Ratio 2:                       | [[•]/Not Applicable]                            |                            |
|       | Deltagandegrad 2:                            | [[•]/Inte Tillämpligt]                          |                            |
| (iii) | Basket Participation:                        |                                                 |                            |
|       | Korgandel:                                   |                                                 |                            |
|       | • Fixed Basket Participation:                | [Applicable/Not Applicable]                     |                            |
|       | • Fast Korgandel (Ränta):                    | [Tillämpligt/Inte Tillämpligt]                  |                            |
|       | • Rainbow Basket Participation:              | [Applicable/Not Applicable]                     |                            |
|       | • Rainbow Basketandel (Ränta):               | [Tillämpligt/Inte Tillämpligt]                  |                            |
|       |                                              | <b>Ranking</b> ( <i>Best performing first</i> ) |                            |
|       |                                              | <b>Ranking</b> (Bäst värdeutveckling först)     | <b>Weighting</b>           |
|       |                                              |                                                 | <b>Viktning</b>            |
|       |                                              | 1                                               | [•]%                       |
|       |                                              | 2                                               | [•]%                       |
|       |                                              | 3                                               | [•]%                       |
|       |                                              | N                                               | [•]%                       |
|       | • Replacement Cliquet Basket Participation:  | [Applicable/Not Applicable]                     |                            |
|       | • Korgandel Ersättande Periodsumma (Ränta):  | [Tillämpligt/Inte Tillämpligt]                  |                            |

- Momentum Basket Participation: [Applicable/Not Applicable]
- Korgandel Momentum (Ränta): [Tillämpligt/Inte Tillämpligt]
- Accumulating Rainbow Basket Participation: [Applicable/Not Applicable]
- Ackumulerande Rainbow Basketandel (Ränta): [Tillämpligt/Inte Tillämpligt]

(Further details of the Basket Participation are set out in Part B, item 7)

(Ytterligare detaljer om Korgandel anges i Del B, punkt 7.)

- (iv) Initial Price: [[•]/ as set out in the Conditions]  
Startkurs: [[•]/ i enlighet med Villkoren]
- (v) Basket Strike Level: [[•]Not Applicable]  
Korglösennivå: [[•]Inte Tillämpligt]
- (vi) Initial Valuation Date(s): [[•]/Not Applicable]  
Startdag: [[•]/Inte Tillämpligt]

| Reference Asset  | Initial Valuation Date(s) |
|------------------|---------------------------|
| Referenstillgång | Startdag(ar)              |
| [•]              | [•]                       |
| [•]              | [•]                       |
| [•]              | [•]                       |

- (vii) Valuation Date(s): [[•]/Not Applicable]  
Värderingsdag(ar): [[•]/Inte Tillämpligt]

| Reference Asset  | Valuation Date(s) |
|------------------|-------------------|
| Referenstillgång | Värderingsdag(ar) |
| [•]              | [•]               |
| [•]              | [•]               |
| [•]              | [•]               |

- (viii) Valuation Time: [[•]/Not Applicable]  
Värderingstidpunkt: [[•]/Inte Tillämpligt]

| Reference Asset  | Valuation Time     |
|------------------|--------------------|
| Referenstillgång | Värderingstidpunkt |
| [•]              | [•]                |

|         |                                |                                |     |
|---------|--------------------------------|--------------------------------|-----|
|         |                                | [•]                            | [•] |
|         |                                | [•]                            | [•] |
| (ix)    | Basket Floor:                  | [Applicable/Not Applicable]    |     |
|         | Korggolv:                      | [Tillämpligt/Inte Tillämpligt] |     |
| (x)     | Minimum Basket Return:         | [[•]/Not Applicable]           |     |
|         | Lägsta Korgavkastning:         | [[•]/Inte Tillämpligt]         |     |
| (xi)    | Maximum Basket Return:         | [[•]/Not Applicable]           |     |
|         | Maximal Korgavkastning:        | [[•]/Inte Tillämpligt]         |     |
| (xii)   | Maximum Redemption Amount:     | [[•]/Not Applicable]           |     |
|         | Maximalt Återbetalningsbelopp: | [[•]/Inte Tillämpligt]         |     |
| (xiii)  | Barrier Level:                 | [[•]/Not Applicable]           |     |
|         | Barriärnivå:                   | [[•]/Inte Tillämpligt]         |     |
| (xiv)   | Observation Start Date:        | [[•]/Not Applicable]           |     |
|         | Startdatum för Observation:    | [[•]/Inte Tillämpligt]         |     |
| (xv)    | Observation End Date:          | [[•]/Not Applicable]           |     |
|         | Slutdatum för Observation:     | [[•]/Inte Tillämpligt]         |     |
| (xvi)   | FX Rate:                       | [[•]/Not Applicable]           |     |
|         | Valutakurs:                    | [[•]/Inte Tillämpligt]         |     |
| (xvii)  | Replacement Factor:            | [[•]/Not Applicable]           |     |
|         | Ersättningsfaktor:             | [[•]/Inte Tillämpligt]         |     |
| (xviii) | Maximum Performance:           | [[•]/Not Applicable]           |     |
|         | Maximal Värdeutveckling:       | [[•]/Inte Tillämpligt]         |     |
| (xix)   | Lock-in Level(s):              | [[•]/Not Applicable]           |     |
|         | Inlåsningsnivå(er):            | [[•]/Inte Tillämpligt]         |     |
| (xx)    | Global Cap:                    | [[•]/Not Applicable]           |     |
|         | Globalt Tak:                   | [[•]/Inte Tillämpligt]         |     |
| (xxi)   | Global Floor:                  | [[•]/Not Applicable]           |     |
|         | Globalt Golv:                  | [[•]/Inte Tillämpligt]         |     |
| (xxii)  | Initial Coupon:                | [[•]/Not Applicable]           |     |
|         | Initial Kupong:                | [[•]/Inte Tillämpligt]         |     |
| (xxiii) | Local Cap:                     | [[•]/Not Applicable]           |     |
|         | Lokalt Tak:                    | [[•]/Inte Tillämpligt]         |     |
| (xxiv)  | Local Floor:                   | [[•]/Not Applicable]           |     |

|           |                                   |                               |
|-----------|-----------------------------------|-------------------------------|
|           | Lokalt Golv:                      | [[•]/Inte Tillämpligt]        |
| (xxv)     | N:                                | [[•]/Not Applicable]          |
|           | N::                               | [[•]/Inte Tillämpligt]        |
| (xxvi)    | Fixed Periodic Basket Return(s):  | [[•]/Not Applicable]          |
|           | Fast Periodiserad Korgavkastning: | [[•]/Inte Tillämpligt]        |
| (xxvii)   | Fixed Reference Asset Return(s):  | [[•]/Not Applicable]          |
|           | Fast Referenstillgångsavkastning: | [[•]/Inte Tillämpligt]        |
| (xxviii)  | Coupon Barrier Level(s):          | [[•]/Not Applicable]          |
|           | Kuponbarriärnivå(er):             | [[•]/Inte Tillämpligt]        |
| (xxix)    | Initial Basket Level:             | [[•]/Not Applicable]          |
|           | Korgs Startvärde:                 | [[•]/Inte Tillämpligt]        |
| (xxx)     | K:                                | [[•]/Not Applicable]          |
|           | K:                                | [[•]/Inte Tillämpligt]        |
| (xxxi)    | I:                                | [[•]/Not Applicable]          |
|           | I:                                | [[•]/Inte Tillämpligt]        |
| (xxxii)   | Rebalancing Date:                 | [[•]/Not Applicable]          |
|           | Ombalanseringsdag:                | [[•]/Inte Tillämpligt]        |
| (xxxiii)  | Minimum Redemption:               | [Applicable/Not Applicable]   |
|           | Lägsta Återbetalning:             | [Tillämplig/Inte Tillämpligt] |
|           | • Minimum Redemption Percentage:  | [[•]/Not Applicable]          |
|           | • Lägsta Återbetalningsprocent    | [[•]/Inte Tillämpligt]        |
| (xxxiv)   | Inflation-Protected Principal:    | [Applicable/Not Applicable]   |
|           | Inflationsskyddat Kapitalbelopp:  | [Tillämplig/Inte Tillämpligt] |
| (xxxv)    | Scheduled Redemption Date:        | [[•]/Not Applicable]          |
|           | Planerad Återbetalningsdag:       | [[•]/Inte Tillämpligt]        |
| (xxxvi)   | Fee Amount:                       | [[•]/Not Applicable]          |
|           | Avgiftsbelopp:                    | [[•]/Inte Tillämpligt]        |
| (xxxvii)  | Back Stop Date:                   | [[•]/Not Applicable]          |
|           | Back-Stop Datum:                  | [[•]/Inte Tillämpligt]        |
| (xxxviii) | TOM Cumulative Strategy:          | [Applicable/Not Applicable]   |
|           | TOM Ackumulerande struktur:       | [[•]/Inte Tillämpligt]        |

- Reference Rate: [[•]/Not Applicable]
- Referensränta: [[•]/Inte Tillämpligt]
- Day Count Fraction: [[Actual/Actual (ICMA/ISDA)] / [Actual/365 (Fixed)] / [Actual 365 (Sterling)] / [Actual/360] / [30/360] / [30E/360]]
- Dagberäkningsmetod [[Faktisk/Faktisk (ICMA/ISDA)] / [Faktisk/365 (Fast)] / [Faktisk 365 (Sterling)] / [Faktisk/360] / [30/360] / [30E/360]]
- TOM Period: [•]
- TOM Period: [•]

27. **Provisions relating to FX Components**

**Bestämmelser för Valutakomponenter**

- (i) FX Component - Basket: [Applicable/Not Applicable/Applicable if the Basket Return is positive/Applicable if the Basket Return is negative]

Valutakomponent - Korg: [Tillämpligt/Inte Tillämpligt/Tillämpligt om Kortavkastningen är positiv/Tillämpligt om Korgavkastningen är negativ]

- FX Rate: [•]/Not Applicable
- Valutakurs: [•]/Inte Tillämpligt
- Initial FX Valuation Date: [Not Applicable]
- Startdag Valuta: [Inte Tillämpligt]

|                               | <b>Initial FX Valuation Date(s)</b> |
|-------------------------------|-------------------------------------|
| <b>[Reference Asset]</b>      | <b>[Startdag Valuta]</b>            |
| <b>[Referenstillgång]</b>     |                                     |
| [•]                           | [•]                                 |
| [•]                           | [•]                                 |
| [•]                           | [•]                                 |
| <b>FX Valuation Date:</b>     | <b>FX Valuation Date(s)</b>         |
| <b>Värderingsdatum Valuta</b> | <b>Värderingsdatum Valuta</b>       |
| <b>[Referenstillgång]</b>     |                                     |
| [•]                           | [•]                                 |
| [•]                           | [•]                                 |
| [•]                           | [•]                                 |

- (ii) FX Component - Reference Asset: [Applicable/Not Applicable/Applicable if the Basket Return is positive/Applicable if the sum of

the Basket Return is negative]

Valutakomponent  
Referenstillgång: – [Tillämpligt/Inte Tillämpligt om den Korgavkastningen är positiv/Tillämpligt om summan av Korgavkastningen är negativ]

|   |                            |                          |                                     |
|---|----------------------------|--------------------------|-------------------------------------|
| • | FX Rate:                   | [[•]/Not Applicable]     |                                     |
| • | Valutakurs:                | [[•]/Inte Tillämpligt]   |                                     |
| • | Initial FX Valuation Date: | <b>[Reference Asset]</b> | <b>Initial FX Valuation Date(s)</b> |
| • | Startdag Valuta:           | <b>Referenstillgång</b>  | <b>Startdag Valuta</b>              |
|   |                            | [•]                      | [•]                                 |
|   |                            | [•]                      | [•]                                 |
|   |                            | [•]                      | [•]                                 |

|   |                         |                         |                               |
|---|-------------------------|-------------------------|-------------------------------|
| • | FX Valuation Date(s):   | <b>Reference Asset</b>  | <b>FX Valuation Date(s)</b>   |
| • | Värderingsdatum Valuta: | <b>Referenstillgång</b> | <b>Värderingsdatum Valuta</b> |
|   |                         | [•]                     | [•]                           |
|   |                         | [•]                     | [•]                           |
|   |                         | [•]                     | [•]                           |

28. **Provisions relating to Inflation-Linked Performance:** [Applicable/Not Applicable]

**Bestämmelser för Inflationslänkad Värdeutveckling** [Tillämpligt/Inte Tillämpligt]

- (i) Inflation-Protected Principal: [[•]/Not Applicable]
- Inflationsskyddat Kapital: [[•]/Inte Tillämpligt]
- (ii) Inflation Rate: [[•]/Not Applicable]
- Inflationsnivå: [[•]/Inte Tillämpligt]
- (iii) Final CPI: [[•]/Not Applicable]
- Slutlig KPI: [[•]/Inte Tillämpligt]

29. **Provisions relating to Credit Linked Notes:** [Applicable/Not Applicable]

**Bestämmelser för Kreditlänkade Lån** [Tillämpligt/Inte Tillämpligt]

- (i) Portfolio Exposure: [[•]/Not Applicable]
- Porfföljexponering: [[•]/Inte Tillämpligt]
- (ii) Fixed Recovery Value: [[•]/Not Applicable]



|        |                                                      |                                |
|--------|------------------------------------------------------|--------------------------------|
|        | Fast Återbetalningsbelopp:                           | [[•]/Inte Tillämpligt]         |
| (iii)  | Market Recovery Value:                               | [Applicable/Not Applicable]    |
|        | Marknadsåterbetalningsbelopp:                        | [Tillämpligt/Inte Tillämpligt] |
| (iv)   | Tranche Attachment Point:                            | [[•]/Not Applicable]           |
|        | Fästpunkt Tranch:                                    | [[•]/Inte Tillämpligt]         |
| (v)    | Tranche Detachment Point:                            | [[•]/Not Applicable]           |
|        | Avskiljningspunkt Tranch:                            | [[•]/Inte Tillämpligt]         |
| (vi)   | Accelerated CLN Payment:                             | [Applicable/Not Applicable]    |
|        | Accelererad CLN Betalning:                           | [Tillämpligt/Inte Tillämpligt] |
| (vii)  | Possible Repudiation<br>Moratorium Amount:           | [Applicable/Not Applicable]    |
|        | Avstående/Moratorium – Belopp:                       | [Tillämpligt/Inte Tillämpligt] |
| (viii) | Restructuring Amount:                                | [Applicable/Not Applicable]    |
|        | Omläggning av Skulder –<br>Belopp:                   | [Tillämpligt/Inte Tillämpligt] |
| (ix)   | Replacement Reference<br>Company:                    | [Applicable/Not Applicable]    |
|        | Ersättande Referensbolag                             | [Tillämpligt/Inte Tillämpligt] |
| (x)    | Obligation Acceleration Amount:                      | [Applicable/Not Applicable]    |
|        | Uppsägning av Åtagande –<br>Belopp:                  | [Tillämpligt/Inte Tillämpligt] |
| (xi)   | Failure to Pay Amount:                               | [Applicable/Not Applicable]    |
|        | Utebliven Betalning – Belopp                         | [Tillämpligt/Inte Tillämpligt] |
| (xii)  | Credit Events:                                       | [[•]/Not Applicable]           |
|        | Kredithändelser:                                     | [[•]/Inte Tillämpligt]         |
| (xiii) | Target Redemption Amount                             | [[•]/Not Applicable]           |
|        | Eftersträvat<br>Återbetalningsbelopp:                | [[•]/Inte Tillämpligt]         |
| 30.    | <b>Provisions relating to Fund Linked<br/>Notes:</b> | [Applicable/Not Applicable]    |
|        | <b>Bestämmelser för Fondlänkade Lån</b>              | [Tillämpligt/Inte Tillämpligt] |
| (i)    | Fund:                                                | [[•]/Not Applicable]           |
|        | Fond:                                                | [[•]/Inte Tillämpligt]         |
| (ii)   | Fund Manager:                                        | [[•]/Not Applicable]           |
|        | Fondförvaltare:                                      | [[•]/Inte Tillämpligt]         |

|     |                                                                                                |                                             |
|-----|------------------------------------------------------------------------------------------------|---------------------------------------------|
|     | (iii) Back Stop Date:                                                                          | [[•]/Not Applicable]                        |
|     | Back-Stop Datum:                                                                               | [[•]/Inte Tillämpligt]                      |
| 31. | Instalment Redemption                                                                          | [Applicable/Not Applicable]                 |
|     | Avbetalning:                                                                                   | [Tillämpligt/Inte Tillämpligt]              |
|     | (i) Instalment Amount:                                                                         | [[•] per Calculation Amount/Not Applicable] |
|     | (i) Avbetalningsbelopp:                                                                        | [[•] per Beräkningsbelopp/Inte Tillämpligt] |
|     | (ii) Instalment Date(s):                                                                       | [[•]/Not Applicable]                        |
|     | (ii) Avbetalningsdatum:                                                                        | [[•]/Inte Tillämpligt]                      |
| 32. | Call Option                                                                                    | [Applicable/Not Applicable]                 |
|     | Call Option                                                                                    | [Tillämpligt/Inte Tillämpligt]              |
|     | (i) Early Redemption Date(s):                                                                  | [•]                                         |
|     | (i) Förtida Återbetalningsdatum:                                                               | [•]                                         |
|     | (ii) Early Redemption Amount(s) of each Note:                                                  | [•] per Calculation Amount                  |
|     | (ii) Förtida Återbetalningsbelopp per Lån:                                                     | [•] per Beräkningsbelopp                    |
| 33. | Put Option                                                                                     | [Applicable/Not Applicable]                 |
|     | Put Option                                                                                     | [Tillämpligt/Inte Tillämpligt]              |
|     | (i) Early Redemption Date(s):                                                                  | [•]                                         |
|     | (i) Förtida Återbetalningsdatum:                                                               | [•]                                         |
|     | (ii) Early Redemption Amount(s) of each Note:                                                  | [•] per Calculation Amount                  |
|     | (i) Förtida Återbetalningsdatum:                                                               | [•]                                         |
| 34. | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons:  | [•] per Calculation Amount                  |
|     | Förtida Återbetalningsbelopp per Beräkningsbelopp att betalas vid återbetalning av skatteskäl  | [•] per Calculation Amount                  |
| 35. | Early Redemption Date(s) of Notes with "Best of/Worst of Autocallable" performance structure:  | 36. [[•]/Not Applicable]                    |
|     | (i) Call Barrier Level:                                                                        | 37. [[•]/Not Applicable]                    |
|     | (i) Inlösenbarriärnivå :                                                                       | [[•]/Inte Tillämpligt]                      |
|     | Förtida Återbetalningsdatum för Lån med "Bäst av/Sämst av Autoinlösen" värdeutecklingsstruktur | [[•]/Inte Tillämpligt]                      |
| 36. | Early Redemption Date(s) of Notes with "Autocallable" performance                              | [[•]/Not Applicable]                        |

structure:

Förtida Återbetalningsdatum för Lån med "Autoinlösen" värdeutvecklingsstruktur [[•]/Inte Tillämpligt]

(i) Call Barrier Level: [[•]/Not Applicable]

(i) Inlösenbarriärnivå: [[•]/Inte Tillämpligt]

37. Payment of Unwind Amount on Early Redemption: [Applicable/Not Applicable]

Betalning av Korrigeringsbelopp vid Förtida Återbetalning: [Tillämpligt/Inte Tillämpligt]

#### **PROVISIONS APPLICABLE TO DISRUPTION, ADJUSTMENTS AND OTHER EXTRAORDINARY EVENTS.**

#### **BESTÄMMELSER TILLÄMPLIGA FÖR AVBROTT, JUSTERINGAR OCH ANDRA EXTRAORDINÄRA HÄNDELSER**

38. Change in Law: [Applicable/Not Applicable]

Ändring av Lag: [Tillämpligt/Inte Tillämpligt]

39. Increased Costs of Hedging: [Applicable/Not Applicable]

Ökade Riskhanteringskostnader: [Tillämpligt/Inte Tillämpligt]

40. Hedging Disruption: [Applicable/Not Applicable]

Störning av Riskhantering [Tillämpligt/Inte Tillämpligt]

41. Market Disruption: [Applicable/Not Applicable]

Marknadsavbrott: [Tillämpligt/Inte Tillämpligt]

(i) Exchange Business Day Convention: [•]

(i) Utbytesbankdagskonvention: [•]

42. Market Disruption Commodity: [Applicable/Not Applicable]

Marknadsavbrott Råvaror [Tillämpligt/Inte Tillämpligt]

(i) Exchange Business Day Convention: [•]

(i) Utbytesbankdagskonvention: [•]

43. Disruption Currency: [Applicable/Not Applicable]

Valutastörning [Tillämpligt/Inte Tillämpligt]

44. Calculation Adjustment: [Applicable/Not Applicable]

Beräkningsjustering [Tillämpligt/Inte Tillämpligt]

45. Corrections: [Applicable/Not Applicable]

Korrigeringar: [Tillämpligt/Inte Tillämpligt]

|     |                         |                                |
|-----|-------------------------|--------------------------------|
| 46. | Correction Commodity:   | [Applicable/Not Applicable]    |
|     | Korrigerering Råvaror:  | [Tillämpligt/Inte Tillämpligt] |
| 47. | Correction Currency:    | [Applicable/Not Applicable]    |
|     | Korrigeringar Valuta:   | [Tillämpligt/Inte Tillämpligt] |
| 48. | Extraordinary Events:   | [Applicable/Not Applicable]    |
|     | Extraordinära Händelser | [Tillämpligt/Inte Tillämpligt] |
| 49. | Relevant Exchange:      | [[•]/[Not Applicable]]         |
|     | Relevant Börs           | [[•]/Inte Tillämpligt]         |
| 50. | Scheduled Trading Day:  | [[•]/[Not Applicable]]         |
|     | Planerad Handelsdag     | [[•]/Inte Tillämpligt]         |

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

#### **GENERELLA BESTÄMMELSER FÖR LÅNEN**

|     |                |                                                                                                                                                                                                                                                 |
|-----|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 51. | Form of Notes: | [Bearer Notes:]                                                                                                                                                                                                                                 |
|     | Typ av Lån:    | [Fysiska Lån:]                                                                                                                                                                                                                                  |
|     |                | [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]                                                                 |
|     |                | [Temporärt Globalt Lån utbytbart mot ett Permanent Globalt Lån vilket är utbytbart mot Definitiva Lån vid de begränsade omständigheter som anges i Permanent Globalt Lån]                                                                       |
|     |                | [Temporary Global Note exchangeable for Definitive Notes]                                                                                                                                                                                       |
|     |                | [Temporärt Globalt Lån utbytbart mot Definitiva Lån]                                                                                                                                                                                            |
|     |                | [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]                                                                                   |
|     |                | [Temporärt Globalt Lån utbytbart mot Definitiva Lån med [•] dagars varsel/vid var tid/vid de begränsade omständigheter som anges i Permanent Globalt Lån]                                                                                       |
|     |                | [Registered Notes:]                                                                                                                                                                                                                             |
|     |                | [Registrerade Lån:]                                                                                                                                                                                                                             |
|     |                | Global Registered Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is held under the New Safekeeping Structure)] |

Globalt Registrerat Lån registrerat i förvaltares namn för [en "common depositary" för Euroclear och Clearstream, Luxembourg/en "common safekeeper" för Euroclear och Clearstream, Luxembourg (som hålls under den Nya Förvaringsstrukturen)]

[VP Notes]

[VP Lån]

[The Notes are VP Notes in uncertificated and dematerialised book entry form]

[Lånen är VP Lån i dematerialiserad och kontoförd form]

[VPS Notes]:

[VSP Lån]:

[The Notes are VPS Notes in uncertificated and dematerialised book entry form]

[Lånen är VPS Lån i dematerialiserad och kontoförd form]

[Swedish Notes]

[Svenska Lån]

[The Notes are Swedish Notes in uncertificated and dematerialised book entry form]

[Lånen är Svenska Lån i dematerialiserad och kontoförd form]

[Finnish Notes]

[Finska Lån]

[The Notes are Finnish Notes in uncertificated and dematerialised book entry form]

[Lånen är Finska Lån i dematerialiserad och kontoför form]

52. New Global Note:

[Yes] [No]

Nytt Globalt Lån:

[Ja] [Nej]

53. Additional Financial Centre(s) or other special provisions relating to payment dates:

[[•]/Not Applicable]

Ytterligare Finansiella Center eller andra särskilda bestämmelser relaterade till betalningsdatum:

[[•]/Inte Tillämpligt]

54. Calculation Agent:

[[•]/Not Applicable]

Beräkningsagent:

[[•]/Inte Tillämpligt]

55. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates

[Yes/No.]

on which such Talons mature):

Talonger för framtida Kuponger eller [Ja/Nej.]  
Kvitton som ska fästas vid Definitiva Lån  
(och datum då sådana Talonger förfaller):

56. Governing Law: [English Law/  
Finnish Law/  
Swedish Law/  
Norwegian Law/  
Danish Law]

Gällande Lag: [Engelsk Lag/  
Finsk Lag/  
Svensk Lag/  
Norsk Lag/  
Dansk Lag]

## **[PURPOSE OF FINAL TERMS**

## **[SYFTE MED SLUTLIGA VILLKOR**

These Final Terms comprise the final terms required for the issue [and admission to trading on the regulated market of the Irish Stock Exchange of the Notes described herein pursuant to the €10,000,000,000 Structured Note Programme of Nordea Bank AB (publ) and Nordea Bank Finland Plc.]

Dessa Slutliga Villkor omfattar de slutliga villkor som erfordras för utgivandet [och upptagande till handel på den reglerade marknaden vid Irish Stock Exchange av Lånen som beskrivs häri enligt det €10 000 000 000 Strukturerade Lån Programmet med Nordea Bank AB (publ) och Nordea Bank Finland Plc. som emittent]

## **RESPONSIBILITY**

### **ANSVAR**

The Issuer accepts responsibility for the information contained in these Final Terms. [*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Emittenten åtar sig ansvar för den informationen som innefattas i dessa Slutliga Villkor. [*Relevant information från tredje man*] har hämtats från [*specificera källa*]. Emittenten bekräftar att sådan information har återgivits korrekt och att, såvitt Emittenten känner till, och har möjlighet att bekräfta genom information som publicerats av [*specificera källa*], inga fakta har utelämnats som skulle innebära att den återgivna informationen är felaktig eller misvisande.

Signed on behalf of [Nordea Bank AB (publ)/Nordea Bank Finland Plc]:

Undertecknas för [Nordea Bank AB (publ)/Nordea Bank Finland Plc]:

By: .....  
Duly authorised

Av: .....  
Behörigen utsedd

## PART B – OTHER INFORMATION

### DEL B – ÖVRIG INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the official list and to trading on the Irish Stock Exchange with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to the official list and to trading on the Irish Stock Exchange with effect from [•].] [Not Applicable.]

**LISTNING OCH UPPTAGANDE TILL HANDEL**

[Ansökan har gjorts av Emittenten (eller på dennes vägnar) för att Lånen ska listas på den officiella listan vid Irish Stock Exchange samt handlas från och med [•].] [Ansökan förväntas ges in av Emittenten (eller på dennes vägnar) för att Lånen ska listas på den officiella listan vid Irish Stock Exchange samt handlas från och med [•].] [Inte Tillämpligt].
2. **RATINGS**

The Notes to be issued have not been rated.

**BETYG**

Lånen som ska emitteras har inte givits något kreditbetyg.
3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

**INTRESSEN FRÅN FYSISKA OCH JURIDISKA PERSONER SOM ÄR INVOLVERADE I EMISSIONEN/ERBJUDANDET**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer." *(Amend as appropriate if there are other interests)*

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

Inkludera beskrivning av alla intressen, inklusive intressekonflikter, vilka är av materiell betydelse för emissionen/erbjudandet, som beskriver de personer som är involverade och vilken typ av intresse det rör sig om.

"Utöver beskrivningen i ["Teckning och Försäljning"], har, såvitt Emittenten känner till, ingen person som är involverad i erbjudandet av Lånen något väsentligt intresse i erbjudandet." *(Ändras om det finns andra intressen)*

*[(När någon annan beskrivning läggs till, ska det övervägas om sådana beskrivningar utgör sådana "nya omständigheter" som aktualiserar behovet av ett tillägg till Prospektet under Artikel 16 i Prospektdirektivet.)]*
4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

**SKÄL FÖR ERBJUDANDET, BERÄKNADE NETTOLIKVID OCH TOTALA KOSTNADER**

- [(i) Reasons for the offer [•]
- [(i) Skäl för erbjudandet: [•]
- [(ii)] Estimated net proceeds: [•]
- [(ii)] Beräknad nettolikvid: [•]
- [(iii)] Estimated total expenses: [•]
- [(iii)] Beräknade totala kostnader: [•]

5. **[Fixed Rate Notes only – YIELD**

**[Lån med Fast Ränta enbart - AVKASTNING**

- Indication of yield: [•]
- Indikation om avkastning: [•]

6. **[Floating Rate Notes only - HISTORIC INTEREST RATES**

**[Lån med Rörlig Ränta enbart – HISTORISKA RÄNTENIVÅER**

Details of historic [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR] rates can be obtained from [Reuters].]

Uppgifter om historiska nivåer avseende [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR] kan erhållas från [Reuters].]

7. **[Index-linked or other variable-linked notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

**Indexlänkade eller andra variabelldänkade lån endast – VÄRDEUTVECKLING FÖR INDEX/FORMULA/ANDRA VARIABLER, FÖRKLARING AV EFFEKTEN PÅ VÄRDET AV INVESTERINGEN OCH ASSOCIERADE RISKER OCH ANNAN INFORMATION OM DET UNDERLIGGANDE**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.<sup>13]</sup>*

*Uppgifter om när tidigare och framtida värdeutveckling och volatilitet av index/formula/andra variabler kan erhållas.<sup>14]</sup>*

| Reference Asset(s)<br>Referenstillgång (ar) | Basket Participation<br>Korgandel | Stock Exchange and Options or Futures Exchange<br>Aktiebörs och Options- eller Terminsbörs | Initial Price<br>Startkurs                                           | Strike Level<br>Lösenprisnivå | Source for past and future performance data<br>Källa för historisk och framtida prestationsdata |
|---------------------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------|
| [•]                                         | [•]                               | [•]                                                                                        | [•]/ [As determined in accordance with the Conditions set out in the | [•]                           | [•]                                                                                             |

<sup>13</sup> Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

<sup>14</sup> Erfordras för derivatvärdepapper till vilka Annex XII i Prospektivdirektivförordningen är tillämpligt.



|  |  |  |                                                                               |  |  |
|--|--|--|-------------------------------------------------------------------------------|--|--|
|  |  |  | Base Prospectus]<br>[•]/ [Bestämd I enlighet med villkoren i Grundprospektet] |  |  |
|--|--|--|-------------------------------------------------------------------------------|--|--|

| Reference Entity(ies) (Interest)/ Reference Entity(ies)/ Reference Entity(ies) (Index)<br>Referensenhet(er) (Ränta)/ Referensenhet(er)/ Referensenhet(er) (Index) | Basket Participation (Interest)/ Basket Participation<br>Korgandel (Ränta)/Korgandel | Observation Start Date<br>Startdatum för Observation | Observation End Date<br>Slutdatum för Observation | Source for past and future performance data<br>Källa för historiska och framtida prestationsdata |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------------------------------|
| [•]                                                                                                                                                               | [•]                                                                                  | [•]                                                  | [•]                                               | [•]                                                                                              |

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information]<sup>15</sup>.

Emittenten [avser att tillhandahålla information efter emissionen [*specificera vilket information som kommer rapporteras och var den går att ta del av*]] [avser inte att tillhandahålla någon information efter emissionen.]<sup>16</sup>.

## 8. OPERATIONAL INFORMATION

### OPERATIONELL INFORMATION

ISIN Code: [•]

ISIN Kod: [•]

Common Code: [•]

Börskod: [•]

[Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]

[Avsedd att hållas på ett sätt som skulle möjliggöra Eurosystem-tillgänglighet] [Ja] [Nej]

[Note that the designation "yes" means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,]<sup>17</sup> and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all

<sup>15</sup> Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

<sup>16</sup> Erfordras för derivatvärdepapper till vilka Annex XII till Prospektdirektivförordningen är tillämpligt.

<sup>17</sup> Insert this text for registered notes.

times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

[Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common Safekeeper]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]<sup>18</sup>

[Notera att valet "ja" innebär att Lånen är avsedda att från utgivandet förvaras vid någon ICSD som "common safekeeper" [och förvaltarregistrerade vid den ICSD som är "common safekeeper"],<sup>19</sup> och innebär inte nödvändigtvis att Lånen kommer erkännas som användbara säkerheter för Eurosystems monetära policy och intradags kredithantering av Eurosystem, varken vid utgivandet eller vid var annan tid under deras livstid. Sådant erkännande kommer vara avhängigt uppfyllandet av Eurosystems användbarhetskriterier.]

[Även om valet "nej" har gjorts vid datumet för dessa Slutliga Villkor, kan Lånen förvaras hos en ICSD som "common safekeeper" [och förvaltarregistreras av den ICSD som är "common safekeeper"], om Eurosystems kriterier för tillgänglighet ändrats framöver på ett sådant sätt att Lånen uppfyller dem. Notera att detta inte nödvändigtvis innebär att Lånen då kommer erkännas som användbara säkerheter för Eurosystems monetära policy och intradags kredithantering av Eurosystem vid någon tid under deras livstid. Sådant erkännande kommer vara avhängigt att ECB är tillfredsställda med Eurosystems användbarhetskriterier.]<sup>20</sup>

## 9. DISTRIBUTION

### DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]

<sup>18</sup> Include this text if "yes" is selected, in which case bearer Notes must be issued in NGN form.

<sup>19</sup> Inkludera denna text för registrerade lån.

<sup>20</sup> Inkludera denna text om "ja" anges, i vilket fall Innehavarlån måste vara emitterade i NGN-form.

- (i) Distributionsmetod: [Syndikerat/Icke-Syndikerat]
- (ii) If syndicated: [Not Applicable]
- (ii) Om syndikerat: [Inte Tillämpligt]
  - (a) Names and addresses of Managers and underwriting commitments: [•]
  - (a) Namn och adresser till Managers och åtaganden avseende underwriting: [•]
  - (b) Date of subscription agreement: [•]
  - (b) Datum för teckningsavtal: [•]
  - (c) Stabilising Manager(s) (if any): [Not Applicable/[•]]
  - (c) Stabiliserande Manager(s) (om några): [Inte Tillämpligt/[•]]
- (iii) If non-syndicated, name and address of Dealer: [Not Applicable]
- (iii) Om icke-syndikerat, namn och adress till Försäljare: [Not Applicable]
  - (a) Name and address of Dealer: [•]
  - (a) Namn och adress till Försäljare: [•]
  - (b) Date of subscription agreement: [•]
  - (b) Datum för avtal om tecknande: [•]
- (iv) Indication of the overall amount of the underwriting commission and of the placing commission: [•] per cent. of the Aggregate Nominal Amount
- (iv) Indikation om det sammanlagda beloppet av kommission för underwriting och placering: [•] procent av det Sammanlagda Nominella Beloppet
- (i) U.S. Selling Restrictions: [TEFRA C/TEFRA D]
- (i) Försäljningsrestriktioner USA: [TEFRA C/TEFRA D]
- (ii) Public Offer: [The Issuer does not consent to the use of the Base Prospectus in connection with a Public Offer of the

Notes by any person.]

[The Issuer consents to the use of the Base Prospectus in connection with a Public Offer of the Notes during the period from *[specify date]* until *[specify date]* (the "**Offer Period**") in *[specify relevant Member State(s) - which must be one or more of the Republic of Ireland and those jurisdictions where the Base Prospectus and any supplements have been passported]* ("**Public Offer Jurisdictions**") by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which satisfies the conditions set out in the Base Prospectus [and the additional following conditions: *[set out clear and objective conditions]*].

The Issuer consents to the use of the Base Prospectus in connection with a Public Offer of the Notes during the period from *[specify date]* until *[specify date]* (the "**Offer Period**") by *[insert names of financial intermediaries]* specified in *[specify relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported]* ("**Public Offer Jurisdictions**") [and subject to the following conditions: *[set out clear and objective conditions]*], for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC).

(ii) Erbjudande till Allmänheten:

[Emittenten samtycker inte till användning av Grundprospektet i samband med ett Erbjudande till Allmänheten av Lånen från någon person.]

[Emittenten samtycker till användandet av Grundprospektet i samband med ett Erbjudande till Allmänheten av Lånen under perioden från *[ange datum]* till *[ange datum]* ("**Erbjudandeperioden**") {XE "Erbjudandeperioden"} i *[ange relevant(a) Medlemsstat(er) – vilka måste vara jurisdiktioner dit Grundprospektet och eventuella supplement har passerats]* (**Erbjudande till Allmänheten - Jurisdiktioner** { XE "Erbjudande till Allmänheten - Jurisdiktioner" }) av någon finansiell mellanhand som är auktoriserad att göra sådana erbjudanden under Direktivet om Marknader för Finansiella Instrument (Direktiv 2004/39/EG) och uppfyller villkoren i Grundprospektet [och de följande ytterligare villkoren: *[ange tydliga och objektiva villkor]*].

[Emittenten samtycker till användandet av Grundprospektet i samband med ett Erbjudande till Allmänheten av Lånen under perioden från *[ange datum]* till *[ange datum]* ("**Erbjudandeperioden**") {XE "Erbjudandeperioden"} av *[ange namn på finansiella mellanhänder]* specificerade i *[ange relevant(a) Medlemsstat(er) – vilka måste vara jurisdiktioner dit Grundprospektet och eventuella supplement har passerats]* (**Erbjudande till**

**Allmänheten - Jurisdiktioner** { XE " Erbjudande till Allmänheten - Jurisdiktioner" }") [i enlighet med följande villkor: [*ange tydliga och objektiva villkor*], under förutsättning att de är auktoriserade att göra sådana erbjudanden under Direktivet om Marknader för Finansiella Instrument (Direktiv 2004/39/EG).

## 10. TERMS AND CONDITIONS

### VILLKOR

Offer Price: [•]

Pris för Erbjudandet: [•]

Conditions to which the offer is subject: [Not Applicable/[•]]

[The Issuer reserves its rights to cancel the offer under the following circumstances;

- (a) if the aggregate principal amount of Notes subscribed on or before [*insert date*] is less than [*insert amount*];
- (b) if the [*insert relevant variable*] cannot be set at [*relevant value corresponding to the indicated minimum value*]; or
- (c) if any event of an economic, financial or political nature occurs and which may jeopardise a successful offer, as determined by the Issuer].

[The Issuer may also replace any Reference Asset listed in the table(s) above at any time on or prior to [*insert date*] with a comparable type of underlying Reference Asset].

Villkor för erbjudandet: [Inte Tillämpligt/[•]]

[Emittenten förbehåller sig rätten att dra tillbaka erbjudandet under följande omständigheter;

- (a) om det sammanlagda beloppet av Lån som tecknats på eller före [*ange datum*] är mindre än [*ange belopp*];
- (b) om [*ange relevant variabel*] inte kan anges till [*relevant värde som korresponderar till det indikerade lägsta värdet*]; eller
- (c) om någon händelse av ekonomisk, finansiell eller politisk natur inträffar och som kan äventyra ett framgångsrikt erbjudande, enligt Emittentens bedömning].

[Emittenten kan också ersätta varje Referenstillgång som listas i tabellerna ovan vid var tid på eller före [*ange datum*] med en jämförbar typ

av underliggande Referenstillgång.

|                                                                                                                                                  |                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Description of the application process:                                                                                                          | [Not Applicable/[•]]   |
| Beskrivning av ansökningsprocessen:                                                                                                              | [Inte Tillämpligt/[•]] |
| Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:                                    | [Not Applicable/[•]]   |
| Beskrivning av möjligheten att reducera antalet teckningar och metod för att återbetala överstigande belopp som har betalats av kandidater.      | [Inte Tillämpligt/[•]] |
| Details of the minimum and/or maximum amount of application:                                                                                     | [Not Applicable/[•]]   |
| Uppgifter om det minsta och/eller högsta antalet ansökningar:                                                                                    | [Inte Tillämpligt/[•]] |
| Details of the method and time limits for paying up and delivering the Notes:                                                                    | [Not Applicable/[•]]   |
| Uppgifter om metoden och tidsbegränsningar för att betala och leverera Lånen:                                                                    | [Inte Tillämpligt/[•]] |
| Manner in and date on which results of the offer are to be made public:                                                                          | [Not Applicable/[•]]   |
| Metod för och datum när resultat av erbjudandet kommer offentliggöras till allmänheten:                                                          | [Inte Tillämpligt/[•]] |
| Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:     | [Not Applicable/[•]]   |
| Procedur för att utnyttja rättigheter för förköpsrätt, förhandling av teckningsrätter och behandling av teckningsrätter som inte har utnyttjats: | [Inte Tillämpligt/[•]] |
| Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:                | [Not Applicable/[•]]   |
| Kategorier av potentiella investerare till vilka Lånen erbjuds och huruvida trancher har reserverats för särskilda länder:                       | [Inte Tillämpligt/[•]] |
| Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:          | [Not Applicable/[•]]   |
| Process för att underrätta kandidater om det tilldelade belopp och om handel kan komma att påbörjas före                                         | [Inte Tillämpligt/[•]] |

det att underrättelse har skett:

|                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | [Not Applicable/[In connection with the issuance of this type of notes, the Issuer incurs costs for, among other things, production, distribution, licences, stock exchange listing and risk management. In order to cover these costs, the Issuer charges brokerage fees and commission. The commission is included in the price and will amount to a maximum of [ ] per cent per year, calculated on the price of the Notes]. |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                  |                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Belopp av utgifter och skatter som särskilt kan tas ut av tecknare eller köpare: | [Inte Tillämpligt/[I samband med utgivningen av denna typ av Lån har Emittenten kostnader för bland annat produktion, distribution, licenser, börsnotering och riskhantering. För att täcka dessa kostnader tar Emittenten ut courtage och arrangörsarvode. Arrangörsarvode inkluderas i priset och uppgår maximalt till [ ] procent per år, beräknat på Lånets pris]. |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                  |                                |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. | [None/[•]]<br>[Address: [[•]]] |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------|

|                                                                                                                               |                                |
|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Namn och adress(er), i den utsträckning som Emittenten känner till, till platser i de olika länder där erbjudanden tar plats. | [Inget/[•]]<br>[Adress: [[•]]] |
|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------|

11. **[Swiss Franc Notes only - DOCUMENTS AVAILABLE**

**[Lån i Schweiziska Franc enbart – DOKUMENT TILLGÄNGLIGA**

Copies of the Final Terms and the Base Prospectus are available [at UBS AG, Prospectus Library, P.O. Box, CH-8098 Zürich, Switzerland (tel: +41 44 239 47 03, fax: +41 44 239 21 11 or email: [swiss-prospectus@ubs.com](mailto:swiss-prospectus@ubs.com)) / from the offices of Credit Suisse AG at Uetlibergstrasse 231, 8070 Zürich, Switzerland].]

Kopior av de Slutliga Villkoren och Grundprospektet finns tillgängligt [vid UBS AG, Prospectus Library, P.O. Box, CH-8098 Zürich, Schweiz (tel: +41 44 239 47 03, fax: +41 44 239 21 11 eller epost: [swiss-prospectus@ubs.com](mailto:swiss-prospectus@ubs.com)) / från Credit Suisse AG kontor vid Uetlibergstrasse 231, 8070 Zürich, Schweiz].]

12. **[Swiss Franc Notes only - REPRESENTATIVE**

**[Lån i Schweiziska Franc enbart – REPRESENTANT**

In accordance with Article 43 of the Listing Rules of the SIX Swiss Exchange, [•] has been appointed by the Issuer as representative to lodge the listing application with the Admission Board of the SIX Swiss Exchange.]

I enlighet med Artikel 43 i Reglerna för Listning från SIX Swiss Exchange, har [•] utsetts av Emittenten som representant att genomföra ansökningen om att listning vid Admission Board of the SIX Swiss Exchange.]

13. **[Swiss Franc Notes only - NO MATERIAL ADVERSE CHANGE / MATERIAL CHANGES SINCE THE MOST RECENT ANNUAL FINANCIAL STATEMENTS**

**[Lån i Schweiziska Franc enbart – REPRESENTANT – INGEN VÄSENTLIG NEGATIV FÖRÄNDRING / VÄSENTLIGA FÖRÄNDRINGAR SEDAN DEN**

## **SENASTE ÅRSREDOVISNINGEN**

Except as disclosed in the Base Prospectus, there has been no material adverse change in the financial condition or operations of the Issuer since [31 December 2012], which would materially affect its ability to carry out its obligations under the Notes.]

Förutom såsom redogjorts för i Grundprospektet, har det inte skett någon väsentlig negativ förändring i Emittentens ekonomiska situation eller verksamhet sedan [31 December 2012], som väsentligen kan påverka dess möjligheter att uppfylla sina förpliktelser under Lånen.]

## **ANNEX TO THE FINAL TERMS – SUMMARY OF THE ISSUE**

### **BILAGA TILL DE SLUTLIGA VILLKOREN – SAMMANFATTNING AV EMISSIONEN**

*[Base Prospectus summary to be inserted and the options given as placeholders in the summary to be completed in respect of the Notes being issued.]*

*[Grundprospektets sammanfattning ska infogas och de val som har angetts som hakparenteser i sammanfattningen ska kompletteras för de Lån som ska emitteras].*



*Form of Final Terms for Certain Structured Notes with a denomination of at least €100,000 to be admitted to trading on the Main Securities Market of the Irish Stock Exchange*

*Mall för Slutliga Villkor för Särskilda Strukturerade Lån med valörer om minst €100 000 som ska bli föremål för handel på Irish Stock Exchanges Main Securities Market.*

## IMPORTANT NOTICE

## VIKTIGT MEDDELANDE

***In accessing the attached final terms (the "Final Terms") you agree to be bound by the following terms and conditions.***

***Genom att ta del av de bilagda slutliga villkoren ("Slutliga Villkoren") godkänner du att bli bunden av följande villkor.***

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

Informationen i dessa Slutliga Villkor är endast adresserad till och/eller riktad till personer som bor i de särskilda länder som anges i de Slutliga Villkoren och/eller i Grundprospektet (definierat i de Slutliga Villkoren) och är inte ämnad för användning och ska inte förlitas på av någon person utanför de länderna och/eller till vilka erbjudandet i dessa Slutliga Villkor inte är adresserat. **Innan du förlitar dig på innehållet i dessa Slutliga Villkor måste du säkerställa att du är en avsedd adressat av informationen i de Slutliga Villkoren och/eller Grundprospektet.**

Neither the Final Terms nor the Base Prospectus constitutes an offer to sell or the solicitation of an offer to buy securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities law of any such jurisdiction.

Varken de Slutliga Villkoren eller Grundprospektet utgör ett erbjudande att sälja eller en inbjudan att köpa värdepapper i USA eller i någon annan jurisdiktion i vilka ett sådant erbjudande, inbjudan eller försäljning skulle vara olagligt innan de har registrerats, ett undantag från registrering har erhållits eller enligt annan bestämmelse under värdepapperslagarna i en sådan jurisdiktion.

The securities described in the Final Terms and the Base Prospectus have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons or to persons within the United States of America (as such terms are defined in Regulation S under the Securities Act ("**Regulation S**")). The securities described in the Final Terms will only be offered in offshore transactions to non-U.S. persons in reliance upon Regulation S.

De värdepapper som beskrivs i de Slutliga Villkoren och i Grundprospektet har inte, och kommer inte, registreras i enlighet med U.S. Securities Act of 1933, såsom den har ändrats ("**Securities Act**") och får inte erbjudas eller säljas direkt eller indirekt inom USA eller till, för, eller till förmån för, amerikanska medborgare eller till personer i USA (såsom termerna definieras i Regulation S i Securities Act ("**Regulation S**")). De värdepapper som beskrivs i dessa Slutliga Villkor kommer endast erbjudas i offshore-transaktioner till icke-amerikanska medborgare i enlighet med Regulation S.

**Final Terms dated [•]**

**Slutliga Villkor daterade [•]**

**NORDEA BANK AB (PUBL) / NORDEA BANK FINLAND PLC**  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**  
**under the €10,000,000,000**  
**Structured Note Programme**

**NORDEA BANK AB (PUBL) / NORDEA BANK FINLAND PLC**  
**Utgivande av [Sammanlagt Nominellt Belopp av Tranch] [Namn på Lån]**  
**under ett €10 000 000 000**  
**Program för Strukturerade Lån**

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Grundprospektet som det hänvisas till nedan (som kompletteras av dessa Slutliga Villkor) har tagits fram under förutsättningen att varje erbjudande om Lån i varje Medlemsstat i det Europeiska Ekonomiska Samarbetsområdet som har implementerat Prospektdirektivet (var och en benämnda en "**Relevant Medlemsstat**") kommer att göras med stöd av ett undantag i Prospektdirektivet, såsom det har implementerats i den Medlemsstaten, från kravet på att publicera ett prospekt för erbjudanden om Lån. Följaktligen kan personer som lämnar eller som avser att lämna erbjudanden avseende Lånen göra det enbart under omständigheter då ingen förpliktelse uppstår för Emittenten eller något Emissionsinstitut att publicera ett prospekt i enlighet med Artikel 3 i Prospektdirektivet eller att komplettera ett prospekt i enlighet med Artikel 16 i Prospektdirektivet, i bägge fall i samband med ett sådant erbjudande. Varken Emittenten eller något Emissionsinstitut har godkänt, eller godkänner, att några erbjudanden avseende Lånen görs under några andra omständigheter.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU **provided, however, that** all references in this document to the "Prospectus Directive" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and include any relevant implementing measure in the relevant Member State.]

Uttrycket "**Prospektdirektivet**" avser direktivet 2003/71/EG (och därmed tillhörande ändringar, inklusive ändringsdirektivet 2010 för prospektdirektivet och uttrycket "**Ändringsdirektivet 2010 för Prospektdirektivet**" avser direktivet 2010/73/EU **under förutsättning, att** alla hänvisningar i detta dokument till "Prospektdirektivet" i relation till varje Medlemsstat i det Europeiska Ekonomiska Samarbetsområdet hänvisar till direktiv 2003/71/EG (och därmed tillhörande ändringar inklusive Ändringsdirektivet 2010 för Prospektdirektivet, i den utsträckning som det har implementerats i den relevanta Medlemsstaten), och inkluderar varje relevant implementeringsåtgärd i den relevanta Medlemsstaten).]

## PART A – CONTRACTUAL TERMS

### DEL A – KONTRAKTUELLA VILLKOR

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [•] [and the supplemental Base Prospectus dated [•]] [which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive<sup>21</sup>]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive<sup>22</sup>] and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the base prospectus supplement[s]] [is] [are] available for viewing during normal business hours at, and copies may be obtained from, the principal office of the Issuer, Smålandsgatan 17, SE-105 71 Stockholm, Sweden.]

Ord som används häri ska anses ha samma innebörd som i Villkoren ("Villkoren") som anges i Grundprospektet daterat [•] [och i supplement till Grundprospektet daterat [•]] [vilka/[et] [tillsammans] utgör ett grundprospekt ("Grundprospektet") i Prospektdirektivets mening ]. Det här dokumentet utgör de Slutliga Villkoren för Lånen som beskrivs häri [i enlighet med artikel 5.4 i Prospektdirektivet ] och måste läsas tillsammans med Grundprospektet. En sammanfattning av Lånen (innefattande sammanfattningen i Grundprospektet modifierad för att reflektera bestämmelserna i dessa Slutliga Villkor) är bilagt till dessa Slutliga Villkor. Fullständig information om Emittenten och erbjudandet om Lån kan endast fås genom dessa Slutliga Villkor och Grundprospektet (tillsammans med eventuella tillägg) i kombination. Grundprospektet [och tillägg till Grundprospektet] [är] tillgängligt för granskning under normal arbetstid och kopior kan erhållas från Emittentens huvudkontor på Smålandsgatan 17, 105 71 Stockholm, Sverige.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

*[Inkludera samtliga av följande som är tillämpliga eller ange "Inte Tillämpligt" (N/A). Notera att numreringen ska bibehållas såsom den har angetts nedan, även om "Inte Tillämpligt" har angetts för enskilda punkter (i vilket fall underpunkterna till sådana punkter som inte är tillgängliga kan raderas). Kursiv text är vägledning för att färdigställa de Slutliga Villkoren.]*

- |    |         |                                          |                                                                                                                                                                                                                                                                                                                                               |
|----|---------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | (i)     | Issuer:                                  | [Nordea Bank AB (publ) / Nordea Bank Finland Plc]                                                                                                                                                                                                                                                                                             |
|    | (i)     | Emittent:                                | [Nordea Bank AB (publ) / Nordea Bank Finland Plc]                                                                                                                                                                                                                                                                                             |
| 2. | (i)     | Series Number:                           | [•]                                                                                                                                                                                                                                                                                                                                           |
|    | (i)     | Serienummer:                             | [•]                                                                                                                                                                                                                                                                                                                                           |
|    | (ii)    | Tranche Number:                          | [•]                                                                                                                                                                                                                                                                                                                                           |
|    | (ii)    | Tranchnummer:                            | [•]                                                                                                                                                                                                                                                                                                                                           |
|    | [(iii)] | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of series] on [[insert date]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 50 below [which is expected to occur |

<sup>21</sup> Delete wording in square brackets for an unlisted issuance.

<sup>22</sup> Delete wording in square brackets for an unlisted issuance.

|        |                                   |                                                                                                                                                                                                                                                                                                                                      |
|--------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                   | on or about [ <i>insert date</i> ]].]                                                                                                                                                                                                                                                                                                |
| [(iii) | Datum då Lånen blir fungibla:     | [Inte Tillämpligt/Lånen ska konsolideras, bli en enda serie och vara utbytbara för handel med [ange beskrivning av serier] på [[ange datum]/Lånedatum/utbyte av Temporära Globala Lån för intressen i Permanenta Globala Lån, såsom beskrivs i punkt 50 nedan [vilket är beräknat att inträffa på eller runt omkring [ange datum]].] |
| 3.     | Specified Currency or Currencies: | [•]                                                                                                                                                                                                                                                                                                                                  |
|        | Valuta                            | [•]                                                                                                                                                                                                                                                                                                                                  |
| 4.     | Aggregate Nominal Amount:         | [•]                                                                                                                                                                                                                                                                                                                                  |
|        | Sammanlagt Nominellt Belopp:      | [•]                                                                                                                                                                                                                                                                                                                                  |
|        | (i) Series:                       | [•]                                                                                                                                                                                                                                                                                                                                  |
|        | (i) Serie:                        | [•]                                                                                                                                                                                                                                                                                                                                  |
|        | (ii) Tranche:                     | [•]                                                                                                                                                                                                                                                                                                                                  |
|        | (ii) Tranch:                      | [•]                                                                                                                                                                                                                                                                                                                                  |
| 5.     | Issue Price:                      | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ <i>insert date</i> ]]                                                                                                                                                                                                                                    |
|        | Pris:                             | [•] procent av det Sammanlagda Nominella Beloppet (plus upplupen ränta) från [datum]                                                                                                                                                                                                                                                 |
| 6.     | (i) Specified Denominations:      | [•]                                                                                                                                                                                                                                                                                                                                  |
|        | (i) Valörer:                      | [•]                                                                                                                                                                                                                                                                                                                                  |
|        | (ii) Calculation Amount:          | [•]                                                                                                                                                                                                                                                                                                                                  |
|        | (ii) Beräkningsbelopp:            | [•]                                                                                                                                                                                                                                                                                                                                  |
| 7.     | (i) Issue Date:                   | [•]                                                                                                                                                                                                                                                                                                                                  |
|        | (i) Lånedatum                     | [•]                                                                                                                                                                                                                                                                                                                                  |
|        | (ii) Interest Commencement Date:  | [[ <i>insert date</i> ]/Issue Date/Not Applicable]                                                                                                                                                                                                                                                                                   |
|        | (ii) Startdatum för Ränta:        | [[ <i>datum</i> ]/Lånedatum/Inte Tillämpligt]                                                                                                                                                                                                                                                                                        |
| 8.     | Redemption Date:                  | [[•]/[Interest Payment Date falling in or nearest to [•]]]                                                                                                                                                                                                                                                                           |
|        | Återbetalningsdag:                | [[•]/[Räntebetalningsdag som infaller i eller närmast [•]]]                                                                                                                                                                                                                                                                          |
| 9.     | Interest Basis:                   | [[•] per cent. Fixed Rate]                                                                                                                                                                                                                                                                                                           |
|        | Räntebas:                         | [[•] procent Fast Ränta]                                                                                                                                                                                                                                                                                                             |
|        |                                   | [EURIBOR]/[LIBOR]/[STIBOR]/[NIBOR]/[CIBOR] +/- [•] per cent. Floating Rate]                                                                                                                                                                                                                                                          |
|        |                                   | [EURIBOR]/[LIBOR]/[STIBOR]/[NIBOR]/[CIBOR] +/- [•] procent Rörlig Ränta]                                                                                                                                                                                                                                                             |

[Inflation Linked]  
[Inflationslänkad]  
[Zero Coupon]  
[Nollkupong]  
[Rate Adjustment]  
[Kursjustering]  
[Coupon Bearing Autocallable Notes]  
[Kupongbärande Autocallån]  
[Non-Tranched CLN Interest]  
[Non-Tranched CLN Ränta]  
[Tranched CLN Interest]  
[Tranched CLN Ränta]  
[Nth to Default CLN Interest]  
[Nth to Default CLN Ränta]  
[Nth and Nth + 1 to Default CLN Interest]  
[Nth and Nth + 1 to Default CLN Ränta]  
[Capped Floor Float]  
[Tak Golv Float]  
[Cap Floor Spread]  
[Tak Golv Spread]  
[Range Accrual]  
[Range Accrual]  
[Range Accrual In/Out]  
[Range Accrual In/Ut]  
[Knockout Range Accrual]  
[Knock-Out Range Accrual]  
[Binary Cap/Floor]  
[Binärt Tak/Golv]  
[Binary Zero Coupon]  
[Binär Nollkupong]  
[Inverse Floater]  
[Inverterad Floater]  
[Autocallable Swap]

[Autoinlösen Swap]  
 [Digital Long]  
 [Digital Long]  
 [Digital Short]  
 [Digital Short]  
 [Worst of Digital Long]  
 [Worst of Digital Long]  
 [Worst of Digital Short]  
 [Worst of Digital Short]  
 [Worst of Digital Memory Coupon 2]  
 [Worst of Digital Memory Kupon 2]  
 [Digital Podium Long]  
 [Digital Podium Long]  
 [Digital Podium Short]  
 [Digital Podium Short]  
 [Series of Digitals]  
 [Serier av Digitala]  
 [Cash Settled Swaption Straddle]  
 [Cash Settled Swaption Straddle]  
 [Power Cap/Floor]  
 [Power Tak/Golv]  
 [Compounding Floater]  
 [Compounding Floater]  
 [Lock-In 1]  
 [Lock-In 1]  
 [Lock-In 2]  
 [Lock-In 2]  
 [Snowball]  
 [Snowball]  
 [Accumulator]  
 [Ackumulator]  
 [Binary Accumulator]  
 [Binär Ackumulator]

[Contingent Cap/Floor]  
 [Betingat Tak/Golv]  
 [Dual Digital Cap]  
 [Dubbel Digital Tak]  
 [Dual Digital Floor]  
 [Dubbel Digital Golv]  
 [Binary Inflation Cap]  
 [Binärt Inflationstak]  
 [Binary Inflation Floor]  
 [Binärt Inflationsgolv]  
 [Binary Inflation Range]  
 [Binärt Inflationsspann]  
 [Inflation Range Accrual]  
 [Inflationsspann Periodiserad]  
 [Inflation Cap/Floor]  
 [Inflation Tak/Golv]  
 [Inflation Straddle]  
 [Inflation Ömsesidig]  
 [Inflation Cap Floor Spread]  
 [Inflation Tak Golv Spread]  
 [ZC Inflation Cap Floor]  
 [ZC Inflation Tak Golv]  
 [Inflation Linker 1]  
 [Inflationslänkad 1]  
 [Inflation Linker 2]  
 [Inflationslänkad 2]  
 [Strip of Call Spreads]  
 [Strip of Call Spreads]  
 [Rate Adjustment]  
 [Räntejustering]  
 [Combination]  
 [Kombination]  
 (further particulars specified below)

|     |                                                               |                                                                                                                                                                                                                                                           |
|-----|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                                                               | (ytterligare detaljer specificerade nedan)                                                                                                                                                                                                                |
| 10. | Redemption/Payment Basis:                                     | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at the Redemption Amount, which will be determined in accordance with the performance structure(s) specified in paragraph 23.               |
|     | Återbetalnings-/Betalningsgrund:                              | Med förbehåll för återköp och annullering eller förtida återbetalning, kommer Lånen att återbetalas på Återbetalningsdagen för Återbetalningsbeloppet, vilket ska bestämmas i enlighet med värdeutvecklingsstruktur(en/erna) som specificeras i punkt 23. |
| 11. | Change of Interest or Redemption/Payment Basis:               | [Applicable/Not Applicable]                                                                                                                                                                                                                               |
|     | Ränteändring eller Återbetalnings-/Betalningsgrund            | [Tillämpligt/Inte Tillämpligt]                                                                                                                                                                                                                            |
| 12. | Put/Call Options:                                             | [Investor Put]                                                                                                                                                                                                                                            |
|     | Put/Call                                                      | [Put från Investerares]                                                                                                                                                                                                                                   |
|     |                                                               | [Issuer Call]                                                                                                                                                                                                                                             |
|     |                                                               | [Call från Emittenten]                                                                                                                                                                                                                                    |
|     |                                                               | [(further particulars specified below)]                                                                                                                                                                                                                   |
|     |                                                               | [(ytterligare detaljer specificerade nedan)]                                                                                                                                                                                                              |
| 13. | (i) Status of the Notes:                                      | Senior                                                                                                                                                                                                                                                    |
|     | (i) Typ av Lån:                                               | Icke efterställt                                                                                                                                                                                                                                          |
|     | (ii) Date [Board] approval for issuance of Notes obtained:    | [•]                                                                                                                                                                                                                                                       |
|     | (ii) Datum för [styrelsens] godkännande för utgivande av Lån: | [•]                                                                                                                                                                                                                                                       |

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

#### BESTÄMMELSER FÖR RÄNTA (OM NÅGON)

|     |                                    |                                |
|-----|------------------------------------|--------------------------------|
| 14. | <b>Fixed Rate Note Provisions</b>  | [Applicable/Not Applicable]    |
|     | <b>Bestämmelser för Fast Ränta</b> | [Tillämpligt/Inte Tillämpligt] |
|     | (i) Interest Rate:                 | [•] per cent. per annum        |
|     | (i) Räntesats:                     | [•] procent. årligen           |
|     | (ii) Interest Payment Date(s):     | [•] in each year               |
|     | (ii) Räntebetalningsdag(ar):       | [•] varje år                   |
|     | (iii) Interest Determination Date: | [[•]/Not Applicable]           |



|       |                                      |                                                                                                                          |
|-------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| (iii) | Räntebestämningsdag:                 | [[•]/Inte Tillämpligt]                                                                                                   |
| (iv)  | Broken Amount(s):                    | [[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]/Not Applicable]                    |
| (iv)  | Brutna Belopp:                       | [•] per Beräkningsbelopp, att betalas på Räntebetalningsdagen som infaller [i/på] [•]/Inte Tillämpligt]                  |
| (v)   | Day Count Fraction:                  | [[Actual/Actual (ICMA/ISDA)] / [Actual/365 (Fixed)] / [Actual 365 (Sterling)] / [Actual/360] / [30/360] / [30E/360]]     |
| (v)   | Dagberäkningsmetod:                  | [[Faktisk/Faktisk (ICMA/ISDA)] / [Faktisk/365 (Fast)] / [Faktisk 365 (Sterling)] / [Faktisk/360] / [30/360] / [30E/360]] |
| (vi)  | Business Day Convention:             | [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]         |
| (vi)  | Bankdagskonvention:                  | [Efterföljande Bankdag/Modifierad Efterföljande Bankdag/Föregående Bankdag]                                              |
| 15.   | <b>Floating Rate Note Provisions</b> | [Applicable/Not Applicable]                                                                                              |
|       | <b>Bestämmelser för Rörlig Ränta</b> | [Tillämpligt/Inte Tillämpligt]                                                                                           |
| (i)   | Interest Payment Dates:              | [[•], subject to adjustment in accordance with the Business Day Convention set out in (iv) below]                        |
| (i)   | Räntebetalningsdag(ar):              | [[•], med förbehåll för justering i enlighet med Bankdagskonventionen i (iv) nedan]                                      |
| (ii)  | First Interest Payment Date:         | [•]                                                                                                                      |
| (ii)  | Första Räntebetalningsdag:           | [•]                                                                                                                      |
| (iii) | Interest Determination Date:         | [[•]/Not Applicable]                                                                                                     |
| (iii) | Räntebestämningsdag:                 | [[•]/Inte Tillämpligt]                                                                                                   |
| (iv)  | Business Day Convention:             | [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day]                    |
| (iv)  | Bankdagskonvention:                  | [Efterföljande Bankdag/Modifierad Efterföljande Bankdag/Föregående Bankdag]                                              |
| (v)   | Issuing Agent:                       | [Not Applicable/[•]]                                                                                                     |
| (v)   | Administrerande Institut:            | [Inte Tillämpligt/[•]]                                                                                                   |
| (vi)  | Calculation Agent:                   | [Not Applicable/[•]]                                                                                                     |
| (vi)  | Beräkningsagent:                     | [Inte Tillämpligt/[•]]                                                                                                   |
| (vii) | Interest Base Rate:                  | [[EURIBOR]/[LIBOR]/[STIBOR]/[NIBOR]/[CIB OR]]                                                                            |
| (vii) | Basränta:                            | [[EURIBOR]/[LIBOR]/[STIBOR]/[NIBOR]/[CIB OR]]                                                                            |

|     |        |                                                            |                                                                                                                                                                           |
|-----|--------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     | (viii) | Interest Margin(s):                                        | [+/-][•] per cent. per annum                                                                                                                                              |
|     | (viii) | Räntemarginal(er):                                         | [+/-][•] procent årligen                                                                                                                                                  |
|     | (ix)   | Day Count Fraction:                                        | [[Actual/Actual (ICMA/ISDA)] / [Actual/365 (Fixed)]] / [Actual 365 (Sterling)] / [Actual/360] / [30/360] / [30E/360]]                                                     |
|     | (ix)   | Dagberäkningsmetod:                                        | [[Faktisk/Faktisk (ICMA/ISDA)] / [Faktisk/365 (Fast)]] / [Faktisk 365 (Sterling)] / [Faktisk/360] / [30/360] / [30E/360]]                                                 |
| 16. |        | <b>Zero Coupon Note Provisions</b>                         | [Applicable/Not Applicable]                                                                                                                                               |
|     |        | <b>Bestämmelser för Nollkupongslån</b>                     | [Tillämpligt/Inte tillämplig]                                                                                                                                             |
|     |        | Reference Yield:                                           | [•] per cent. per annum                                                                                                                                                   |
|     |        | Referensavkastning                                         | [•] procent årligen                                                                                                                                                       |
| 17. |        | <b>Inflation-Linked Interest Note Provisions</b>           | [Applicable/Not Applicable]                                                                                                                                               |
|     |        | <b>Bestämmelser för Inflationslänkade Räntebärande Lån</b> | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
|     | (i)    | Interest Rate:                                             | [Fixed Rate Note Provisions (further details specified in paragraph 14)/Floating Rate Note Provisions (further details specified in paragraph 15)]                        |
|     | (i)    | Räntesats:                                                 | [Bestämmelser om Lån med Fast Ränta (ytterligare detaljer specificerade i punkt 14)/Bestämmelser om Lån med Rörlig Ränta (ytterligare detaljer specificerade i punkt 15)] |
|     | (ii)   | Inflation-Linked Index:                                    |                                                                                                                                                                           |
|     | (ii)   | Inflationslänkat Index:                                    |                                                                                                                                                                           |
|     |        | • Relevant date:                                           | [•]                                                                                                                                                                       |
|     |        | • Relevant datum:                                          | [•]                                                                                                                                                                       |
|     |        | • Relevant time:                                           | [•] [a.m./p.m.]                                                                                                                                                           |
|     |        | • Relevant tid:                                            | [•]                                                                                                                                                                       |
|     | (iii)  | Base Index/CPI:                                            |                                                                                                                                                                           |
|     | (iii)  | Bas Index/CPI:                                             |                                                                                                                                                                           |
|     |        | • Relevant date:                                           | [•]                                                                                                                                                                       |
|     |        | • Relevant datum:                                          | [•]                                                                                                                                                                       |
|     |        | • Relevant time:                                           | [•] [a.m./p.m.]                                                                                                                                                           |
|     |        | • Relevant tid:                                            | [•]                                                                                                                                                                       |
|     | (iv)   | Business Day Convention:                                   | [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]                                                          |

|     |                                                                  |                                                                                                                 |
|-----|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|     | (iv) Bankdagskonvention:                                         | [Efterföljande Bankdag/Modifierad Efterföljande Bankdag/Föregående Bankdag]                                     |
| 18. | <b>[Rate Adjustment Note Provisions]</b>                         | [Applicable/Not Applicable]                                                                                     |
|     | <b>[Bestämmelser för Kursjusterade Lån]</b>                      | [Tillämpligt/Inte Tillämpligt]                                                                                  |
|     | (i) Interest Rate:                                               | [•]                                                                                                             |
|     | (i) Räntesats:                                                   | [•]                                                                                                             |
|     | (ii) Interest Payment Dates:                                     | [•]                                                                                                             |
|     | (ii) Räntebetalningsdagar:                                       | [•]                                                                                                             |
|     | (iii) Interest Determination Dates:                              | [[•]/Not Applicable]                                                                                            |
|     | (iii) Räntebestämningsdag:                                       | [[•]/Inte Tillämpligt]                                                                                          |
|     | (iv) Provisions relating to the adjustment of the Interest Rate: | [•]                                                                                                             |
|     | (iv) Bestämmelser relaterade till justering av Räntesatsen:      | [•]                                                                                                             |
| 19. | <b>Coupon Bearing Autocallable Note Provisions</b>               | [Applicable/Not Applicable]                                                                                     |
|     | <b>Bestämmelser för Kupongbärande Autoinlösenlån</b>             | [Tillämpligt/Inte Tillämpligt]                                                                                  |
|     | (i) Valuation Date(s):                                           | [•]                                                                                                             |
|     | (i) Värderingsdag(ar):                                           | [•]                                                                                                             |
|     | (ii) Coupon Barrier Level(s):                                    | [•]                                                                                                             |
|     | (ii) Kupongbarriärnivå(er):                                      | [•]                                                                                                             |
|     | (iii) Interest Payment Date(s):                                  | [•] in each year                                                                                                |
|     | (iii) Räntebetalningsdag(ar):                                    | [•] varje år                                                                                                    |
|     | (iv) Flat Coupon:                                                | [Applicable/Not Applicable/Applicable if Coupon Barrier [•] is reached [and Coupon Barrier [•] is not reached]] |
|     | (iv) Flat Kupong:                                                | [Tillämpligt/Inte Tillämpligt/Tillämpligt om Kupongbarriär uppnås [och Kupongbarriär [•] inte uppnås]]          |
|     | (v) Memory Coupon:                                               | [Applicable/Not Applicable/Applicable if Coupon Barrier [•] is reached [and Coupon Barrier [•] is not reached]] |
|     | (v) Memory Kupong:                                               | [Tillämpligt/Inte Tillämpligt/Tillämpligt om Kupongbarriär uppnås [och Kupongbarriär [•] inte uppnås]]          |
|     | (vi) Plus Flat Coupon:                                           | [Applicable/Not Applicable/Applicable if Coupon Barrier [•] is reached [and Coupon Barrier [•] is not reached]] |
|     | (vi) Plus Flat Kupong:                                           | [Tillämpligt/Inte Tillämpligt/Tillämpligt om Kupongbarriär uppnås [och Kupongbarriär [•] inte uppnås]]          |

|        |                                   |                                                                                                                                                                           |
|--------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                   | uppnås]]                                                                                                                                                                  |
| (vii)  | Plus Memory Coupon:               | [Applicable/Not Applicable/Applicable if Coupon Barrier [•] is reached [and Coupon Barrier [•] is not reached]]                                                           |
| (vii)  | Plus Memory Kupong:               | [Tillämpligt/Inte Tillämpligt/ Tillämpligt om Kupongbarriär uppnås [och Kupongbarriär [•] inte uppnås]]                                                                   |
| (viii) | Coupon Rate(s):                   | [[•] if Coupon Barrier [•] is reached/Not Applicable]                                                                                                                     |
| (viii) | Kupongnivå(er):                   | [[•] om Kupongbarriär [•] uppnås/Inte tillämpligt]                                                                                                                        |
| (ix)   | Bonus Factor:                     | [Applicable/Not Applicable]                                                                                                                                               |
| (ix)   | Bonusfaktor:                      | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
|        | • Basket Rate:                    | [Applicable/Not Applicable]                                                                                                                                               |
|        | • Korgnivå:                       | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
|        | • Best of/Worst of Rate:          | [Applicable/Not Applicable]                                                                                                                                               |
|        | • Best of/Worst of Kurs:          | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
|        | • N:                              | [[•]/Not Applicable]                                                                                                                                                      |
|        | • N:                              | [[•]/Inte Tillämpligt]                                                                                                                                                    |
| 20.    | <b>CLN Interest Provisions</b>    | [Applicable/Not Applicable]                                                                                                                                               |
|        | <b>Bestämmelser för CLN Ränta</b> | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
| (i)    | Interest Rate:                    | [Fixed Rate Note Provisions (further details specified in paragraph 14)/Floating Rate Note Provisions (further details specified in paragraph 15)]                        |
| (i)    | Räntesats:                        | [Bestämmelser om Lån med Fast Ränta (ytterligare detaljer specificerade i punkt 14)/Bestämmelser om Lån med Rörlig Ränta (ytterligare detaljer specificerade i punkt 15)] |
| (ii)   | Determination Date Exposure:      | [Applicable/Not Applicable]                                                                                                                                               |
| (ii)   | Bestämningsdag Exponering:        | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
| (iii)  | Weighted Average Exposure:        | [Applicable/Not Applicable]                                                                                                                                               |
| (iii)  | Viktat Genomsnitt Exponering:     | [Tillämpligt/Inte Tillämpligt]                                                                                                                                            |
| (iv)   | Tranche Attachment Point          | [[•]/Not Applicable]                                                                                                                                                      |
| (iv)   | Fästpunkt Tranch:                 | [[•]/Inte Tillämpligt]                                                                                                                                                    |
| (v)    | Tranche Detachment Point:         | [[•]/Not Applicable]                                                                                                                                                      |
| (v)    | Avskiljningspunkt Tranch:         | [[•]/Inte Tillämpligt]                                                                                                                                                    |
| (vi)   | Fixed Recovery Value:             | [[•]/Not Applicable]                                                                                                                                                      |
| (vi)   | Fast Återbetalningsbelopp:        | [[•]/Inte Tillämpligt]                                                                                                                                                    |

|     |                                       |                                            |                                                                                                                          |
|-----|---------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
|     | (vii)                                 | N:                                         | [[•]/Not Applicable]                                                                                                     |
|     | (vii)                                 | N:                                         | [[•]/Inte Tillämpligt]                                                                                                   |
|     | (viii)                                | Observation Date(s):                       | [[•]/Not Applicable/the day falling [•] Business Days prior to each Interest Payment Date]                               |
|     | (viii)                                | Observationsdag(ar):                       | [[•]/Inte Tillämpligt/dagen som infaller [•] Bankdagar före varje Räntebetalningsdag]                                    |
| 21. | <b>Digital Interest Provisions</b>    |                                            | [Applicable/Not Applicable]                                                                                              |
|     | <b>Bestämmelser för Digital Ränta</b> |                                            | [Tillämpligt/Inte Tillämpligt]                                                                                           |
|     | (i)                                   | Interest Determination Date:               | [[•]/Not Applicable]                                                                                                     |
|     | (i)                                   | Räntebestämningsdag:                       | [[•]/Inte Tillämpligt]                                                                                                   |
|     | (ii)                                  | Strike Level:                              | [[•]/Not Applicable]                                                                                                     |
|     | (ii)                                  | Lösenprisnivå:                             | [[•]/Inte Tillämpligt]                                                                                                   |
|     | (iii)                                 | Coupon:                                    | [•]                                                                                                                      |
|     | (iii)                                 | Kupong:                                    | [•]                                                                                                                      |
|     | (iv)                                  | Coupon 2:                                  | [[•]/Not Applicable]                                                                                                     |
|     | (iv)                                  | Kupong 2:                                  | [[•]/Inte Tillämpligt]                                                                                                   |
|     | (v)                                   | N:                                         | [[•]/Not Applicable]                                                                                                     |
|     | (v)                                   | N:                                         | [[•]/Inte Tillämpligt]                                                                                                   |
|     | (vi)                                  | Barrier Level:                             | [[•]/Not Applicable]                                                                                                     |
|     | (vi)                                  | Barriärnivå:                               | [[•]/Inte Tillämpligt]                                                                                                   |
| 22. | <b>Additional Interest Provisions</b> |                                            | [Applicable/Not Applicable]                                                                                              |
|     | <b>Ytterligare räntebestämmelser</b>  |                                            | [Tillämpligt/Inte Tillämpligt]                                                                                           |
|     | (i)                                   | Day Count Fraction:                        | [[Actual/Actual (ICMA/ISDA)] / [Actual/365 (Fixed)] / [Actual 365 (Sterling)] / [Actual/360] / [30/360] / [30E/360]]     |
|     | (i)                                   | Dagberäkningsmetod:                        | [[Faktisk/Faktisk (ICMA/ISDA)] / [Faktisk/365 (Fast)] / [Faktisk 365 (Sterling)] / [Faktisk/360] / [30/360] / [30E/360]] |
|     | (ii)                                  | Basket Participation (Interest):           |                                                                                                                          |
|     | (ii)                                  | Korgandel (Ränta)                          |                                                                                                                          |
|     |                                       | • Fixed Basket Participation (Interest):   | [Applicable/Not Applicable]                                                                                              |
|     |                                       | • Fast Korgandel (Ränta)                   | [Tillämpligt/Inte Tillämpligt]                                                                                           |
|     |                                       | • Rainbow Basket Participation (Interest): | [Applicable/Not Applicable]                                                                                              |
|     |                                       | • Rainbow Basketandel (Ränta)              | [Tillämpligt/Inte Tillämpligt]                                                                                           |

|       |                                                       | <b>Ranking</b> ( <i>Best performing first</i> )<br><b>Betyg</b> ( <i>Bäst värdeutveckling först</i> ) | <b>Weighting</b><br><b>Viktning</b> |
|-------|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------|
|       |                                                       | 1                                                                                                     | [•]%                                |
|       |                                                       | 2                                                                                                     | [•]%                                |
|       |                                                       | 3                                                                                                     | [•]%                                |
|       |                                                       | N                                                                                                     | [•]%                                |
| •     | Replacement Cliquet Basket Participation (Interest):  | [Applicable/Not Applicable]                                                                           |                                     |
| •     | Korgandel Ersättande Periodsumma (Ränta):             | [Tillämpligt/Inte Tillämpligt]                                                                        |                                     |
| •     | Momentum Basket Participation (Interest):             | [Applicable/Not Applicable]                                                                           |                                     |
| •     | Korgandel Momentum (Ränta)                            | [Tillämpligt/Inte Tillämpligt]                                                                        |                                     |
| •     | Accumulating Rainbow Basket Participation (Interest): | [Applicable/Not Applicable]                                                                           |                                     |
| •     | Akkumulerande Rainbow Basketandel (Ränta):            | [Tillämpligt/Inte Tillämpligt]                                                                        |                                     |
|       |                                                       | (Further details of the Basket Participation are set out in Part B, item 7)                           |                                     |
|       |                                                       | (Ytterligare detaljer om Korgandel anges i Del B, punkt 7B)                                           |                                     |
| (iii) | Reference Rate:                                       | [[•]/Not Applicable]                                                                                  |                                     |
| (iii) | Referensränta:                                        | [[•]/Inte Tillämpligt]                                                                                |                                     |
|       | Reference Rate 2                                      | [[•]/Not Applicable]                                                                                  |                                     |
|       | Referensränta 2                                       | [[•]/Inte Tillämpligt]                                                                                |                                     |
| (iv)  | Spread:                                               | [[•]/Not Applicable]                                                                                  |                                     |
| (iv)  | Spread:                                               | [[•]/Inte Tillämpligt]                                                                                |                                     |
| (v)   | Cap Strike:                                           | [[•]/Not Applicable]                                                                                  |                                     |
| (v)   | Lösenpristak:                                         | [[•]/Inte Tillämpligt]                                                                                |                                     |
| (vi)  | Floor Strike:                                         | [[•]/Not Applicable]                                                                                  |                                     |
| (vi)  | Lösenprisgolv:                                        | [[•]/Inte Tillämpligt]                                                                                |                                     |
| (vii) | Cap Value:                                            | [1/-1/0/Not Applicable]                                                                               |                                     |
| (vii) | Takvärde:                                             | [1/-1/0/Inte Tillämpligt]                                                                             |                                     |

|         |                      |                           |
|---------|----------------------|---------------------------|
| (viii)  | Floor Value:         | [1/-1/0/Not Applicable]   |
| (viii)  | Golvvärde:           | [1/-1/0/Inte Tillämpligt] |
| (ix)    | Leverage (Cap):      | [[•]/Not Applicable]      |
| (ix)    | Hävstång (Tak):      | [[•]/Inte Tillämpligt]    |
| (x)     | Leverage (Floor):    | [[•]/Not Applicable]      |
| (x)     | Hävstång (Golv):     | [[•]/Inte Tillämpligt]    |
| (xi)    | Cap Strike Upper:    | [[•]/Not Applicable]      |
| (xi)    | Lösenpristak Högre:  | [[•]/Inte Tillämpligt]    |
| (xii)   | Cap Strike Lower:    | [[•]/Not Applicable]      |
| (xii)   | Lösenpristak Lägre:  | [[•]/Inte Tillämpligt]    |
| (xiii)  | Floor Strike Upper:  | [[•]/Not Applicable]      |
| (xiii)  | Lösenprisgolv Högre: | [[•]/Inte Tillämpligt]    |
| (xiv)   | Floor Strike Lower:  | [[•]/Not Applicable]      |
| (xiv)   | Lösenprisgolv Lägre: | [[•]/Inte Tillämpligt]    |
| (xv)    | Strike Upper:        | [[•]/Not Applicable]      |
| (xv)    | Lösenpris Högre:     | [[•]/Inte Tillämpligt]    |
| (xvi)   | Strike 2             | [[•]/Not Applicable]      |
| (xvi)   | Lösenpris 2          | [[•]/Inte Tillämpligt]    |
| (xvii)  | Strike Lower:        | [[•]/Not Applicable]      |
| (xvii)  | Lösenpris Lägre:     | [[•]/Inte Tillämpligt]    |
| (xviii) | K:                   | [[•]/Not Applicable]      |
| (xviii) | K:                   | [[•]/Inte Tillämpligt]    |
| (xix)   | N:                   | [[•]/Not Applicable]      |
| (xix)   | N:                   | [[•]/Inte Tillämpligt]    |
| (xx)    | W:                   | [[•]/Not Applicable]      |
| (xx)    | W:                   | [[•]/Inte Tillämpligt]    |
| (xxi)   | X:                   | [[•]/Not Applicable]      |
| (xxi)   | X:                   | [[•]/Inte Tillämpligt]    |
| (xxii)  | Y:                   | [[•]/Not Applicable]      |
| (xxii)  | Y:                   | [[•]/Inte Tillämpligt]    |
| (xxiii) | Z:                   | [[•]/Not Applicable]      |
| (xxiii) | Z:                   | [[•]/Inte Tillämpligt]    |
| (xxiv)  | Rebate:              | [[•]/Not Applicable]      |

|         |                        |                        |
|---------|------------------------|------------------------|
| (xxiv)  | Rabatt:                | [[•]/Inte Tillämpligt] |
| (xxv)   | Start Valuation Date:  | [[•]/Not Applicable]   |
| (xxv)   | Start Värderingsdag:   | [[•]/Inte Tillämpligt] |
| (xxvi)  | Maximum Interest Rate: | [[•]/Not Applicable]   |
| (xxvi)  | Maximal Räntesats      | [[•]/Inte Tillämpligt] |
| (xxvii) | Gearing                | [[•]/Not Applicable]   |
| (xxvii) | Gearing                | [[•]/Inte Tillämpligt] |

## PROVISIONS RELATING TO REDEMPTION

### BESTÄMMELSER FÖR ÅTERBETALNING

|     |                                             |                                                                               |
|-----|---------------------------------------------|-------------------------------------------------------------------------------|
| 23. | Applicable performance structures:          | ["Par" structure]                                                             |
|     | Tillämpliga strukturer för värdeutveckling: | ["Par" struktur]                                                              |
|     |                                             | ["Basket Long" structure]                                                     |
|     |                                             | ["Basket Long" struktur]                                                      |
|     |                                             | ["Basket Short" structure]                                                    |
|     |                                             | ["Basket Short" struktur]                                                     |
|     |                                             | ["Best of" structure]                                                         |
|     |                                             | ["Best of" struktur]                                                          |
|     |                                             | ["Barrier outperformance" structure]                                          |
|     |                                             | ["Barriär outperformance" struktur]                                           |
|     |                                             | [Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]    |
|     |                                             | [Underliggande Korgavkastning: [Basket Long Structure/Basket Short Struktur]] |
|     |                                             | ["Barrier underperformance" structure]                                        |
|     |                                             | ["Barriär underperformance" struktur]                                         |
|     |                                             | [Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]    |
|     |                                             | [Underliggande Korgavkastning: [Basket Long Structure/Basket Short Struktur]] |
|     |                                             | ["Best of/Worst of Barrier Outperformance" structure]                         |
|     |                                             | ["Best of/Worst of Barriär Outperformance" struktur]                          |
|     |                                             | [Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]    |
|     |                                             | [Underliggande Korgavkastning: [Basket                                        |



Long Structure/Basket Short Struktur]]

["Best of/Worst of Barrier Underperformance" structure]

["Best of/Worst of Barriär Underperformance " struktur]

[Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]

[Underliggande Korgavkastning: [Basket Long Structure/Basket Short Struktur]]

["Max" structure]

["Max" struktur]

["Autocallable Structure Long"]

["Autocallstruktur Lång"]

["Autocallable Structure Short"]

["Autocallstruktur Kort"]

["Best of/Worst of Autocallable" structure]

["Best of/Worst of Autocallinlösen" struktur]

["Replacement Basket" structure]

["Ersättningskorg" struktur]

["Locally Capped Basket" structure]

["Lokalt Begränsad Korg" struktur]

["Rainbow Basket" structure]

["Rainbow Basket" struktur]

["Booster Short" structure]

["Booster Short" struktur]

["Booster Long" structure]

["Booster Long" struktur]

["Booster Risk Barrier Short" structure]

["Booster Risk Barriär Short" struktur]

["Booster Risk Barrier Long" structure]

["Booster Risk Barriär Long" struktur]

["Bonus Booster Short" structure]

["Bonus Booster Short" struktur]

["Bonus Booster Long" structure]

["Bonus Booster Long" struktur]  
 ["Cliquet" structure]  
 ["Periodsumme" struktur]  
 ["Reverse Cliquet" structure]  
 ["Omvänd Periodsumme" struktur]  
 ["Replacement Cliquet" structure]  
 ["Ersättande ing Periodsumme" struktur]  
 ["Reverse Replacement Cliquet" structure]  
 ["Omvänd Ersättande Periodsumme" struktur]  
 ["Rainbow Replacement Cliquet" structure]  
 ["Rainbow Ersättnande Periodsumme" struktur]  
 ["Reverse Convertible" structure]  
 ["Omvänd Konvertibel" struktur]  
 ["Reverse Convertible Risk Barrier" structure]  
 ["Omvänd Konvertibel Riskbarriär" struktur]  
 ["Worst of Reserve Convertible" structure]  
 ["Sämsta av Omvänd Konvertibel" struktur]  
 [Up and In Long]  
 [Up and In Long]  
 [Up and Out Put Option]  
 [[Up and Out Put Option]  
 [Worst of Down and Out Barrier Long]  
 [Worst of Down and Out Barriär Long]  
 [Worst of Digital Memory Coupon 1]  
 [Worst of Digital Memory Kupong 1]  
 [Worst of Call Option]  
 [Worst of Call Option]  
 [Outperformance Option]  
 [Outperformance Option]  
 ["Non-Tranched CLN" structure]  
 ["Non-Tranched CLN" struktur]  
 ["Tranched CLN" structure]  
 ["Tranched CLN" struktur]

["Nth to Default CLN" structure]

["Nth to Default CLN" struktur]

["Nth and Nth + 1 Default CLN" structure]

["Nth and Nth + 1 Default CLN" struktur]

["Digital Long" structure]

["Digital Long" struktur]

[Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]

[Underliggende Korgavkastning: [Basket Long Structure/Basket Struktur]]

["Digital Short" structure]

["Digital Short" struktur]

[Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]

[Underliggende Korgavkastning: [Basket Long Structure/Basket Short Struktur]]

["Worst of Digital Long" structure]

["Worst of Digital Long" struktur]

[Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]

[Underliggende Korgavkastning: [Basket Long Structure/Basket Short Struktur]]

["Worst of Digital Short" structure]

["Worst of Digital Short" struktur]

[Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]

[Underliggende Korgavkastning: [Basket Long Structure/Basket Short Struktur]]

["Series of Digitals" structure]

["Serier av Digitala" struktur]

["Delta 1" structure]

["Delta 1" struktur]

["TOM Cumulative Strategy"]

["TOM Ackumulerande struktur"]

[Inflation Linker 2]

[Inflation Linker 2]

|                          |                                              | ["Barrier Outperformance" Structure 2]                                                                                                                                                                                                                             |                       |                        |                          |                         |     |     |     |     |     |     |
|--------------------------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|--------------------------|-------------------------|-----|-----|-----|-----|-----|-----|
|                          |                                              | [Barrier Outperformance" Struktur 2]                                                                                                                                                                                                                               |                       |                        |                          |                         |     |     |     |     |     |     |
|                          |                                              | [Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]                                                                                                                                                                                         |                       |                        |                          |                         |     |     |     |     |     |     |
|                          |                                              | [Underliggande Korgavkastning: [Basket Long Structure/Basket Short Struktur]]                                                                                                                                                                                      |                       |                        |                          |                         |     |     |     |     |     |     |
|                          |                                              | ["Barrier Underperformance" Structure 2]                                                                                                                                                                                                                           |                       |                        |                          |                         |     |     |     |     |     |     |
|                          |                                              | [Barrier Underperformance" Struktur 2]                                                                                                                                                                                                                             |                       |                        |                          |                         |     |     |     |     |     |     |
|                          |                                              | [Underlying Basket Return: [Basket Long Structure/Basket Short Structure]]                                                                                                                                                                                         |                       |                        |                          |                         |     |     |     |     |     |     |
|                          |                                              | [Underliggande Korgavkastning: [Basket Long Structure/Basket Short Struktur]]                                                                                                                                                                                      |                       |                        |                          |                         |     |     |     |     |     |     |
| 24.                      | Combination of structures                    | [Applicable. The applicable performance structures are [•] and [•]/Not Applicable]                                                                                                                                                                                 |                       |                        |                          |                         |     |     |     |     |     |     |
|                          | Kombinationer av strukturer:                 | [Tillämpligt. Den tillämpliga strukturen för värdeutveckling är [•] och [•]/Inte Tillämpligt]                                                                                                                                                                      |                       |                        |                          |                         |     |     |     |     |     |     |
|                          |                                              | <table><tr><th>Performance Structure</th><th>Performance Percentage</th></tr><tr><th>Värdeutvecklingsstruktur</th><th>Värdeutveckling Procent</th></tr><tr><td>[•]</td><td>[•]</td></tr><tr><td>[•]</td><td>[•]</td></tr><tr><td>[•]</td><td>[•]</td></tr></table> | Performance Structure | Performance Percentage | Värdeutvecklingsstruktur | Värdeutveckling Procent | [•] | [•] | [•] | [•] | [•] | [•] |
| Performance Structure    | Performance Percentage                       |                                                                                                                                                                                                                                                                    |                       |                        |                          |                         |     |     |     |     |     |     |
| Värdeutvecklingsstruktur | Värdeutveckling Procent                      |                                                                                                                                                                                                                                                                    |                       |                        |                          |                         |     |     |     |     |     |     |
| [•]                      | [•]                                          |                                                                                                                                                                                                                                                                    |                       |                        |                          |                         |     |     |     |     |     |     |
| [•]                      | [•]                                          |                                                                                                                                                                                                                                                                    |                       |                        |                          |                         |     |     |     |     |     |     |
| [•]                      | [•]                                          |                                                                                                                                                                                                                                                                    |                       |                        |                          |                         |     |     |     |     |     |     |
| 25.                      | Best of/Worst of Modifier                    | [Applicable/Not Applicable]                                                                                                                                                                                                                                        |                       |                        |                          |                         |     |     |     |     |     |     |
|                          | Bäst av/Sämst av Modifierare:                | [Tillämpligt/Inte Tillämpligt]                                                                                                                                                                                                                                     |                       |                        |                          |                         |     |     |     |     |     |     |
| 26.                      | Performance structure-related items:         |                                                                                                                                                                                                                                                                    |                       |                        |                          |                         |     |     |     |     |     |     |
|                          | Värdeutvecklingsstruktur-relaterade punkter: |                                                                                                                                                                                                                                                                    |                       |                        |                          |                         |     |     |     |     |     |     |
|                          | (i) Participation Ratio:                     | [[•]/Not Applicable]                                                                                                                                                                                                                                               |                       |                        |                          |                         |     |     |     |     |     |     |
|                          | Deltagandegrad:                              | [[•]/Inte Tillämpligt]                                                                                                                                                                                                                                             |                       |                        |                          |                         |     |     |     |     |     |     |
|                          | (ii) Participation Ratio 2:                  | [[•]/Not Applicable]                                                                                                                                                                                                                                               |                       |                        |                          |                         |     |     |     |     |     |     |
|                          | Deltagandegrad 2:                            | [[•]/Inte Tillämpligt]                                                                                                                                                                                                                                             |                       |                        |                          |                         |     |     |     |     |     |     |
|                          | (iii) Basket Participation:                  |                                                                                                                                                                                                                                                                    |                       |                        |                          |                         |     |     |     |     |     |     |
|                          | Korgandel                                    |                                                                                                                                                                                                                                                                    |                       |                        |                          |                         |     |     |     |     |     |     |
|                          | • Fixed Basket Participation:                | [Applicable/Not Applicable]                                                                                                                                                                                                                                        |                       |                        |                          |                         |     |     |     |     |     |     |
|                          | • Fast Korgandel (Ränta):                    | [Tillämpligt/Inte Tillämpligt]                                                                                                                                                                                                                                     |                       |                        |                          |                         |     |     |     |     |     |     |

- Rainbow Basket Participation: [Applicable/Not Applicable]
- Regnbågskorgandel (Ränta): [Tillämpligt/Inte Tillämpligt]

**Ranking** (*Best performing first*)

**Ranking** (*Bäst värdeutveckling först*)

**Weighting**

**Viktning**

|   |      |
|---|------|
| 1 | [•]% |
| 2 | [•]% |
| 3 | [•]% |
| N | [•]% |

- Replacement Cliquet Basket Participation: [Applicable/Not Applicable]
- Korgandel Ersättningand Periodsumma (Ränta) [Tillämpligt/Inte Tillämpligt]
- Momentum Basket Participation: [Applicable/Not Applicable]
- Korgandel Momentum (Ränta) [Tillämpligt/Inte Tillämpligt]
- Accumulating Rainbow Basket Participation: [Applicable/Not Applicable]
- Ackumulerande Rainbow Basketandel (Ränta): [Tillämpligt/Inte Tillämpligt]

*(Further details of the Basket Participation are set out in Part B, item 7)*

*(Ytterligare detaljer om Korgandel anges i Del B, punkt 7.)*

- (iv) Initial Price: [•]/as set out in the Conditions
- Startkurs: [•]/i enlighet med Villkoren
- (v) Basket Strike Level: [[•]/Not Applicable]
- Korglösennivå: [[•]/Inte Tillämpligt]
- (vi) Initial Valuation Date(s): [[•]/Not Applicable]
- Startdag: [[•]/Inte Tillämpligt]

**Reference Asset**

**Initial Valuation Date(s)**

**Referenstillgång**

**Startdag(ar)**

[•]

[•]

|        |                               |                               |                          |
|--------|-------------------------------|-------------------------------|--------------------------|
|        |                               | [•]                           | [•]                      |
|        |                               | [•]                           | [•]                      |
| (vii)  | Valuation Date(s):            | [[•]/Not Applicable]          |                          |
|        | Värderingdag(ar):             | [[•]/Inte Tillämpligt]        |                          |
|        |                               | <b>Reference Asset</b>        | <b>Valuation Date(s)</b> |
|        |                               | <b>Referenstillgång</b>       | <b>Värderingsdag(ar)</b> |
|        |                               |                               |                          |
|        |                               | [•]                           | [•]                      |
|        |                               | [•]                           | [•]                      |
|        |                               | [•]                           | [•]                      |
| (viii) | Valuation Time:               | [[•]/Not Applicable]          |                          |
|        | Värderingstidpunkt:           | [[•]/Inte Tillämpligt]        |                          |
|        |                               | <b>Reference Asset</b>        | <b>Valuation Time</b>    |
|        |                               |                               |                          |
|        |                               | [•]                           | [•]                      |
|        |                               | [•]                           | [•]                      |
|        |                               | [•]                           | [•]                      |
| (ix)   | Basket Floor:                 | [Applicable/Not Applicable]   |                          |
|        | Korggolv:                     | [Tillämplig/Inte Tillämpligt] |                          |
| (x)    | Minimum Basket Return:        | [[•]/Not Applicable]          |                          |
|        | Lägsta Korgavkastning:        | [[•]/Inte Tillämpligt]        |                          |
| (xi)   | Maximum Basket Return:        | [[•]/Not Applicable]          |                          |
|        | Maximal Korgavkastning:       | [[•]/Inte Tillämpligt]        |                          |
| (xii)  | Maximum Redemption Amount:    | [[•]/Not Applicable]          |                          |
|        | Maximalt Återbetalningsbelopp | [[•]/Inte Tillämpligt]        |                          |
| (xiii) | Barrier Level:                | [[•]/Not Applicable]          |                          |
|        | Barriärnivå:                  | [[•]/Inte Tillämpligt]        |                          |
| (xiv)  | Observation Start Date:       | [[•]/Not Applicable]          |                          |
|        | Inledande Observationsdag     | [[•]/Inte Tillämpligt]        |                          |
| (xv)   | Observation End Date:         | [[•]/Not Applicable]          |                          |
|        | Slutlig Observationsdag       | [[•]/Inte Tillämpligt]        |                          |
| (xvi)  | FX Rate:                      | [[•]/Not Applicable]          |                          |
|        | Valutakurs:                   | [[•]/Inte Tillämpligt]        |                          |

|          |                                   |                               |
|----------|-----------------------------------|-------------------------------|
| (xvii)   | Replacement Factor:               | [[•]/Not Applicable]          |
|          | Ersättningsfaktor:                | [[•]/Inte Tillämpligt]        |
| (xviii)  | Maximum Performance:              | [[•]/Not Applicable]          |
|          | Maximal Avkastning:               | [[•]/Inte Tillämpligt]        |
| (xix)    | Lock-in Level(s):                 | [[•]/Not Applicable]          |
|          | Lock-in Nivå(er)                  | [[•]/Inte Tillämpligt]        |
| (xx)     | Global Cap:                       | [[•]/Not Applicable]          |
|          | Globalt Tak                       | [[•]/Inte Tillämpligt]        |
| (xxi)    | Global Floor:                     | [[•]/Not Applicable]          |
|          | Globalt Golv                      | [[•]/Inte Tillämpligt]        |
| (xxii)   | Initial Coupon:                   | [[•]/Not Applicable]          |
| (xxiii)  | Local Cap:                        | [[•]/Not Applicable]          |
|          | Lokalt Tak                        | [[•]/Inte Tillämpligt]        |
| (xxiv)   | Local Floor:                      | [[•]/Not Applicable]          |
|          | Lokalt Golv                       | [[•]/Inte Tillämpligt]        |
| (xxv)    | N:                                | [[•]/Not Applicable]          |
|          | N:                                | [[•]/Inte Tillämpligt]        |
| (xxvi)   | Fixed Periodic Basket Return(s):  | [[•]/Not Applicable]          |
|          | Fast Periodiserad Korgavkastning: | [[•]/Inte Tillämpligt]        |
| (xxvii)  | Fixed Reference Asset Return(s):  | [[•]/Not Applicable]          |
|          | Fast Referenstillgångsavkastning  | [[•]/Inte Tillämpligt]        |
| (xxviii) | Coupon Barrier Level(s):          | [[•]/Not Applicable]          |
|          | Kupong Barriärnivå(er):           | [[•]/Inte Tillämpligt]        |
| (xxix)   | Initial Basket Level:             | [[•]/Not Applicable]          |
|          | Korg Startvärde:                  | [[•]/Inte Tillämpligt]        |
| (xxx)    | K:                                | [[•]/Not Applicable]          |
|          | K:                                | [[•]/Inte Tillämpligt]        |
| (xxxi)   | I:                                | [[•]/Not Applicable]          |
|          | I:                                | [[•]/Inte Tillämpligt]        |
| (xxxii)  | Rebalancing Date:                 | [[•]/Not Applicable]          |
|          |                                   | [[•]/Inte Tillämpligt]        |
| (xxxiii) | Minimum Redemption:               | [Applicable/Not Applicable]   |
|          | Lägsta Återbetalning:             | [Tillämplig/Inte Tillämpligt] |

|           |                                  |                                                                                                                          |
|-----------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| •         | Minimum Redemption Percentage:   | [[•]/Not Applicable]                                                                                                     |
| •         | Lägsta Återbetalningsprocent     | [[•]/Inte Tillämpligt]                                                                                                   |
| (xxxiv)   | Inflation-Protected Principal:   | [Applicable/Not Applicable]                                                                                              |
|           | Inflationsskyddat Kapitalbelopp: | [Tillämplig/Inte Tillämpligt]                                                                                            |
| (xxxv)    | Scheduled Redemption Date:       | [[•]/Not Applicable]                                                                                                     |
|           | Planerad Återbetalningsdag:      | [[•]/Inte Tillämpligt]                                                                                                   |
| (xxxvi)   | Fee Amount:                      | [[•]/Not Applicable]                                                                                                     |
| (xxxvii)  | Back Stop Date:                  | [[•]/Not Applicable]                                                                                                     |
|           | Back-Stop Datum:                 | [[•]/Inte Tillämpligt]                                                                                                   |
| (xxxviii) | TOM Cumulative Strategy:         | [Applicable/Not Applicable]                                                                                              |
|           | TOM Ackumulerande struktur       | [Tillämplig/Inte Tillämpligt]                                                                                            |
| •         | Reference Rate:                  | [[•]/Not Applicable]                                                                                                     |
| •         | Referensränta:                   | [[•]/Inte Tillämpligt]                                                                                                   |
| •         | Day Count Fraction:              | [[Actual/Actual (ICMA/ISDA)] / [Actual/365 (Fixed)] / [Actual 365 (Sterling)] / [Actual/360] / [30/360] / [30E/360]]     |
| •         | Dagberäkningsperiod:             | [[Faktisk/Faktisk (ICMA/ISDA)] / [Faktisk/365 (Fast)] / [Faktisk 365 (Sterling)] / [Faktisk/360] / [30/360] / [30E/360]] |
| •         | TOM Period:                      |                                                                                                                          |
|           | TOM Period:                      |                                                                                                                          |

## 27. Provisions relating to FX Components

### Bestämmelser för Valutakomponenter

|     |                            |                                                                                                                     |
|-----|----------------------------|---------------------------------------------------------------------------------------------------------------------|
| (i) | FX Component - Basket:     | [Applicable/Not Applicable/Applicable if the Basket Return is positive/Applicable if the Basket Return is negative] |
|     | Valutakomponent Korg       | [Tillämplig/Inte Tillämplig/Tillämplig om Korgavkastningen är positive/Tillämplig om Korgavkastningen är negativ]   |
| •   | FX Rate:                   | [[•]/Not Applicable]                                                                                                |
| •   | Valutakurs:                | [[•]/Inte Tillämpligt]                                                                                              |
| •   | Initial FX Valuation Date: | [[•]/Not Applicable]                                                                                                |
| •   | Startdag Valuta:           | [[•]/Inte Tillämpligt]                                                                                              |

| <b>Reference Asset</b><br><b>Referenstillgång</b> | <b>Initial FX Valuation</b><br><b>Date(s)</b><br><b>StartdagValuta</b> |
|---------------------------------------------------|------------------------------------------------------------------------|
|---------------------------------------------------|------------------------------------------------------------------------|



|      |                                      |                                                                                                                     |                                                                                                             |
|------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
|      |                                      | [•]                                                                                                                 | [•]                                                                                                         |
|      |                                      | [•]                                                                                                                 | [•]                                                                                                         |
|      |                                      | [•]                                                                                                                 | [•]]                                                                                                        |
| •    | FX Valuation Date(s):                | [[•]/Not Applicable]                                                                                                |                                                                                                             |
| •    | Värderingsdag(ar)<br>Valuta          | [[•]/Inte Tillämpligt]                                                                                              |                                                                                                             |
|      |                                      | <b>Reference Asset<br/>Referenstillgång</b>                                                                         | <b>FX Valuation Date(s)<br/>Värderingsdag(ar)<br/>Valuta</b>                                                |
|      |                                      | [•]                                                                                                                 | [•]                                                                                                         |
|      |                                      | [•]                                                                                                                 | [•]                                                                                                         |
|      |                                      | [•]                                                                                                                 | [•]]                                                                                                        |
| (ii) | FX Component - Reference asset:      | [Applicable/Not Applicable if the Basket Return is positive/Applicable if the sum of the Basket Return is negative] |                                                                                                             |
|      | Valutakomponent<br>Referenstillgång: | -                                                                                                                   | [Tillämplig/Inte Tillämplig om Korgavkastning är positiv/Tillämplig om summan av Korgavkastning är negativ. |
| •    | FX Rate:                             | [[•]/Not Applicable]                                                                                                |                                                                                                             |
| •    | Valutakurs                           | [[•]/Inte Tillämpligt]                                                                                              |                                                                                                             |
| •    | Initial FX Valuation<br>Date:        | [[•]/Not Applicable]                                                                                                |                                                                                                             |
| •    | Startdag Valuta                      | [[•]/Inte Tillämpligt]                                                                                              |                                                                                                             |
|      |                                      | <b>Reference Asset<br/>Referenstillgångar</b>                                                                       | <b>Initial FX Valuation<br/>Date(s) Startdag<br/>Valuta</b>                                                 |
|      |                                      | [•]                                                                                                                 | [•]                                                                                                         |
|      |                                      | [•]                                                                                                                 | [•]                                                                                                         |
|      |                                      | [•]                                                                                                                 | [•]]                                                                                                        |
| •    | FX Valuation Date(s):                | [[•]/Not Applicable]                                                                                                |                                                                                                             |
| •    | Värderingsdag(ar)<br>Valuta:         | [[•]/Inte Tillämpligt]                                                                                              |                                                                                                             |
|      |                                      | <b>Reference Asset<br/>Referenstillgångar</b>                                                                       | <b>FX Valuation Date(s)<br/>Värderingsdag(ar)<br/>Valuta</b>                                                |
|      |                                      | [•]                                                                                                                 | [•]                                                                                                         |
|      |                                      | [•]                                                                                                                 | [•]                                                                                                         |
|      |                                      | [•]                                                                                                                 | [•]]                                                                                                        |

28. **Provisions relating to Inflation-Linked** [Applicable/Not Applicable]

**Performance:****Bestämmelser för Inflationslänkad Värdeutveckling** [Tillämplig/Inte Tillämpligt]

- |       |                                |                        |
|-------|--------------------------------|------------------------|
| (i)   | Inflation-Protected Principal: | [[•]/Not Applicable]   |
|       | Inflationsskyddat Kapital:     | [[•]/Inte Tillämpligt] |
| (ii)  | Inflation Rate:                | [[•]/Not Applicable]   |
|       | Inflationsnivå:                | [[•]/Inte Tillämpligt] |
| (iii) | Final CPI:                     | [[•]/Not Applicable]   |
|       | Slutlig KPI:                   | [[•]/Inte Tillämpligt] |

29. **Provisions relating to Credit Linked Notes:** [Applicable/Not Applicable]**Bestämmelser för Kreditlänkade Lån:** [Tillämplig/Inte Tillämpligt]

- |        |                                         |                                |
|--------|-----------------------------------------|--------------------------------|
| (i)    | Portfolio Exposure:                     | [[•]/Not Applicable]           |
|        | Portföljexponering:                     | [[•]/Inte Tillämpligt]         |
| (ii)   | Fixed Recovery Value:                   | [[•]/Not Applicable]           |
|        | Fast Återbetalningsbelopp               | [[•]/Inte Tillämpligt]         |
| (iii)  | Market Recovery Value:                  | [Applicable/Not Applicable]    |
|        | Marknadsåterbetalningsbelopp:           | [Tillämplig/Inte Tillämpligt]  |
| (iv)   | Tranche Attachment Point:               | [[•]/Not Applicable]           |
|        | Fästpunkt Tranch:                       | [[•]/Inte Tillämpligt]         |
| (v)    | Tranche Detachment Point:               | [[•]/Not Applicable]           |
|        | Avskiljningspunkt Tranch:               | [[•]/Inte Tillämpligt]         |
| (vi)   | Accelerated CLN Payment:                | [Applicable/Not Applicable]    |
|        | Accelererad CLN Betalning:              | [Tillämplig/Inte Tillämpligt]  |
| (vii)  | Possible Repudiation Moratorium Amount: | [Applicable/Not Applicable]    |
|        | Avstående/Moratorium – Belopp:          | [Tillämpligt/Inte Tillämpligt] |
| (viii) | Restructuring Amount:                   | [Applicable/Not Applicable]    |
|        | Omläggning av Skulder – Belopp:         | [Tillämpligt/Inte Tillämpligt] |
| (ix)   | Replacement Reference Company:          | [Applicable/Not Applicable]    |
|        | Ersättande Referensbolag                | [Tillämpligt/Inte Tillämpligt] |
| (x)    | Obligation Acceleration Amount:         | [Applicable/Not Applicable]    |
|        | Uppsägning av Åtagande – Belopp:        | [Tillämpligt/Inte Tillämpligt] |
| (xi)   | Failure to Pay Amount:                  | [Applicable/Not Applicable]    |

|        |                                                  |                                              |
|--------|--------------------------------------------------|----------------------------------------------|
|        | Utebliven Betalning – Belopp                     | [Tillämpligt/Inte Tillämpligt]               |
| (xii)  | Credit Events:                                   | [[•]/Not Applicable]                         |
|        | Kredithändelser:                                 | [[•]/Inte Tillämpligt]                       |
| (xiii) | Target Redemption Amount                         | [[•]/Not Applicable]                         |
|        | Eftersträvat Återbetalningsbelopp:               | [[•]/Inte Tillämpligt]                       |
| 30.    | <b>Provisions relating to Fund Linked Notes:</b> | [Applicable/Not Applicable]                  |
|        | <b>Bestämmelser för Fondlänkade Lån</b>          | [Tillämpligt/Inte Tillämpligt]               |
| (i)    | Fund:                                            | [[•]/Not Applicable]                         |
|        | Fond                                             | [[•]/Inte Tillämpligt]                       |
| (ii)   | Fund Manager:                                    | [[•]/Not Applicable]                         |
|        | Fondförvaltare                                   | [[•]/Inte Tillämpligt]                       |
| (iii)  | Back Stop Date:                                  | [[•]/Not Applicable]                         |
|        | Back-Stop Datum:                                 | [[•]/Inte Tillämpligt]                       |
| 31.    | Instalment Redemption                            | [Applicable/Not Applicable]                  |
|        | Avbetalning:                                     | [Tillämpligt/Inte Tillämpligt]               |
| (i)    | Instalment Amount:                               | [[•] per Calculation Amount/Not Applicable]  |
| (i)    | Avbetalningsbelopp:                              | [[•] per Beräkningsbelopp/ Inte Tillämpligt] |
| (ii)   | Instalment Date(s):                              | [[•]/Not Applicable]                         |
| (ii)   | Avbetalningsdatum:                               | [[•]/Inte Tillämpligt]                       |
| 32.    | Call Option                                      | [Applicable/Not Applicable]                  |
|        | Call Option                                      | [Tillämpligt/Inte Tillämpligt]               |
| (i)    | Early Redemption Date(s):                        |                                              |
| (i)    | Förtida Återbetalningsdatum:                     |                                              |
| (ii)   | Early Redemption Amount(s) of each Note:         | [•] per Calculation Amount                   |
| (ii)   | Förtida Återbetalningsbelopp per Lån:            | [•] per Beräkningsbelopp                     |
| 33.    | Put Option                                       | [Applicable/Not Applicable]                  |
|        | Put Option                                       | [Tillämpligt/Inte Tillämpligt]               |
| (i)    | Early Redemption Date(s):                        | [•]                                          |
| (i)    | Förtida Återbetalningsdatum:                     | [•]                                          |
| (ii)   | Early Redemption Amount(s) of each Note:         | [•] per Calculation Amount                   |
| (ii)   | Förtida Återbetalningsbelopp per                 | [•] per Beräkningsbelopp                     |

Lån:

34. Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons: [•] per Calculation Amount
- Förtida Återbetalningsbelopp per Beräkningsbelopp  
Beräkningsbelopp att betalas vid  
återbetalning av skatteskäl: [•] per Beräkningsbelopp
35. Early Redemption Date(s) of Notes with "Best of/Worst of Autocallable" performance structure: [[•]/Not Applicable]
- Förtida Återbetalningsdatum för Lån med "Sämst av Autoinlösen" värdeutvecklingsstruktur: [[•]/Inte Tillämpligt]
- (i) Call Barrier Level [[•]/Not Applicable]
- (i) Inlösenbarriärnivå [[•]/Inte Tillämpligt]
36. Early Redemption Date(s) of Notes with "Autocallable" performance structure: [[•]/Not Applicable]
- Förtida Återbetalningsdatum för Lån med "Autoinlösen" värdeutvecklingsstruktur: [[•]/Inte Tillämpligt]
- (i) Call Barrier Level [[•]/Not Applicable]
- (i) Inlösenbarriärnivå [[•]/Inte Tillämpligt]
- Förtida Återbetalningsdatum för Lån med "Bäst av Autoinlösen" värdeutvecklingsstruktur: [[•]/Inte Tillämpligt]
37. Payment of Unwind Amount on Early Redemption: [Applicable/Not Applicable]
- Betalning av Korrigeringsbelopp vid Förtida Återbetalning: [[•]/Inte Tillämpligt]

**PROVISIONS APPLICABLE TO DISRUPTION, ADJUSTMENTS AND OTHER EXTRAORDINARY EVENTS**

**BESTÄMMELSER TILLÄMPLIGA FÖR AVBROTT, JUSTERINGAR OCH ANDRA EXTRAORDINÄRA HÄNDELSER**

38. Change in Law: [Applicable/Not Applicable]
- Ändring av Lag: [Tillämplig/Inte Tillämpligt]
39. Increased Costs of Hedging: [Applicable/Not Applicable]
- Ökade Riskhanteringskostnader: [Tillämplig/Inte Tillämpligt]
40. Hedging Disruption: [Applicable/Not Applicable]
- Störning av Riskhantering: [Tillämplig/Inte Tillämpligt]
41. Market Disruption: [Applicable/Not Applicable]

|     |                                       |                               |
|-----|---------------------------------------|-------------------------------|
|     | Marknadsavbrott:                      | [Tillämplig/Inte Tillämpligt] |
|     | (i) Exchange Business Day Convention: | [•]                           |
|     | (i) Utbytesbankdagskonvention:        | [•]                           |
| 42. | Market Disruption Commodity:          | [Applicable/Not Applicable]   |
|     | Marknadsavbrott Råvaror:              | [Tillämplig/Inte Tillämpligt] |
|     | (i) Exchange Business Day Convention: | [•]                           |
|     | (i) Utbytesbankdagskonvention:        | [•]                           |
| 43. | Disruption Currency:                  | [Applicable/Not Applicable]   |
|     | Valutastörning:                       | [Tillämplig/Inte Tillämpligt] |
| 44. | Calculation Adjustment:               | [Applicable/Not Applicable]   |
|     | Beräkningsjustering:                  | [Tillämplig/Inte Tillämpligt] |
| 45. | Corrections:                          | [Applicable/Not Applicable]   |
|     | Korrigerig:                           | [Tillämplig/Inte Tillämpligt] |
| 46. | Correction Commodity:                 | [Applicable/Not Applicable]   |
|     | Korrigerig Råvaror:                   | [Tillämplig/Inte Tillämpligt] |
| 47. | Correction Currency:                  | [Applicable/Not Applicable]   |
|     | Korrigerig Valuta:                    | [Tillämplig/Inte Tillämpligt] |
| 48. | Extraordinary Events:                 | [Applicable/Not Applicable]   |
|     | Extraordinära Händelser:              | [Tillämplig/Inte Tillämpligt] |
| 49. | Relevant Exchange:                    | [[•]/Not Applicable]          |
|     | Relevant Börs:                        | [[•]/Inte Tillämpligt]        |
| 50. | Scheduled Trading Day:                | [[•]/Not Applicable]          |
|     | Planerad Handelsdag:                  | [[•]/Inte Tillämpligt]        |

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

### GENERELLA BESTÄMMELSER TILLÄMPLIGA FÖR LÅNEN

|     |                |                                                                                                                                                                                 |
|-----|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 51. | Form of Notes: | [Bearer Notes:]                                                                                                                                                                 |
|     | Typ av Lån:    | [Innehavarlån:]                                                                                                                                                                 |
|     |                | [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] |
|     |                | [Temporärt Globalt Lån utbytbart mot ett Permanent Globalt Lån vilket är utbytbart mot Definitiva Lån vid de begränsade omständigheter]                                         |

som anges i Permanent Globalt Lån]

[Temporary Global Note exchangeable for Definitive Notes]

[Temporärt Globalt Lån utbytbart mot Definitiva Lån]

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

[Temporärt Globalt Lån utbytbart mot Definitiva Lån vid de begränsade omständigheter som anges i Permanent Globalt Lån]

[Registered Notes:]

[Registrerade Lån:]

Global Registered Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is held under the New Safekeeping Structure)]

Globalt Registrerat Lån registrerat i förvaltares namn för [en "common depositary" för Euroclear och Clearstream, Luxembourg/en "common safekeeper" för Euroclear och Clearstream, Luxembourg (som hålls under den Nya Förvaringsstrukturen)]

[VP Notes]

[VP Lån]

[The Notes are VP Notes in uncertificated and dematerialised book entry form]

[Lånen är VP Lån i dematerialiserad och kontoförd form]

[VPS Notes]:

[VP Lån]

[The Notes are VPS Notes in uncertificated and dematerialised book entry form]

[Lånen är VPS Lån i dematerialiserad och kontoförd form]

[Swedish Notes]

[Svenska Lån]

[The Notes are Swedish Notes in uncertificated and dematerialised book entry form]

[Lånen är Svenska Lån i dematerialiserad och kontoförd form]

- |     |                                                                                                                                    |
|-----|------------------------------------------------------------------------------------------------------------------------------------|
|     | [Finnish Notes]                                                                                                                    |
|     | [Finska Lån]                                                                                                                       |
|     | [The Notes are Finnish Notes in uncertificated and dematerialised book entry form]                                                 |
|     | [Lånen är Finska Lån i dematerialiserad och kontoförd form]                                                                        |
| 52. | New Global Note: [Yes] [No]                                                                                                        |
|     | Nytt Globalt Lån: [Ja] [Nej]                                                                                                       |
| 53. | Additional Financial Centre(s) or other special provisions relating to payment dates: [[•]/Not Applicable]                         |
| 54. | Calculation Agent: [[•]/Not Applicable]                                                                                            |
|     | Beräkningsagent: [[•]/Inte Tillämplig]                                                                                             |
| 55. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No.]        |
|     | Talonger för framtida Kuponger eller Kvitton som ska fästas vid Definitiva Lån (och datum då sådana Talonger förfaller): [Ja/Nej.] |
| 56. | Governing Law: [English Law/<br>Finnish Law/<br>Swedish Law/<br>Norwegian Law/<br>Danish Law]                                      |
|     | Gällande Lag: [Engelsk Lag/<br>Finsk Lag/<br>Svensk Lag/<br>Norsk Lag/<br>Dansk Lag]                                               |

## **[PURPOSE OF FINAL TERMS]**

### **[SYFTE MED SLUTLIGA VILLKOR]**

These Final Terms comprise the final terms required for the issue [and admission to trading on the regulated market of the Irish Stock Exchange of the Notes described herein pursuant to the €10,000,000,000 Structured Note Programme of Nordea Bank AB (publ) and Nordea Bank Finland Plc.]

Dessa Slutliga Villkor omfattar de slutliga villkor som erfordras för utgivandet [och upptagande till handel på den reglerade marknaden vid Irish Stock Exchange av Lånen som beskrivs här enligt det €10 000 000 000 Strukturerade Lån Programmet med Nordea Bank AB (publ) och Nordea Bank Finland Plc. som emittent]

## **RESPONSIBILITY**

### **ANSVAR**

The Issuer accepts responsibility for the information contained in these Final Terms. [*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Emittenten åtar sig ansvar för den informationen som innefattas i dessa Slutliga Villkor. [*Relevant information från tredje man*] har hämtats från [*specificera källa*]. Emittenten bekräftar att sådan information har återgivits korrekt och att, såvitt Emittenten känner till, och har möjlighet att bekräfta genom information som publicerats av [*specificera källa*], inga fakta har utelämnats som skulle innebära att den återgivna informationen är felaktig eller misvisande.

Signed on behalf of [Nordea Bank AB (publ)/Nordea Bank Finland Plc]:

Undertecknas för [Nordea Bank AB (publ)/Nordea Bank Finland Plc]:

By: .....  
Duly authorised



## PART B – OTHER INFORMATION

### DEL B – ÖVRIG INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the official list and to trading on the Irish Stock Exchange with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to the official list and to trading on the Irish Stock Exchange with effect from [•].] [Not Applicable.]

**LISTNING OCH UPPTAGANDE TILL HANDEL**

[Ansökan har gjorts av Emittenten (eller på dennes vägnar) för att Lånen ska listas på den officiella listan vid Irish Stock Exchange samt handlas från och med [•].] [Ansökan förväntas ges in av Emittenten (eller på dennes vägnar) för att Lånen ska listas på den officiella listan vid Irish Stock Exchange samt handlas från och med [•].] [Inte Tillämpligt].
2. **RATINGS**

The Notes to be issued have not been rated:

**BETYG**

Lånen som ska emitteras har inte erhållit något kreditbetyg.
3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

**INTRESSEN FRÅN FYSISKA OCH JURIDISKA PERSONER SOM ÄR INVOLVERADE I EMISSIONEN/ERBJUDANDET**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer." *(Amend as appropriate if there are other interests)*

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

Inkludera beskrivning av alla intressen, inklusive intressekonflikter, vilka är av materiell betydelse för emissionen/erbjudandet, som beskriver de personer som är involverade och vilken typ av intresse det rör sig om.

"Utöver beskrivningen i ["Teckning och Försäljning"], har, såvitt Emittenten känner till, ingen person som är involverad i erbjudandet av Lånen något väsentligt intresse i erbjudandet." *(Ändras om det finns andra intressen)*

*[(När någon annan beskrivning läggs till, ska det övervägas om sådana beskrivningar utgör sådana "nya omständigheter" som aktualiserar behovet av ett tillägg till Prospektet under Artikel 16 i Prospektdirektivet.)]*
4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

**SKÄL FÖR ERBJUDANDET, BERÄKNADE NETTOLIKVID OCH TOTALA KOSTNADER**

- [(i) Reasons for the offer [•]
- [(i) Skäl för erbjudandet: [•]
- [(ii)] Estimated net proceeds: [•]
- [(ii)] Beräknad nettolikvid: [•]
- [(iii)] Estimated total expenses in relation to admission to trading: [•]
- [(iii)] Beräknade totala kostnader: [•]

5. **[Fixed Rate Notes only – YIELD**

**[Lån med Fast Ränta enbart - AVKASTNING**

Indication of yield: [•]

Indikation om avkastning: [•]

6. **[Floating Rate Notes only - HISTORIC INTEREST RATES**

**[Lån med Rörlig Ränta enbart – HISTORISKA RÄNTENIVÅER**

Details of historic [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR] rates can be obtained from [Reuters].]

Uppgifter om historiska nivåer avseende [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR] kan erhållas från [Reuters].]

7. **[Index-linked or other variable-linked notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

**Index-länkade eller andra variabel-länkade lån endast – VÄRDEUTVECKLING FÖR INDEX/FORMULA/ANDRA VARIABLER, FÖRKLARING AV EFFEKTEN PÅ VÄRDET AV INVESTERINGEN OCH ASSOCIERADE RISKER OCH ANNAN INFORMATION OM DET UNDERLIGGANDE**

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.<sup>23]</sup>

Uppgifter om när tidigare och framtida värdeutveckling och volatilitet av index/formula/andra variabler kan erhållas.<sup>24]</sup>

| Reference Asset(s)<br>Referenstillgång(ar) | Basket Participation<br>Korgandel | Stock Exchange and Options or Futures Exchange<br>Aktiebörs och Options- eller Terminsbörs | Initial Price<br>Startkurs                                                                                                                         | Strike Level<br>Lösenprnivå | Source for past and future performance data<br>Källa för historisk och framtida prestationsdata |
|--------------------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------|
| [•]                                        | [•]                               | [•]                                                                                        | [•]/ [As determined in accordance with the Conditions set out in the Base Prospectus]<br>[•]/ [Bestämd i enlighet med villkoren i Grundprospektet] | [•]                         | [•]                                                                                             |

| Reference Entity(ies) (Interest)/ Reference Entity(ies)/Reference Entity(ies) (Index)<br>Referensenhet(er) (Ränta)/Referensenhet(er)/Referensenhet(er) (Index) | Basket Participation (Interest)/ Basket Participation<br>Korgandel (Ränta)/Korgandel | Observation Start Date<br>Startdatum för Observation | Observation End Date<br>Slutdatum för Observation | Source for past and future performance data<br>Källa för historiska och framtida prestationsdata |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------------------------------|
| [•]                                                                                                                                                            | [•]                                                                                  | [•]                                                  | [•]                                               | [•]                                                                                              |

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]<sup>25</sup>.

Emittenten [avser att tillhandahålla information efter emissionen [specificera vilket information som kommer rapporteras och var den går att ta del av]] [avser inte att tillhandahålla någon information efter emissionen.]

## 8. OPERATIONAL INFORMATION

### OPERATIONELL INFORMATION

ISIN Code: [•]

ISIN Kod: [•]

<sup>23</sup> Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

<sup>24</sup> Erfordras för derivatvärdepapper till vilka Annex XII till Prospektdirektivsförordningen är tillämpligt.

<sup>25</sup> Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

Common Code: [•]

Börskod: [•]

[Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]

[Avsedd att hållas på ett sätt som skulle möjliggöra Eurosystem-tillgänglighet] [Ja] [Nej]

[Note that the designation "yes" means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,]<sup>26</sup> and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]<sup>27</sup>

[Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common Safekeeper]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[Notera att valet "ja" innebär att Lånen är avsedda att från utgivandet förvaras vid någon ICSD som "common safekeeper" [och förvaltarregistrerade vid den ICSD som är "common safekeeper"],]<sup>28</sup> och innebär inte nödvändigtvis att Lånen kommer erkännas som användbara säkerheter för Eurosystems monetära policy och intradags kredithantering av Eurosystem, varken vid utgivandet eller vid var annan tid under deras livstid. Sådant erkännande kommer vara avhängigt uppfyllandet av Eurosystems användbarhetskriterier.]<sup>29</sup>

[Även om valet "nej" har gjorts vid datumet för dessa Slutliga Villkor, kan Lånen förvaras hos en ICSD som "common safekeeper" [och

<sup>26</sup> Insert this text for registered notes.

<sup>27</sup> Include this text if "yes" is selected, in which case bearer notes must be issued in NGN form.

<sup>28</sup> Inkludera denna text för registrerade lån.

<sup>29</sup> Inkludera denna text om "ja" är angivet, i vilket fall innehavarlånen ska vara emitterade i NGN-form.

förvaltarregistreras av den ICSD som är "common safekeeper"], om Eurosystems kriterier för tillgänglighet ändrats framöver på ett sådant sätt att Lånen uppfyller dem. Notera att detta inte nödvändigtvis innebär att Lånen då kommer erkännas som användbara säkerheter för Eurosystems monetära policy och intradags kredithantering av Eurosystem vid någon tid under deras livstid. Sådant erkännande kommer vara avhängigt att ECB är tillfredsställda med Eurosystems användbarhetskriterier.]

## 9. DISTRIBUTION

### DISTRIBUTION

- |       |                                                                      |                              |
|-------|----------------------------------------------------------------------|------------------------------|
| (i)   | Method of distribution:                                              | [Syndicated/Non-syndicated]  |
| (i)   | Distributionsmetod:                                                  | [Syndikerat/Icke-Syndikerat] |
| (ii)  | If syndicated:                                                       | [Not Applicable]             |
| (ii)  | Om syndikerat:                                                       | [Inte Tillämpligt]           |
| (a)   | Names and addresses of Managers and underwriting commitments:        | [•]                          |
| (a)   | Namn och adresser till Managers och åtaganden avseende underwriting: | [•]                          |
| (b)   | Date of subscription agreement:                                      | [•]                          |
| (b)   | Datum för teckningsavtal:                                            | [•]                          |
| (c)   | Stabilising Manager(s) (if any):                                     | [Not Applicable/[•]]         |
| (c)   | Stabiliserande Manager(s) (om några):                                | [Inte Tillämpligt/[•]]       |
| (iii) | If non-syndicated, name and address of Dealer:                       | [Not Applicable]             |
| (iii) | Om icke-syndikerat, namn och adress till Försäljare:                 | [Not Applicable]             |
| (a)   | Name and address of Dealer:                                          | [•]                          |
| (a)   | Namn och adress till Försäljare:                                     | [•]                          |
| (b)   | Date of subscription agreement:                                      | [•]                          |
| (b)   | Datum för avtal om                                                   | [•]                          |

tecknande:

(i) U.S. Selling Restrictions: [TEFRA C/TEFRA D]

(i) Försäljningsrestriktioner [TEFRA C/TEFRA D]  
USA:

10. **TERMS AND CONDITIONS**

**VILLKOR**

Offer Price: [•]

Pris för Erbjudandet: [•]

Conditions to which the offer is subject: [Not Applicable/[•]]

[The Issuer reserves its rights to cancel the offer under the following circumstances;

(a) if the aggregate principal amount of Notes subscribed on or before [*insert date*] is less than [*insert amount*];

(b) if the [*insert relevant variable*] cannot be set at [*relevant value corresponding to the indicated minimum value*]; or

(c) if any event of an economic, financial or political nature occurs and which may jeopardise a successful offer, as determined by the Issuer].

[The Issuer may also replace any Reference Asset listed in the table(s) above at any time on or prior to [*insert date*] with a comparable type of underlying Reference Asset].

Villkor för erbjudandet: [Inte Tillämpligt/[•]]

[Emittenten förbehåller sig rätten att dra tillbaka erbjudandet under följande omständigheter;

(a) om det sammanlagda beloppet av Lån som tecknats på eller före [*ange datum*] är mindre än [*ange belopp*];

(b) om [*ange relevant variabel*] inte kan anges till [*relevant värde som korresponderar till det indikerade lägsta värdet*]; eller

(c) om någon händelse av ekonomisk, finansiell eller politisk natur inträffar och som kan äventyra ett framgångsrikt erbjudande, enligt Emittentens bedömning].

[Emittenten kan också ersätta varje Referenstillgång som listas i tabellerna ovan vid var tid på eller före [*ange datum*] med en jämförbar typ av underliggande Referenstillgång.

Description of the application process: [Not Applicable/[•]]

|                                                                                                                                             |                                |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Beskrivning av ansökningsprocessen:                                                                                                         | [Inte Tillämpligt/[•]]         |
| Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:                               | [Not Applicable/[•]]           |
| Beskrivning av möjligheten att reducera antalet teckningar och metod för att återbetala överstigande belopp som har betalats av kandidater. | [Inte Tillämpligt/[•]]         |
| Details of the minimum and/or maximum amount of application:                                                                                | [Not Applicable/[•]]           |
| Uppgifter om det minsta och/eller högsta antalet ansökningar:                                                                               | [Inte Tillämpligt/[•]]         |
| Details of the method and time limits for paying up and delivering the Notes:                                                               | [Not Applicable/[•]]           |
| Uppgifter om metoden och tidsbegränsningar för att betala och leverera Lånen:                                                               | [Inte Tillämpligt/[•]]         |
| Manner in and date on which results of the offer are to be made public:                                                                     | [Not Applicable/[•]]           |
| Metod för och datum när resultat av erbjudandet kommer offentliggöras till allmänheten:                                                     | [Inte Tillämpligt/[•]]         |
| Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:           | [Not Applicable/[•]]           |
| Kategorier av potentiella investerare till vilka Lånen erbjuds och huruvida trancher har reserverats för särskilda länder:                  | [Inte Tillämpligt/[•]]         |
| Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:     | [Not Applicable/[•]]           |
| Process för att underrätta kandidater om det tilldelade belopp och om handel kan komma att påbörjas före det att underrättelse har skett:   | [Inte Tillämpligt/[•]]         |
| Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.            | [None/[•]]<br>[Address: [[•]]] |
| Namn och adress(er), i den utsträckning som Emittenten känner till, till platser i de olika länder där erbjudanden tar plats.               | [Inget/[•]]<br>[Adress: [[•]]] |

11. **[Swiss Franc Notes only - DOCUMENTS AVAILABLE**

**[Lån i Schweiziska Franc enbart – DOKUMENT TILLGÄNGLIGA]**

Copies of the Final Terms and the Base Prospectus are available [at UBS AG, Prospectus Library, P.O. Box, CH-8098 Zürich, Switzerland (tel: +41 44 239 47 03, fax: +41 44 239 21 11 or email: [swiss-prospectus@ubs.com](mailto:swiss-prospectus@ubs.com)) / from the offices of Credit Suisse AG at Uetlibergstrasse 231, 8070 Zürich, Switzerland].]

Kopior av de Slutliga Villkoren och Grundprospektet finns tillgängligt [vid UBS AG, Prospectus Library, P.O. Box, CH-8098 Zürich, Schweiz (tel: +41 44 239 47 03, fax: +41 44 239 21 11 eller epost: [swiss-prospectus@ubs.com](mailto:swiss-prospectus@ubs.com)) / från Credit Suisse AG kontor vid Uetlibergstrasse 231, 8070 Zürich, Schweiz].]

12. **[Swiss Franc Notes only - REPRESENTATIVE]**

**[Lån i Schweiziska Franc enbart – REPRESENTANT]**

In accordance with Article 43 of the Listing Rules of the SIX Swiss Exchange, [•] has been appointed by the Issuer as representative to lodge the listing application with the Admission Board of the SIX Swiss Exchange.]

I enlighet med Artikel 43 i Reglerna för Listning från SIX Swiss Exchange, har [•] utsetts av Emittenten som representant att genomföra ansökningen om att listning vid Admission Board of the SIX Swiss Exchange.]

13. **[Swiss Franc Notes only - NO MATERIAL ADVERSE CHANGE / MATERIAL CHANGES SINCE THE MOST RECENT ANNUAL FINANCIAL STATEMENTS]**

**[Lån i Schweiziska Franc enbart – INGEN VÄSENTLIG NEGATIV FÖRÄNDRING / VÄSENTLIGA FÖRÄNDRINGAR SEDAN DEN SENASTE ÅRSREDOVISNINGEN]**

Except as disclosed in the Base Prospectus, there has been no material adverse change in the financial condition or operations of the Issuer since [31 December 2012], which would materially affect its ability to carry out its obligations under the Notes.]

Förutom såsom redogjorts för i Grundprospektet, har det inte skett någon väsentlig negativ förändring i Emittentens ekonomiska situation eller verksamhet sedan [31 December 2012], som väsentligen kan påverka dess möjligheter att uppfylla sina förpliktelser under Lånen.]



## DESCRIPTION OF THE ISSUERS

### Overview

The Nordea Group (NBAB and its subsidiaries, the "**Nordea Group**" or the "**Group**") is the largest financial services group in the Nordic markets (Denmark, Finland, Norway and Sweden) measured by total income, (based on research by Nordea Markets (Nordea Bank Finland plc)) with additional operations in Poland, Russia, the Baltic countries and Luxembourg, as well as branches in a number of other international locations.

The Nordea Group's parent company, NBAB, is a public 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 at 31 December 2012, the Nordea Group's assets totalled EUR 677 billion and Tier 1 capital EUR 24.0 billion. As of the same date, the Nordea Group had approximately 11 million customers across the markets in which it operates, of which approximately 9.0 million are household customers in customer programmes and 0.6 million are active corporate customers.

As of 31 December 2012, the Nordea Group had approximately 1,000 branch office locations of which more than 210 were located in Russia, Poland, Lithuania, Latvia and Estonia. 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 2012, had approximately 6.9 million users of such services.

In addition, the Nordea Group acts as an asset manager within the Nordic region with EUR 218 billion in assets under management as per 31 December 2012. The Nordea Group also provides life insurance products.

### The Formation of the Nordea Group

The Nordea Group was created through international mergers among 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 Plc (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**").

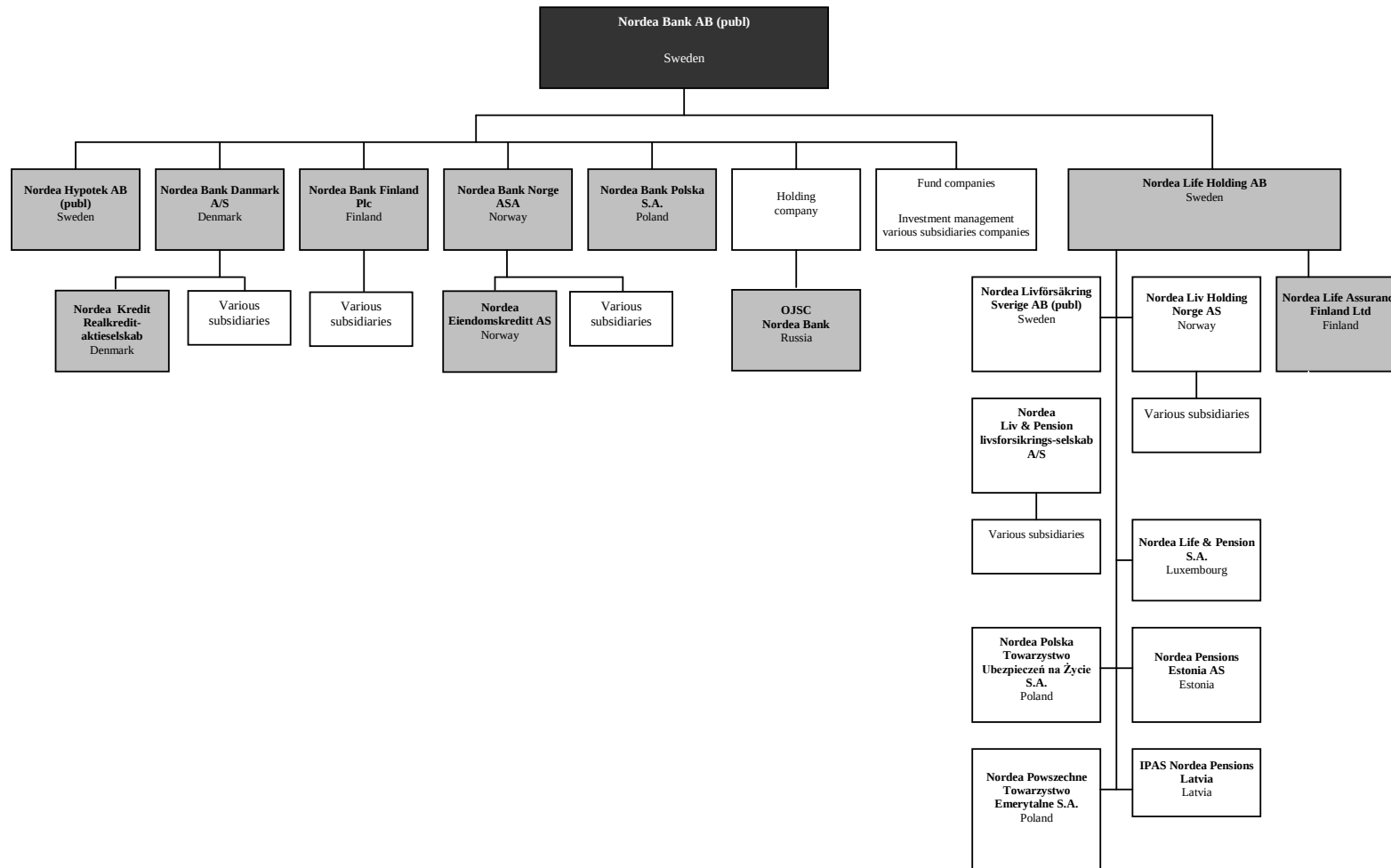
After the Group's parent company had adopted the name Nordea AB (publ) at the end of 2000, the name "Nordea" was gradually introduced within the Group and, by December 2001, the banks and branch offices within the Group had adopted the name Nordea.

### Legal Structure

To improve operating capacity, reduce risk exposure and enhance capital efficiency, Nordea's Board of Directors initiated a change in the Group's legal structure in June 2003. The internal restructuring commenced in 2003 when NBAB, the parent company of the Nordea Group, 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. Following these transactions, NBAB was established as a bank and its name was changed to Nordea Bank AB (publ). Thereafter, Nordea Bank Sverige merged with Nordea Bank. The merger was registered with the Swedish Patent and Registration Office (currently the Swedish Companies Registration Office) on 1 March 2004.

The Nordea Group aims at continuous simplification of its legal structure and the aim is that NBAB will be converted into a European company, a "Societas Europaea". The conversion is conditional on, among other things, NBAB obtaining necessary approvals from the relevant authorities. As all regulatory responses to the financial crisis and the "New Normal" are yet to be evaluated, the Nordea Group is following up and analysing the changes in process which are not expected to be finalised during 2013.

The following chart sets forth the general legal structure of the Nordea Group, including its material subsidiaries, as of 31 December 2012.



The Nordea Group's banking business in the Baltic countries is operated as branches of Nordea Bank Finland. For additional information on the legal structure of the Nordea Group, see "Note P21" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2012 set out in Annex 1 to this Base Prospectus.

## **The Nordea Group's Organisation**

### **Overview**

The Nordea Group's organisational structure, which was implemented in June 2011, is built around three main business areas: Retail Banking, Wholesale Banking and Wealth Management. In addition to the business areas, the Nordea Group's organisation includes the business unit Group Operations and Other Lines of Business. Group Corporate Centre and Group Risk Management which are the other central parts of the Nordea Group's organisation. The Nordea Group's financial reporting structure has been based on the new organisational structure from and including the third quarter of 2011.

In the Nordea Group's organisation, all parts of the value chains – customer responsibility, support, products, staff and IT development – have been incorporated into the three main business areas with the objective to improve efficiency, increase return on equity and deepen customer relationships. By organising the business areas around value chains, the Nordea Group believes that the responsibilities for creating efficiencies will be clearer and that it will be able to respond to new regulatory and investor demands in a more agile manner. The purpose of the organisational structure is also to enable all people within the Nordea Group to work even closer to customers, including understanding and delivering on their needs and preferences. Segmentation of customers and differentiating both the value proposition and resource allocation according to customer needs are at the core of the Nordea Group's customer strategy in the new organisation.

Of the Nordea Group's business areas, Retail Banking is responsible for customer relations with household customers as well as large, medium-sized and small corporate customers in the Nordic and Baltic Sea markets. Retail Banking is responsible for segmentation (customer groups) as well as value propositions (customer programmes), cross-border customer strategies and sales processes. The Retail Banking business is operated through Banking Denmark, Banking Finland, Banking Norway, Banking Sweden and Banking Poland and Banking Baltic countries.

The Wholesale Banking business area further builds on the Nordea Group's customer-centric relationship banking approach and aims to ensure that all service and product competences of the Nordea Group reach its large corporate customers. The Wholesale Banking business area includes the business units Corporate & Institutional Banking, Shipping, Offshore & Oil Services, Banking Russia, Nordea Markets, Transaction Products and International Units.

Wealth Management includes the business units Private Banking (Nordic and International), Asset Management and Life & Pensions. The Private Banking business is operated through an integrated model with Retail Banking.

The business unit Group Operations operates the Nordea Group's common development and services, including IT, Processes, Services, and Premises and Property.

Group Corporate Centre and Group Risk Management are group functions that continue to operate in the same structure as they did in the Nordea Group's previous operating model.

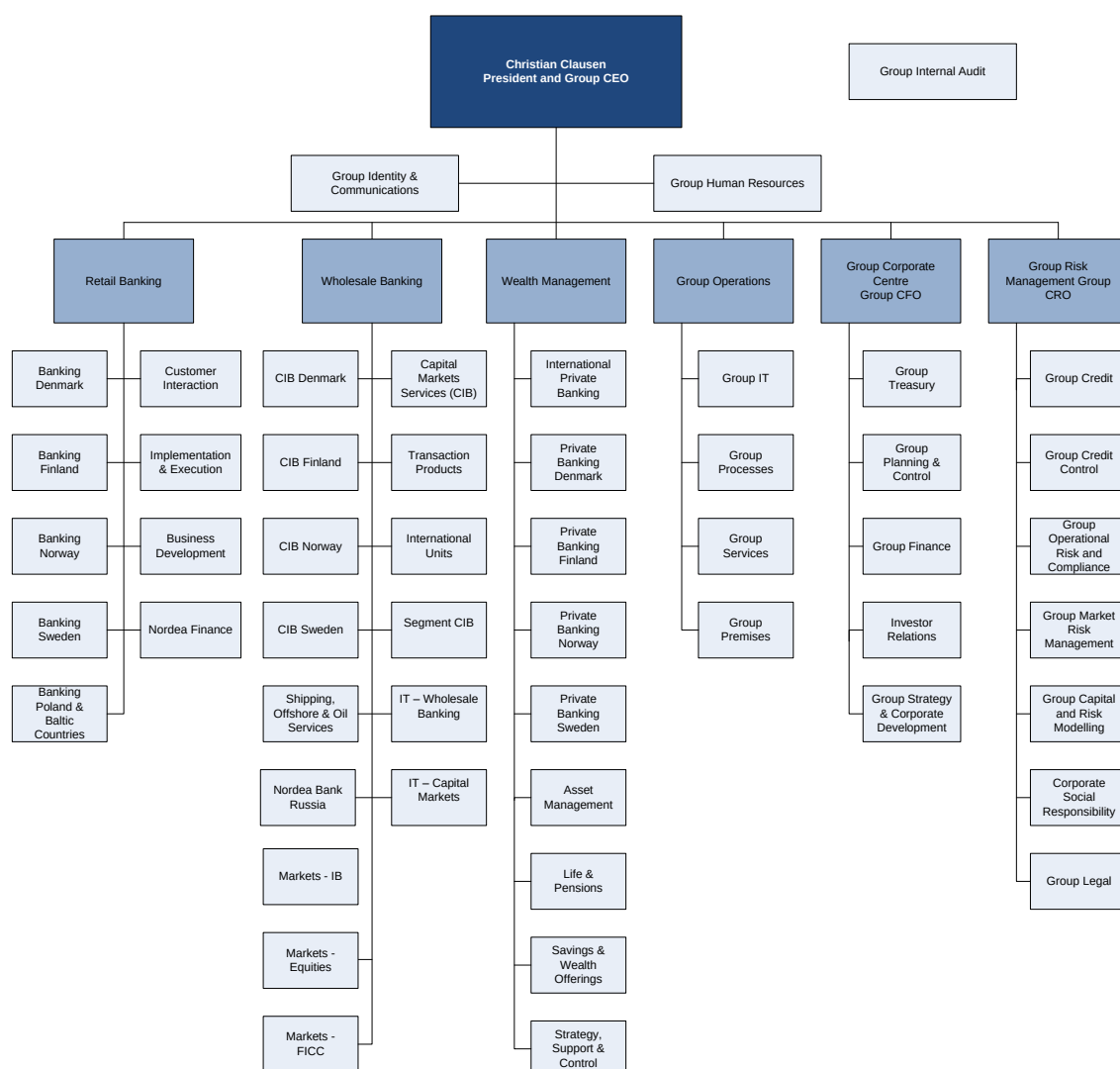
### **Business Areas**

At the core of the Nordea Group's strategy is segmentation of customers and differentiating both value proposition and resource allocation according to customer needs. The Nordea Group's customer activities are organised around two major customer groups: household customers and corporate customers. With both its household customers and corporate customers, the Nordea Group seeks to build long-term banking relationships and to become a lifetime financial partner by gaining an understanding of the customers' specific product and service needs and by offering products and advice tailored to meet those requirements.

To serve its household customers and corporate customers, the Nordea Group has divided its operations into three main business areas (Retail Banking, Wholesale Banking and Wealth Management) and the

business unit Group Operations and Other Lines of Business. The business areas each comprise a number of business units which operate as separate profit units.

The following chart sets forth the Nordea Group's organisation.



### Retail Banking

Retail Banking is the largest of the business areas within the Nordea Group. As of 31 December 2012, Retail Banking served close to 10 million household and corporate customers in eight markets. Retail Banking is responsible for customer relations with household customers as well as large, medium-sized and small corporate customers in the Nordic and Baltic Sea markets. Household and corporate customers are served on all financial needs and the Nordea Group's ambition is to be a full service provider to its customers. The business area incorporates the whole value chain including sales force, channels, product units, back office and IT. Retail Banking is responsible for segmentation (customer groups) as well as value propositions (customer programmes), cross-border customer strategies and sales processes. Retail Banking operates under one strategy, one operating model and one governance system in Banking Denmark, Banking Finland, Banking Norway, Banking Sweden, Banking Poland and Banking Baltic countries. Retail Banking's ambition is to create a leading retail banking franchise in Europe in terms of profitability, efficiency and customer experience. The plan builds on a strong commitment to relationship banking and a controlled approach to develop this strategy from the current branch-centric model to a true multichannel relationship retail bank.

Within Retail Banking, the Nordea Group operates a multi-channel distribution strategy in the household customer segment to ensure that household customers can access the bank when and how it suits them. The three core elements of Retail Banking's distribution strategy are branches, contact centres and on-line

and mobile banking. Through the Nordea Group's common customer relationship system, the three distribution channels are fully integrated so that customer interaction in one channel is simultaneously recorded in all other channels. The Nordea Group assigns household customers in each of the Nordic markets to different segments based on the business volume and number of products and services the customer has with the Nordea Group, namely Premium, Gold, Silver and Bronze customers in the Nordea Group's customer programmes. Retail Banking advisors work to develop relationships with the Nordea Group's household customers and to provide them with product solutions tailored to meet their individual banking needs.

In the Nordic markets, Retail Banking divides its corporate customers further into the following customer segments: Large, Medium and Small corporates. The aim for the Large, Medium and Small customer segments is to develop customer relationships and to become the house bank for their respective customers. For customers in the Large and Medium segments, the Nordea Group is also continuing to integrate corporate risk management products and capital market transactions into its basic product offering. Within the Small segment, the Nordea Group has launched a concept to service small corporate customers with one adviser for both their corporate and their household business.

#### *Wholesale Banking*

Wholesale Banking provides services and financial solutions to the largest corporate and institutional customers of the Nordea Group. The business area incorporates the whole value chain, including customer and product units as well as the supporting IT and infrastructure. This allows for an integrated service offering, including tailor-made solutions aimed to fit the needs of individual customers. Wholesale Banking as a business area was established to further build on the Nordea Group's customer-centric relationship banking approach and to ensure that all service and product competences of the Nordea Group reach its large corporate customers. The Nordea Group believes that as the leading wholesale banking provider in the Nordic region it has the ability to provide its customers with the best financial tools to optimise their business and manage their risks. The operating model built on Nordic scale and strong local presence enables full alignment between the customer units and product experts.

The Nordea Group believes that its strategy for the largest corporate customers has proven robust during the ongoing transformation of the banking industry. It further believes that the Nordea Group's local sales organisations combined with a global production platform enable it to capitalise on the benefits of relationship banking and economies of scale. The relationship strategy provides the Nordea Group with a deep knowledge of its customers and their industries, which allows Wholesale Banking to strengthen its customer offering.

Currently, the Wholesale Banking business area includes the units Corporate & Institutional Banking, Shipping, Offshore & Oil Services, Banking Russia, Nordea Markets, Transaction Products and International Units.

#### *Corporate & Institutional Banking*

The Corporate & Institutional Banking organisation serves the Nordea Group's largest Nordic corporate customers and institutional customers in one central unit in each market. The Nordea Group seeks to establish strategic partnerships with its Corporate & Institutional Banking customers by becoming their primary source for a wide range of financial services, including day-to-day banking services such as cash management. The Nordea Group provides Corporate & Institutional Banking with tailored, highly individualised product solutions and terms. A central part of the Nordea Group's corporate strategy is to create value by relationship banking, and, in the upper corporate customer segments, the Nordea Group's goal is to remain a strong partner, which it aims to achieve by strict resource management and efficient resource application, combined with continued high service levels, active business selection and increased operational efficiency. When serving large financial institution customers, such as banks, investment banks, hedge funds and other financial institutions, the Nordea Group employs a similar relationship banking concept, seeking to establish a strategic partnership with the customer and to provide specialised advice and tailored products and services.

#### *Shipping, Offshore & Oil Services*

Shipping, Offshore & Oil Services is the Wholesale Banking division responsible for customers within the shipping, offshore, oil services, cruise and ferries industries worldwide. Customers are served from

the Nordic offices as well as the international branches in New York, London and Singapore. The Nordea Group believes that it is a leading bank to the global shipping and offshore sector with strong brand recognition and a world leading loan syndication franchise. The business strategy of Shipping, Offshore & Oil Services is founded on long-term customer relationships and strong industry expertise.

#### *Nordea Markets*

The Nordea Group believes that Nordea Markets is the leading capital markets and investment banking operation in the Nordic region. Nordea Markets is responsible for handling trading, research and sales within areas such as foreign exchange, fixed income, equities, structured products, commodities, and capital markets services, financial advisory and corporate finance. Nordea Markets offers its products to corporate and financial institutions and through Wealth Management to household customers. The activities in Nordea Markets are purely customer-driven. The strategy of the Nordea Group is to further increase business in risk management products with the Nordea Group's corporate customers and to provide efficient financing solutions.

#### *Banking Russia*

The Nordea Group offers banking services to corporate and household customers in Russia through its wholly owned subsidiary, OJSC Nordea Bank, a full service bank. Banking Russia has a particular focus on making business with large global companies and core Nordic clients in Russia and offers all regular banking products, including cash management, lending and capital markets services. Based on its strong presence in the Nordic countries, the Nordea Group believes that it can offer companies active both there and in Russia solutions that meet their needs for banking services.

#### *Transaction Products*

The Transaction Products product division consists of three units, Cash Management, Trade Finance and Payment Operations. The division is responsible for the product offering within, among others, transaction products and services, working capital related services, corporate e-channels and trade financing.

#### *International Units*

The Nordea Group operates an international network of branches in New York, London, Frankfurt, Shanghai and Singapore, as well as representative offices in São Paulo and Beijing. In addition to its own network, the Nordea Group has entered into various cooperation agreements with banks around the world. As a result, the Nordea Group is able to offer its corporate customers high-quality solutions for their international business. The product offering focuses on day-to-day banking services, credit products, cash management, trade finance and capital markets products.

#### *Wealth Management*

Wealth Management provides investment, savings and risk management products, manages the Nordea Group's customers' assets and advises affluent and high-net-worth individuals as well as institutional investors on their financial situation. The goal of Wealth Management is to become the leading wealth manager in all Nordic markets, with a global reach and global capabilities. To achieve and maintain that position, Wealth Management believes it needs to ensure that its business model provides high-quality advice and a high standard of service and a full offering of high-quality products through a cost and capital-efficient delivery model. The business area consists of Private Banking, Asset Management and Life & Pensions business units as well as the service unit Savings & Wealth Offerings.

#### *Private Banking*

The Nordea Group operates its Private Banking business through an integrated model with Retail Banking. The Nordea Group believes that this integrated operating model enables it to fully leverage the distribution capabilities and customer base of the whole Group as well as to utilise the investment and product development competencies in the Group.

In addition to its Nordic Private Banking operations, the Nordea Group engages in International Private Banking operations that are targeted to both customers of a Nordic origin domiciled outside the Nordic region and international customers of non-Nordic origin.

### *Asset Management*

Asset Management is responsible for delivering the Nordea Group's savings products to household customers, including private banking customers. The savings product offering consists of actively managed investment products such as investment funds, life insurance and pension products and discretionary mandates. Asset Management is also responsible for the Nordea Group's asset management offerings to large corporate and institutional customers.

### *Life & Pensions*

Life & Pensions covers product development and packaging of life insurance and pension products to corporate and household customers. Customers are served through banking branches, Life & Pensions' own sales force or via tied agents and brokers.

### **Strategy**

Since 2007, the Nordea Group has consistently pursued its relationship strategy. The Nordea Group has maintained this strategic direction despite the challenging macroeconomic environment during the past years and remains committed to servicing customers supporting the real economy (i.e. the part of the economy that is concerned with producing goods and services). The Nordea Group's strategy is based on its "2015 plan", which is focused on the continued development of the relationship banking business model. At the centre of this strategy is the Nordea Group's ambition to understand, advice, service and commit to its customers for the benefit of building long-term core relationships where the main focus areas are:

- balanced customer focus, building on a customer-centric organisational design, in which the right products are delivered in the right way at a fair price based on the true cost of providing the products;
- people focus, clear values and principles are reflected in the objectives and incentives that are set within the Group, with the economic profit framework remaining at the heart of how management and support are pursued; and
- optimised value chain integration, adoption and development of best practices where loyalty to simplicity, transparency and reduction of complexity is promoted while keeping the Nordea Group's clients and their objectives in focus.

The Nordea Group believes that having one operating model and business area ownership of the end-to-end value chain ensures overview, accountability and congruence. This focused relationship strategy provides the basis for reaching the Nordea Group's financial target, as further discussed below.

The Nordea Group believes that profitability will be key to maintaining a high credit rating, low funding costs and flexibility within the Nordea Group's capital position, and further believes that sound profitability is a prerequisite for providing customers with excellent customer experiences in a sustainable manner. For the Nordea Group to stay in what it sees as the top league in performance for its peer group of European banks, the Nordea Group believes it needs to increase the Group's return on equity by taking actions on both cost and capital efficiency, and at the same time continue to grow the Group's income. In line with this strategy, the Nordea Group has set a single financial target for the Group, which is to reach a return on equity of 15 per cent. in a normalised interest environment and with a core Tier 1 capital ratio of above 13 per cent.

### *Capital Policy*

The Nordea Group has established a capital policy to reflect the new regulatory environment. Under this capital policy, the target is for the Group's core tier 1 capital ratio to be above 13 per cent. and for the total capital ratio to be above 17 per cent. not later than 1 January 2015. The capital policy is based on management's current best view on capitalisation although there is still uncertainty regarding the final framework for new capital adequacy standards, including the CRD IV. The Nordea Group considers these targets as minimum targets under normal business conditions, given that the regulatory framework is dynamic.

## ***Efficiency Initiatives***

The Nordea Group has introduced efficiency initiatives aimed at both cost efficiency and asset and capital efficiency in order to mitigate the anticipated higher costs for banking in the changed business environment that is often referred to as the "New Normal". In June 2011, the Nordea Group implemented a new organisational structure, which the Nordea Group believes will enable a continued focus on efficiency across value chains and on assisting customers in finding efficient solutions in the "New Normal". The new organisational structure aims to ensure improved accountability and a focused implementation of identified cost efficiency measures. In the second half of 2011, the Nordea Group undertook a range of additional cost efficiency measures, including the reduction in the number of employees of the Group by approximately 2,700 since the second quarter of 2011, and expects to initiate further efficiency measures. The Nordea Group expects to initiate further cost efficiency measures and aims to maintain the Group's costs in 2013 and 2014, at least, at a largely unchanged level as compared to costs in 2011 and 2012. The Nordea Group strives for further capital efficiency by focusing the business on capital-light products on the advisory and relationship business as well as ancillary income in customer relations. The Nordea Group's asset and capital efficiency initiatives further aim at taking actions to maintain RWA at an unchanged level despite income growth. These initiatives include reviews of credit risk processes for further improving RWA efficiency as well as further roll-out of internal ratings-based ("IRB") models.

## ***Household and Corporate Relationships***

The Nordea Group's relationship strategies are divided into a household relationship strategy and a corporate relationship strategy.

### ***Household Relationship Strategy***

Household customers are divided into four segments based on their business with the Nordea Group. For each segment, the Nordea Group has developed a value proposition, including contact policy, service level, pricing and product solutions. The core philosophy of this strategy is to provide the best service, advice and product solutions to the customers and thereby to ensure loyalty, brand value and increase business and income. The Nordea Group's household pricing is transparent and generally non-negotiable. Product development is geared at reducing complexity and developing products with a low capital requirement in order to meet both the demands of customers and regulatory requirements. The Nordea Group's savings product offering is designed to take account of customers' wealth, their level of involvement, stage of life and risk appetite.

The Nordea Group pursues a multichannel distribution strategy, aiming to improve customer satisfaction while reducing the cost of serving. Proactive contact with customers is conducted by local branches and supplemented by contact centres, online services and the mobile bank. The Nordea Group aims at having recurring advisory meetings with all existing and potential relationship customers, taking their entire finances and long-term preferences into account in order to provide a comprehensive financial solution.

### ***Corporate Relationship Strategy***

Corporate customers comprise four segments based on their business potential and banking needs complexity. For each segment, the Nordea Group has developed a value proposition including contact policy, service level and product solutions to provide comprehensive financial solutions and ensure "house bank" relationships. Relationship managers take a holistic view of the customer's situation and targets and organise the relationship accordingly. The Nordea Group believes that its strength and size as a banking group enable it to offer highly competitive solutions, capitalising on its balance sheet to the benefit of corporate customers. The Nordea Group believes that its strategy for the largest corporate customers has proven robust during the ongoing transformation of the banking industry. The Nordea Group further believes that its local sales organisations combined with a global production platform enable it to capitalise on the benefits of relationship banking and economies of scale.

The Nordea Group is committed to its goal of becoming the leading bank in the wholesale segment in all its Nordic markets. For corporate customers in the Large and Medium segments, the Nordea Group is continuing to integrate corporate risk management products and capital market transactions into its basic product offering. Within the Small segment, the adviser profile and the Small Entrepreneur service concept is being expanded to meet business and personal banking needs in the segment.



## **Recent Developments**

### ***Dividend***

On 14 March 2013, the 2013 annual general meeting of NBAB's shareholders (the "**2013 AGM**") decided on a dividend for 2012 payment of EUR 0.34 per share. The payment was made place on 26 March 2013 and the total dividend payment by NBAB was EUR 1,370 million.

### ***Acquisition of Own Shares***

The 2013 AGM resolved that the Issuer, in order to facilitate its securities business, may purchase its own ordinary shares according to chapter 7 section 6 of the Swedish Securities Market Act (*lagen (2007:528) om värdepappersmarknaden*) for the period until the next annual general meeting. The purchase by the Issuer of its own shares is subject to the limitation that the Issuer's holding of such shares in its trading book must never exceed 1 per cent. of the total number of shares in the Issuer. The price for the ordinary shares shall equal the market price prevailing at the time of the purchase.

The 2013 AGM also authorised the Board of Directors, for the period until the next annual general meeting, to decide on the acquisitions of ordinary shares in the Issuer on a regulated market where its ordinary shares are listed, or by means of an acquisition offer directed to all holders of ordinary shares in the Issuer. However, the Issuer's holding of its own shares must not exceed 10 per cent. of its total number of shares. The authorisation also includes other limitations for acquisitions.

In addition, the 2013 AGM authorised the Board of Directors, for the period until the next annual general meeting, to decide on conveyance of ordinary shares in the Issuer to be used as payment in connection with acquisitions of companies or businesses or in order to finance acquisitions of companies or businesses. Conveyance of ordinary shares may also be made in another way than on a regulated market up to the number of ordinary shares in the Issuer that at any time are held by the Issuer. Conveyance of ordinary shares in the Issuer shall be made at an estimated market value and may be made with derogation from shareholders' pre-emption right. Payment for ordinary shares conveyed pursuant to the authorisation may be made in cash, by contribution in kind, or through set-off of debt against the Issuer.

### ***Convertible Notes***

The 2013 AGM authorised the Board of Directors, for the period until the next annual general meeting, on one or several occasions, with or without preferential rights for existing shareholders, to decide on the issue of convertible instruments. The amount that the share capital may be increased by full exercise of the convertible instruments shall not exceed 10 per cent. of the Issuer's share capital, which corresponds to the issuance of 404,995,191 new ordinary shares calculated on the amount of ordinary shares in the Issuer as of the date of the 2013 annual general meeting. Any issue of convertible instruments by virtue of the authorisation shall be done according to market conditions.

### ***Executive Incentive Programme***

The 2013 AGM decided that the executive officers, who include the Nordea Group CEO and members of the Group Executive Management, will be offered an Executive Incentive Programme 2013 ("**GEM EIP 2013**") to reward performance meeting predetermined targets on a group, business unit and individual level. The effect on the long-term result is to be considered when determining the targets. The payout from GEM EIP 2013 shall be paid over a five-year period in cash and be subject to forfeiture clauses, total shareholder return indexation and retention based on the SFSA's regulations on remuneration systems, taking into account domestic rules and practices, where relevant. GEM EIP 2013 has a one-year performance period and the payout shall not exceed the executive officer's fixed salary.

### ***Capital Adequacy***

The Nordea Group uses a variety of capital measurements and capital ratios to manage its capital. The Nordea Group calculates its regulatory capital requirements under the Basel II framework. The Nordea Group is, however, still restricted by regulatory transitional rules based on the Basel I capital adequacy calculation. The Nordea Group received approval from the relevant financial supervisory authorities in July 2007, permitting it to use the IRB approach of Basel II for its corporate and institutional credit portfolios in Denmark, Finland, Norway and Sweden (with exceptions for foreign branches and subsidiaries). In December 2008, the Nordea Group also received approval to use IRB models for its

retail credit portfolio. In May 2011, Nordea was approved to use the IRB approach for the corporate and retail portfolios stemming from the acquisition of the Danish Fionia Bank A/S. In January 2012, the Nordea Group received approval to use the IRB approach for corporate and institutional portfolio in the international units (i.e., branches in Shanghai, London, Singapore, Frankfurt, New York and the Cayman Islands). In November 2012, the Nordea Group received approval to use the IRB approach for corporate and institutional portfolio for the Baltic branches in Estonia, Latvia and Lithuania. In December 2012, Nordea was approved by the SFSA and FFSA to use the internal model method (IMM) for calculating regulatory capital for counterparty credit risk, which will be implemented in the capital adequacy calculation during the first quarter of 2013. The Nordea Group uses the standardised approach for its remaining portfolios. The Nordea Group aims to continue the roll-out of the IRB approaches. The main focus is the development of advanced IRB models for corporate customers in the Nordic markets, including internal estimates of loss given default (LGD) and credit conversion factors (CCF). The Nordea Group is also approved to use its own internal Value at Risk (VaR) models to calculate capital requirements for the major parts of the market risk in the trading books.

The Capital Policy is related to the Internal Capital Adequacy Assessment Process (ICAAP), which according to the CRD, should, for each bank, review the management, mitigation and measurement of material risks to assess the adequacy of internal capital and determine an internal capital requirement reflecting the risk appetite of the institution.

As of 31 December 2012, the Nordea Group's Tier 1 capital and capital base exceeded the regulatory minimum requirements outlined in the CRD. Considering results of capital adequacy stress testing, capital forecasting and growth expectations, the Nordea Group assesses that the buffers held for current regulatory capital purposes are sufficient.

In addition to the Nordea Group's internal capital requirements, ongoing dialogues with third parties affect the Nordea Group's capital requirements, in particular, views of the external rating agencies.

The Nordea Group uses a "pillar 1 plus pillar 2" approach in order to assess the internal capital requirement. This methodology uses the pillar 1 capital requirement for credit risk, market risk and operational risk as outlined in the CRD as the starting point for its risk assessment. Following this, pillar 2 risks, that is, risks not included in pillar 1, are considered. Pillar 2 risks include interest rate risk in the banking book, risk in the Nordea Group's internal defined benefit plans, real estate risk, concentration risk and business risk.

The Nordea Group uses its Economic Capital framework to identify and assess pillar 2 risks, and as its primary tool for internal capital allocation considering all risk types. Another important component of assessing capital adequacy is stress testing. The Nordea Group stress tests both pillar 1 and pillar 2 risks and considers the results of such tests when determining the Nordea Group's internal capital requirements. The Nordea Group uses its existing internal capital measurements as the basis for any additional capital buffers, subject to the judgment of the aforementioned third parties.

## NORDEA BANK AB (PUBL)

### Operational Overview

Nordea Bank AB (publ) or, as the case may be, a predecessor to 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)) 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), and further to pursue financing operations and operations related thereto including, among other things, carrying out securities business. NBAB is subject to substantial regulation in all markets in which it operates. NBAB is registered at the Swedish Companies Registration Office under the name Nordea Bank AB. Nordea Bank 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. NBAB shares are listed on the stock exchanges in Stockholm, Helsinki and Copenhagen.

### The Main Subsidiaries

The three main subsidiaries of NBAB are Nordea Bank Danmark, Nordea Bank Finland and Nordea Bank Norge.

Nordea Bank Finland is a public limited liability company and has been granted a licence from the Finnish Financial Supervisory Authority to conduct banking business in Finland. Banking and financing business in Finland is regulated by the Finnish Act on Credit Institutions (9.2.2007/121) (*laki luottolaitostoiminnasta*) as amended and by the Finnish Act on Commercial Banks and Other Credit Institutions in the form of a Limited Company (*laki liikepankeista ja muista osakeyhtiömuotoisista luottolaitoksista*) as amended.

Nordea Bank Danmark is a Danish public limited liability company (*Da. Aktieselskab*) and has been granted a license from the Danish Financial Supervisory Authority (*Da. Finanstilsynet*) to conduct banking business in Denmark. Banking business in Denmark is regulated by the Danish Financial Business Act (*Da. Lov om finansiel virksomhed*).

Nordea Bank Norge is regulated under the Norwegian Act on Commercial Banks (*Nw. lov 25. mai 1961 om forretningsbanker*) and the Act on Financial Institutions (*Nw. lov 10. juni 1988 nr. 40 om finansieringsvirksomhet og finansinstitusjoner*). In addition, Nordea Bank Norge holds a licence as an investment firm and is therefore also regulated by the Norwegian Securities Trading Act (*Nw. lov 29. juni 2007 nr. 75 om verdipapirhandel*).

### Share Capital and Shareholders

According to article 6 of its Articles of Association, the number of shares in Nordea Bank is not less than 2,700,000,000 and not more than 10,800,000,000. Shares may be issued in two classes, Ordinary shares and C-shares. Ordinary shares may be issued up to a maximum amount of 10,800,000,000 and C-shares may be issued up to a maximum amount of 10,000,000. In voting at a general meeting, each of the Ordinary shares confers one vote and each of the C-shares one tenth of one vote. C-shares do not entitle holders to any dividend.

As of the date of this Base Prospectus, NBAB's share capital is EUR 4,049,951,919, consisting of 4,049,951,919 ordinary shares with a nominal value of EUR 1.00. Each share entitles the holder to one vote. NBAB is not entitled to vote with any shares it holds in itself. The following table sets forth information relating to NBAB's five largest shareholders as of 28 February 2013:

| Shareholder                  | Number of shares (million) | Percent of share capital and votes |
|------------------------------|----------------------------|------------------------------------|
| Sampo plc .....              | 860.4                      | 21.4%                              |
| Swedish State.....           | 544.2                      | 13.5%                              |
| Nordea fonden .....          | 158.2                      | 3.9%                               |
| Swedbank Robur Funds .....   | 133.5                      | 3.3%                               |
| AMF Insurance and Funds..... | 78.8                       | 2.0%                               |

## Board of Directors

According to the Articles of Association, the Board of Directors shall consist of at least six and no more than fifteen members elected by the shareholders at the shareholders' meeting. As of the date of this Base Prospectus, the Board of Directors consists of nine members elected by the shareholders at the shareholders' meeting for the period until and including the annual general meeting in 2014. In addition, three members and one deputy member are appointed by the employees. Employees have a right, according to Swedish legislation, to be represented in the board. The CEO of Nordea is not a member of the Board of Directors.

The following table sets forth, for each member of the Board of Directors, his or her year of birth and the year of his or her initial appointment to the Board of Directors.

| Name                       | Year of birth | Board member since | Position        |
|----------------------------|---------------|--------------------|-----------------|
| Björn Wahlroos.....        | 1952          | 2008               | Chairman        |
| Marie Ehrling.....         | 1955          | 2007               | Deputy Chairman |
| Elisabeth Grieg .....      | 1959          | 2013               | Member          |
| Peter F. Braunwalder ..... | 1950          | 2012               | Member          |
| Svein Jacobsen.....        | 1951          | 2008               | Member          |
| Tom Knutzen .....          | 1962          | 2007               | Member          |
| Lars G. Nordström .....    | 1943          | 2003               | Member          |
| Sarah Russell .....        | 1962          | 2010               | Member          |
| Kari Stadigh.....          | 1955          | 2010               | Member          |

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

| Name                       | Year of birth | Board member since | Position                       |
|----------------------------|---------------|--------------------|--------------------------------|
| Toni H. Madsen .....       | 1959          | 2013               | Employee Representative        |
| Steinar Nickelsen .....    | 1962          | 2007               | Employee Representative        |
| Hans Christian Riise ..... | 1961          | 2009               | Employee Representative        |
| Kari Ahola .....           | 1960          | 2006               | Deputy Employee Representative |

The members of the Board of Directors have the following office address: c/o Nordea Bank AB (publ), Smålandsgatan 17, SE-105 71 Stockholm, Sweden.

With the exception of the employee representatives, all members of the Board of Directors work outside the Nordea Group. No potential conflicts of interest exist between any duties to NBAB of a member of the Board of Directors and the private interests or other duties of such persons.

*Björn Wahlroos* has been a member of the Board of Directors since 2008 and has served as its Chairman since 2011. As of the date of this Base Prospectus, Mr. Wahlroos also serves as the Chairman of the Board of Directors of Sampo plc, UPM-Kymmene Corporation and Hanken School of Economics. He is also a member of the Board of Directors of several organisations and charities, including the Finnish Business and Policy Forum EVA/ETLA and the Mannerheim Foundation.

*Marie Ehrling* has been a member of the Board of Directors since 2007 and has served as its Deputy Chairman since 2011. As of the date of this Base Prospectus, Ms. Ehrling is a member of the Board of Directors of Securitas AB, Loomis AB, Oriflame Cosmetics SA, Schibsted ASA, Safe Gate AB, Axel Johnson AB, Centre for Advanced Studies of Leadership at the Stockholm School of Economics, World

Childhood Foundation. She is also the Chairman of the Board of Directors of the Norwegian Swedish Chamber of Commerce and a member of the Royal Swedish Academy of Engineering Sciences (IVA).

*Elisabeth Grieg* has been a member of the Board of Directors since 2013. As of the date of this Base Prospectus, Ms. Grieg is the Chairman of the Board of Directors of Grieg Star Group AS and Norwegian Guarantee Institute for Export Credits, a board member of Grieg Foundation and various companies within the Grieg group as well as SOS Children's Villages Norway. Ms. Grieg is also a member of the Council of Det Norske Veritas.

*Peter F. Braunwalder* has been a member of the Board of Directors since 2012. As of the date of this Base Prospectus, Mr. Braunwalder is the Chairman of the Board of Directors of Thommen Medical AG and a member of the Board of Directors of the Menuhin Festival Gstaad.

*Svein Jacobsen* has been a member of the Board of Directors since 2008. As of the date of this Base Prospectus, Mr. Jacobsen is the Chairman of the Board of Directors of Vensafe AS, PSI Group ASA and Falkenberg AS. He is also a member of the Board of Directors of Heidenreich Holding AS and Isco Group AS and a member of the Advisory Board of CVC Capital Partners.

*Tom Knutzen* has been a member of the Board of Directors since 2007. As of the date of this Base Prospectus, Mr. Knutzen is the CEO of Jungbunzlauer Suisse AG. He is also a member of the Board of Directors of FLSmidt & Co A/S.

*Lars G. Nordström* has been a member of the Board of Directors since 2003. As of the date of this Base Prospectus, Mr. Nordström is the Chairman of Vattenfall AB and the Finnish-Swedish Chamber of Commerce and a member of the Board of Directors of Viking Line Abp and the Swedish-American Chamber of Commerce and a member of the Royal Swedish Academy of Engineering Sciences (IVA). Mr. Nordström is also an Honorary Consul of Finland in Sweden.

*Sarah Russell* has been a member of the Board of Directors since 2010. As of the date of this Base Prospectus, Ms. Russell is the CEO of AEGON Asset Management.

*Kari Stadigh* has been a member of the Board of Directors since 2010. As of the date of this Base Prospectus, Mr. Stadigh is the Group CEO and President of Sampo plc. Mr. Stadigh also serves as the Chairman of the Board of Directors of If P&C Insurance Holding AB (publ), Kaleva Mutual Insurance Company and Mandatum Life Insurance Company Limited and is a member of the Board of Directors of Nokia Corporation. He is also the Vice Chairman of the Confederation of Finnish Industries EK.

## Group Executive Management

Group Executive Management currently consists of seven members, including the CEO. The President and CEO is appointed by the Board of Directors and is charged with the day-to-day management of the Nordea Group and the Nordea Group's group-wide affairs in accordance with applicable laws and regulations, including the Swedish Code of Corporate Governance (*Svensk kod för bolagsstyrning*) (the "**Swedish Corporate Governance Code**"), as well as the instructions provided by the Board of Directors. The instructions regulate the division of responsibilities and the interaction between the CEO and the Board of Directors. The CEO works closely with the Chairman of the Board of Directors, for example, in planning the meetings of the Board of Directors.

The following table sets forth each member of Group Executive Management, his or her year of birth, the year of his or her initial employment as a member of Group Executive Management and his or her current position.

| Name                         | Year of birth | Group Executive Management member since | Position                                                                                             |
|------------------------------|---------------|-----------------------------------------|------------------------------------------------------------------------------------------------------|
| Christian Clausen.....       | 1955          | 2001                                    | President and Group CEO                                                                              |
| Lennart Jacobsen .....       | 1966          | 2013                                    | Executive Vice President, Head of Retail Banking and Country Senior Executive in Sweden              |
| Torsten Hagen Jørgensen..... | 1965          | 2011                                    | Executive Vice President, CFO, Head of Group Corporate Centre and Head of Group Operations           |
| Ari Kaperi.....              | 1960          | 2008                                    | Executive Vice President, CRO, Head of Group Risk Management and Country Senior Executive in Finland |

| <b>Name</b>             | <b>Year of birth</b> | <b>Group Executive Management member since</b> | <b>Position</b>                                                                                                |
|-------------------------|----------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Casper von Koskull..... | 1960                 | 2010                                           | Executive Vice President and Head of Wholesale Banking                                                         |
| Peter Nyegaard.....     | 1963                 | 2011                                           | Executive Vice President, Chief Operating Officer of Wholesale Banking and Country Senior Executive in Denmark |
| Gunn Wærsted.....       | 1955                 | 2007                                           | Executive Vice President, Head of Wealth Management and Country Senior Executive in Norway                     |

The members of the Group Executive Management have the following office address: c/o Nordea Bank AB (publ), Smålandsgatan 17, SE-105 71 Stockholm, Sweden.

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

*Christian Clausen* has been the President and Group CEO of Nordea since 2007 and a member of Group Executive Management since 2000. Mr. Clausen joined the Nordea Group in 2000 as Executive Vice President, Head of Asset Management & Life. Mr. Clausen participates in meetings of the Board of Directors of Nordea in his capacity as the CEO. As of the date of this Base Prospectus, Mr. Clausen is the President of the European Banking Federation and the Chairman of the Swedish Bankers' Association.

*Lennart Jacobsen* has been Executive Vice President, Head of Retail Banking and Country Senior Executive in Sweden and a member of Group Executive Management since 2013. Mr. Jacobsen joined the Nordea Group in 2013 as Head of Implementation & Execution Service, Retail Banking. Prior to joining the Nordea Group, Mr. Jacobsen held various positions within GE Capital, including Country Manager of GE Money Bank in Sweden from 2003 to 2008 and CEO of GE Money Bank Nordics from 2009 to 2012.

*Torsten Hagen Jørgensen* has been Executive Vice President, Head of Group Operations and a member of Group Executive Management since 2011 and CFO and Head of Group Corporate Centre since 2013. Mr. Jørgensen joined the Nordea Group in 2005 and has held several executive positions within the Nordea Group.

*Ari Kaperi* has been Executive Vice President and a member of Group Executive Management since 2008. He became CRO and Head of Group Risk Management as well as Country Senior Executive in Finland in 2010. Mr. Kaperi joined the Nordea Group in 2001 and has held several executive positions within the Nordea Group. As of the date of this Base Prospectus, Mr. Kaperi is the Chairman of the Board of Directors of the Federation of Finnish Financial Services and a member of the Board of Directors of Varma Mutual Pension Insurance Company, a member of the Supervisory Board of Directors of Luottokunta Oyj, a board member of Foundation for Economic Education and Art Foundation Merita, and a member of the Advisory Board of Central Chamber of Commerce, Finnish Business and Policy Forum Eva/ETLA and University of Turku Foundation.

*Casper von Koskull* has been Executive Vice President and a member of Group Executive Management since 2010 and Head of Wholesale Banking since 2011. Mr. von Koskull joined the Nordea Group in 2010 and was Head of Corporate Merchant Banking & Capital Markets from 2010 to 2011. As of the date of this Base Prospectus, Mr. von Koskull is a member of the International Chamber of Commerce ICC Finland.

*Peter Nyegaard* has been Executive Vice President, Chief Operating Officer of Wholesale Banking and a member of Group Executive Management since 2011 and Country Senior Executive in Denmark since 2013. Mr. Nyegaard joined the Nordea Group in 2000 and has held several executive positions within the Nordea Group.

*Gunn Wærsted* has been Executive Vice President, Country Senior Executive in Norway and a member of Group Executive Management since 2007, and Head of Wealth Management since 2011. Ms. Wærsted was Head of Shipping, Private Banking & Savings Products from 2010 to 2011. As of the date of this Base Prospectus, Ms. Wærsted is a member of the Board of Directors of the Norwegian Depository Guaranty Fund and Finance Norway (FNO), a member of the Nomination Committee of Schibsted ASA, the Corporate Assembly of Orkla ASA and a member of the Council of Det Norske Veritas (DnV).

## **Independence**

NBAB complies with applicable rules set forth in the Swedish Corporate Governance Code regarding the independence of the Board of Directors. The Nomination Committee considers all members of the Board of Directors elected by the shareholders, apart from Björn Wahlroos and Kari Stadigh, independent in relation to the Company's major shareholders. As of the date of this Base Prospectus, Björn Wahlroos is Chairman of the Board of Directors of Sampo plc and Kari Stadigh is managing director and the Group CEO of Sampo plc which owns more than 10 per cent. of all shares and votes in NBAB.

All of the members elected by the shareholders are independent of the Company and its executive management.

No member of the Board of Directors elected by the annual general meeting is employed by or working in an operative capacity in the Nordea Group. The members and the deputy members of the Board of Directors appointed by the employees are employed by the Nordea Group and therefore not independent of the Nordea Group.

The number of members of the Board of Directors who are independent in relation to the Nordea Group and its executive management as well as independent in relation to the Company's major shareholders exceeds the minimum requirement set forth in the Swedish Companies Act (*aktiebolagslagen (2005:551)*) and the Swedish Corporate Governance Code, which states that at least two of the Board members elected by the general meeting of shareholders who are independent of the company and the company's executive management shall also be independent of the company's major shareholders. The Nordea Group complies with these requirements.

## **External Auditors**

The annual general meeting of NBAB's shareholders in 2011 approved an amendment to NBAB's Articles of Association changing the auditors' term of office to one year. Prior to this amendment, auditors were elected by the general meeting for a term of four years, after which the general meeting could extend the term for an additional three years.

The auditor appointed by the 2013 AGM for the period until the end of the next annual general meeting is: KPMG AB with Hans Åkervall as auditor-in-charge, Box 16106, SE-103 23 Stockholm. The auditor is authorised by, and a member of, FAR SRS.

## **Legal Proceedings**

Within the framework of the normal business operations, the Nordea Group faces claims in civil lawsuits and disputes, most of which involve relatively limited amounts. None of the current disputes may have, or have had, significant effects on the Nordea Group's position or profitability.

The Articles of Association were last amended on 12 May 2011.

## **Dividends**

The Issuer's annual shareholder general meeting has approved, and the Issuer has paid, the following dividends in the last five years:

- 2012: EUR 0.34 per share, total dividend payment of EUR 1,370 million;
- 2011: EUR 0.26 per share, total dividend payment of EUR 1,047 million;
- 2010: EUR 0.29 per share, total dividend payment of EUR 1,168 million;
- 2009: EUR 0.25 per share, total dividend payment of EUR 1,006 million; and
- 2008: EUR 0.20 per share, total dividend payment of EUR 519 million.

## **Notices**

Notices to the Noteholders are given in accordance with Condition 16 (*Notices*) of the Terms and Conditions of the Notes.

## **Articles of Association**

The objects of NBAB can be found in article 3 of its Articles of Association. The objects of NBAB are to conduct such banking business referred to in Chapter 1 section 3 of the Swedish Banking and Financing Business Act (SFS 2004:297), to conduct financing operations and operations naturally connected therewith in accordance with Chapter 7 section 1 of the Swedish Banking and Financing Business Act and, in its capacity as parent company, to attend to and be responsible for overall functions in the Nordea Group, such as management, supervision, risk management and staff functions.

## **Material Agreements**

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

## **Corporate Governance**

Corporate governance in Nordea follows generally adopted principles of corporate governance. The external framework which regulates the corporate governance work include the Swedish Companies Act, Banking and Financing Business Act, Annual Accounts Act, the NASDAQ OMX rules and the rules and principles of the Swedish Code of Corporate Governance.

## **NBAB's Recent Developments**

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

## **Nordea Bank Finland plc**

### *Operational overview*

NBF has, since 1998, been a part of the Nordea Group which was formed following the merger between Merita and Nordbanken which is addressed in more 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 (*Osakeyhtiölaki*) and holds a licence to conduct banking operations in accordance with the Credit Institutions Act (*Laki luottolaitostoiminnasta*). All the operations of NBF are integrated into the operations of the Nordea Group. NBF is subject to substantial regulation in all markets in which it operates. NBF is registered in the trade register with business identity code 1680235-8. Nordea Finland has its head office in Helsinki at the following address: Aleksanterinkatu 36 B, 00100 Helsinki, Finland (telephone number +358 9 1651).

NBF holds a license from the FIN-FSA to issue Covered Bonds in accordance with the Finnish Act on Covered Bonds (*Laki kiinnitysluottopankkitoiminnasta*).

NBF has subsidiaries in Finland and abroad. The most significant subsidiary is Nordea Finances Finland Ltd.



## *Board of Directors*

At the date of this Base Prospectus, NBF's board of directors consists of the following members:

Torsten Hagen Jørgensen, chairman

Casper von Koskull, vice chairman

Carl-Johan Granvik

Gun Wærsted

All board members, except for Carl-Johan Granvik, are employed by the Nordea Group:

| <b>Name</b>                   | <b>Year of birth/<br/>Member since</b> | <b>Position</b>                                                                                                          |
|-------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Torsten Hagen Jørgensen ..... | 1965/2013                              | Executive Vice President, CFO, Head of Group Corporate Centre and Head of Group Operations                               |
| Casper von Koskull .....      | 1960/2010                              | Executive Vice President, Head of Wholesale Banking                                                                      |
| Carl-Johan Granvik .....      | 1949/2012                              | Former positions in Nordea: President of NBF, Head of Group Risk Management, CRO and country Senior Executive in Finland |
| Gun Wærsted .....             | 1955/2010                              | Executive Vice President, CEO in Nordea Bank Norge ASA, Head of Wealth Management and Country Senior Executive in Norway |

*Torsten Hagen Jørgensen* has been Executive Vice President, Head of Group Operations and a member of Group Executive Management since 2011 and CFO and Head of Group Corporate Centre since 2013. Mr. Jørgensen joined the Nordea Group in 2005 and has held several executive positions within the Nordea Group.

*Casper von Koskull* has been Executive Vice President and a member of Group Executive Management since 2010 and Head of Wholesale Banking since 2011. Mr. von Koskull joined the Nordea Group in 2010 and was Head of Corporate Merchant Banking & Capital Markets from 2010 to 2011. As of the date of this Base Prospectus, Mr. von Koskull is a member of the International Chamber of Commerce ICC Finland.

*Carl-Johan Granvik* is not employed by the Nordea Group. Former positions in the Nordea Group: President of NBF, Head of Group Risk Management, CRO and country Senior Executive in Finland. As of the date of this Base Prospectus Mr. Granvik is Chairman of the Board of Julius Stjernvalls Donationsfond, William Thuring's Foundation, Technopolis plc and also Emilie and Rudolf Gesellius fund. He is the Chairman of the Investment Committee of Sponsor fund II Ky. He is a member of Kelonia Ab plc, Kelonia Placerings Ab plc and Sigrid Juselius Foundation. He is a member of the Investment Committee of Forum Fastighets Kb. He is a Supervisory board member of the Foundation Svenska Handelshögskolan

*Gunn Wærsted* has been Executive Vice President, Country Senior Executive in Norway and a member of Group Executive Management since 2007, and Head of Wealth Management since 2011. Ms. Wærsted was Head of Shipping, Private Banking & Savings Products from 2010 to 2011. As of the date of this Base Prospectus, Ms. Wærsted is a member of the Board of Directors of the Norwegian Depository Guaranty Fund and Finance Norway (FNO), a member of the Nomination Committee of Schibsted ASA, the Corporate Assembly of Orkla ASA and a member of the Council of Det Norske Veritas (DnV).

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

To the best knowledge of NBF, no potential conflicts of interest exist between any duties to NBF of a member of the board of directors or the Nordea Group executive management and the private interests or other duties of such persons.

## **Auditors**

NBF's auditors are elected at the annual general meeting of the shareholders for a period of one year. The auditors elected at the annual general meeting with respect to the years 2003, 2004, 2005, 2006 2007, 2008, 2009, 2010, 2011, 2012 and 2013 are KPMG Oy Ab of Mannerheimintie 20 B, 00100 Helsinki,

Finland. CGR Raija-Leena Hankonen is the auditor-in-charge. KPMG Oy Ab are members of the Finnish Institute of Authorised Public Accounts.

### **Legal and arbitration proceedings**

Within the framework of the normal business operations, the Nordea Group faces claims in civil lawsuits and disputes, most of which involve relatively minimal amounts. NBF has not been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which NBF is aware of) during the last 12 months that may have, or have had, recent significant effects on NBF's or the Nordea Group's financial position or profitability.

### **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 under the Notes issued.

### **Corporate governance**

All the operations of NBF are integrated into the operations of the Nordea Group. The Nordea Group has established a corporate governance framework at group level and the framework is reviewed on a continuous basis.

## NORDEAKONCERNEN

### Översikt

Nordeakoncernen (Nordea Bank AB (publ) och dess dotterbolag, "**Nordeakoncernen**", "**Koncernen**" eller "**Nordea**") är den största finanskoncernen i Norden (Danmark, Finland, Norge och Sverige) mätt i totala intäkter. Därutöver bedriver Nordea verksamhet i Polen, Ryssland, Estland, Lettland, Litauen samt Luxemburg och på ett antal andra platser i världen.

Nordeakoncernens moderbolag, Nordea Bank AB (publ) ("**NBAB**") är ett svenskt publikt bankaktiebolag som bildats enligt svensk lag. NBAB:s aktier är börsnoterade och handlas på börserna i Stockholm, Köpenhamn och Helsingfors. Nordeakoncernens huvudkontor ligger i Stockholm med adress Smålandsgatan 17, SE-105 71 Stockholm.

Per den 31 december 2012 uppgick Nordeakoncernens tillgångar till EUR 677 miljarder och koncernens primärkapital uppgick till EUR 24,0 miljarder. Per samma datum hade Nordeakoncernen omkring 11 miljoner kunder på de marknader där man bedriver verksamhet, varav 9,0 miljoner är privatkunder i fördelsprogram och 0,6 miljoner är aktiva företagskunder.

Antalet lokalkontor inom Nordeakoncernen uppgick den 31 december 2012 till omkring 1 000 varav cirka 210 återfinns i Ryssland, Polen, Estland, Lettland och Litauen. Därutöver har Koncernen ett mycket stort antal telefon- och Internetkunder. Nordeakoncernen är mycket aktiv inom e-baserade finansiella tjänster och hade vid utgången av år 2012 cirka 6,9 miljoner användare av sådana tjänster.

Dessutom agerar Nordeakoncernen som kapitalförvaltare inom Norden och den övriga Östersjöregionen med EUR 218 miljarder i förvaltade tillgångar per den 31 december 2012. Nordeakoncernen tillhandahåller även livförsäkringsprodukter.

### Bildandet av Nordeakoncernen

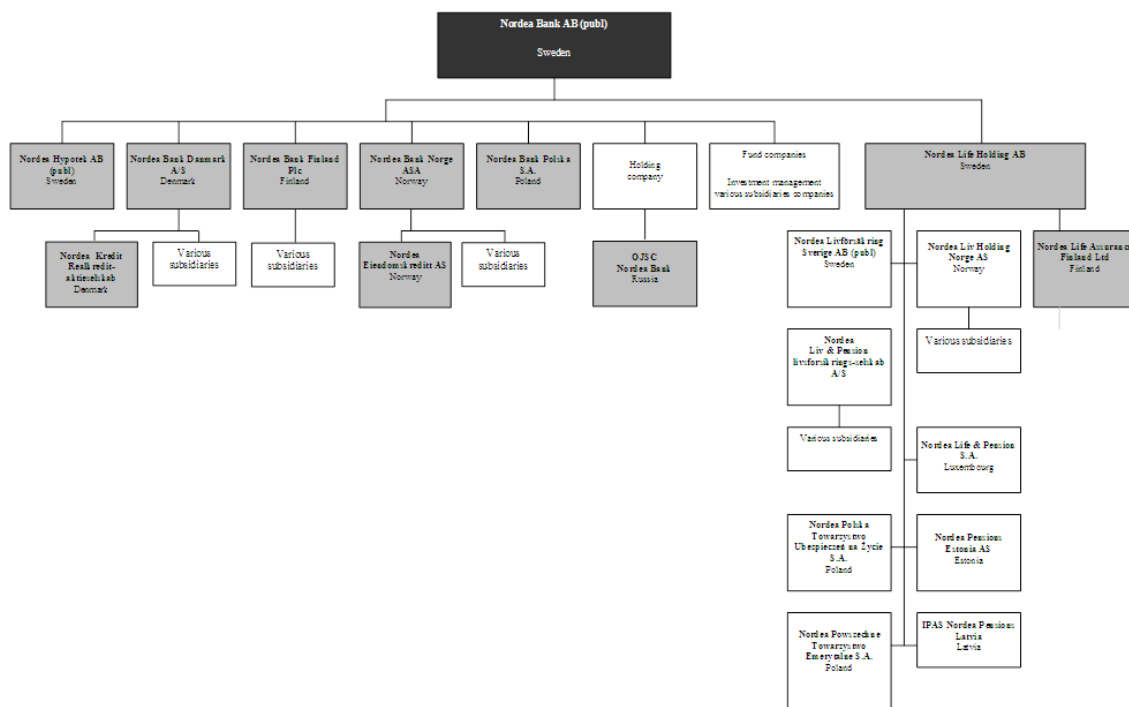
Nordea skapades genom internationella samgåenden som gradvis resulterade i att fyra större nordiska finansiella institutioner bildade en enhet. Föregångare till Nordea var Nordbanken AB (publ) i Sverige, namnändrad till Nordea Bank Sverige AB (publ), ("**Nordea Bank Sverige**"), och därefter, den 1 mars 2004, fusionerad med Koncernens moderbolag, och namnändrad till Nordea Bank AB (publ); Unibank A/S i Danmark, namnändrad till Nordea Bank Danmark A/S ("**Nordea Bank Danmark**"); Merita Bank Abp i Finland, föregångare till Nordea Bank Finland Abp ("**Nordea Bank Finland**"); och Christiania Bank og Kreditkasse ASA i Norge, namnändrad till Nordea Bank Norge ASA ("**Nordea Bank Norge**").

Efter det att Koncernens moderbolag i slutet av år 2000 antagit namnet Nordea AB (publ) rullades namnet Nordea successivt ut inom Koncernen och i december 2001 hade bankerna och lokalkontoren inom Koncernen antagit namnet Nordea.

### Legal struktur

För att förbättra driftskapaciteten, minska riskexponeringen och förstärka kapitaleffektiviteten inledde Nordeakoncernens styrelse i juni 2003 en förändring av Koncernens legala struktur. Arbetet med den interna omstruktureringen inleddes under 2003 genom att Nordea AB (publ), moderbolaget i Nordeakoncernen, förvärvade Nordea Bank Sverige, Nordea Bank Danmark och Nordea Bank Norge från Nordea Bank Finland. Samtidigt förvärvade Nordea AB (publ) även Nordea North America, Inc. från Nordea Bank Finland. Efter att dessa transaktioner ägt rum ombildades Nordea AB (publ) till bank och namnet ändrades till Nordea Bank AB (publ). Därefter fusionerades Nordea Bank Sverige med Nordea Bank AB (publ). Patent- och registreringsverket (numera Bolagsverket) registrerade fusionen den 1 mars 2004.

Nordea strävar efter att ständigt förenkla sin koncernstruktur, och vad gäller de nordiska bankerna är målet att Nordea Bank AB (publ) ska omvandlas till ett europabolag. En ombildning förutsätter bland annat att Nordea får tillstånd från berörda myndigheter. De slutliga regler som kommer att införas till följd av den turbulens som råder på finans marknaden samt det "Nya Normala" återstår fortfarande att ta del av och utvärdera. Nordea följer upp och analyserar förändringarna fortlöpande. Dessa förändringar väntas dock inte slutföras under 2013.



ytterligare information om Nordeakoncernens legala struktur se not "M21 till balansräkningen – Moderföretaget" i årsredovisningen 2012 för NBAB bifogat detta Grundprospekt i Bilaga 1.

## Nordeas Organisationsstruktur

### Överblick

Nordeakoncernens nuvarande organisationsstruktur som introducerades juni 2011 bygger på tre huvudsakliga affärsområdena Retail Banking, Wholesale Banking och Wealth Management. Dessutom har en organisationsenhet med namnet Group Operations and Other Lines of Business skapats. Group Corporate Centre och Group Risk Management som är de andra centrala delarna av organisationen. Nordeakoncernens finansiella rapportering är baserad på den nya organisationen från och med det tredje kvartalet 2011.

Alla delar av värdekedjorna – kundansvar, stöd, produkter, personal och IT-utveckling – har införlivats i affärsområdena med målet att öka effektiviteten, höja avkastningen på eget kapital och fördjupa kundrelationerna. Genom att organisera affärsområdena kring värdekedjor, så anser Nordea, att skapandet av ansvaret för effektivitet blir tydligare och Nordea kommer att vara beredd på att snabbt bearbeta regelverk och krav från investerare. Syftet är också att göra det möjligt för Nordeas medarbetare att arbeta ännu närmare kunderna och kunna förstå och svara på kundernas behov och preferenser. Segmentering av kunder och differentiering såvitt avser såväl erbjudanden som resursallokering med hänsyn taget till kundens behov är kärnan i Nordeas strategi inom den nya organisationen.

Retail Banking ansvarar för kundrelationer vad gäller hushåll samt stora-, mellanstora- och småföretag i Norden och Baltikum. Retail Banking ansvarar för kundindelning (kundgrupper) samt värdeskapande kunderbjudanden (kundprogram), gränsöverskridande kundstrategier och försäljningsprocesser. Verksamhetsområdet agerar genom Banking Denmark, Banking Finland, Banking Norway, Banking Sweden och Banking Poland & Baltic countries.

Wholesale Banking bygger på Nordeas kundorienterade relationsbankstrategi och siktar på att tillförsäkra att samtliga tjänster och produkter inom Nordeakoncernen når de stora företagskunderna. Detta affärsområde inkluderar affärsenheterna Corporate & Institutional Banking, Shipping, Offshore & Oil Services, Banking Russia, Nordea Markets, Transactions Products and International Units.

Wealth Management innefattar affärsområdena Private Banking (Nordic och International), Asset Management och Life & Pensions. Private Bankings verksamhet bedrivs genom en integrerad modell med Retail Banking.

Group Operations and Other Lines of Business ansvarar för "Group common development and services" såsom IT, Processer, Services och Premises and Property.

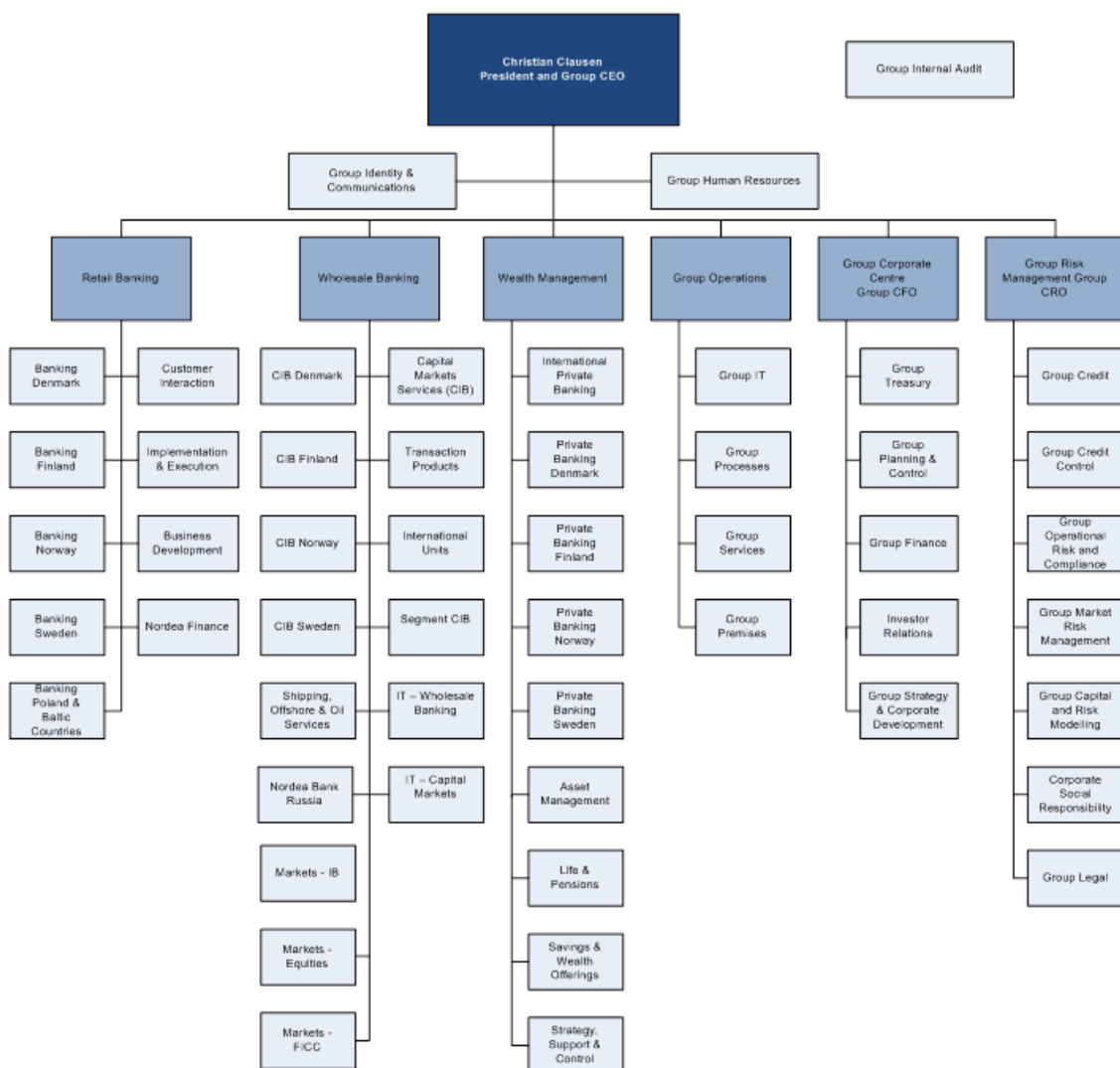
Group Corporate Centre och Group Risk Management är affärsområden som kommer att fortsätta att bedriva sin verksamhet som tidigare.

## Affärsområden

Kärnan i Nordeas strategi är segmentering av kunder och differentiering såvitt avser såväl erbjudanden som resursallokering med hänsyn taget till kundens behov. Nordeas kunder är indelade i framförallt två större kundgrupper: privatkunder och företagskunder. Nordea arbetar för att bygga långsiktiga bankrelationer och för att bli en livslång finansiell partner till dessa kunder genom att förstå kundens specifika behov av produkter och tjänster samt genom att erbjuda produkter och rådgivning utformad för kundens specifika behov.

För privatkunder och företagskunder har Nordea delat in affärsverksamheten i tre huvud-affärsområden (Retail Banking, Wholesale Banking and Wealth Management) samt affärsområdet Group Operations and Other Lines of Business. Varje affärsområde består av ett antal affärsenheter som fungerar som självständiga resultatenheter.

Nedanstående figur visar Nordeakoncernens organisationsstruktur.



## *Retail Banking*

Retail Banking är det största affärsområdet i Nordea. Per den 31 december 2012 betjänade Retail Banking nästan 10 miljoner hushålls- och företagskunder i åtta marknader. Retail Banking ansvarar för kundrelationer och försäljning till hushållskunder samt stora, mellanstora och små företagskunder i Norden och Baltikum. Hushålls- och företagskunder får hjälp med samtliga finansiella behov och ambitionen är att erbjuda dem alla tjänster de behöver. Affärsområdet omfattar hela värdekedjan, inklusive säljstyrka, kanaler, produktenheter, back office och IT. Retail Banking är ansvarig för kundindelning (kundgrupper) och även värdeskapande kunderbudanden (kundprogram), gränsöverskridande kundstrategier samt säljprocesser. Affärsområdet arbetar efter en strategi, en verksamhetsmodell och ett styrningssystem i Banking Denmark, Banking Finland, Banking Norway, Banking Sweden, Banking Poland och Banking Baltic countries. Retail Bankings ambition är att skapa den ledande retailbanken i Europa sett till lönsamhet, effektivitet och kundupplevelser. Hörnstenen i planen är att vara en relationsbank och att på ett genomtänkt sätt att utveckla denna strategi från den nuvarande kontorscentrerade modellen till en retailbank som skapar goda kundrelationer oavsett kanal.

Inom Retail Banking använder sig Nordea av en multifunktionell distributionsstrategi för sina hushållskunder i syfte att försäkra sig om att kunderna har tillgång till bankens tjänster när kunderna vill och behöver dessa. Nordeas strategi bygger på en flerkanalsdistribution med kontor, kundcenter, Internetbank och banktjänster i mobilen som de tre viktigaste kanalerna. Dessa kanaler integreras genom Nordeas kundrelationssystem som registrerar kundens uppgifter i samtliga kanaler innebärande att ett agerande från kunden i en kanal samtidigt registreras i övriga kanaler. Nordea placerar hushållskunderna i kundsegment utifrån affärsvolym och det antal produkter och tjänster som kunden har hos Nordea. Kundsegmenten är indelade i Premium-, Guld-, Silver- och Bronskunder. Rådgivarna inom Retail Banking arbetar med att erbjuda kunderna inom dessa segment produktlösningar som tillgodoser kundens individuella bankbehov.

I Norden delas företagskunderna inom Retail Banking in i följande företagssegment: stora företag, medelstora företag och små företag. För segmenten stora företag och medelstora företag och små företag är målet att utveckla kundrelationerna och att bli husbank för deras respektive kunder. För stora och medelstora företagskunder fortsätter Nordea att göra risk-hanteringsprodukter och kapitalmarknadstransaktioner till en integrerad del av grunderbudandet. När det gäller små företagskunder så har man sjösatt konceptet kunden erhåller en rådgivare för både företagstjänster och privat tjänster.

## *Wholesale Banking*

Wholesale Banking erbjuder tjänster och finansiella lösningar till Nordeas största företagskunder och institutionella kunder. Affärsområdet täcker in hela värdekedjan, med kund- och produktenheter såväl som stödjande IT-funktioner och infrastruktur. Därmed kan man erbjuda produkter och tjänster för varje behov, inklusive skraddarsydda lösningar för enskilda kunder. Affärsenheterna inom Wholesale Banking bildades som ett led i att utveckla Nordeas målsättning att vara en kundfokuserad relationsbank och i syfte att försäkra att alla bankens produkter och tjänster når Nordeas största företagskunder. Nordea är av den uppfattningen att man är den ledande storföretagsbanken i Norden och har den styrka som behövs för att förse sina kunder med de bästa finansiella verktygen så att de kan optimera sin verksamhet och hantera sina risker. Verksamhetsmodellen, som bygger på Nordeas storlek och starka lokala närvaro, möjliggör ett mycket nära samarbete mellan kundenheter och produktexperter.

Nordea anser att Wholesale Bankings affärsmodell har visat sin styrka under den pågående omvandlingen i branschen. Med lokala säljorganisationer anser Nordea att i kombination med en global produktionsplattform kan Nordea dra nytta av både kundrelationer och storskalighet. Relationsstrategin säkerställer djupgående kunskap om kunder och deras branscher, vilket stärker Wholesale Bankings erbjudande till kunderna.

För närvarande inkluderar verksamhetsområdet affärsenheterna Corporate & Institutional Banking, Shipping, Offshore & Oil Services, Banking Ryssland, Nordea Markets, Transaction Products samt International Units.

### *Corporate & Institutional Banking*

Corporate & Institutional Banking betjänar Nordeas största nordiska företags- och institutionella kunder från en central enhet i varje land. Nordeas målsättning är att etablera strategiska relationer med sina kunder inom segmentet Corporate & Institutional Banking genom att bli deras huvudbank avseende ett brett utbud av finansiella tjänster och produkter, inklusive dagliga banktjänster såsom exempelvis likviditetshantering. Nordea erbjuder dessa kunder skräddarsydda, i hög grad individuellt anpassade lösningar och villkor. En grundkomponent i Nordeas företagsstrategi är att skapa värde genom relationsbankkonceptet och i de övre kundsegmenten är Nordeakoncernens målsättning att fortsättningsvis vara en stark partner genom sin strikta resurshantering och effektiva resursanvändning kombinerat med fortsatt hög servicenivå, aktiv affärsselektering och ökad operationell effektivitet. När kunder som är stora finansiella institut, såsom banker, investmentbanker och hedgefonder, ska betjänas så använder sig Nordeakoncernen av en liknande relationsstrategi för att möjliggöra en etablering av strategiskt partnerskap med kunden samt att tillhandahålla specialiserad rådgivning och specialgjorda produkter och service.

### *Shipping, Offshore & Oil Services*

Shipping, Offshore & Oil Services är den division inom Wholesale Banking som betjänar kunder i sektorerna shipping, offshore och oljeservice samt kryssnings- och färjerederier över hela världen. Kunderna betjänas från kontoren i Norden såväl som från utlandskontoren i New York, London och Singapore. Nordea anser att man är en ledande bank i den globala shipping- och offshoresektorn, med ett välkänt varumärke och en världsledande ställning inom lånesyndikering. Affärsstrategin bygger på långsiktiga kundrelationer och gedigen branschexpertis.

### *Nordea Markets*

Enligt Nordeas uppfattning är Nordea Markets ledande i Norden inom kapitalmarknadstjänster och investment banking. Nordea Markets ansvarsområden är handel med finansiella instrument, analys samt försäljning inom områden som exempelvis valutaväxling, räntebärande papper, aktier, strukturerade produkter, råvaror, finansmarknadstjänster, finansiell rådgivning och bolagsfinansiering. Nordea Markets erbjuder sina produkter till företag och finansiella institutioner och via Wealth Management till privatkunder. Nordea Markets verksamhet är uteslutande kundorienterad. Nordeas strategi är att öka försäljningen av riskhanteringsprodukter till Nordeas företagskunder och att erbjuda effektiva finansiella lösningar.

### *Banking Russia*

Nordea betjänar såväl företags- som privatkunder i Ryssland genom ett helägt dotterbolag, OJSC Nordea Bank, en fullservicebank som fokuserar särskilt på stora globala bolag i Ryssland och nordiska kärnkunder. Förutom grundutbudet erbjuder OJSC Nordea Bank cash management, utlåning och kapitalmarknadstjänster. Tack vare Nordeas starka ställning i Norden anser Nordea att man kan erbjuda lösningar, som motsvarar deras behov, till företag som är aktiva både i Norden och Ryssland.

### *Transaction Products*

Produktområdet Transaction Products består av följande tre enheter; Cash Management, Trade Finance och Payment Operations. Avdelningen är ansvarig för tillhandahållandet av bland annat följande produkter; transaktionsprodukter och tjänster, tjänster relaterade till rörelsefinansiering, internetjänster för företag samt handelsfinansiering.

### *Internationella enheter*

Nordeakoncernen driver ett internationellt nätverk av filialer i New York, London, Frankfurt, Shanghai och Singapore, samt representationskontor i Sao Paolo och Beijing. Utöver Nordeas eget nätverk så har Nordeakoncernen träffat olika samarbetsavtal med banker globalt. Som ett resultat av detta kan Nordeakoncernen erbjuda sina företagskunder högkvalitativa lösningar för deras internationella verksamhet. Produkterbjudandena fokuserar på dagliga banktjänster, krediter, cash management, trade finance och kapitalmarknadsprodukter.

## *Wealth Management*

Wealth Management erbjuder högklassiga placerings-, spar- och riskhanteringsprodukter och förvaltar tillgångar för Nordeas kunder samt ger placeringsråd åt förmögna privatkunder och institutionella investerare. Wealth Managements ambition är att vara den ledande förmögenhetsförvaltaren på alla nordiska marknader, med en global räckvidd och kapacitet. Wealth Management anser att detta förutsätter en affärsmodell där vi kan erbjuda kunderna kvalificerad rådgivning, hög servicenivå och ett heltäckande utbud av kvalitetsprodukter med hjälp av en kostnads- och kapitaleffektiv leveransmodell. Affärsområdena består av affärsenheterna Private Banking, Asset Management, Life & Pensions samt serviceenheten Savings & Wealth Offerings.

## *Private Banking*

Nordea bedriver Private Bankingverksamheten via en integrerad modell med Retail Banking. Genom den integrerade verksamhetsmodellen kan Nordea fullt ut dra nytta av hela koncernens distributionsnät och kundbas liksom den samlade kompetensen inom placeringar samt produktpaketering och utveckling inom Nordea-koncernen.

Utöver den Nordiska Private Bankingverksamheten bedriver Nordeakoncernen även Private Banking internationellt som är inriktad både på kunder av nordisk härkomst bosatta utomlands och internationella kunder som inte är av nordisk härkomst.

## *Asset Management*

Asset Management tillhandahåller Nordeas placeringsprodukter till privatkunder vilket inkluderar Private Bankingkunder. Utbudet består av aktivt förvaltade placeringsprodukter såsom fonder, livförsäkringskapital, pensionsprodukter och diskretionära mandat. Asset Management ansvarar också för tillhandahållandet av placeringsprodukter till stora företags- och institutionellakunder.

## *Life & Pensions*

Life & Pensionsenheten omfattar produktutveckling och paketering av liv- och pensionsprodukter till privat- och företagskunder. Kunderna betjänas via bankkontor, Life & Pensions egen säljkår eller via agenter och mäklare.

## **Strategi**

Sedan 2007 har Nordea fokuserat på sin relationsstrategi. Nordeakoncernen har fortsatt sin strategiska inriktning trots de svåra makroekonomiska förutsättningarna de senaste åren och fortsätter att hjälpa våra kunder och bidra till samhällsutvecklingen. Nordeakoncernens strategi är baserad på "Planen 2015" som är fokuserad på utvecklandet av relationsbanks affärsmodellen. Kärnan i Nordeakoncernens strategi baseras på Nordeas ambition att förstå rådgivning, tjänster och åtaganden till kunderna för att främja bygget av långsiktiga relationer där fokusområdena är:

- balanserad kundfokus, som bygger på en kundorienterad organisatorisk struktur, där de rätta produkterna tillhandahålls på ett korrekt sätt, till ett rimligt pris baserat på den faktiska kostnaden för att tillhandahålla produkten;
- fokus på personal, tydliga principer och värderingar reflekteras i mål och initiativ som fastställts inom Nordeakoncernen med den ekonomiska vinstströmen som kvarstår som central del i hur ledning och support utövas; och
- integration av optimerad värdekedja, antagande och genomförande av riktlinjer där lojalitet till enkelhet, transparens och minskning av komplexitet främjas samtidigt som att behålla Nordeakoncernens kunder och deras målsättning är i fokus.

Nordea anser att en verksamhetsmodell och ett affärsområdes ansvar från början till slutet av värdekedjan säkerställer överblick, ansvar och kongruens. Denna fokuserade relationsstrategi utgör grunden för att nå Nordeakoncernens finansiella mål, såsom vidare diskuteras nedan.

Nordea anser att lönsamhet kommer att vara lösningen till att upprätthålla ett högt kreditbetyg, låga kostnader för upplåning och flexibilitet inom Nordeakoncernens kapital position och anser därtill att solid



lönsamhet är en nödvändig förutsättning för att kunna tillhandahålla en utomordentlig kunderfarenhet på ett hållbart sätt till kunder. För att Nordeakoncernen skall kunna kvarstå i vad den själv anser vara toppklass avseende prestation i sin jämförelsegrupp av europeiska banker, anser Nordea att Nordea behöver öka koncernens avkastning på kapital genom att vidta åtgärder avseende både kostnader och kostnadseffektivitet och samtidigt fortsätta att öka koncernens intäkter. I linje med denna strategi har Nordea fastställt en finansiell målsättning för koncernen, vilket är att uppnå en avkastning på eget kapital om 15 procent i en normalt sett makroekonomisk tillvaro med ett kapitaltäckningskrav överstigande 13 procent på primärkapital.

### *Kapitalpolicy*

Nordea har fastställt en kapitalpolicy för de nya bankreglerna. Kapitalpolicyn anger att kärnprimärkapitalrelationen ska överstiga 13 procent och kapitaltäckningsgraden ska överstiga 17 procent senast den 1 januari 2015. Kapitalpolicyn baseras på ledningens aktuella bedömning av kapitaliseringen, men det är fortfarande oklart vad CRD IV/CRR kommer att leda till i slutändan. De fastställda målen sätter miniminivåer som ska gälla under normala affärsförhållanden eftersom bankreglerna anpassas till de olika stadierna i konjunkturcykeln.

### *Effektiviseringsinitiativ*

Nordea har introducerat effektiviseringsinitiativ avseende både kostnadseffektivitet och effektivitet avseende utnyttjande av tillgångar och kapital med målsättningen att minska den förväntade högre kostnaden för att bedriva bankverksamhet i det förändrade affärsklimat som av Nordea benämns det "Nya Normala". I juni 2011 implementerade Nordeakoncernen en ny organisationsstruktur vilken Nordea anser kommer att möjliggöra en fortsatt fokus på effektivitet avseende värdekedjorna samt tillhandahållandet av effektiva lösningar för Nordeas kunder i det Nya Normala. Avsikten med den nya organisationsstrukturen är att säkerställa förbättrad ansvarskänsla och fokusera på implementering av identifierade kostnadseffektiva åtgärder. Under andra halvåret av 2011 vidtog Nordea ytterligare konstandseffektiva åtgärder, inklusive minskning av antalet anställda i Nordeakoncernen med cirka 2 700 personer sedan andra kvartalet 2011 och förväntas påbörja ytterligare effektivitets åtgärder framöver. Nordea har även tagit initiativ till kostnadseffektivitet inom bland annat områden såsom IT-utveckling. Nordea eftersträvar vidare effektivitet avseende utnyttjande av kapital genom att fokusera affärerna på produkter som inte kräver hög kapitaltäckning inom rådgivning och relationsverksamheten såväl som sidoinkomster från kundrelationer. Nordeakoncernens effektivitet avseende utnyttjande av tillgångar och kapitalinitiativ strävar vidare efter att vidta åtgärder för att uppnå modest tillväxt i RWA oavsett inkomstökning. Dessa initiativ inkluderar genomgång av kreditriskprocesser för att ytterligare förbättra RWA effektiviteten såväl som ytterligare spridning av den interna kreditbetygs modeller (IRB modeller).

### *Privat- och företagskundrelationer*

Nordeakoncernens strategier för kundrelationer är uppdelade mellan strategi för privatkundsrelationer och strategi för företagskundrelationer.

#### *Strategi för privatkundsrelationer*

Privatkunder är indelade i fyra segment baserat på den typ av affärer de gör med Nordea. För varje segment har Nordea utvecklat en värderingsproposition som inkluderar kontaktpolicy, servicepolicy, prissättande och produktlösningar. Kärnfilosofin i denna strategi är att erbjuda de bästa service-, rådgivnings- och produktlösningarna till kunden och därmed säkerställa lojalitet, varumärkesvärde och öka mängden affärer och intäkter. Nordeas privatkundsprissättning är genomlyst och generellt inte förhandlingsbar. Produktutveckling ska minska komplexiteten och utveckla produkter med ett lågt kapitaltäckningskrav för att möta krav från kunder samt regulatoriska krav. Nordeas sparprodukter som erbjuds är utvecklade för att ta höjd för kundens förmögenhet, inkomst, storleken på kundens engagemang, stadiet i livet och storlek på risktagande.

Nordea strävar efter en flerkanalsdistributionsstrategi som siktar på att förbättra kundnöjdhet samtidigt som kostnader för service ska reduceras. Proaktiv kundkontakt utförs av lokala kontor och komplementeras med kontakcenter, "online" service och mobilbank. Nordea siktar på att ha återkommande rådgivningsmöten med samtliga- och potentiellakundrelationer. Detta för att kunna erbjuda en fullständig finansiell lösning genom att beakta kundernas samtliga finansierings- och långsiktiga preferenser.

## *Strategi för företagskundrelationer*

Företagskunder består av fyra segment baserat på kundens affärspotential och komplexiteten av behovet av banktjänster. För varje segment så har Nordea utvecklat en värderingsproposition som omfattar kontaktpolicy, servicenivå och produktlösningar för att tillhandahålla finansiella lösningar och försäkra "husbanks"-relation. Kundens variga tar ett helhetsgrepp om respektive kunds situation och mål och utformar relationen därefter. Nordea anser att dess styrka och storlek som bankkoncern gör att Nordea kan erbjuda unika lösningar till nytta för dess företagskunder. Nordea anser att strategin gentemot dess största företagskunder har visat sig varakraftfull under den pågående omvandlingen i bankbranschen. Nordea anser också att de lokala säljorganisationerna i kombination med en global produktionsplattform gör att Nordea kan utnyttja värdet av både kundrelationer och storskalighet.

Nordea är fast besluten att bli den ledande banken i wholesalesegmentet på samtliga Nordeas nordiska marknader. För stora och medelstora företagskunder fortsätter Nordea att göra riskhanteringsprodukter och kapitalmarknadstransaktioner till en integrerad del av grunderbudandet. För små företagskunder utvidgas rådgivarprofilen och servicekonceptet för att göra det möjligt att hantera såväl företags- som privataffärer för kunderna i detta segment.

## **Utveckling under senare tid**

### ***Utdelning***

Nordeas årsstämma för 2013 ("**Årsstämman 2013**") har beslutat om utdelning för 2012 om EUR 0,34 per aktie. Den totala utdelningen uppgår till EUR 1 370.

### ***Förvärv av egna aktier***

Årsstämman 2013 beslöt att NBAB, för att underlätta sin värdepappersrörelse, under tiden fram till nästa årsstämma löpande får förvärva egna stamaktier i enlighet med Kap 7 § 6 i den svenska lagen (2007: 528) om värdepappersmarknaden. Innehavet av sådana aktier får inte överstiga en procent av samtliga aktier i NBAB. Förvärv skall ske till rådande marknadspriser.

Årsstämman 2013 beslöt att bemyndiga styrelsen att för tiden intill nästa årsstämma fatta beslut om förvärv av stamaktier i NBAB på en reglerad marknad där NBABs stamaktier är noterade eller enligt förvärvserbjudande till samtliga ägare av stamaktier i NBAB, dock att NBABs innehav av egna aktier inte vid något tillfälle får överstiga tio procent av samtliga aktier i NBAB. Bemyndigandet innehåller också andra begränsningar för förvärv.

Årsstämman 2013 beslöt, också, att bemyndiga styrelsen att för tiden intill nästa årsstämma fatta beslut om överlåtelse av stamaktier i NBAB att användas som likvid vid eller finansiering av förvärv av företag eller verksamhet. Överlåtelse av stamaktier får ske på annat sätt än på en reglerad marknad intill det antal stamaktier i NBAB som vid var tid innehas av NBAB. Överlåtelse av stamaktier i NBAB skall ske till ett bedömt marknadsvärde och får ske med avvikelse från aktieägarnas företrädesrätt. Ersättning för överlåtna stamaktier får erläggas kontant, genom apport eller genom kvittning av fordran mot Bolaget.

### ***Convertibler***

Årsstämman 2013 beslöt att bemyndiga styrelsen att för tiden före nästa årsstämma, vid ett eller flera tillfällen, med eller utan företrädesrätt för befintliga aktieägare, fatta beslut om emission av konvertibler, varvid det belopp som aktiekapitalet skall kunna ökas med vid fullt utnyttjande av konvertiblerna uppgår till maximalt 10 procent av NBABs aktiekapital, vilket skulle motsvara utgivande av 404 995 191 nya stamaktier beräknat efter nuvarande antal stamaktier utgivna av NBAB. Emission av konvertibler med stöd av bemyndigandet skall ske på marknadsmässiga villkor.

### ***Riktlinjer för ersättning till ledande befattningshavare/Executive Incentive Programme***

Årsstämman 2012 beslöt att ledande befattningshavare vilket inkluderar verkställande direktör i NBAB och medlemmar i koncernledningen (Group Executive Management) ska erbjudas en "Executive Incentive Programme 2013 ("**GEM EIP 2013**") för att belöna uppfyllelsen av i förväg övernskomna mål på koncern-, affärsenhets- och individuell nivå. Hur resultatet påverkas på lång sikt ska beaktas när målen beslutas. Utfallet från GEM EIP 2013 ska utbetalas över en femårsperiod i form av kontant ersättning och ska vara föremål för justering av uppskjuten ersättning, indexering till Nordeas totalavkastning och

förfoganderestriktioner baserat på FI:s föreskrifter om ersättningssystem, med beaktande av lokala regler och förhållanden när detta är relevant. GEM EIP 2013 har en resultatmättningsperiod om ett år och utfallet ska inte överstiga den fasta lönen.

Ersättning till ledande befattningshavare kommer att beslutas av styrelsen i enlighet med Nordeas interna riktlinjer och rutiner vilka baseras på den svenska Finansinspektionens (FI) föreskrifter och allmänna råd om ersättningspolicy, Europeiska Unionens direktiv om kapitaltäckning för banker liksom internationella sunda ersättningssystem.

## **Kapitaltäckning**

Nordeakoncernen använder sig av olika kapitalmätningstekniker och kapitalmått för att hantera sitt kapital. Nordeakoncernen använder sig av kapitaltäckningsstandarden som återfinns i Basel II. Nordeakoncernen är dock fortfarande begränsad regulatoriska kapitaltäckningskrav baserade på Basel I.

Nordeakoncernen erhöll i juli 2007 godkännande från relevanta finansinspektioner för att använda den internariskklassificeringsmetoden (IRB) i Basel II för Nordeas företagskrediter och krediter till finansiella institutioner i Danmark, Finland, Norge och Sverige (med undantag för utländska filialer och dotterbolag). I december 2008 mottog Nordeakoncernen även tillstånd för att använda den interna riskklassificeringsmetoden för sina krediter till privatpersoner. I maj 2011 blev Nordea godkänd att använda den internariskklassificeringsmetoden även för sina krediter till företag och privatpersoner härstammande från förvärvet av Danish Fionia Bank A/S. I januari 2012 erhöll Nordea godkännande att använda den interna riskklassificeringsmetoden för företag och institutionella portföljer i de internationella enheterna (d.v.s. branscherna i Shanghai, London, Singapore, Frankfurt, New York och Cayman öarna). I november 2012 erhöll Nordea godkännande att använda den interna riskklassificeringsmetoden för företag och institutionella portföljer i de Baltiska branscherna Estland, Lettland och Litauen. I december 2012 erhöll Nordea godkännande från SFSA och FFSA för att använda "the internal model method" (IMM) för att kalkylera regulatorisk kapital för motparts kreditrisk, som kommer att bli implementerat i kapitaltäckningskalkylering första kvartalet 2013. Nordea gruppen använde sig av standarlösningen för de övriga portföljerna. Nordeakoncernen mål är att fortsätta att implementera den interna riskklassificeringsmetoden. Huvudfokus är utvecklingen av den avancerade internariskklassificeringsmetoder för företagskunder i den nordiskamarknaden inkluderat interna beräkningar av "loss given default" (LGD) och "credit conversion factors" (CCF). Nordea har också tillstånd att använda interna Value-at-Risk-modeller (VaR) för att beräkna kapitalkravet för huvuddelen av marknadsrisken i handelslagret.

Nordeakoncernen har fastställt en ny kapitalpolicy för de nya bankreglerna. Kapitalpolicy anger att kärnprimärkapitalrelationen ska överstiga 13 procent och kapitaltäckningsgraden ska överstiga 17 procent senast den 1 januari 2015. Kapitalpolicy är baserad på ledningens aktuella bedömning av kapitaliseringen, det är fortfarande oklart vad CRD IV/CRR kommer att leda till i slutändan. De fastställda målen sätter miniminivåer som ska gälla under normala affärsförhållanden eftersom banreglerna anpassas till de olika stadierna i konjunkturcykeln.

Nordeas interna kapitalkrav enligt den interna kapitalutvärderingen (IKU), som enligt CRD skall, för varje bank, granska ledningen, omständigheter och mätning av materiella risker för att fastställa den adekvata internakapitalet och fastställa en internt regelverk för kapital som reflekterar riskaptiten för institutionen.

Per den 31 december 2012 så överstiger Nordeakoncernens primärkapital och kapitalbas det regulatoriska minimum som krävs enligt CRD. Med beaktande av resultaten av stresstester på kapitaltäckning, kapitalförutsägning och tillväxt förväntningar så bedömer Nordeakoncernen att bufferterna som finns idag för de regulatoriska kapitaltäckningskraven är tillräckliga

I tillägg till Nordeakoncernens interna kapitalkrav och pågående samtal med tredjeman så påverkas Nordeakoncernens kapitalkrav, speciellt, av de externa kreditvärderingsinstituts synvinklar.

För att identifiera och bedöma interna kapitalkrav så används metoden "Pelare 1 och 2". Den här metoden använder Pillar 1:s kapitalkrav för kreditrisk, marknadsrisk och operationellrisk såsom återfinns i kapitaltäckningsdirektivet (CRD) som utgångspunkt för riskbedömning. Följdaktligen så bedöms risker i Pelare 2 för det fall riskerna inte återfinns i Pelare 1. Pelare 2-risker består av räntesatsrisker i

bankportföljen, risker i Nordeakoncernens internt definierade fördelsplan, fastighetsrisk, koncentrationsrisk och affärsrisk.

Nordeakoncernen använder sig av "Economic Capital regelverk" för att identifiera och bedöma Pillar 2-risker och är Nordeas främsta verktyg för att allokera kapital internt med beaktande av alla risktyper. En annan viktig beståndsdel i att bedöma kapitalbehovet är stresstester. Nordea stresstestar både risker inom Pelare 1 och Pelare 2 och resultatet beaktas när Nordea definierar sitt interna kapitalbehov.

## NORDEA BANK AB (publ)

### Verksamhetsöversikt

Nordea Bank AB (publ), eller där det är tillämpligt, föregångaren till NBAB har sedan 1998 bedrivit sin verksamhet som en del av Nordeakoncernen, vilken bildades till följd av samgåendet mellan Merita och Nordbanken. Samgåendet mellan Merita och Nordbanken behandlas närmare ovan, se "*Nordeakoncernen – Bildandet av Nordeakoncernen*".

NBAB bedriver bankverksamhet i Sverige inom ramen för Nordeakoncernens affärsorganisation. NBAB utvecklar och marknadsför finansieringsprodukter och tjänster till privatkunder, företagskunder och den offentliga sektorn.

### Legal struktur och dotterbolag

Nordea Bank Sverige AB (publ) var ett helägt dotterbolag till NBAB (tidigare Nordea AB (publ)) fram till den 1 mars 2004 då Nordea Bank Sverige fusionerades med NBAB (se ovan "*Nordea koncernen – Legal struktur*" för ytterligare information). NBAB bildades den 8 oktober 1997 i enlighet med svensk lag. NBAB har sitt säte i Stockholm, Sverige, lyder under aktiebolagslagen (2005:551) och innehar tillstånd att bedriva bankverksamhet i enlighet med lagen (2004:297) om bank- och finansieringsrörelse, och vidare bedriva finansiell verksamhet och verksamhet som har ett naturligt samband därmed, bl.a. värdepappersrörelse. NBAB är föremål för omfattande reglering på alla marknader där NBAB verkar. NBAB är registrerat hos Bolagsverket och har firma Nordea Bank AB. NBAB är ett publikt (publ) aktiebolag och har org. nr 516406-0120. NBAB har sitt huvudkontor i Stockholm med adress: Smålandsgatan 17, 105 71 Stockholm (telefon nr 08-614 70 00). NBAB har ett antal direkt och indirekt ägda dotterbolag. Aktierna i NBAB är registrerade på börserna i Stockholm, Helsingfors och Köpenhamn.

### De viktigaste dotterbolagen

NBABs tre huvudsakliga dotterbolag är Nordea Bank Danmark A/S ("NBD"), Nordea Bank Finland Abp ("NBF") och Nordea Bank Norge ASA ("NBN").

NBF är ett publikt aktiebolag och har beviljats tillstånd av den finska Finansinspektionen ("finska Finansinspektionen") att bedriva bankrörelse i Finland. Bank- och finansieringsrörelse i Finland regleras av den finska kreditinstitutslagen (9.2.2007/121) ("FKL") och av den finska lagen om affärsbanker och andra kreditinstitut i aktiebolagsform (28.12.2001/1501).

NBD är ett publikt aktiebolag (Da: Aktieselskab) och har beviljats tillstånd av den danska Finansinspektionen (Da: Finanstilsynet) ("danska Finansinspektionen") att bedriva bankrörelse i Danmark. Bankrörelse i Danmark regleras av den danska lagen om finansiell verksamhet (Da: Lov om finansiel virksomhed) ("LFV").

NBN lyder under den norska lagen om kommersiella banker (No: lov 24. mai 1961 nr. 2 om forretningsbanker) och lagen om finansiella institut (No: lov 10. juni 1988 nr. 40 om finansieringsvirksomhet og finansinstitusjoner). Därtill innehar NBN tillstånd att bedriva investeringsverksamhet och lyder därför även under den norska lagen om handel med värdepapper (No: lov 29. juni 2007 nr. 75 om verdipapirhandel).

### Aktiekapital och Aktieägare

Vid datumet för detta prospekt uppgick NBABs aktiekapital till 4 049 951 919 euro uppdelat på 4 049 951 919 stamaktier med ett nominellt belopp om 1 euro. Varje aktie motsvarar en röst. NBAB är inte tillåten att använda rösträtt för NBAB aktier som NBAB innehar.

Av nedanstående tabell framgår uppgifter om NBABs fem största registrerade aktieägare per den 28 februari 2013:

| Ägare           | Antal aktier,<br>miljoner | Andel av kapital<br>och röster % |
|-----------------|---------------------------|----------------------------------|
| Sampo Oyj ..... | 860,4                     | 21,4                             |

| Ägare                        | Antal aktier,<br>miljoner | Andel av kapital<br>och röster % |
|------------------------------|---------------------------|----------------------------------|
| Svenska staten.....          | 544,2                     | 13,5                             |
| Nordea-fonden.....           | 158,2                     | 3,9                              |
| Swedbank Robur Fonder.....   | 135,9                     | 3,3                              |
| AMF Insurance and Funds..... | 78,8                      | 2,0                              |

## Styrelse

Enligt NBABs bolagsordning skall styrelsen bestå av minst sex och högst 15 styrelseledamöter som väljs av aktieägarna vid bolagsstämman. Styrelsen består för närvarande av nio ledamöter valda av aktieägarna på bolagsstämman för perioden fram till och inkluderande bolagsstämman 2014. Utöver dessa ledamöter väljs tre ordinarie och en suppleant utsedda av arbetstagarna. Arbetstagarna har en rätt, enligt svensk lag, att vara representerade i styrelsen. Verkställande direktören i NBAB är inte ledamot i styrelsen.

Följande tabell innehåller respektive styrelseledamots födelseår samt det år då ledamoten valdes in i styrelsen.

| Namn                      | Födelseår | Styrelseledamot sedan | Befattning      |
|---------------------------|-----------|-----------------------|-----------------|
| Björn Wahlroos.....       | 1952      | 2008                  | Ordförande      |
| Marie Ehrling.....        | 1955      | 2007                  | Vice ordförande |
| Elisabeth Grieg .....     | 1959      | 2013                  | Ledamot         |
| Peter F Braunwalder ..... | 1950      | 2012                  | Ledamot         |
| Svein Jacobsen.....       | 1951      | 2008                  | Ledamot         |
| Tom Knutzen .....         | 1962      | 2007                  | Ledamot         |
| Lars G Nordström .....    | 1943      | 2003                  | Ledamot         |
| Sarah Russell .....       | 1962      | 2010                  | Ledamot         |
| Kari Stadigh.....         | 1955      | 2010                  | Ledamot         |

Utöver de ovan uppräknade styrelseledamöterna, består styrelsen av följande arbetstagarrepresentanter (varav en alltid är styrelsesuppleant) utnämnda av fackföreningarna.

| Namn                       | Födelseår | Styrelseledamot sedan | Befattning              |
|----------------------------|-----------|-----------------------|-------------------------|
| Toni H. Madsen .....       | 1959      | 2013                  | Arbetstagarrepresentant |
| Hans Christian Riise ..... | 1961      | 2009                  | Arbetstagarrepresentant |
| Kari Ahola .....           | 1960      | 2006                  | Arbetstagarrepresentant |
| Steinar Nickelsen .....    | 1962      | 2007                  | Arbetstagarrepresentant |

Styrelseledamöterna och medlemmarna i Group Executive Management har följande postadress: c/o Nordea Bank AB (publ), Smålandsgatan 17, SE-105 71 Stockholm, Sverige.

Alla styrelseledamöter förutom arbetstagarledamöterna är verksamma utanför Nordeakoncernen. Det föreligger inte potentiella intressekonflikter mellan någon förpliktelse som personer som ingår i styrelsen har till NBAB och dessa personers privata intressen eller övriga åtaganden.

*Björn Wahlroos* har varit styrelseledamot sedan 2008 och har varit styrelseordförande sedan 2011. Per datum för detta prospekt är han Styrelseordförande i Sampo Oyj, UPM-Kymmene Oyj och Handelshögskolan i Helsingfors. Han är Styrelseledamot i ett flertal organisationer och stiftelser bland annat, Näringslivets Delegation EVA/ETLA och Mannerheim-stiftelsen.

*Marie Ehrling* har varit styrelseledamot sedan 2007 och har varit vice styrelseordförande sedan 2011. Per datum för detta prospekt är hon Styrelseledamot i Securitas AB, Loomis AB, Oriflame Cosmetics SA, Schibsted ASA, Safe Gate AB, Axel Johnson AB, Centre for Advances Studies of Leadership vid Handelshögskolan i Stockholm, World Childhood Foundation. Hon är även ledamot i Kungliga Ingenjörsvetenskapsakademien (IVA) och Styrelseordförande i Norsk-Svenska Handelskammaren.

*Elisabeth Grieg* har varit styrelseledamot sedan 2013. Per datum för detta prospekt Styrelseordförande i Grieg Star Group AS och Guarantee Institute for Export Credits, styrelseledamot i Grieg Foundation och olika bolag inom Grieg-gruppen och även SOS Childrens Villages Norway. Hon är även styrelsemedlem i Council of Det Norske Veritas.

*Peter F Braunwalder* har varit styrelseledamot sedan 2012. Per datum för detta prospekt Styrelseordförande i Thommen Medical AG samt styrelseledamot i Menuhin Festival Gstaad.

*Svein Jacobsen* har varit styrelseledamot sedan 2008. Per datum för detta prospekt Styrelseordförande i Vensafe AS, PSI Group ASA och Falkenberg AS, styrelsemedlem i Heidenreich Holding AS samt Isco Group AS och ledamot av Advisory Board i CVC Capital Partners.

*Tom Knutzen* har varit styrelseledamot sedan 2007. Per datum för prospektet Verkställande direktör i Jungebunzlauer Suisse AG och ledamot i FLSmidt & Co A/S.

*Lars G Nordström* har varit styrelseledamot sedan 2003. Per datum för detta prospekt Styrelseordförande i Vattenfall AB samt i Finsk-Svenska Handelskammaren, styrelseledamot i Viking Line Abp och Svensk-Amerikanska Handelskammaren och ledamot i Kungliga Ingenjörsvetenskapsakademien (IVA). Lars G Nordström är också honorärkonsul för Finland i Sverige.

*Sarah Russell* har varit styrelseledamot sedan 2010. Per datum för detta prospekt Verkställande direktör för AEGON Asset Management.

*Kari Stadigh* har varit styrelseledamot sedan 2010. Per datum för detta prospekt Verkställande direktör och koncernchef i Sampo Oyj, styrelseordförande i If P&C Insurance Holding AB (publ), Kaleva Mutual Insurance Company och Mandatum Life Insurance Company Limited och medlem i Nokia Corporation. Han är vice styrelseordförande i the Confederation of Finnish Industries EK.

## Koncernledningen

Koncernledningen består för närvarande av följande sju medlemmar, inklusive verkställande direktören. Koncernchef och verkställande direktör utses av styrelsen och ansvarar för den dagliga styrningen av NBABs och Nordeakoncernens verksamhet i enlighet med tillämpliga lagar och regler inklusive den Svenska koden för bolagsstyrning såväl som instruktioner från styrelsen. Instruktionerna anger uppdelningen av ansvar och interaktionen mellan verkställande direktören och styrelsen. Verkställande direktören arbetar nära styrelseordföranden med att till exempel planera styrelsemötena.

Följande tabell visar respektive medlem av koncernledningen, dennes födelseår, vilket år personen blev medlem av koncernledningen och personens nuvarande position.

| Namn                         | Födelseår | Medlem av<br>koncernledningen sedan | Position                                                                                     |
|------------------------------|-----------|-------------------------------------|----------------------------------------------------------------------------------------------|
| Christian Clausen.....       | 1955      | 2001                                | Koncernchef och VD                                                                           |
| Torsten Hagen Jørgensen..... | 1965      | 2011                                | Executive Vice President, CFO, chef för Group Corporate Centre och chef för Group Operations |
| Ari Kaperi.....              | 1960      | 2008                                | Executive Vice President, CRO, chef för Group Risk Management och landschef för Finland      |
| Casper von Koskull.....      | 1960      | 2010                                | Executive Vice President, chef för Wholesale Banking                                         |
| Peter Nyegaard.....          | 1963      | 2011                                | Executive Vice President, COO för Wholesale Banking                                          |
| Michael Rasmussen .....      | 1964      | 2008                                | Executive Vice President, chef för Retail Banking och landschef för Danmark                  |
| Gunn Wærsted .....           | 1955      | 2007                                | Executive Vice President, chef för Wealth Management och landschef för Norge                 |

Medlemmarna i Group Executive Management har följande postadress: c/o Nordea Bank AB (publ), Smålandsgatan 17, SE-105 71 Stockholm, Sverige.

Det föreligger inte potentiella intressekonflikter mellan någon förpliktelse som personer som ingår i koncernledningen har till NBAB och dessa personers privata intressen eller övriga åtaganden.

*Christian Clausen* har varit koncernchef och verkställande direktör för Nordea sedan 2007 samt medlem av Group Executive Management sedan 2001. Christian Clausen började i Nordeakoncernen 2000 som Executive Vice President, chef för Asset Management & Life. Christian Clausen deltar vid styrelsesammanträden i egenskap av verkställande direktör Vid tidpunkten för upprättandet av detta grundprospekt är Christian Clausen ordförande i Europeiska Bankföreningen och Svenska Bankföreningen.

*Torsten Hagen Jørgensen* har varit Executive Vice President, chef för Group Operations samt medlem av Group Executive Management sedan 2011 och CFO och chef för Group corporate Centre sedan 2013.

Torsten Hagen Jørgensen började i Nordeakoncernen 2005 och har haft ett flertal chefstjänster inom Nordea.

*Ari Kaperi* har varit Executive Vice President och medlem av Group Executive Management sedan 2008. Han blev CRO och chef för Group Risk Management samt landschef i Finland år 2010. Ari Kaperi började i Nordeakoncernen år 2001 och har haft ett antal chefspositioner sedan dess. Vid tidpunkten för upprättandet av detta grundprospekt är Ari Kaperi styrelseordförande i styrelsen för Finska Finansbranschens Centralförbund och styrelseledamot i Livförsäkringsbolaget Varma Mutual Pension, medlem av Supervisory Board i Luottokunta Oyj, medlem i Foundation for Economic Education och Art Foundation Merita och medlem i Advisory Boards i handelskammaren, Finnish Business and Policy Forum Eva/ETLA och Åbo Universitet.

*Casper von Koskull* har varit Executive Vice President och medlem av Group Executive Management sedan 2010 samt chef för Wholesale Banking sedan 2011. Casper von Koskull kom till Nordea under 2010 och var chef för Corporate Merchant Banking & Capital Markets mellan 2010 och 2011. Vid dagen för upprättandet av detta grundprospekt är Casper von Koskull medlem i Internationella Handelskammaren ICC.

*Peter Nyegaard* har varit Executive Vice President, COO för Wholesale Banking, medlem av Group Executive Management sedan 2011. Peter Nyegaard började i Nordeakoncernen 2000 och har haft ett flertal ledande positioner inom Nordea sedan dess.

*Michael Rasmussen* har varit Executive Vice President, medlem av Group Executive Management samt landschef för Danmark sedan 2008 och chef för Retail Banking sedan 2011. Michael Rasmussen har innehaft olika positioner inom Nordeakoncernen sedan 2000. Vid tidpunkten för upprättandet av detta grundprospekt är Michael Rasmussen ordförande i Danska Bankföreningen samt Industrialiseringsfonden for Udviklingslandene (IFU) och ledamot av styrelserna i Danmarks Skibskredit A/S samt medlem i European Banking Federation.

*Gunn Wærsted* har varit Executive Vice President, medlem av Group Executive Management och landschef i Norge sedan år 2007 samt chef för Wealth Management sedan 2011. Gunn Wærsted var chef Shipping, Private Banking & Savings Products under perioden 2010 till 2011. Vid tidpunkten för upprättandet av detta grundprospekt är Gunn Wærsted styrelseledamot i den norska insättningsgarantifonden och Finance Norway (FNO) och medlem i nomineringskommittén för Schibsted ASA, Bedriftsforsamlingen i Orkla ASA samt medlem i nomineringskommittén och i Rådet i Det Norske Veritas.

## **Oberoende**

Nordea följer tillämpliga regler avseende styrelsens oberoende. Valberedningen anser att samtliga styrelseledamöter valda av aktieägarna är oberoende i förhållande till bolagets större aktieägare, med undantag för Björn Wahlroos och Kari Stadigh. Björn Wahlroos är styrelseordförande och Kari Stadigh är verkställande direktör och koncernchef i Sampo Oyj, som äger mer än tio procent av samtliga aktier och röster i Nordea Bank AB (publ).

Valberedningen konstaterar att samtliga styrelseledamöter valda av aktieägarna är oberoende i förhållande till bolaget och dess ledning.

Ingen stämмоvald styrelseledamot är anställd av eller arbetar i en operativ funktion i bolaget. Styrelseledamöterna och styrelsesuppleanten som har utsetts av arbetstagarna är anställda i koncernen och därmed inte oberoende i förhållande till bolaget.

Antalet styrelseledamöter som är oberoende i förhållande till bolaget och bolagsledningen såväl som i förhållande till bolagets större aktieägare överskrider det lägsta antal som anges i Svensk kod för bolagsstyrning enligt vilken minst två styrelseledamöter som valts vid bolagsstämma ska vara oberoende i förhållande till bolaget och bolagsledningen såväl som i förhållande till bolaget större aktieägare. Nordea fullföljer dessa krav.



## **Revisorer**

Bolagsstämman 2011 godkände ändring av NBAB:s bolagsordning där bolagsstämman utser revisor för ett år. Dessförinnan utsåg bolagsstämman revisor för en fyraårsperiod och denna period kunde man förlänga ytterligare tre år.

Bolagsstämman 2013 utsåg, för perioden till slutet av den nästkommande årsstämman, KPMG AB med Hans Åkervall som huvudansvarig revisor, Box 16106, SE-103 23 Stockholm.

Revisorn är auktoriserad av, och medlem i, FAR SRS.

## **Rättsliga förfaranden och skiljeförfaranden**

Inom ramen för den normala affärsverksamheten är Nordeakoncernen föremål för ett antal krav i civilrättsliga stämningar och tvister, varav de flesta rör relativt begränsade belopp. Ingen av de nuvarande tvisterna kan ha eller har haft betydande effekt för Nordeakoncernens finansiella ställning eller lönsamhet.

## **Bolagsordning**

Föremålet för NBAB:s verksamhet finns reglerat i § 3 Bolagsordningen. Föremålet för NBAB:s verksamhet är att bedriva sådan bankrörelse som avses i 1 kap. 3 § lagen (2004:297) om bank- och finansieringsrörelse. Vidare är föremålet för NBAB:s verksamhet att bedriva finansiell verksamhet och verksamhet som har ett naturligt samband därmed enligt 7 kap. 1 § lagen om bank- och finansieringsrörelse och i egenskap av moderbolag ombesörja och vara ansvarig för övergripande funktioner i Nordeakoncernen, såsom ledning, övervakning, riskstyrning och personalfunktioner.

## **Väsentliga avtal**

NBAB har inte ingått något avtal av större betydelse förutom i den fortlöpande affärsverksamheten och som kan leda till att ett företag inom Koncernen erhåller en rättighet eller åläggs en skyldighet som väsentligt kan påverka NBAB:s förmåga att uppfylla sina förpliktelser.

## **Bolagsstyrning**

Corporate governance i Nordea följer allmänt vedertagna principer för bolagsstyrning. Det externa ramverket som reglerar arbetet med corporate governance innefattar aktiebolagslagen och lagen om bank- och finansieringsrörelse, årsredovisningslagen, NASDAQ OMX:s regler samt reglerna och principerna i Svensk kod för bolagsstyrning (Koden).

## **NBAB:s utveckling under senare tid**

För ytterligare information avseenden ombildningen av Nordeakoncernen och utvecklingen under senare tid se ovanstående stycken rubricerade "Legal Struktur" och "Utveckling under senare tid" under "Nordeakoncernen".

## NORDEA BANK FINLAND Abp

### Verksamhetsöversikt

Nordea Bank Finland Abp ("NBF") har sedan 1998 varit en del av Nordeakoncernen, vilken bildades till följd av samgåendet mellan Merita och Nordbanken. Samgåendet mellan Merita och Nordbanken behandlas närmare ovan, se "Nordeakoncernen – Bildandet av Nordeakoncernen".

NBF bedriver bankverksamhet i Finland som en del av Nordeakoncernen och dess verksamhet är helt integrerad i Nordeakoncernens verksamhet.

### Legal struktur och dotterbolag

NBF är ett helägt dotterbolag till NBAB. NBF bildades den 2 januari 2002 i enlighet med finsk lag. NBF har sitt säte i Helsingfors, Finland, med begränsat ansvar i enlighet med den finska aktiebolagslagen och innehar tillstånd (oktroj) att bedriva bankverksamhet i enlighet med Kreditinstitutslagen och vidare att bedriva finansiell verksamhet och verksamhet som har ett naturligt samband därmed, bland annat värdepappersrörelse. NBF är föremål för omfattande reglering på alla marknader där NBF verkar. NBF är registrerat i handelsregistret och har FO-nummer 1680235-8. NBF har sitt huvudkontor i Helsingfors med adress: Alexandersgatan 36 B, 00100 Helsingfors, Finland (telefon nummer: +358 9 16 51).

NBF har dotterbolag i Finland och utomlands. Det mest betydelsefulla dotterbolaget är Nordea Finans Finland Ab.

### Styrelse

Vid utfärdandet av detta Grundprospekt består NBF:s styrelse av följande ledamöter:

Torsten Hagen Jørgensen, ordförande

Casper von Koskull, vice ordförande

Carl-Johan Granvik

Gun Waersted

Samtliga styrelseledamöter, förutom Carl-Johan Granvik, är anställda i Nordeakoncernen:

| Namn                          | Födelseår/<br>Medlem sedan | Position                                                                                                      |
|-------------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------|
| Torsten Hagen Jørgensen ..... | 1965/2013                  | Executive Vice President, CFO, chef för Group Corporate Centre och chef för Group Operations.                 |
| Casper von Koskull.....       | 1960/2010                  | Executive Vice President, chef för Wholesale Banking                                                          |
| Carl-Johan Granvik.....       | 1949/2012                  | Tidigare positioner i Nordeakoncernen: VD NBF, chef för Group Risk Management, CRO, och landschef för Finland |
| Gunn Wærsted .....            | 1955/2010                  | Executive Vice President, CEO i Nordea Bank Norge ASA, chef för Wealth Management och landschef för Norge     |

*Torsten Hagen Jørgensen* har varit Executive Vice President, chef för Group Operations och medlem av Group Executive Management sedan 2011 samt CFO och chef för Group Corporate Centre sedan 2013. Han började i Nordeakoncernen år 2005 och har haft flera chefspositioner inom Nordeakoncernen.

*Casper von Koskull* har varit Executive Vice President, medlem av Group Executive Management sedan 2010 samt chef för Wholesale Banking sedan 2011. Casper von Koskull kom till Nordea under 2010 och var chef för Corporate Merchant Banking & Capital Markets från 2010 till 2011. Vid dagen för upprättandet av detta grundprospekt är Casper von Koskull medlem i Internationella Handelskammaren, ICC Finland.

*Carl-Johan Granvik* är inte anställd i Nordeakoncernen. Tidigare positioner i Nordeakoncernen: VD i NBF, chef för Group Risk Management, CRO och landschef i Finland. Per datum för detta grundprospekt är han ordförande i Julius Stjernvalls Donationsfond, William Thuring's Foundation, Technopolis plc och Emilie and Rudolf Gesellius fund. Han är ordförande i Investment Committee of Sponsor fund II Ky. Han

är medlem i KeloniaAb plc, Kelonia Placerings AB plc och Sigrid Juselius Foundation. Han är medlem i Investement Committe of Forum Fastighets Kb. Han är Superviory board member of the Foundation Svenska Handelshögskolan.

*Gunn Wærsted* har varit Executive Vice President, medlem av Group Executive Management och landschef i Norge sedan år 2007 samt chef för Wealth Management sedan 2011. Hon var chef för Shipping, Private Banking & Savings Products under perioden 2010 till 2011. Vid tidpunkten för upprättandet av detta grundprospekt är Gun Wærsted styrelseledamot i den norska insättningsgarantifonden och Finance Norway (FNO) och medlem i nomineringskommittén för Schibsted ASA, Bedriftsförsamlingen i Orkla ASA samt medlem i nomineringskommittén och i Rådet i Det Norske Veritas.

Adressen till styrelseledamöterna är c/o Nordea Bank Finland Abp, Alexandersgatan 36 B, 00100 Helsingfors, Finland.

Såvitt NBF känner till föreligger det inga potentiella intressekonflikter mellan någon förpliktelse som personer som ingår i styrelsen eller koncernledningen, enligt ovan, har till NBF, i deras ledande befattningar och dessa personers privata intressen eller övriga åtaganden.

### **Revisorer**

NBF:s revisorer väljs vid ordinarie bolagsstämma med aktieägarna för en period om ett år i taget. Revisorer valda för en period om ett år vid bolagsstämma avseende åren 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012 och 2013 är följande:

KPMG Oy Ab, Mannerheimintie 20 B, 00100 Helsingfors, Finland, CGR Raija-Leena Hankonen är huvudansvarig revisor. KPMG Oy Ab är medlem i det Finska Institutet för auktoriserade revisorer.

### **Rättsliga förfaranden och skiljeförfaranden**

Inom ramen för den normala affärsverksamheten är Nordeakoncernen föremål för ett antal krav i civilrättsliga stämningar och tvister, varav de flesta rör relativt begränsade belopp. Emittenten har inte varit part i några rättsliga förfaranden eller skiljeförfaranden (inklusive ännu icke avgjorda ärenden och ärenden som emittenten är medveten om kan uppkomma) under de senaste tolv månaderna, och som nyligen haft eller skulle kunna få betydande effekter på Emittentens eller koncernens finansiella ställning eller lönsamhet.

### **Väsentliga avtal**

NBF har inte ingått något avtal av större betydelse förutom i den fortlöpande affärsverksamheten och som kan leda till att ett företag inom koncernen erhåller en rättighet eller åläggs en skyldighet som väsentligt kan påverka NBF:s förmåga att uppfylla sina förpliktelser.

### **Bolagsstyrning**

All verksamhet i NBF utgör en integrerad del av verksamheten i Nordeakoncernen. Ramverket för Corporate Governance är etablerat på koncernnivå i Nordeakoncernen och revideras löpande vid behov.

## SELECTED FINANCIAL INFORMATION

The tables below show certain selected summarised financial information which, without material changes, is derived from NBAB's and NBF's audited consolidated financial statements for the year ending 31 December 2012, which are set out in the Annexes to this Base Prospectus.

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

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

### A. NBAB

#### Income Statement

|                                                                                           | <b>Group</b>          |        |
|-------------------------------------------------------------------------------------------|-----------------------|--------|
|                                                                                           | 2012                  | 2011   |
|                                                                                           | <i>(EUR millions)</i> |        |
| Interest income.....                                                                      | 12,264                | 11,955 |
| Interest expense .....                                                                    | -6,512                | -6,499 |
| Net interest income .....                                                                 | 5,752                 | 5,456  |
| Fee and commission income .....                                                           | 3,306                 | 3,122  |
| Fee and commission expense .....                                                          | -802                  | -727   |
| Net fee and commission income .....                                                       | 2,504                 | 2,395  |
| Net result from items at fair value.....                                                  | 1,784                 | 1,517  |
| Profit from companies accounted for under the equity method.....                          | 93                    | 42     |
| Other operating income.....                                                               | 103                   | 91     |
| Total operating income .....                                                              | 10,236                | 9,501  |
| Operating expenses                                                                        |                       |        |
| General administrative expenses:                                                          |                       |        |
| Staff costs .....                                                                         | -3,048                | -3,113 |
| Other expenses.....                                                                       | -1,860                | -1,914 |
| Depreciation, amortisation and impairment charges of tangible and intangible assets ..... | -278                  | -192   |
| Total operating expenses.....                                                             | -5,186                | -5,219 |
| Profit before loan losses .....                                                           | 5,050                 | 4,282  |
| Net loan losses .....                                                                     | -933                  | -735   |
| Operating profit .....                                                                    | 4,117                 | 3,547  |
| Income tax expense.....                                                                   | -991                  | -913   |
| Net profit for the year .....                                                             | 3,126                 | 2,634  |
| Attributable to:                                                                          |                       |        |
| Shareholders of Nordea Bank AB (publ) .....                                               | 3,119                 | 2,627  |
| Non-controlling interests.....                                                            | 7                     | 7      |
| Total.....                                                                                | 3,126                 | 2,634  |

## Balance Sheet

|                                                                                       | <b>Group</b>          |                |
|---------------------------------------------------------------------------------------|-----------------------|----------------|
|                                                                                       | <b>31 December</b>    |                |
|                                                                                       | <b>2012</b>           | <b>2011</b>    |
|                                                                                       | <i>(EUR millions)</i> |                |
| <b>Assets</b>                                                                         |                       |                |
| Cash and balances with central banks .....                                            | 36,060                | 3,765          |
| Loans to central banks .....                                                          | 8,005                 | 40,615         |
| Loans to credit institutions .....                                                    | 10,569                | 11,250         |
| Loans to the public .....                                                             | 346,251               | 337,203        |
| Interest-bearing securities .....                                                     | 94,939                | 92,373         |
| Financial instruments pledged as collateral .....                                     | 7,970                 | 8,373          |
| Shares .....                                                                          | 28,128                | 20,167         |
| Derivatives .....                                                                     | 118,789               | 171,943        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk ..... | -711                  | -215           |
| Investments in associated undertakings .....                                          | 585                   | 519            |
| Intangible assets .....                                                               | 3,425                 | 3,321          |
| Property and equipment .....                                                          | 474                   | 469            |
| Investment property .....                                                             | 3,408                 | 3,644          |
| Deferred tax assets .....                                                             | 218                   | 169            |
| Current tax assets .....                                                              | 78                    | 185            |
| Retirement benefit assets .....                                                       | 301                   | 223            |
| Other assets .....                                                                    | 16,372                | 19,425         |
| Prepaid expenses and accrued income .....                                             | 2,559                 | 2,703          |
| <b>Total assets .....</b>                                                             | <b>677,420</b>        | <b>716,204</b> |
| <b>Liabilities</b>                                                                    |                       |                |
| Deposits by credit institutions .....                                                 | 55,426                | 55,316         |
| Deposits and borrowings from the public .....                                         | 200,678               | 190,092        |
| Liabilities to policyholders .....                                                    | 45,320                | 40,715         |
| Debt securities in issue .....                                                        | 184,340               | 179,950        |
| Derivatives .....                                                                     | 114,203               | 167,390        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk ..... | 1,940                 | 1,274          |
| Current tax liabilities .....                                                         | 391                   | 154            |
| Other liabilities .....                                                               | 33,472                | 43,368         |
| Accrued expenses and prepaid income .....                                             | 3,903                 | 3,496          |
| Deferred tax liabilities .....                                                        | 997                   | 1,018          |
| Provisions .....                                                                      | 389                   | 483            |
| Retirement benefit obligations .....                                                  | 348                   | 325            |
| Subordinated liabilities .....                                                        | 7,797                 | 6,503          |
| <b>Total liabilities .....</b>                                                        | <b>649,204</b>        | <b>690,084</b> |
| <b>Equity</b>                                                                         |                       |                |
| Non-controlling interests .....                                                       | 5                     | 86             |
| Share capital .....                                                                   | 4,050                 | 4,047          |
| Share premium reserve .....                                                           | 1,080                 | 1,080          |
| Other reserves .....                                                                  | 76                    | -47            |
| Retained earnings .....                                                               | 23,005                | 20,954         |
| <b>Total equity .....</b>                                                             | <b>28,216</b>         | <b>26,120</b>  |
| <b>Total liabilities and equity .....</b>                                             | <b>677,420</b>        | <b>716,204</b> |
| <b>Assets pledged as security for own liabilities .....</b>                           | <b>164,902</b>        | <b>146,894</b> |
| Other assets pledged .....                                                            | 4,367                 | 6,090          |
| Contingent liabilities .....                                                          | 21,157                | 24,468         |
| Credit commitments .....                                                              | 84,914                | 85,319         |
| Other commitments .....                                                               | 1,294                 | 1,651          |

## Cash Flow Statement

|                                                                                             | Group          |         |
|---------------------------------------------------------------------------------------------|----------------|---------|
|                                                                                             | 2012           | 2011    |
|                                                                                             | (EUR millions) |         |
| Operating activities                                                                        |                |         |
| Operating profit .....                                                                      | 4,117          | 3,547   |
| Adjustment for items not included in cash flow .....                                        | 3,178          | 537     |
| Income taxes paid .....                                                                     | -662           | -981    |
| Cash flow from operating activities before changes in operating assets and liabilities..... | 6,633          | 3,103   |
| Changes in operating assets                                                                 |                |         |
| Change in loans to credit institutions .....                                                | 21,166         | -20,784 |
| Change in loans to the public .....                                                         | -2,988         | -23,749 |
| Change in interest-bearing securities .....                                                 | -2,968         | -16,500 |
| Change in financial assets pledged as collateral.....                                       | 437            | 1,100   |
| Change in shares .....                                                                      | -8,094         | -2,776  |
| Change in derivatives, net.....                                                             | 3,017          | -2,151  |
| Change in investment properties .....                                                       | 236            | -77     |
| Change in other assets.....                                                                 | 2,982          | 3,438   |
| Changes in operating liabilities                                                            |                |         |
| Change in deposits by credit institutions .....                                             | -19            | 14,307  |
| Change in deposits and borrowings from the public .....                                     | 7,000          | 13,341  |
| Change in liabilities to policyholders .....                                                | 1,089          | 1,587   |
| Change in debt securities in issue .....                                                    | 1,665          | 27,205  |
| Change in other liabilities .....                                                           | -10,402        | 5,686   |
| Cash flow from operating activities .....                                                   | 19,754         | 3,730   |
| Investing activities                                                                        |                |         |
| Acquisition of business operations.....                                                     | 0              | 0       |
| Sale of business operations .....                                                           | 0              | 0       |
| Acquisition of investments in associated undertakings .....                                 | -6             | -16     |
| Sale of investments in associated undertakings.....                                         | 3              | 4       |
| Acquisition of property and equipment.....                                                  | -141           | -157    |
| Sale of property and equipment .....                                                        | 27             | 35      |
| Acquisition of intangible assets .....                                                      | -177           | -192    |
| Sale of intangible assets .....                                                             | 2              | 0       |
| Investments in debt securities, held to maturity .....                                      | 1,047          | 7,876   |
| Purchase/sale of other financial fixed assets .....                                         | 19             | 15      |
| Cash flow from investing activities.....                                                    | 774            | 7,565   |
| Financing activities                                                                        |                |         |
| Issued subordinated liabilities .....                                                       | 1,530          | 891     |
| Amortised subordinated liabilities .....                                                    | -624           | -2,232  |
| New share issue .....                                                                       | 3              | 4       |
| Divestment of own shares incl change in trading portfolio .....                             | -              | -       |
| Repurchase of own shares incl change in trading portfolio.....                              | -31            | -4      |
| Dividend paid .....                                                                         | -1,048         | -1,168  |
| Cash flow from financing activities .....                                                   | -170           | -2,509  |
| Cash flow for the year.....                                                                 | 20,358         | 8,786   |
| Cash and cash equivalents at the beginning of year .....                                    | 22,606         | 13,706  |
| Translation differences.....                                                                | -156           | 114     |
| Cash and cash equivalents at the end of year .....                                          | 42,808         | 22,606  |
| Change.....                                                                                 | 20,358         | 8,786   |

## B. NBF

### Income statement

|                                                                                           | Group          |               |
|-------------------------------------------------------------------------------------------|----------------|---------------|
|                                                                                           | 2012           | 2011          |
|                                                                                           | (EUR millions) |               |
| <b>Operating income</b> .....                                                             |                |               |
| Interest income.....                                                                      | 2,337          | 2,647         |
| Interest expense .....                                                                    | -1,079         | -1,292        |
| <b>Net interest income</b> .....                                                          | <b>1,258</b>   | <b>1,355</b>  |
| Fee and commission income .....                                                           | 741            | 703           |
| Fee and commission expense .....                                                          | -446           | -394          |
| <b>Net fee and commission income</b> .....                                                | <b>295</b>     | <b>309</b>    |
| Net result from items at fair value .....                                                 | 1,217          | 937           |
| Profit from companies accounted for under the equity method.....                          | 18             | 9             |
| Dividends.....                                                                            | -              | -             |
| Other operating income.....                                                               | 36             | 34            |
| <b>Total operating income</b> .....                                                       | <b>2,824</b>   | <b>2,644</b>  |
| <b>Operating expenses</b> .....                                                           |                |               |
| General administrative expenses: .....                                                    |                |               |
| Staff costs .....                                                                         | -567           | -592          |
| Other expenses.....                                                                       | -447           | -457          |
| Depreciation, amortisation and impairment charges of tangible and intangible assets ..... | -50            | -43           |
| <b>Total operating expenses</b> .....                                                     | <b>-1,064</b>  | <b>-1,092</b> |
| <b>Profit before loan losses</b> .....                                                    | <b>1,760</b>   | <b>1,552</b>  |
| Net loan losses .....                                                                     | -144           | -70           |
| Impairment of securities held as financial non-current assets .....                       | -              | -             |
| <b>Operating profit</b> .....                                                             | <b>1,616</b>   | <b>1,482</b>  |
| Income tax expense.....                                                                   | -430           | -381          |
| <b>Net profit for the year</b> .....                                                      | <b>1,186</b>   | <b>1,101</b>  |
| <b>Attributable to:</b> .....                                                             |                |               |
| Shareholders of Nordea Bank Finland Plc .....                                             | 1,184          | 1,099         |
| Non-controlling interests.....                                                            | 2              | 2             |
| <b>Total</b> .....                                                                        | <b>1,186</b>   | <b>1,101</b>  |

## Balance sheet

|                                                                                       | Group          |                |
|---------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                       | EUR millions   |                |
|                                                                                       | 31 Dec 2012    | 31 Dec 2011    |
| <b>Assets</b>                                                                         |                |                |
| Cash and balances with central banks .....                                            | 30,004         | 286            |
| Loans to central banks .....                                                          | 809            | 31,276         |
| Loans to credit institutions.....                                                     | 36,018         | 48,074         |
| Loans to the public.....                                                              | 100,765        | 99,331         |
| Interest-bearing securities .....                                                     | 36,269         | 30,866         |
| Financial instruments pledged as collateral.....                                      | 8,078          | 8,346          |
| Shares .....                                                                          | 838            | 1,312          |
| Derivatives .....                                                                     | 117,213        | 170,228        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk ..... | 124            | 138            |
| Investments in group undertakings .....                                               | 0              | -              |
| Investments in associated undertakings.....                                           | 79             | 79             |
| Intangible assets.....                                                                | 108            | 106            |
| Property and equipment .....                                                          | 96             | 124            |
| Investment property .....                                                             | 104            | 71             |
| Deferred tax assets.....                                                              | 16             | 16             |
| Current tax assets.....                                                               | 1              | 132            |
| Retirement benefit assets .....                                                       | 136            | 120            |
| Other assets.....                                                                     | 10,320         | 8,078          |
| Prepaid expenses and accrued income .....                                             | 969            | 704            |
| <b>Total assets .....</b>                                                             | <b>341,947</b> | <b>399,287</b> |
| <b>Liabilities</b>                                                                    |                |                |
| Deposits by credit institutions.....                                                  | 74,666         | 76,007         |
| Deposits and borrowings from the public .....                                         | 70,212         | 68,260         |
| Debt securities in issue .....                                                        | 48,999         | 49,153         |
| Derivatives .....                                                                     | 115,836        | 168,436        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk ..... | 637            | 195            |
| Current tax liabilities .....                                                         | 4              | 0              |
| Other liabilities .....                                                               | 20,690         | 24,128         |
| Accrued expenses and prepaid income .....                                             | 946            | 810            |
| Deferred tax liabilities.....                                                         | 58             | 53             |
| Provisions .....                                                                      | 83             | 97             |
| Retirement benefit obligations .....                                                  | 23             | 25             |
| Subordinated liabilities .....                                                        | 514            | 503            |
| <b>Total liabilities .....</b>                                                        | <b>332,668</b> | <b>387,667</b> |
| <b>Equity</b>                                                                         |                |                |
| Non-controlling interests.....                                                        | 4              | 5              |
| Share capital .....                                                                   | 2,319          | 2,319          |
| Share premium reserve .....                                                           | 599            | 599            |
| Other reserves .....                                                                  | 2,826          | 2,844          |
| Retained earnings.....                                                                | 3,531          | 5,853          |
| <b>Total equity .....</b>                                                             | <b>9,279</b>   | <b>11,620</b>  |
| <b>Total liabilities and equity .....</b>                                             | <b>341,947</b> | <b>399,287</b> |
| Assets pledged as security for own liabilities.....                                   | 39,244         | 35,016         |
| Other assets pledged .....                                                            | -              | -              |
| Contingent liabilities.....                                                           | 16,419         | 19,041         |
| Credit commitments.....                                                               | 15,956         | 17,949         |
| Other commitments.....                                                                | 633            | 776            |



## Cash flow statement

|                                                                                                     | Group         |              |
|-----------------------------------------------------------------------------------------------------|---------------|--------------|
|                                                                                                     | EUR millions  |              |
|                                                                                                     | 2012          | 2011         |
| <b>Operating activities</b> .....                                                                   |               |              |
| Operating profit .....                                                                              | 1,616         | 1,482        |
| Adjustments for items not included in cash flow .....                                               | -1,771        | -386         |
| Income taxes paid .....                                                                             | -286          | -422         |
| <b>Cash flow from operating activities before changes in operating assets and liabilities</b> ..... | <b>-441</b>   | <b>674</b>   |
| Changes in operating assets .....                                                                   |               |              |
| Change in loans to credit institutions .....                                                        | 27,468        | -1,402       |
| Change in loans to the public .....                                                                 | -1,507        | -25,736      |
| Change in interest-bearing securities .....                                                         | -5,741        | -9,339       |
| Change in financial assets pledged as collateral .....                                              | 267           | -3,042       |
| Change in shares .....                                                                              | 469           | -237         |
| Change in derivatives, net .....                                                                    | 2,644         | -240         |
| Change in investment properties .....                                                               | -33           | -40          |
| Change in other assets .....                                                                        | -2,242        | 483          |
| Changes in operating liabilities .....                                                              |               |              |
| Change in deposits by credit institutions .....                                                     | -757          | 15,397       |
| Change in deposits and borrowings from the public .....                                             | 1,859         | 12,625       |
| Change in debt securities in issue .....                                                            | 172           | 9,307        |
| Change in other liabilities .....                                                                   | -3,438        | 2,019        |
| <b>Cash flow from operating activities</b> .....                                                    | <b>18,720</b> | <b>469</b>   |
| <b>Investing activities</b> .....                                                                   |               |              |
| Acquisition of business operations .....                                                            | 0             | 0            |
| Sale of business operations .....                                                                   | -             | -            |
| Dividends from associated companies .....                                                           | 19            | 2            |
| Acquisition of associated undertakings .....                                                        | -             | -10          |
| Sale of associated undertakings .....                                                               | -             | 0            |
| Acquisition of property and equipment .....                                                         | -34           | -45          |
| Sale of property and equipment .....                                                                | 15            | 21           |
| Acquisition of intangible assets .....                                                              | -28           | -33          |
| Sale of intangible assets .....                                                                     | 0             | 0            |
| Divestments of/investments in debt securities, held to maturity .....                               | 344           | 3,226        |
| Purchase/sale of other financial fixed assets .....                                                 | 17            | 19           |
| <b>Cash flow from investing activities</b> .....                                                    | <b>333</b>    | <b>3,180</b> |
| <b>Financing activities</b> .....                                                                   |               |              |
| Issued subordinated liabilities .....                                                               | -             | 19           |
| Amortised subordinated liabilities .....                                                            | -3            | -            |
| Dividend paid .....                                                                                 | -3,500        | -700         |
| Other changes .....                                                                                 | -23           | -11          |
| <b>Cash flow from financing activities</b> .....                                                    | <b>-3,526</b> | <b>-692</b>  |
| <b>Cash flow for the year</b> .....                                                                 | <b>15,527</b> | <b>2,957</b> |
| Cash and cash equivalents at the beginning of year .....                                            | 17,981        | 14,947       |
| Translation differences .....                                                                       | 649           | -77          |
| Cash and cash equivalents at the end of year .....                                                  | 32,859        | 17,981       |
| <b>Change</b> .....                                                                                 | <b>15,527</b> | <b>2,957</b> |

## UTVALD FINANSIELL INFORMATION

*Den beskrivning av utvald finansiell information som återfinns nedan är en inofficiell översättning av den engelska texten som återfinns omedelbart före detta avsnitt och investerare rekommenderas att även läsa och ta till sig de engelska beskrivningarna då dessa kan avvika från den svenska översättningen.*

Nedanstående tabeller visar viss, utvald, finansiell information i sammandrag som, utan väsentliga ändringar, hämtats från NBAB och NBF:s reviderade redovisningar för det år som slutar den 31 december 2012, som återfinns som Bilagor till detta Grundprospekt.

NBAB och NBF:s redovisning upprättas i enlighet med International Financial Reporting Standards (IFRS), med tillhörande tolkningar från International Financial Reporting Interpretations Committee (IFRIC), godkända av EU-kommissionen. Vidare har vissa kompletterande regler i enlighet med lag (1995:1559) om årsredovisning i kreditinstitut och värdepappersbolag (ÅRKL), rekommendation "RFR 1" Kompletterande redovisningsregler för koncerner", uttalanden från Rådet för finansiell rapportering (UFR) och Finansinspektionens föreskrifter (FFFS 2008:25 med ändringar i FFFS 2009:11 och 2011:54) tillämpats.

Nedanstående tabeller skall läsas tillsammans med revisionsberättelsen och noterna till denna.

### NBAB

#### Resultaträkning, Koncernen

| Mn euro                                                                | 2012          | 2011          |
|------------------------------------------------------------------------|---------------|---------------|
| <b>Rörelseintäkter</b>                                                 |               |               |
| Ränteintäkter.....                                                     | 12 264        | 11 955        |
| Räntekostnader .....                                                   | -6 512        | -6 499        |
| <b>Räntenetto .....</b>                                                | <b>5 752</b>  | <b>5 456</b>  |
| Avgifts- och provisionsintäkter.....                                   | 3 306         | 3 122         |
| Avgifts- och provisionskostnader.....                                  | -802          | -727          |
| <b>Avgifts- och provisionsnetto .....</b>                              | <b>2 504</b>  | <b>2 395</b>  |
| Nettoresultat av poster till verkligt värde .....                      | 1 784         | 1 517         |
| Andelar i intresseföretags resultat .....                              | 93            | 42            |
| Övriga rörelseintäkter .....                                           | 103           | 91            |
| <b>Summa rörelseintäkter .....</b>                                     | <b>10 236</b> | <b>9 501</b>  |
| <b>Rörelsekostnader</b>                                                |               |               |
| Allmänna administrationskostnader:                                     |               |               |
| Personalkostnader .....                                                | -3 048        | -3 113        |
| Övriga administrationskostnader.....                                   | -1 860        | -1 914        |
| Av- och nedskrivningar av materiella och immateriella tillgångar ..... | -278          | -192          |
| <b>Summa rörelsekostnader .....</b>                                    | <b>-5 186</b> | <b>-5 219</b> |
| <b>Resultat före kreditförluster .....</b>                             | <b>5 050</b>  | <b>4 282</b>  |
| Kreditförluster, netto.....                                            | -933          | -735          |
| <b>Rörelseresultat .....</b>                                           | <b>4 117</b>  | <b>3 547</b>  |
| Skatt.....                                                             | -991          | -913          |
| <b>Årets resultat .....</b>                                            | <b>3 126</b>  | <b>2 634</b>  |
| <b>Hänförligt till:</b>                                                |               |               |
| Aktieägare i Nordea Bank AB (publ).....                                | 3 119         | 2 627         |
| Minoritetsintressen.....                                               | 7             | 7             |
| <b>Summa .....</b>                                                     | <b>3 126</b>  | <b>2 634</b>  |

## Balansräkning, Koncernen

| Mn euro                                                                           | 31 dec 2012    | 31 dec 2011    |
|-----------------------------------------------------------------------------------|----------------|----------------|
| <b>Tillgångar</b>                                                                 |                |                |
| Kassa och tillgodohavanden hos centralbanker .....                                | 36 060         | 3 765          |
| Utlåning till centralbanker .....                                                 | 8 005          | 40 615         |
| Utlåning till kreditinstitut .....                                                | 10 569         | 11 250         |
| Utlåning till allmänheten .....                                                   | 346 251        | 337 203        |
| Räntebärande värdepapper .....                                                    | 94 939         | 92 373         |
| Pantsatta finansiella instrument .....                                            | 7 970          | 8 373          |
| Aktier och andelar .....                                                          | 28 128         | 20 167         |
| Derivatinstrument .....                                                           | 118 789        | 171 943        |
| Förändringar av verkligt värde för räntesäkrade poster i säkringsportföljer ..... | -711           | -215           |
| Aktier och andelar i intresseföretag .....                                        | 585            | 591            |
| Immateriella tillgångar .....                                                     | 3 425          | 3 321          |
| Materiella tillgångar .....                                                       | 474            | 469            |
| Förvaltningsfastigheter .....                                                     | 3 408          | 3 644          |
| Uppskjutna skattefordringar .....                                                 | 218            | 169            |
| Skattefordringar .....                                                            | 78             | 185            |
| Pensionstillgångar .....                                                          | 301            | 223            |
| Övriga tillgångar .....                                                           | 16 372         | 19 425         |
| Förutbetalda kostnader och upplupna intäkter .....                                | 2 559          | 2 703          |
| <b>Summa tillgångar .....</b>                                                     | <b>677 420</b> | <b>716 204</b> |
| <b>Skulder</b>                                                                    |                |                |
| Skulder till kreditinstitut .....                                                 | 55 426         | 55 316         |
| In- och upplåning från allmänheten .....                                          | 200 678        | 190 092        |
| Skulder till försäkringstagare .....                                              | 45 320         | 40 715         |
| Emitterade värdepapper .....                                                      | 184 340        | 179 950        |
| Derivatinstrument .....                                                           | 114 203        | 167 390        |
| Förändringar av verkligt värde för räntesäkrade poster i säkringsportföljer ..... | 1 940          | 1 274          |
| Skatteskulder .....                                                               | 391            | 154            |
| Övriga skulder .....                                                              | 33 472         | 43 368         |
| Upplupna kostnader och förutbetalda intäkter .....                                | 3 903          | 3 496          |
| Uppskjutna skatteskulder .....                                                    | 997            | 1 018          |
| Avsättningar .....                                                                | 389            | 483            |
| Pensionsförpliktelser .....                                                       | 348            | 325            |
| Efterställda skulder .....                                                        | 7 797          | 6 503          |
| <b>Summa skulder .....</b>                                                        | <b>649 204</b> | <b>690 084</b> |
| <b>Eget kapital</b>                                                               |                |                |
| Minoritetsintressen .....                                                         | 5              | 86             |
| Aktiekapital .....                                                                | 4 050          | 4 047          |
| Överkursfond .....                                                                | 1 080          | 1 080          |
| Övriga reserver .....                                                             | 76             | -47            |
| Balanserade vinstmedel .....                                                      | 23 005         | 20 954         |
| <b>Summa eget kapital .....</b>                                                   | <b>28 216</b>  | <b>26 120</b>  |
| <b>Summa skulder och eget kapital .....</b>                                       | <b>677 420</b> | <b>716 204</b> |
| För egna skulder ställda säkerheter .....                                         | 164 902        | 146 894        |
| Övriga ställda säkerheter .....                                                   | 4 367          | 6 090          |
| Ansvarsförbindelser .....                                                         | 21 157         | 24 468         |
| Kreditåtaganden .....                                                             | 84 914         | 85 319         |
| Övriga åtaganden .....                                                            | 1 294          | 1 651          |

## Kassaflödesanalys, Koncernen

| Mn euro                                                                                                                   | 2012          | 2011          |
|---------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Den löpande verksamheten</b>                                                                                           |               |               |
| Rörelseresultat .....                                                                                                     | 4 117         | 3 547         |
| Justering för poster som inte ingår i kassaflödet .....                                                                   | 3 178         | 537           |
| Betalda inkomstskatter.....                                                                                               | -662          | -981          |
| <b>Kassaflöde från den löpande verksamheten före förändring av den löpande verksamhetens tillgångar och skulder .....</b> | <b>6 633</b>  | <b>3 103</b>  |
| <b>Förändring av den löpande verksamhetens tillgångar</b>                                                                 |               |               |
| Förändring av utlåning till centralbanker och kreditinstitut.....                                                         | 21 166        | -20 784       |
| Förändring av utlåning till allmänheten .....                                                                             | -2 988        | -23 749       |
| Förändring av räntebärande värdepapper .....                                                                              | -2 968        | -16 500       |
| Förändring av pantsatta finansiella instrument.....                                                                       | 437           | 1 100         |
| Förändring av aktier och andelar.....                                                                                     | -8 094        | -2 776        |
| Förändring av derivatinstrument, netto .....                                                                              | 3 017         | -2 151        |
| Förändring av förvaltningsfastigheter .....                                                                               | 236           | -77           |
| Förändring av övriga tillgångar.....                                                                                      | 2 982         | 3 438         |
| <b>Förändring av den löpande verksamhetens skulder</b>                                                                    |               |               |
| Förändring av skulder till kreditinstitut.....                                                                            | -19           | 14 307        |
| Förändring av in- och upplåning från allmänheten.....                                                                     | 7 000         | 13 341        |
| Förändring av skulder till försäkringstagare.....                                                                         | 1 089         | 1 587         |
| Förändring av emitterade värdepapper .....                                                                                | 1 665         | 27 205        |
| Förändring av övriga skulder .....                                                                                        | -10 402       | 5 686         |
| <b>Kassaflöde från den löpande verksamheten .....</b>                                                                     | <b>19 754</b> | <b>3 730</b>  |
| <b>Investeringsverksamheten</b>                                                                                           |               |               |
| Förvärv av rörelser.....                                                                                                  | 0             | 0             |
| Avyttring av rörelser.....                                                                                                | 0             | 0             |
| Förvärv av intresseföretag.....                                                                                           | -6            | -16           |
| Avyttring av intresseföretag.....                                                                                         | 3             | 4             |
| Förvärv av materiella tillgångar.....                                                                                     | -141          | -157          |
| Avyttring av materiella tillgångar .....                                                                                  | 27            | 35            |
| Förvärv av immateriella tillgångar .....                                                                                  | -177          | -192          |
| Avyttring av immateriella tillgångar .....                                                                                | 2             | 0             |
| Nettoinvestering av värdepapper, som hålles till förfall .....                                                            | 1 047         | 7 876         |
| Förvärv/avyttring av övriga finansiella tillgångar .....                                                                  | 19            | 15            |
| <b>Kassaflöde från investeringsverksamheten .....</b>                                                                     | <b>774</b>    | <b>7 565</b>  |
| <b>Finansieringsverksamheten</b>                                                                                          |               |               |
| Emission av efterställda skulder.....                                                                                     | 1 530         | 891           |
| Amortering av efterställda skulder .....                                                                                  | -624          | -2 232        |
| Nyemission .....                                                                                                          | 3             | 4             |
| Försäljning av egna aktier, inkl. förändringar i tradingportföljen.....                                                   | -             | -             |
| Återköp av egna aktier, inkl. förändringar i tradingportföljen.....                                                       | -31           | -4            |
| Utbetald utdelning.....                                                                                                   | -1 048        | -1 168        |
| <b>Kassaflöde från finansieringsverksamheten .....</b>                                                                    | <b>-170</b>   | <b>-2 509</b> |
| <b>Årets kassaflöde .....</b>                                                                                             | <b>20 358</b> | <b>8 786</b>  |
| Likvida medel vid årets början.....                                                                                       | 22 606        | 13 706        |
| Omräkningsdifferens .....                                                                                                 | -156          | 114           |
| Likvida medel vid årets slut .....                                                                                        | 42 808        | 22 606        |
| <b>Förändring .....</b>                                                                                                   | <b>20 358</b> | <b>8 786</b>  |

# NBF

## Resultaträkning, Koncernen

| Mn euro                                                               | 2012          | 2011          |
|-----------------------------------------------------------------------|---------------|---------------|
| <b>Rörelseintäkter</b>                                                |               |               |
| Ränteintäkter.....                                                    | 2 337         | 2 647         |
| Räntekostnader .....                                                  | -1 079        | -1 292        |
| <b>Räntenetto .....</b>                                               | <b>1 258</b>  | <b>1 355</b>  |
| Avgifts- och provisionsintäkter.....                                  | 741           | 703           |
| Avgifts- och provisionskostnader.....                                 | -446          | -394          |
| <b>Avgifts- och provisionsnetto .....</b>                             | <b>295</b>    | <b>309</b>    |
| Nettoresultat av poster till verkligt värde .....                     | 1 217         | 937           |
| Andelar i intresseföretags resultat .....                             | 18            | 9             |
| Övriga rörelseintäkter .....                                          | 36            | 34            |
| <b>Summa rörelseintäkter .....</b>                                    | <b>2 824</b>  | <b>2 644</b>  |
| <b>Rörelsekostnader</b>                                               |               |               |
| Allmänna administrationskostnader:                                    |               |               |
| Personalkostnader .....                                               | -657          | -592          |
| Övriga administrationskostnader.....                                  | -447          | -457          |
| Av- och nedskrivningar av materiella och immateriella tillgångar..... | -50           | -43           |
| <b>Summa rörelsekostnader .....</b>                                   | <b>-1 064</b> | <b>-1 092</b> |
| <b>Resultat före kreditförluster .....</b>                            | <b>1 760</b>  | <b>1 552</b>  |
| Kreditförluster, netto.....                                           | -144          | -70           |
| <b>Rörelseresultat .....</b>                                          | <b>1 616</b>  | <b>1 482</b>  |
| Skatt.....                                                            | -430          | -381          |
| <b>Årets resultat.....</b>                                            | <b>1 186</b>  | <b>1 101</b>  |
| <b>Hänförligt till:</b>                                               |               |               |
| Aktieägare i Nordea Bank AB (publ).....                               | 1 184         | 1 099         |
| Minoritetsintressen.....                                              | 2             | 2             |
| <b>Summa .....</b>                                                    | <b>1 186</b>  | <b>1 101</b>  |

## Balansräkning, Koncernen

| Mn euro                                                                           | 31 dec 2012    | 31 dec 2011    |
|-----------------------------------------------------------------------------------|----------------|----------------|
| <b>Tillgångar</b>                                                                 |                |                |
| Kassa och tillgodohavanden hos centralbanker .....                                | 30 004         | 286            |
| Utlåning till centralbanker .....                                                 | 809            | 31 276         |
| Utlåning till kreditinstitut .....                                                | 36 018         | 48 074         |
| Utlåning till allmänheten .....                                                   | 100 765        | 99 331         |
| Räntebärande värdepapper .....                                                    | 36 269         | 30 866         |
| Pantsatta finansiella instrument .....                                            | 8 078          | 8 346          |
| Aktier och andelar .....                                                          | 838            | 1 312          |
| Derivatinstrument .....                                                           | 117 213        | 170 228        |
| Förändringar av verkligt värde för räntesäkrade poster i säkringsportföljer ..... | 124            | 138            |
| Aktier och andelar i intresseföretag .....                                        | 79             | 79             |
| Immateriella tillgångar .....                                                     | 108            | 106            |
| Materiella tillgångar .....                                                       | 96             | 124            |
| Förvaltningsfastigheter .....                                                     | 16             | 16             |
| Uppskjutna skattefordringar .....                                                 | 218            | 169            |
| Skattefordringar .....                                                            | 1              | 132            |
| Pensionstillgångar .....                                                          | 136            | 120            |
| Övriga tillgångar .....                                                           | 10 320         | 8 078          |
| Förutbetalda kostnader och upplupna intäkter .....                                | 969            | 704            |
| <b>Summa tillgångar .....</b>                                                     | <b>341 947</b> | <b>399 287</b> |
| <br>                                                                              |                |                |
| Skulder till kreditinstitut .....                                                 | 74 666         | 76 007         |
| In- och upplåning från allmänheten .....                                          | 70 212         | 68 260         |
| Emitterade värdepapper .....                                                      | 48 999         | 49 153         |
| Derivatinstrument .....                                                           | 115 836        | 168 436        |
| Förändringar av verkligt värde för räntesäkrade poster i säkringsportföljer ..... | 637            | 195            |
| Skatteskulder .....                                                               | 4              | 0              |
| Övriga skulder .....                                                              | 20 690         | 24 128         |
| Upplupna kostnader och förutbetalda intäkter .....                                | 946            | 810            |
| Uppskjutna skatteskulder .....                                                    | 58             | 53             |
| Avsättningar .....                                                                | 83             | 97             |
| Pensionsförpliktelser .....                                                       | 23             | 25             |
| Efterställda skulder .....                                                        | 514            | 503            |
| <b>Summa skulder .....</b>                                                        | <b>332 668</b> | <b>387 667</b> |
| <br>                                                                              |                |                |
| <b>Eget kapital</b>                                                               |                |                |
| Minoritetsintressen .....                                                         | 4              | 5              |
| Aktiekapital .....                                                                | 2 319          | 2 319          |
| Överkursfond .....                                                                | 599            | 599            |
| Övriga reserver .....                                                             | 2 826          | 2 844          |
| Balanserade vinstmedel .....                                                      | 3531           | 5 853          |
| <b>Summa eget kapital .....</b>                                                   | <b>9 279</b>   | <b>11 620</b>  |
| <b>Summa skulder och eget kapital .....</b>                                       | <b>341 947</b> | <b>399 287</b> |
| <br>                                                                              |                |                |
| För egna skulder ställda säkerheter .....                                         | 39 244         | 35 016         |
| Övriga ställda säkerheter .....                                                   | -              | -              |
| Ansvarsförbindelser .....                                                         | 16 419         | 19 041         |
| Kreditåtaganden .....                                                             | 15 956         | 17 949         |
| Övriga åtaganden .....                                                            | 633            | 776            |

## Kassaflödesanalys, Koncernen

| Mn euro                                                                                                                   | 2012          | 2011         |
|---------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| <b>Den löpande verksamheten</b>                                                                                           |               |              |
| Rörelseresultat .....                                                                                                     | 1 616         | 1 482        |
| Justering för poster som inte ingår i kassaflödet .....                                                                   | -1 771        | -386         |
| Betalda inkomstskatter.....                                                                                               | -286          | -422         |
| <b>Kassaflöde från den löpande verksamheten före förändring av den löpande verksamhetens tillgångar och skulder .....</b> | <b>-441</b>   | <b>674</b>   |
| <b>Förändring av den löpande verksamhetens tillgångar</b>                                                                 |               |              |
| Förändring av utlåning till centralbanker och kreditinstitut.....                                                         | 27 468        | -1 402       |
| Förändring av utlåning till allmänheten .....                                                                             | -1 507        | -25 736      |
| Förändring av räntebärande värdepapper .....                                                                              | -5 741        | -9 339       |
| Förändring av pantsatta finansiella instrument.....                                                                       | 267           | -3 042       |
| Förändring av aktier och andelar.....                                                                                     | 469           | -237         |
| Förändring av derivatinstrument, netto .....                                                                              | 2 644         | -240         |
| Förändring av förvaltningsfastigheter .....                                                                               | -33           | -40          |
| Förändring av övriga tillgångar.....                                                                                      | -2 242        | 483          |
| <b>Förändring av den löpande verksamhetens skulder</b>                                                                    |               |              |
| Förändring av skulder till kreditinstitut.....                                                                            | -757          | 15 397       |
| Förändring av in- och upplåning från allmänheten.....                                                                     | 1 859         | 12 625       |
| Förändring av emitterade värdepapper.....                                                                                 | 172           | 9 307        |
| Förändring av övriga skulder .....                                                                                        | -3 438        | 2 019        |
| <b>Kassaflöde från den löpande verksamheten .....</b>                                                                     | <b>18 720</b> | <b>469</b>   |
| <b>Investeringsverksamheten</b>                                                                                           |               |              |
| Förvärv av rörelser.....                                                                                                  | 0             | 0            |
| Avyttring av rörelser.....                                                                                                | -             | -            |
| Utdelning från intresseföretag.....                                                                                       | 19            | 2            |
| Förvärv av associated undertakings .....                                                                                  | -             | -10          |
| Avyttring av associated undertakings.....                                                                                 | -             | 0            |
| Förvärv av materiella tillgångar .....                                                                                    | -34           | -45          |
| Avyttring av materiella tillgångar .....                                                                                  | 15            | 21           |
| Förvärv av immateriella tillgångar .....                                                                                  | -28           | -33          |
| Avyttring av immateriella tillgångar .....                                                                                | 0             | 0            |
| Nettoinvestering av värdepapper, som hålles till förfall .....                                                            | 344           | 3 226        |
| Förvärv/avyttring av övriga finansiella tillgångar .....                                                                  | 17            | 19           |
| <b>Kassaflöde från investeringsverksamheten.....</b>                                                                      | <b>333</b>    | <b>3 180</b> |
| <b>Finansieringsverksamheten</b>                                                                                          |               |              |
| Emission av efterställda skulder.....                                                                                     | -             | 19           |
| Amortering av efterställda skulder .....                                                                                  | -3            | -            |
| Betald utdelning.....                                                                                                     | -3 500        | -700         |
| Andra ändringar .....                                                                                                     | -23           | -11          |
| <b>Kassaflöde från finansieringsverksamheten .....</b>                                                                    | <b>-3 526</b> | <b>-692</b>  |
| <b>Årets kassaflöde .....</b>                                                                                             | <b>15 527</b> | <b>2 957</b> |

### **USE OF PROCEEDS**

The net proceeds of the issue of each Series of Notes will be used for the general banking and other corporate purposes of the Nordea Group. If, in respect of any particular issue, there is a particular identified use of proceeds this will be stated in the applicable Final Terms.



## TAXATION

*The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. It should also be noted that there are differences in the tax treatment of different Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.*

### Swedish Taxation

Under present Swedish law payments in respect of the Notes, the Receipts and the Coupons will be exempt from all taxes, duties fees and imports of whatever nature, imposed or levied by or within Sweden or by any municipality or other political subdivision or taxing authority thereof or therein, except when the holder of the Note or Coupon to which any such payment relates is subject to such taxation thereon by reason of such holder being connected with Sweden otherwise than solely by his holding of such Note or Coupon or the receipt of income therefrom. Investors who are physical persons resident in Sweden for tax purposes are subject to a 30 per cent. preliminary tax (*Sw.preliminärskatt*) which generally will be withheld from interest payments.

### Beskattning

*Det följande utgör en generell beskrivning av vissa skattemässiga bedömningar med avseende på Lånen. Avsikten är inte att detta ska utgöra en uttömmande analys av samtliga skattemässiga bedömningar med avseende på Lånen, vad avser de angivna länderna eller annanstans. Potentiella investerare i Lånen ska själva bedöma de skattekonsekvenser som kan uppkomma i samband en investering i Lån och därvid rådfråga skatterådgivare. Det ska även noteras att det finns skillnader i olika länders skattelagstiftning. Informationen är baserad på det regelverk som var gällande på dagen för offentliggörandet av Grundprospektet och kan påverkas av förändringar i gällande regelverk som träder i kraft efter dagen för offentliggörandet av Grundprospektet.*

### Beskattning i Sverige

Enligt svensk gällande rätt ska betalningar med avseende på Lånen och Kupongerna vara undantagna samtliga skatter, tullavgifter och pålagor av samtliga slag, som åläggs från eller inom Sverige eller av någon kommun eller skattemyndighet, förutom om investeraren i Lånet eller Kupongen till vilken sådan betalning är hänförlig är föremål för beskattning i anledning av att sådan investerare har koppling till Sverige på annat sätt än bara genom innehavet i Lånet eller Kupongen eller de därifrån mottagna medlen. Investerare som är fysiska personer och som har sin skatterättsliga hemvist i Sverige är föremål för preliminärskatt om 30% som allmänt sett blir avdragen från räntebetalningar.

### Den Europeiska Unionens direktiv om beskattning av inkomst av sparande

Enligt Rådets Direktiv 2003/48/EG av den 3 juni 2003 om beskattning av inkomster från sparande i form av räntebetalningar Rådets direktiv 2003/48/EG ("**Sparandedirektivet**"), ska varje Medlemsstat lämna uppgifter till andra Medlemsstaters skattemyndigheter rörande räntebetalningar och andra liknande inkomster som utbetalats av en person inom dess jurisdiktion till, eller mottagen av en sådan person för, en fysisk person som är bosatt eller vissa begränsade typer av juridiska personer som är etablerade i den andra Medlemsstaten, dock att under en övergångsperiod, kommer Österrike och Luxemburg istället att tillämpa ett källskattesystem med avseende på sådana betalningar med en skattesats som ökar progressivt upp till 35 %. Övergångsperioden ska upphöra vid slutet av det första hela räkenskapsåret som infaller efter att avtal träffats mellan vissa icke-EU-länder om utbyte av information med avseende på sådana betalningar.

Ett antal icke-EU-länder, och vissa territorium hänförliga till vissa Medlemsstater har implementerat liknande åtgärder (antingen lämna information eller tillfällig källskatt) med avseende på betalningar som gjorts av en person inom dess jurisdiktion till, eller mottagna av sådan person för, en fysisk person som är bosatt eller vissa begränsade typer av juridiska personer som är etablerade i en Medlemsstat (såsom definieras i Artikel 4.2 i Sparandedirektivet). Dessutom har Medlemsstaterna ingått arrangemang för

uppgiftslämnande och källskatt med vissa av dessa territorium med avseende på betalningar som gjorts av en person inom en Medlemsstat till, eller mottagna av sådan person för, en fysisk person som är bosatt eller vissa begränsade typer av juridiska personer som är etablerade i sådana territorium.

Kommissionen har föreslagit vissa ändringar i Sparandedirektivet vilka kan, i den mån de implementeras, ändra och utöka omfattningen av ovan angivna regler.

## **Danish Taxation**

*The following is an overview of the Danish withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice, which may be subject to change, sometimes with retrospective effect. The comments do not deal with other Danish tax aspects of acquiring, holding or disposing of Notes.*

**Provided that** the Issuer of the Notes is not a tax resident of Denmark for Danish tax purposes and does not have a permanent establishment in Denmark, payments on the Notes may be paid by the Issuer without withholding or deduction for or on account of Danish withholding tax

## **Finnish Taxation**

Interest on Notes issued by NBF to the public in Finland constitutes income pursuant to the act on withholding tax for interest income (28.12.1990/1341, *Fi. Laki korkotulon lähdeveroista*) for physical persons that are resident in Finland for tax purposes and for Finnish estates of deceased persons. The withholding tax on interest income is at present 30 per cent. According to the act on withholding tax for interest income, index-linked yield is generally treated as interest income.

Interest on Notes issued by NBAB to physical persons that are resident in Finland for tax purposes and Finnish estates of deceased persons constitutes capital income. The tax rate applicable to capital income is at present 30 per cent. The tax rate for the part of capital income which exceeds 50,000 euros per year is 32 per cent (it should be noted that there are plans currently to reduce this threshold to 40,000 euros as of 2014).

Where Notes are sold by a Finnish physical person or Finnish estate of deceased person prior to the due date, any capital gains and payment of accrued interest (*Fi. jälkimarkkinahyvitys*) is taxed in at the tax rate applicable to capital income (see above). Correspondingly, the subscriber is generally entitled to deduct the paid accrued interest from the taxable income of the year of subscription. Capital gains arising from a sale of assets are, however, exempted from tax if the total amount of the sales prices of the assets sold by the note holder does not exceed EUR 1,000 in a tax year. Capital losses arising from the transfer of notes are deductible only from capital gains arising from the sale of assets in the same year or during the following five years. The capital losses will not, however, be tax deductible if the total amount of the acquisition prices of the assets sold by the note holder does not exceed EUR 1,000 in a tax year.

If the recipient of the interest paid on the Notes is a corporation further defined in Income Tax Act (30.12.1992/1535, *Fi. Tuloverolaki*, as amended) residing in Finland for tax purposes, such interest is subject to taxation either as income from business activities (business income source) or from passive assets (other income source) of the recipient corporation. Taxable income of a Finnish corporation is determined separately for business activities and other activities, both of which are taxed at a flat rate of 24.5 per cent (it should be noted that there are plans currently to reduce the applicable tax rate to 20 per cent as of 2014).

Where Notes are sold by a Finnish resident corporation, any sales price is included either in the income from business activities or income from passive assets of the Finnish resident corporation. The acquisition cost of the Notes sold is deductible either from business or other income depending on which assets the Notes belonged to at the time the Notes were sold. In general, a capital loss arising from the transfer of Notes attributable to business activities is deductible from business income. A loss of business activities can be carried forward for ten tax years. Capital losses attributable to other income can only be offset against capital gains arising from the transfer of passive assets and can be carried forward only for five tax years.

Payments of interest in accordance with the Terms and Conditions are not subject to withholding tax in Finland provided that the recipient is not resident in Finland for tax purposes, unless the Notes relate to business carried on in Finland (through a permanent establishment in Finland). Investors that are not

resident in Finland for tax purposes are, furthermore, not subject to Finnish tax on capital gains arising from the transfer of Notes, unless the transfer relates to business carried on in Finland through a permanent establishment.

The Note holders are advised to consult their own tax advisers concerning their tax reporting obligations and the overall tax consequences of their ownership of the Notes.

## **Republic of Austria**

### *(i) Recent Developments – New Capital Gains Tax*

The relevant Austrian tax laws for the taxation of income derived from debt instruments, including debt instruments such as the Notes, have been recently changed due to the entry into force of provisions included in the Federal Budget Implementation Act 2011 (Budgetbegleitgesetz 2011, Federal Law Gazette I 2010/111 – "**BIA 2011**"), the Federal Tax Amendment Act 2011 (Abgabenänderungsgesetz 2011, Federal Law Gazette I 2011/76 – "**TAA**") and the Federal Budget Implementation Act 2012 (Budgetbegleitgesetz 2012, Federal Law Gazette I 2011/112 – "**BIA 2012**") which by way of amendments to the Austrian Income Tax Act 1988 (Einkommensteuergesetz 1988, Federal Law Gazette 1988/400 – "**ITA**") introduced a new tax on "realised" capital gains (Einkünfte aus realisierten Wertsteigerungen von Kapitalvermögen). This new capital gains tax applies not only to current income from debt instruments such as the Notes (interest payments and similar earnings) but also to "realised" capital gains stemming from their sale or redemption, if purchased on or after 1 April 2012. As regards income from debt instruments purchased before this date, the old tax regime continues to apply with some particularities (the transitional provisions are not discussed). The information on Austria's newly enacted capital gains tax is mainly based on the wording of the law and on the explanatory notes thereto.

### *(ii) General Remarks*

Individuals resident in Austria are subject to Austrian income tax (Einkommensteuer) on their world-wide income (unlimited income tax liability). Individuals qualify as residents if they have either their permanent domicile and/or their habitual abode in Austria. Otherwise they are non-resident individuals subject to income tax only on income from certain Austrian sources (limited income tax liability).

Companies resident in Austria are subject to Austrian corporate income tax (Körperschaftsteuer) on their worldwide income (unlimited corporate income tax liability). Companies qualify as residents if they have their place of effective management and/or their legal seat in Austria. Otherwise they are non-residents subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability).

Under Austrian tax law, individuals are subject to income tax pursuant to the ITA generally at progressive tax rates between 0 per cent. and 50 per cent. Corporate entities are subject to a corporate income tax at a rate of 25 per cent. pursuant to the Austrian Corporate Income Tax Act (Körperschaftsteuergesetz 1988, Federal Law Gazette 1988/401 – "**CITA**").

In case of unlimited and limited (corporate) income tax liability, Austria's right to levy taxes may be re-stricted by double taxation treaties.

### *(iii) Austrian Residents*

Income derived from the Notes by individuals with a permanent domicile or their habitual abode in Austria or corporate entities having their corporate seat or place of management in Austria is taxable in Austria pursuant to the ITA or the CITA.

#### **Austrian Resident Individuals**

Income derived from debt instruments such as the Notes qualifies as investment income (Einkünfte aus Kapitalvermögen). Such income comprises not only current income, i.e. interest payments and similar earnings, but also "realised" capital gains (Einkünfte aus realisierten Wertsteigerungen von Kapitalvermögen) stemming from the sale or redemption of debt

instruments, irrespective of whether they have been held as business or non-business assets and irrespective of whether the profits have been realised within a particular holding period (formerly, in case of individuals, only such profits stemming from securities which were held only for a period not exceeding one year were taxed). According to the relevant provisions of the ITA, "realised" capital gains principally consist in the difference (surplus) between the proceeds from the sale or redemption of the debt instruments, i.e. their selling or redemption price, and their purchase price.

Such profits, i.e. current income and "realised" capital gains, are in principle subject to a special tax rate of 25 per cent. and will be deducted by the custodian bank or the paying office (Kapitalertragsteuer, Capital Proceeds Tax – "**CPT**"). However, as regards profits from debt instruments such as the Notes, the special tax rate will only apply in cases where the instruments have in the primary offering been offered to an undetermined number of people ("public offer"). This tax is in principle "final", which means that no further taxation will be allowed on such capital gains and that they do not have to be declared in other tax declarations of the taxpayer (in particular, a personal tax rate exceeding 25 per cent. will not apply). In case the taxpayer applies for regular taxation (Regelbesteuerungsoption – which he might do in case his personal tax rate is below 25 per cent.) or for the offsetting of losses (Verlustausgleichsoption), taxation is not final. The option for regular taxation may be exercised independently from the option for the offsetting of losses by filing a respective request to the tax office. It leads to an assessment for income tax and to the application of the regular, progressive income tax rate (currently amounting to a maximum of 50 per cent. for yearly taxable income exceeding EUR 60.000) on all taxable capital gains.

Further, pursuant to the relevant provisions of the ITA also the withdrawal or transfer of debt instruments such as the Notes from their current investor's securities account shall, as a general rule, equally trigger CPT, unless one of the exemptions contained in the ITA applies. These exemptions are all based on the idea that no CPT shall be deducted, in cases where the taxation of potential future profits stemming from the sale or redemption of the transferred debt instruments remains in fact possible. In addition, since 1 April 2012 amended exit tax rules (Wegzugsbesteuerung) apply, which are not discussed herein.

In its international dimension, the newly enacted capital gains tax applies only and CPT will only be deducted, if either the custodian bank (depotführende Stelle) or – under certain conditions – the paying office (auszahlende Stelle) is located in Austria. A paying office may be any organisational entity of a bank which is capable to credit amounts of money to cash accounts of clients or to pay in cash. In most cases the paying office will be the bank with which the investor maintains his securities account. It is not the Paying Agent (as defined in the Programme documents). The term "custodian bank" refers to banks (its branches and offices) providing the securities account to the investor and not to any other bank up in the holding chain. The custodian bank or, if applicable, the paying office will be responsible for the deduction of the capital gains tax (CPT) and its transfer to the respective Austrian tax office.

To the extent that no CPT is deducted due to the lack of a custodian bank or a paying office located in Austria, the income derived from debt instruments such as the Notes must be included into the respective taxpayer's tax declaration, if such profits are received by an Austrian resident individual subject to unlimited income tax liability. In this case, the special tax rate of 25 per cent. applies equally.

#### Austrian Resident Corporate Investors

Income from debt instruments such as the Notes (interest payments, capital gains), realised by a corporate investor resident in Austria is subject to Austrian corporate income tax (Körperschaftsteuer) at a rate of 25 per cent. CPT-rules apply in case such income is paid out via a custodian bank or paying office located in Austria. In such case deducted CPT will be credited against the corporate income tax liability. However, corporations deriving business income from debt instruments such as the Notes may avoid the deduction of CPT by filing a statement of exemption with the custodian bank (or the paying office) and with the competent Austrian tax office to the fact that the payment received is due to a commercial enterprise subject to taxation in Austria (Befreiungserklärung).

In this context it is of note that there is, inter alia, a special tax regime for Austrian private law foundations (Privatstiftungen). Such foundations are subjected to a special interim income tax of currently 25 per cent. to be paid on income derived from debt instruments such as the Notes.

(iv) *Non-Residents*

Income of non-resident individuals and corporations (within the meaning of the relevant Austrian tax law) derived from debt instruments such as the Notes (interest payment, capital gains) is not taxable in Austria, provided that such income is not attributable to an Austrian permanent establishment. In this case, Austrian capital gains tax (CPT) being deducted by a custodian bank or a paying office located in Austria may be avoided, if the beneficiary demonstrates to the custodian bank (or the paying office), by supplying corroborating evidence, that he qualifies as non-resident for tax purposes and that he is therefore subjected to limited (corporate) income tax liability.

(v) *EU Savings Tax*

In Austria, provisions for implementing the EU Savings Tax Directive have been enacted by the EU-Quellensteuergesetz (Federal Law Gazette I 2004/33 – "**EU-QuStG**"). Section 1 of the EU-QuStG provides that interest payments paid or credited by a paying office located in Austria to a beneficial owner who is an individual resident in another EU Member State (or certain dependent or associated territories) is subject to a withholding tax if no exemption from such withholding applies. Pursuant to the EU-QuStG, tax from interest payments must be deducted on a time scaled basis. For the first three years after the EU-QuStG came into force (i.e. from 1 July 2005 onwards) 15 per cent. on paid interest has been deducted, for the subsequent three years (i.e. from 1 July 2008 onwards) a tax of 20 per cent. applied. Since 1 July 2011 the tax to be deducted amounts to 35 per cent. This tax is not deducted in case the beneficial owner of the interest provides a certificate of the competent tax authority of the EU Member State where he is resident. The certificate must include the beneficial owner's name, address, tax number or other identification number or if such number is not available, the date of birth and the paying bank's registered office. In addition, the name and address of the paying bank, as well as the account number of the beneficial owner or, if an account number is un-available, the security identification number must be included.

## **French Taxation**

Payments of interest and principal by the Issuer (acting out of its head offices or one of its non-French branch) under the Notes will not be subject to withholding tax in France, in accordance with the applicable French law.

By exception, pursuant to Article 9 of 2013 Finance Law (*loi n° 2012-1509 du 29 décembre 2012 de finances pour 2013*), and subject to certain limited exceptions, interest and other similar revenues received from 1 January 2013 by French tax resident individuals are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG of 8.2 per cent., the *prélèvement social* of 4.5 per cent., its *contribution additionnelle au prélèvement social* of 0.3 per cent., the *prélèvement de solidarité sur les revenus du patrimoine et produits de placement* of 2 per cent. and the CRDS of 0.5 per cent.) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid to French tax resident individuals.

Prospective purchasers of Notes who are French resident for tax purposes or who would hold such Notes through a permanent establishment or fixed base in France should be aware that transactions involving the Notes, including any purchase or disposal of, or other dealings in, the Notes, may have French tax consequences. The tax consequences regarding interest, premium on redemption and capital gains in particular may depend, amongst other things, upon the status of the prospective purchaser (i.e. legal entities or individuals). Prospective purchasers of Notes should consult their own advisers about the tax implications of holding Notes and of any transactions involving Notes.

## German Taxation

### German withholding tax

In principle, only persons (individuals and incorporated entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to German withholding tax with respect to payments under debt instruments. Non-resident persons generally do not suffer German withholding tax. If, however, the income from the Notes is subject to German tax, i.e. if (i) the Notes are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the relevant investor or (ii) the income from the Notes qualifies for other reasons as taxable German source income, German withholding tax is applied, as a rule, as in the case of a German tax resident investor.

German withholding tax will be levied at a flat withholding tax rate of 26.375 per cent. (including solidarity surcharge (*Solidaritätszuschlag*)) on interest and on proceeds from the sale of the Notes if the Notes are held in a custodial account which the relevant investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**"). If the Notes are redeemed, repaid, assigned or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage*), such transaction is treated like a sale.

If the Notes are not held in a custodial account maintained with a Disbursing Agent, German withholding tax will nevertheless be levied if the Notes are issued as Definitive Notes and the savings earnings (*Kapitalerträge*) are paid by a German Disbursing Agent against presentation of the Notes or Coupons (so-called over-the-counter transaction – *Tafelgeschäft*).

If an investor sells or redeems the Notes, the tax base is, in principle, the difference between the acquisition costs and the proceeds from the sale or redemption of the Notes reduced by expenses directly and factually related to the sale or redemption. Where the Notes are acquired and/or sold in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively. If the Notes have not been held in the custodial account maintained with the Disbursing Agent since their acquisition and the acquisition costs of the Notes are not proven to the German Disbursing Agent in the form required by law (e.g. in the case of over-the-counter transactions or if the Notes had been transferred from a non-EU custodial account prior to the sale), withholding tax is applied to 30 per cent. of the proceeds from the sale or redemption of the Notes.

When computing the tax base for withholding tax purposes, the German Disbursing Agent has to deduct any negative savings income (*negative Kapitalerträge*) or paid accrued interest (*Stückzinsen*) in the same calendar year or unused negative savings income of previous calendar years.

Individuals who are subject to church tax may apply in writing for this tax to be withheld as a surcharge to the withholding tax. Individuals subject to church tax but declining the application have to include their savings income in their tax return and will then be assessed to church tax. For German credit institutions an electronic information system as regards church withholding tax will presumably apply in respect of interest received after 31 December 2013, with the effect that church tax will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), in which case the obligation to include savings income in the tax return for church tax purposes will persist.

With regard to individuals holding the Notes as private assets, any withholding tax levied shall, in principle, become definitive and replace the income taxation of the relevant investor. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the relevant investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the tax assessment procedure. However, the separate tax rate for savings income applies in most cases also within the assessment procedure. In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate. Such application can only be filed consistently for all savings income within the assessment period. In case of jointly assessed husband and wife the application can only be filed for savings income of both spouses.

With regard to other investors, German withholding tax is a prepayment of (corporate) income tax and will be credited or refunded within the tax assessment procedure.

No German withholding tax will be levied if an individual holding the Notes as private assets has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is EUR 801 (EUR 1,602 in the case of jointly assessed husband and wife). Similarly, no withholding tax will be levied if the relevant investor has submitted a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent. Further, with regard to investors holding the Notes as business assets, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if (a) the Notes are held by a company in terms of section 43 para 2 sentence 3 no. 1 German Income Tax Act (*Einkommensteuergesetz*) or (b) the proceeds from the Notes qualify as income of a domestic business and the investor has notified this to the German Disbursing Agent by use of the officially required form.

The Issuers are, in general, not obliged to levy German withholding tax in respect of payments on the Notes.

#### ***EU directive on the taxation of savings income in the form of interest payments***

The EU Savings Directive (see "European Union Directive on the Taxation of Savings Income" below) has been implemented in Germany by the domestic interest information regulation dated 26 January 2004 (*Zinsinformationsverordnung*).

#### **Irish Taxation**

*The following is a summary of the principal Irish withholding tax consequences of ownership of the Notes for individuals who are resident and ordinarily resident in Ireland for tax purposes and for companies that are resident in Ireland for tax purposes. It is based on the laws and practice of the Revenue Commissioners currently in force in Ireland as at the start of the Offer Period and may be subject to change. The statements in this summary are based on the understanding that the Notes will be treated as debt for Irish tax purposes. It deals with Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, including dealers in Notes and trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of payments thereon under any laws applicable to them.*

#### **Taxation of Noteholders**

##### **Withholding Tax**

Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold Irish income tax from payments of interest on the Notes so long as such payments do not constitute Irish source income. Interest paid on the Notes should not be treated as having an Irish source unless:

- (i) the Issuer is resident in Ireland for tax purposes; or
- (ii) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which is used to fund the payments on the Notes; or
- (iii) the Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland or (if the Notes are in bearer form) the Notes are physically held in Ireland.

It is anticipated that, (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer will not have a branch or permanent establishment in Ireland; (iii) that bearer Notes will not be physically located in Ireland; and (iv) the Issuer will not maintain a register of any registered Notes in Ireland.

## **United Kingdom Taxation**

*The following is an overview of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Holders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes.*

### **UK Withholding Tax on Interest Payments by the Issuer**

**Provided that** the interest on the Notes does not have a United Kingdom source, interest on the Notes may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax. The location of the source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice. Case law has established that in determining the source of interest, all relevant factors must be taken into account. HMRC has indicated that the most important factors in determining the source of a payment are those which influence where a creditor would sue for payment, and has stated that the place where the Issuer does business, and the place where its assets are located, are the most important factors in this regard; however HMRC has also indicated that, depending on the circumstances, other relevant factors may include the place where the interest and principal are payable, the method of payment, the governing law of the Notes and the competent jurisdiction for any legal action, the location of any security for the Issuer's obligations under the Notes, and similar factors relating to any guarantee.

Interest which has a United Kingdom source ("**UK interest**") may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax if the Notes in respect of which the UK interest is paid are issued for a term of less than one year (and are not issued under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more).

UK interest on Notes issued for a term of one year or more (or under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more) may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax if the Notes in respect of which the UK interest is paid constitute "quoted Eurobonds". Notes which carry a right to interest will constitute quoted Eurobonds provided they are and continue to be listed on a recognised stock exchange. Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000 ("**FSMA**") or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The Irish Stock Exchange, London Stock Exchange and SIX Swiss Exchange are recognised stock exchanges. The Issuer's understanding of current HMRC practice is that securities which are officially listed and (to the extent relevant) admitted to trading on the Main Securities Market of the Irish Stock Exchange, the regulated market of the London Stock Exchange and the SIX Swiss Exchange may be regarded as "*listed on a recognised stock exchange*" for these purposes.

In all other cases, UK interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the savings rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

### **Payments under Deed of Covenant**

Any payments made by the Issuer under the Deed of Covenant may not qualify for the exemptions from UK withholding tax described above.



### ***Provision of Information***

Holders should note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Holder. In certain circumstances, the information so obtained may be passed by HMRC to the tax authorities of certain other jurisdictions.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes which constitute "deeply discounted securities" as defined for the purposes of Schedule 23, Finance Act 2011 (although, in this regard, HMRC published guidance for the year 2013/2014 indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year).

### ***Other Rules Relating to United Kingdom Withholding Tax***

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

The references to "interest" in "*UK Withholding Tax on Interest Payments by the Issuer*" through "*Provision of Information*" above mean "interest" as understood in United Kingdom tax law. The statements in these paragraphs above do not take any account of any different definitions of "interest" or principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Final Terms of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

### ***Luxembourg Taxation***

#### ***Withholding tax***

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes, which are not profit sharing, can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) regarding non resident holders of Notes, the application of the Luxembourg laws of 21 June 2005 implementing the EU Savings Directive (as defined below) and several agreements concluded with certain dependant or associated territories and providing for the possible application of a withholding tax (35 per cent. from 1 July 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities called "**Residual Entities**") (see "*European Union Directive on the Taxation of Savings Income*" below, which may be applicable in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned EU Savings Directive or agreements); and
- (ii) regarding resident individual holders of Notes, the application of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. withholding tax on savings income (i.e., with certain exemptions, savings income within the meaning of the Luxembourg laws of 21 June 2005 implementing the EU Savings Directive). This law should apply to savings income accrued as from 1 July 2005 and paid as from 1 January 2006.

Pursuant to the law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals who are the beneficial owners of savings income paid by a paying agent within the meaning

of the EU Savings Directive established outside Luxembourg, in a Member State of either the European Union or the European Economic Area, or in a jurisdiction having concluded an agreement with Luxembourg in connection with the EU Savings Directive, can opt to self declare and pay a 10 per cent. tax (the "**Levy**") on these savings income.

The 10 per cent. withholding tax as described above or the Levy is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 would be assumed by a Luxembourg paying agent (if any) within the meaning of these laws and not by the Issuer.

## **Lithuanian Taxation**

*The following is a summary of certain Lithuanian tax consequences of the ownership and disposition of the Notes. The summary does not purport to be a comprehensive description of all the tax consequences that may be relevant for making a decision to purchase, own or dispose of the Notes. The summary is based on the current requirements of the Lithuanian Profit Tax Law and Lithuanian Individuals Income Tax Law, which may be subject to change, possibly with retroactive effect. A change to such laws may invalidate the contents of this summary. The following summary is not intended to be a complete analysis of the tax consequences under Lithuanian law as a result of the acquisition, ownership and sale of the Notes by investors. Potential investors should, therefore, consult their own tax advisers on the tax consequences of such acquisition, ownership and sale, including specifically the tax consequences under Lithuanian law, the law of their jurisdiction of residence and any tax treaty applicable.*

### **Non-resident holders of Notes**

Since the Issuer is a non-resident entity for Lithuanian taxation purposes, the income of the non-resident individual and a non-resident entity from the Notes (i.e. interest income and income from the transfer of the Notes) will not be subject to withholding tax in Lithuania. For residency criteria please see below.

In case interest on the Notes is paid through a Lithuanian intermediary to non-resident individual, such interest shall be subject to 15 per cent withholding tax rate. Withholding tax can be reduced in accordance with the provisions of the respective tax treaty. However, no withholding tax shall be applied if interest income is non-taxable according to the provisions of the Law on Personal Income Tax of the Republic of Lithuania. Interest income shall be treated as non-taxable when redemption of the Notes commences not earlier than 366 days after the date of the issue of the Notes.

In case interest on the Notes is paid through an intermediary in Lithuania to non-resident entity, such interest is subject to 10 per cent withholding tax. However, if the Note holder is established in EEA country or a country with which Lithuania has concluded tax treaty, no withholding tax shall be applied.

### **Resident holders of Notes**

#### *Private Individuals*

Tax residents of Lithuania are subject to taxation on their worldwide income (if such income is not exempt from the income tax). An individual will be considered as a resident of Lithuania during the calendar year for taxation purposes if he/she meets at least one of the criteria laid out in paragraph 1 of Article 4 of the Law On Personal Income Tax of the Republic of Lithuania, i.e.:

- if the individual's permanent place of residence is in Lithuania during the calendar year;
- if the individual's place of personal, social or economic interests is in Lithuania rather than in a foreign country during the calendar year;
- if the individual is present in Lithuania for a period or periods in the aggregate of 183 days or more during the calendar year;
- if the individual is present in Lithuania for a period or periods in the aggregate of 280 days or more during successive calendar years and who stayed in Lithuania for a period or periods in the

aggregate of 90 days or more in any of such periods (in such case a person is deemed to be a resident of Lithuania for both years of presence in Lithuania).

Interest on the Notes made through a Lithuanian intermediary is subject to 15 per cent personal income tax, unless such income can be treated as non-taxable as described above (when redemption of the Notes commences not earlier than 366 days after the date of the issue of the Notes). Personal income tax shall be withheld by the intermediary. The Lithuanian withholding tax constitutes the final tax for Lithuanian resident individuals.

However, if the interest is paid outside Lithuania without the intervention of a Lithuanian intermediary, the individual is liable for the declaration and payment of the respective taxes.

#### *Legal entities*

An entity will be considered as a resident of Lithuania for tax purposes if it is established and registered in the Republic of Lithuania. Permanent establishments of foreign entities in Lithuania shall be treated as Lithuanian taxpayers as well.

Interest on the Notes made through a Lithuanian intermediary shall not be subject to Lithuanian withholding tax. Interest income shall be taxed by the recipient (legal entity or permanent establishment). The same applies to interest paid outside Lithuania without the intervention of a Lithuanian intermediary.

In case of legal entities as well as individuals, withholding tax levied on interest in a foreign country may be credited in Lithuania (the amounts of tax paid may be deducted against the Lithuanian income tax payable), provided that documents may be presented demonstrating the origin of the income and amounts of equivalent income taxes paid in respect of such income in the foreign jurisdiction. According to the provisions of the Law on Corporate Income Tax permanent establishments are not eligible to tax credit.

#### **EU Savings Directive**

Starting from 1 June 2005 the European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments was implemented into the Law on Personal Income Tax of Lithuania.

#### **Latvian Taxation**

*The following is a summary of certain Latvian tax consequences of ownership and disposition of Notes to individuals or entities that hold such Notes based on the laws of the Republic of Latvia as in effect of the date of this Base Prospectus and is intended to provide general information only. For the purposes of this summary, a "resident individual" means an individual who is considered a Latvian resident for personal income tax purposes under Latvian tax law and any applicable double taxation treaty. As a general rule, an individual is considered a resident of Latvia for personal income tax purposes if the individual (i) has a permanent place of residence in Latvia, (ii) has been present in Latvia for 183 days or longer during any twelve-month period beginning or ending in a taxable year, or (iii) is a Latvian citizen employed by the government of Latvia abroad, unless the individual is treated as a resident of another country in accordance with the double taxation treaty entered into between Latvia and that country.*

A "**resident company**" means a person, other than an individual or partnership, which is established and registered or which was required to be established and registered in Latvia in accordance with the laws of Latvia and which, according to the Corporate Income Tax Act, is subject to taxation of its income in Latvia on a net income basis.

#### **Withholding Tax**

##### *Individuals resident in Latvia*

*Payments of interest on the Notes made through a paying agent in Latvia will in principle be subject to a 10 per cent withholding tax in Latvia. If the interest income is not paid through a paying agent in Latvia, no Latvian withholding tax is due.*

### *Non-resident individuals*

The interest income on the Notes paid through a professional intermediary in Latvia will, in principle, be subject to a 10 per cent withholding tax. If the interest income is not paid through a financial institution or other intermediary established in Latvia, no Latvian withholding tax is due.

Provided that the Notes will be listed, capital gains from the disposal of the Notes for non-resident individuals will not be subject to taxation in Latvia. If the Notes will not be listed, a 2 per cent withholding tax will be applied if the payment will be made by a legal entity or individual registered as economic operator located in Latvia. The Latvian payer is required to withhold such tax from the gross payment.

Payments made to non-resident individuals registered or located in low-tax or no-tax jurisdictions are subject to a withholding tax of 15 per cent (if the payer is Latvian resident company) or 24 per cent (if the payer is Latvian individual resident).

Non-resident individuals being residents of countries with which Latvia has concluded a double taxation agreement might benefit from a more favourable regime provided that a proper tax residence certificate is obtained and filed.

### *Latvian resident companies*

Interest payments on the Notes and proceeds from the disposal of the Notes received by Latvian resident companies will not be subject to withholding tax in Latvia.

### *Non-resident companies*

In principle the interest income on the Notes paid to non-resident companies will not be subject to taxation in Latvia. The interest income on the Notes paid to non-resident companies through a professional intermediary located in Latvia might be subject to Latvian withholding tax, if the recipient of interest income and the payer of interest are affiliated entities or the recipient is located, registered or incorporated in low-tax or no-tax jurisdiction.

The disposal of Notes by a non-resident company will not be subject to taxation in Latvia.

Payments made to non-resident companies located, registered or incorporated in low-tax or no-tax jurisdictions are subject to a withholding tax of 15 per cent (if the payer is Latvian resident company) or 24 per cent (if the payer is Latvian individual resident).

### ***EU directive on the taxation of savings income in the form of interest payments***

The EU Savings Directive (see "European Union Directive on the Taxation of Savings Income" below) has been implemented in Latvia by the provisions of the Personal Income Tax Act, Taxes and Duties Law, Credit Institutions Law and secondary legislative acts adopted by the government of Latvia.

### **Norwegian Taxation**

*Please note that for the purpose of the summary below, a reference to a Norwegian or Non-Norwegian Noteholder refers to the tax residency rather than the nationality of the Noteholder.*

### ***Norwegian withholding tax***

Payments of interest on the Notes are not subject to any withholding tax in Norway.

### **Estonian Taxation**

#### ***Taxation of interest***

Provided that the interest on the Notes does not have Estonian source, interest on the Notes may be paid by the Issuer without withholding or deduction for or on account of Estonian income tax.

### ***Taxation of capital gains***

Capital gains from the sale of Notes may be paid to a resident Noteholder without withholding or deduction for or on account of Estonian income tax.

### **Swiss Taxation**

*The following discussion is a summary of Swiss withholding tax considerations relating to (i) Notes issued by the Issuer where the Holder is tax resident in Switzerland or has a tax presence in Switzerland or (ii) Notes where the Paying Agent, custodian or securities dealer is located in Switzerland. The discussion bases on legislation as of the date of this Base Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in Notes. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisors as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of Notes (or options embedded therein) in light of their particular circumstances.*

### ***Swiss Federal Withholding Tax***

Payments by the Issuer, of interest on, and repayment of principal of, the Notes, will not be subject to Swiss federal withholding tax, provided that the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.

On August 24, 2011, the Swiss Federal Council issued draft legislation, which, if enacted, may require a paying agent in Switzerland to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of a debt security to an individual resident in Switzerland or to a person resident outside of Switzerland.

### ***European Directive on the Taxation of Savings Income***

On October 26, 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland will adopt measures equivalent to those of the European Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments. The agreement entered into force as of July 1, 2005.

In accordance with this agreement, Swiss paying agents have to withhold tax at a rate of 35% on interest payments made under the Notes to a beneficial owner who is an individual and resident of an EU member state, with the option of the individual to have the paying agent and Switzerland provide to the tax authorities of the EU member state the details of the interest payments in lieu of the withholding.

On 26 October 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income following which Switzerland adopted measures equivalent to those of the European Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments. In accordance therewith, Swiss paying agents are required to withhold tax at a rate of 35 per cent. in respect of a beneficial owner who is an individual and resident of an EU member state on payments of interest income on Notes, with the option of the individual to have the paying agent and Switzerland provide to the tax authorities of the EU member state the details of the interest payments in lieu of the withholding.

### ***Final Foreign Withholding Taxes***

On 1 January 2013 treaties on final withholding taxes between the Switzerland and the United Kingdom and between Switzerland and Austria entered into force. The treaties, inter alia, require a Swiss paying agent to levy final withholding tax at specified rates in respect of an individual resident in the United Kingdom or resident in Austria, as applicable, on interest or capital gain paid, or credited to an account, relating to the Notes. The final withholding tax substitutes the United Kingdom or Austrian income tax, as applicable, on such income of interest or capital gain. Such a person may, however, in lieu of the final withholding tax opt for voluntary disclosure of the interest or capital income to the tax authority of his or her country of residency. Note that Switzerland may conclude similar treaties with other European countries, negotiations currently being conducted with Greece and Italy.

## **European Union Directive on the Taxation of Savings Income**

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State (as defined in Article 4.2 of the EU Savings Directive). In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the EU Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by each of the Issuers to any one or more of Nordea Bank AB (publ), Nordea Bank Danmark A/S, Nordea Bank Finland Plc, and Nordea Bank Norge ASA (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by an Issuer to, and purchased by, Dealers are set out in a dealer agreement dated 16 April 2013 (as amended and/or restated from time to time the "**Dealer Agreement**") and made between the Issuers and the Dealers. Any such agreement will *inter alia* make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or renewal of existing Dealers and the appointment of additional or other Dealers.

### The United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed or will agree and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered, and will not offer, sell or deliver, Notes of any Tranche (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the date of issue of the relevant Tranche of Notes and the completion of the distribution of such Tranche as certified to the Fiscal Agent or the relevant Issuer by the relevant Dealer(s) within the United States or to, or for the account or of benefit of, U.S. persons, and that it will have sent to each Dealer to which it sells Notes of such Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any Tranche of Notes an offer or sale of Notes of such Tranche within the United States by a Dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act.

In addition, certain Series of Notes in respect of which any payment is determined by reference to an index or formula, or to changes in prices of securities or commodities, or certain other Notes will be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealers may agree. Each Dealer has agreed that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

### Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Approved prospectus*: if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that

Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 100 (or 150) offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

**provided that** no such offer of Notes referred to in (b) to (d) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended) and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

#### **Selling Restrictions Addressing Additional United Kingdom Securities Laws**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not, or, in the case of the relevant Issuer would not, if it was not an authorised person, apply to the relevant Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **Denmark**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of public offering, unless in compliance with the Danish Securities Trading etc. Act as amended from time to time and Executive Orders issued thereunder.

#### **Finland**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will not publicly offer the Notes or bring the Notes into general circulation in Finland other than in compliance with all applicable provisions of the laws of Finland and especially in compliance with the Finnish Securities Market Act (746/2012, *Arvopaperimarkkinlaki*) and any regulation or rule made thereunder, as supplemented and amended from time to time.



## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## Norway

Notes denominated in NOK may not be offered or sold within Norway or to or for the account or benefit of persons domiciled in Norway, unless the regulation relating to the offer of VPS Notes and the registration in the VPS has been complied with.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all laws, regulations and guidelines applicable to the offering of Notes in Norway.

## The Netherlands

For selling restrictions in respect of The Netherlands, see "*Public Offer Selling Restriction Under the Prospectus Directive*" above and in addition:

Zero Coupon Notes (as defined below) in definitive form of the relevant Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. admitted on one or more systems held or operated by Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

## Sweden

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that no Notes will be offered to the public in Sweden nor admitted to trading on a regulated market in Sweden unless and until (A) a prospectus in relation to those Notes has been approved by the competent authority in Sweden or, where appropriate, approved in another Relevant Member State and such competent authority has notified the competent authority in Sweden, all in accordance with the Prospectus Directive and the Swedish Financial Instruments Trading Act; or (B) an exemption from the requirement to prepare a prospectus is available under the Swedish Financial Instruments Trading Act.

## Republic of Ireland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as

amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;

it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Acts 1963 to 2012 (as amended), the Central Bank Acts 1942 to 2011 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and

it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

## **France**

### **(i) *Private placement in France***

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) all as defined in, and in accordance with, articles L.411–1, L.411–2 and D.411–1 of the French Code *monétaire et financier*.

### **(ii) *Offer to the public in France***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the approval of this Base Prospectus by the Central Bank has been notified to the AMF in accordance with Article 18 of the Prospectus Directive, as implemented in France, and all the other procedures and formalities required by French laws and regulations to permit the offering and sale of Notes in France have been carried out, it has not and will not make an offer of Notes to the public in France.

## **Estonia**

Notes which qualify as "derivative instruments" within the meaning of Section 2 of the SMA, Directive 2004/39/EC (MiFID Directive) and Commission Regulation No. EC/1287/2006 (MiFID Implementation Regulation), all as amended from time to time, may only be offered in Estonia after assessment of the suitability and appropriateness of the relevant structured instrument to the investor in accordance with applicable Estonian and European Union law.

## **Lithuania**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been offered and will not be offered in Lithuania by way of a public offering, unless in compliance with all applicable provisions of the laws of Lithuania and in particular in compliance with the Law on Securities of the Republic of Lithuania of 18 January 2007 No. X-1023 and any regulation or rule made thereunder, as supplemented and amended from time to time.

## **Latvia**

The Notes have not been registered under the Financial Instruments Market Law of Latvia and may not be publicly offered or sold in Latvia. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in Latvia other than in accordance with the laws of the Republic of Latvia.

## **General**

With the exception of the approval by the Central Bank of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive, no action has been or will be taken in any country or jurisdiction by any of the Issuers or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus or any Final Terms comes are required by each of the Issuers and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

## GENERAL INFORMATION

1. The establishment of the Programme was authorised by (i) a duly convened meeting of the Board of Directors of NBAB on 13 December 2012 and (ii) a duly convened meeting of the Board of Directors of NBF on 4 March 2013.
2. None of the Issuers nor any of their respective subsidiaries is, or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months before the date of this Base Prospectus which may have, or have had in the recent past significant effects on the financial position or profitability of either of the Issuers or the Nordea Group.
3. Since 31 December 2012, the date to which the latest audited financial statements of each Issuer were prepared, there has been no material adverse change in the prospects of NBAB, NBF or the Nordea Group.
4. Since 31 December 2012, the date to which the latest audited financial statements of each Issuer were prepared, there has been no significant change in the financial or trading position of NBAB, NBF or the Nordea Group.
5. The consolidated financial statements of each Issuer have been audited without qualification for the years ended 31 December 2012 and 2011 by the public accountants KPMG AB. KPMG AB have no material interest in NBAB or NBF.
6. For the twelve months following the date of this Base Prospectus, physical copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified office of the Fiscal Agent in London and the registered office of the relevant Issuer:
  - (a) the certificate of Registration and Articles of Association of each Issuer;
  - (b) the Fiscal Agency Agreement (as amended from time to time) (which contains the forms of the Notes);
  - (c) the Deed of Covenant (as supplemented from time to time);
  - (d) the Dealer Agreement (as amended from time to time);
  - (e) the audited consolidated and unconsolidated financial statements of each Issuer for the years ended 31 December 2012 and 31 December 2011 including the audit reports relating thereto;
  - (f) this Base Prospectus, together with any supplements thereto;
  - (g) the Final Terms for issues listed on any stock exchange and issued pursuant to this Base Prospectus; and
  - (h) the Issuer-ICSDs Agreement.
7. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg or, in the case of VP Notes, the VP or, in the case of VPS Notes, the VPS or, in the case of Finnish Notes, Euroclear Finland or, in the case of Swedish Notes, Euroclear Sweden. The appropriate common code and International Securities Identification Number for each issue allocated by Euroclear and Clearstream, Luxembourg and details of any other agreed clearance system(s) will be contained in the Final Terms relating thereto.
8. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.
9. The address of VP is VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen 5.

10. The address of VPS is Norwegian Central Securities Depository, VPS ASA, P.O. 4, 0051 Oslo.
11. The address of Euroclear Finland Ltd is Euroclear Finland Ltd, PB 1110, 00101 Helsinki, Finland.
12. The address of Euroclear Sweden AB is Swedish Central Securities Depository, Euroclear Sweden, Box 7822, SE 103 97 Stockholm, Sweden.
13. It is expected that each Series of Notes which is to be admitted to the Official List of the Irish Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Global Note initially representing the Notes of such Series or, as the case may be, a Global Registered Note and the approval of the Programme in respect of such Note(s) will be granted on or about 16 April 2013.
14. Settlement arrangements will be agreed between the relevant Issuer, the relevant Dealer and the Fiscal Agent or, as the case may be, the Registrar in relation to each Series.
15. There are no material contracts that have been entered into outside the ordinary course of either of the Issuer's business and which could result in any Group member being under an obligation or entitlement that is material to the relevant Issuer's ability to meet its obligation to Noteholders in respect of the Notes being issued.
16. Neither of the Issuers intend to provide post-issuance information under paragraph 7.5 of Annex XII of Regulation (EC) No 809/2004.
17. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
18. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to each of the Issuers and its respective affiliates in the ordinary course of business.
19. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for each of the Issuers in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

**ANNEX 1 - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF NBAB FOR THE  
YEAR ENDED 31 DECEMBER 2012, INCLUDING THE AUDITOR'S REPORT AND NOTES  
RELATING THERETO**

# Income statement, Group

| EURm                                                                                | Note         | 2012   | 2011   |
|-------------------------------------------------------------------------------------|--------------|--------|--------|
| <b>Operating income</b>                                                             |              |        |        |
| Interest income                                                                     |              | 12,264 | 11,955 |
| Interest expense                                                                    |              | -6,512 | -6,499 |
| <b>Net interest income</b>                                                          | G3           | 5,752  | 5,456  |
| Fee and commission income                                                           |              | 3,306  | 3,122  |
| Fee and commission expense                                                          |              | -802   | -727   |
| <b>Net fee and commission income</b>                                                | G4           | 2,504  | 2,395  |
| Net result from items at fair value                                                 | G5           | 1,784  | 1,517  |
| Profit from associated undertakings accounted for under the equity method           | G19          | 93     | 42     |
| Other operating income                                                              | G6           | 103    | 91     |
| <b>Total operating income</b>                                                       |              | 10,236 | 9,501  |
| <b>Operating expenses</b>                                                           |              |        |        |
| General administrative expenses:                                                    |              |        |        |
| Staff costs                                                                         | G7           | -3,048 | -3,113 |
| Other expenses                                                                      | G8           | -1,860 | -1,914 |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | G9, G20, G21 | -278   | -192   |
| <b>Total operating expenses</b>                                                     |              | -5,186 | -5,219 |
| <b>Profit before loan losses</b>                                                    |              | 5,050  | 4,282  |
| Net loan losses                                                                     | G10          | -933   | -735   |
| <b>Operating profit</b>                                                             |              | 4,117  | 3,547  |
| Income tax expense                                                                  | G11          | -991   | -913   |
| <b>Net profit for the year</b>                                                      |              | 3,126  | 2,634  |
| <b>Attributable to:</b>                                                             |              |        |        |
| Shareholders of Nordea Bank AB (publ)                                               |              | 3,119  | 2,627  |
| Non-controlling interests                                                           |              | 7      | 7      |
| <b>Total</b>                                                                        |              | 3,126  | 2,634  |
| Basic earnings per share, EUR                                                       | G12          | 0.78   | 0.65   |
| Diluted earnings per share, EUR                                                     | G12          | 0.78   | 0.65   |

# Statement of comprehensive income, Group

| EURm                                                                | 2012  | 2011  |
|---------------------------------------------------------------------|-------|-------|
| Net profit for the year                                             | 3,126 | 2,634 |
| Items that may be reclassified subsequently to the income statement |       |       |
| Currency translation differences during the year                    | 420   | -28   |
| Hedging of net investments in foreign operations:                   |       |       |
| Valuation gains/losses during the year                              | -254  | 0     |
| Tax on valuation gains/losses during the year                       | 45    | 0     |
| Available-for-sale investments: <sup>1</sup>                        |       |       |
| Valuation gains/losses during the year                              | 67    | 5     |
| Tax on valuation gains/losses during the year                       | -17   | -1    |
| Cash flow hedges:                                                   |       |       |
| Valuation gains/losses during the year                              | 133   | 166   |
| Tax on valuation gains/losses during the year                       | -35   | -43   |
| Transferred to profit or loss for the year                          | -321  | —     |
| Tax on transfers to profit or loss for the year                     | 85    | —     |
| Other comprehensive income, net of tax                              | 123   | 99    |
| Total comprehensive income                                          | 3,249 | 2,733 |
| Attributable to:                                                    |       |       |
| Shareholders of Nordea Bank AB (publ)                               | 3,242 | 2,726 |
| Non-controlling interests                                           | 7     | 7     |
| Total                                                               | 3,249 | 2,733 |

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



# Balance sheet, Group

| EURm                                                                            | Note     | 31 Dec 2012    | 31 Dec 2011    |
|---------------------------------------------------------------------------------|----------|----------------|----------------|
| <b>Assets</b>                                                                   |          |                |                |
| Cash and balances with central banks                                            |          | 36,060         | 3,765          |
| Loans to central banks                                                          | G13      | 8,005          | 40,615         |
| Loans to credit institutions                                                    | G13      | 10,569         | 11,250         |
| Loans to the public                                                             | G13      | 346,251        | 337,203        |
| Interest-bearing securities                                                     | G14      | 94,939         | 92,373         |
| Financial instruments pledged as collateral                                     | G15      | 7,970          | 8,373          |
| Shares                                                                          | G16      | 28,128         | 20,167         |
| Derivatives                                                                     | G17      | 118,789        | 171,943        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | G18      | -711           | -215           |
| Investments in associated undertakings                                          | G19      | 585            | 591            |
| Intangible assets                                                               | G20      | 3,425          | 3,321          |
| Property and equipment                                                          | G21, G22 | 474            | 469            |
| Investment property                                                             | G23      | 3,408          | 3,644          |
| Deferred tax assets                                                             | G11      | 218            | 169            |
| Current tax assets                                                              | G11      | 78             | 185            |
| Retirement benefit assets                                                       | G33      | 301            | 223            |
| Other assets                                                                    | G24      | 16,372         | 19,425         |
| Prepaid expenses and accrued income                                             | G25      | 2,559          | 2,703          |
| <b>Total assets</b>                                                             |          | <b>677,420</b> | <b>716,204</b> |
| <b>Liabilities</b>                                                              |          |                |                |
| Deposits by credit institutions                                                 | G26      | 55,426         | 55,316         |
| Deposits and borrowings from the public                                         | G27      | 200,678        | 190,092        |
| Liabilities to policyholders                                                    | G28      | 45,320         | 40,715         |
| Debt securities in issue                                                        | G29      | 184,340        | 179,950        |
| Derivatives                                                                     | G17      | 114,203        | 167,390        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | G18      | 1,940          | 1,274          |
| Current tax liabilities                                                         | G11      | 391            | 154            |
| Other liabilities                                                               | G30      | 33,472         | 43,368         |
| Accrued expenses and prepaid income                                             | G31      | 3,903          | 3,496          |
| Deferred tax liabilities                                                        | G11      | 997            | 1,018          |
| Provisions                                                                      | G32      | 389            | 483            |
| Retirement benefit obligations                                                  | G33      | 348            | 325            |
| Subordinated liabilities                                                        | G34      | 7,797          | 6,503          |
| <b>Total liabilities</b>                                                        |          | <b>649,204</b> | <b>690,084</b> |
| <b>Equity</b>                                                                   |          |                |                |
| Non-controlling interests                                                       |          | 5              | 86             |
| Share capital                                                                   |          | 4,050          | 4,047          |
| Share premium reserve                                                           |          | 1,080          | 1,080          |
| Other reserves                                                                  |          | 76             | -47            |
| Retained earnings                                                               |          | 23,005         | 20,954         |
| <b>Total equity</b>                                                             |          | <b>28,216</b>  | <b>26,120</b>  |
| <b>Total liabilities and equity</b>                                             |          | <b>677,420</b> | <b>716,204</b> |
| Assets pledged as security for own liabilities                                  | G35      | 164,902        | 146,894        |
| Other assets pledged                                                            | G36      | 4,367          | 6,090          |
| Contingent liabilities                                                          | G37      | 21,157         | 24,468         |
| Credit commitments                                                              | G38      | 84,914         | 85,319         |
| Other commitments                                                               | G38      | 1,294          | 1,651          |

# Statement of changes in equity, Group

| EURm                                              | Attributable to shareholders of Nordea Bank AB (publ) <sup>2</sup> |                       |                                   |                  |                                |                   | Total  | Non-controlling interests | Total equity |
|---------------------------------------------------|--------------------------------------------------------------------|-----------------------|-----------------------------------|------------------|--------------------------------|-------------------|--------|---------------------------|--------------|
|                                                   | Share capital <sup>1</sup>                                         | Share premium reserve | Translation of foreign operations | Cash flow hedges | Available-for-sale investments | Retained earnings |        |                           |              |
| Balance at 1 Jan 2012                             | 4,047                                                              | 1,080                 | -176                              | 123              | 6                              | 20,954            | 26,034 | 86                        | 26,120       |
| Net profit for the year                           | —                                                                  | —                     | —                                 | —                | —                              | 3,119             | 3,119  | 7                         | 3,126        |
| Currency translation differences during the year  | —                                                                  | —                     | 420                               | —                | —                              | —                 | 420    | —                         | 420          |
| Hedging of net investments in foreign operations: |                                                                    |                       |                                   |                  |                                |                   |        |                           |              |
| Valuation gains/losses during the year            | —                                                                  | —                     | -254                              | —                | —                              | —                 | -254   | —                         | -254         |
| Tax on valuation gains/losses during the year     | —                                                                  | —                     | 45                                | —                | —                              | —                 | 45     | —                         | 45           |
| Available-for-sale investments:                   |                                                                    |                       |                                   |                  |                                |                   |        |                           |              |
| Valuation gains/losses during the year            | —                                                                  | —                     | —                                 | —                | 67                             | —                 | 67     | —                         | 67           |
| Tax on valuation gains/losses during the year     | —                                                                  | —                     | —                                 | —                | -17                            | —                 | -17    | —                         | -17          |
| Cash flow hedges:                                 |                                                                    |                       |                                   |                  |                                |                   |        |                           |              |
| Valuation gains/losses during the year            | —                                                                  | —                     | —                                 | 133              | —                              | —                 | 133    | —                         | 133          |
| Tax on valuation gains/losses during the year     | —                                                                  | —                     | —                                 | -35              | —                              | —                 | -35    | —                         | -35          |
| Transferred to profit or loss for the year        | —                                                                  | —                     | —                                 | -321             | —                              | —                 | -321   | —                         | -321         |
| Tax on transfer to profit or loss for the year    | —                                                                  | —                     | —                                 | 85               | —                              | —                 | 85     | —                         | 85           |
| Other comprehensive income, net of tax            | —                                                                  | —                     | 211                               | -138             | 50                             | —                 | 123    | —                         | 123          |
| Total comprehensive income                        | —                                                                  | —                     | 211                               | -138             | 50                             | 3,119             | 3,242  | 7                         | 3,249        |
| Issued C-shares <sup>3</sup>                      | 3                                                                  | —                     | —                                 | —                | —                              | —                 | 3      | —                         | 3            |
| Repurchase of C-shares <sup>3</sup>               | —                                                                  | —                     | —                                 | —                | —                              | -3                | -3     | —                         | -3           |
| Share-based payments                              | —                                                                  | —                     | —                                 | —                | —                              | 14                | 14     | —                         | 14           |
| Dividend for 2011                                 | —                                                                  | —                     | —                                 | —                | —                              | -1,048            | -1,048 | —                         | -1,048       |
| Purchases of own shares <sup>4</sup>              | —                                                                  | —                     | —                                 | —                | —                              | -31               | -31    | —                         | -31          |
| Change in non-controlling interests               | —                                                                  | —                     | —                                 | —                | —                              | —                 | —      | -84                       | -84          |
| Other changes                                     | —                                                                  | —                     | —                                 | —                | —                              | —                 | —      | -4                        | -4           |
| Balance at 31 Dec 2012                            | 4,050                                                              | 1,080                 | 35                                | -15              | 56                             | 23,005            | 28,211 | 5                         | 28,216       |

1) Total shares registered were 4,050 million.

2) Restricted capital was EUR 4,050m, unrestricted capital was EUR 24,161m.

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

4) Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares were 26.9 million.

|                                                   | Attributable to shareholders of Nordea Bank AB (publ) <sup>2</sup> |                       |                                   |                  |                                |                   |        |                           |              |
|---------------------------------------------------|--------------------------------------------------------------------|-----------------------|-----------------------------------|------------------|--------------------------------|-------------------|--------|---------------------------|--------------|
| EURm                                              | Share capital <sup>1</sup>                                         | Share premium reserve | Other reserves:                   |                  |                                | Retained earnings | Total  | Non-controlling interests | Total equity |
|                                                   |                                                                    |                       | Translation of foreign operations | Cash flow hedges | Available-for-sale investments |                   |        |                           |              |
| Balance at 1 Jan 2011                             | 4,043                                                              | 1,065                 | −148                              | —                | 2                              | 19,492            | 24,454 | 84                        | 24,538       |
| Net profit for the year                           | —                                                                  | —                     | —                                 | —                | —                              | 2,627             | 2,627  | 7                         | 2,634        |
| Currency translation differences during the year  | —                                                                  | —                     | −28                               | —                | —                              | —                 | −28    | —                         | −28          |
| Hedging of net investments in foreign operations: |                                                                    |                       |                                   |                  |                                |                   |        |                           |              |
| Valuation gains/losses during the year            | —                                                                  | —                     | 0                                 | —                | —                              | —                 | 0      | —                         | 0            |
| Tax on valuation gains/losses during the year     | —                                                                  | —                     | 0                                 | —                | —                              | —                 | 0      | —                         | 0            |
| Available-for-sale investments:                   |                                                                    |                       |                                   |                  |                                |                   |        |                           |              |
| Valuation gains/losses during the year            | —                                                                  | —                     | —                                 | —                | 5                              | —                 | 5      | —                         | 5            |
| Tax on valuation gains/losses during the year     | —                                                                  | —                     | —                                 | —                | −1                             | —                 | −1     | —                         | −1           |
| Cash flow hedges:                                 |                                                                    |                       |                                   |                  |                                |                   |        |                           |              |
| Valuation gains/losses during the year            | —                                                                  | —                     | —                                 | 166              | —                              | —                 | 166    | —                         | 166          |
| Tax on valuation gains/losses during the year     | —                                                                  | —                     | —                                 | −43              | —                              | —                 | −43    | —                         | −43          |
| Other comprehensive income, net of tax            | —                                                                  | —                     | −28                               | 123              | 4                              | —                 | 99     | —                         | 99           |
| Total comprehensive income                        | —                                                                  | —                     | −28                               | 123              | 4                              | 2,627             | 2,726  | 7                         | 2,733        |
| Issued C-shares <sup>3</sup>                      | 4                                                                  | —                     | —                                 | —                | —                              | —                 | 4      | —                         | 4            |
| Repurchase of C-shares <sup>3</sup>               | —                                                                  | —                     | —                                 | —                | —                              | −4                | −4     | —                         | −4           |
| Share-based payments                              | —                                                                  | —                     | —                                 | —                | —                              | 11                | 11     | —                         | 11           |
| Dividend for 2010                                 | —                                                                  | —                     | —                                 | —                | —                              | −1,168            | −1,168 | —                         | −1,168       |
| Purchases of own shares <sup>4</sup>              | —                                                                  | —                     | —                                 | —                | —                              | −4                | −4     | —                         | −4           |
| Other changes                                     | —                                                                  | 15 <sup>5</sup>       | —                                 | —                | —                              | —                 | 15     | −5                        | 10           |
| Balance at 31 Dec 2011                            | 4,047                                                              | 1,080                 | −176                              | 123              | 6                              | 20,954            | 26,034 | 86                        | 26,120       |

1) Total shares registered were 4,047 million.

2) Restricted capital was EUR 4,047m, unrestricted capital was EUR 21,987m.

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

4) Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares were 20.7 million.

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

### Dividends per share

See Statement of changes in equity for the parent company, page 175.

# Cash flow statement, Group

| EURm                                                                                          | 2012          | 2011          |
|-----------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Operating activities</b>                                                                   |               |               |
| Operating profit                                                                              | 4,117         | 3,547         |
| Adjustment for items not included in cash flow                                                | 3,178         | 537           |
| Income taxes paid                                                                             | -662          | -981          |
| <b>Cash flow from operating activities before changes in operating assets and liabilities</b> | <b>6,633</b>  | <b>3,103</b>  |
| <b>Changes in operating assets</b>                                                            |               |               |
| Change in loans to central banks and credit institutions                                      | 21,166        | -20,784       |
| Change in loans to the public                                                                 | -2,988        | -23,749       |
| Change in interest-bearing securities                                                         | -2,968        | -16,500       |
| Change in financial assets pledged as collateral                                              | 437           | 1,100         |
| Change in shares                                                                              | -8,094        | -2,776        |
| Change in derivatives, net                                                                    | 3,017         | -2,151        |
| Change in investment properties                                                               | 236           | -77           |
| Change in other assets                                                                        | 2,982         | 3,438         |
| <b>Changes in operating liabilities</b>                                                       |               |               |
| Change in deposits by credit institutions                                                     | -19           | 14,307        |
| Change in deposits and borrowings from the public                                             | 7,000         | 13,341        |
| Change in liabilities to policyholders                                                        | 1,089         | 1,587         |
| Change in debt securities in issue                                                            | 1,665         | 27,205        |
| Change in other liabilities                                                                   | -10,402       | 5,686         |
| <b>Cash flow from operating activities</b>                                                    | <b>19,754</b> | <b>3,730</b>  |
| <b>Investing activities</b>                                                                   |               |               |
| Acquisition of business operations                                                            | 0             | 0             |
| Sale of business operations                                                                   | 0             | 0             |
| Acquisition of associated undertakings                                                        | -6            | -16           |
| Sale of associated undertakings                                                               | 3             | 4             |
| Acquisition of property and equipment                                                         | -141          | -157          |
| Sale of property and equipment                                                                | 27            | 35            |
| Acquisition of intangible assets                                                              | -177          | -192          |
| Sale of intangible assets                                                                     | 2             | 0             |
| Net investments in debt securities, held to maturity                                          | 1,047         | 7,876         |
| Purchase/sale of other financial fixed assets                                                 | 19            | 15            |
| <b>Cash flow from investing activities</b>                                                    | <b>774</b>    | <b>7,565</b>  |
| <b>Financing activities</b>                                                                   |               |               |
| Issued subordinated liabilities                                                               | 1,530         | 891           |
| Amortised subordinated liabilities                                                            | -624          | -2,232        |
| New share issue                                                                               | 3             | 4             |
| Repurchase of own shares incl change in trading portfolio                                     | -31           | -4            |
| Dividend paid                                                                                 | -1,048        | -1,168        |
| <b>Cash flow from financing activities</b>                                                    | <b>-170</b>   | <b>-2,509</b> |
| <b>Cash flow for the year</b>                                                                 | <b>20,358</b> | <b>8,786</b>  |
| Cash and cash equivalents at the beginning of year                                            | 22,606        | 13,706        |
| Translation difference                                                                        | -156          | 114           |
| Cash and cash equivalents at the end of year                                                  | 42,808        | 22,606        |
| <b>Change</b>                                                                                 | <b>20,358</b> | <b>8,786</b>  |

**Comments on the cash flow statement**

The cash flow statement has been prepared in accordance with IAS 7. The cash flow statement shows inflows and outflows of cash and cash equivalents during the year. Nordea's cash flow has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. The cash flows are classified by operating, investing and financing activities.

**Operating activities**

Operating activities are the principal revenue-producing activities and cash flows are mainly derived from the operating profit for the year with adjustment for items not included in cash flow and income taxes paid. Adjustment for non-cash items includes:

| EURm                                                           | 2012         | 2011       |
|----------------------------------------------------------------|--------------|------------|
| Depreciation                                                   | 240          | 190        |
| Impairment charges                                             | 38           | 2          |
| Loan losses                                                    | 1,011        | 811        |
| Unrealised gains/losses                                        | -2,749       | -2,419     |
| Capital gains/losses (net)                                     | -10          | -4         |
| Change in accruals and provisions                              | 354          | -225       |
| Translation differences                                        | -366         | 62         |
| Change in bonus potential to policyholders, Life               | 582          | -575       |
| Change in technical reserves, Life                             | 2,935        | 937        |
| Change in fair value of hedged items, assets/liabilities (net) | 1,267        | 1,842      |
| Other                                                          | -124         | -84        |
| <b>Total</b>                                                   | <b>3,178</b> | <b>537</b> |

Changes in operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans, deposits and debt securities in issue. Changes in derivatives are reported net.

Cash flow from operating activities includes interest payments received and interest expenses paid with the following amounts:

| EURm                       | 2012   | 2011   |
|----------------------------|--------|--------|
| Interest payments received | 12,553 | 11,896 |
| Interest expenses paid     | 6,437  | 6,376  |

**Investing activities**

Investing activities include acquisitions and disposals of non-current assets, like property and equipment, intangible and financial assets.

**Financing activities**

Financing activities are activities that result in changes in equity and subordinated liabilities, such as new issues of shares, dividends and issued/amortised subordinated liabilities.

**Cash and cash equivalents**

The following items are included in Cash and cash equivalents:

| EURm                                            | 31 Dec 2012   | 31 Dec 2011   |
|-------------------------------------------------|---------------|---------------|
| Cash and balances with central banks            | 36,060        | 3,765         |
| Loans to central banks, payable on demand       | 5,938         | 17,328        |
| Loans to credit institutions, payable on demand | 810           | 1,513         |
| <b>Total</b>                                    | <b>42,808</b> | <b>22,606</b> |

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

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

Loans to credit institutions, payable on demand include liquid assets not represented by bonds or other interest-bearing securities. Loans to central banks, payable on demand includes instruments where Nordea has the right to resell immediately.

# Quarterly development, Group

| EURm                                                                                | Q4 2012       | Q3 2012       | Q2 2012       | Q1 2012       | Q4 2011       | Q3 2011       | Q2 2011       | Q1 2011       | 2012          | 2011          |
|-------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net interest income                                                                 | 1,429         | 1,441         | 1,462         | 1,420         | 1,427         | 1,379         | 1,326         | 1,324         | 5,752         | 5,456         |
| Net fee and commission income                                                       | 692           | 605           | 611           | 596           | 588           | 582           | 623           | 602           | 2,504         | 2,395         |
| Net result from items at fair value                                                 | 444           | 377           | 494           | 469           | 506           | 111           | 356           | 544           | 1,784         | 1,517         |
| Profit from associated undertakings accounted for under the equity method           | 33            | 23            | 14            | 23            | 15            | -4            | 13            | 18            | 93            | 42            |
| Other income                                                                        | 32            | 23            | 25            | 23            | 22            | 23            | 24            | 22            | 103           | 91            |
| <b>Total operating income</b>                                                       | <b>2,630</b>  | <b>2,469</b>  | <b>2,606</b>  | <b>2,531</b>  | <b>2,558</b>  | <b>2,091</b>  | <b>2,342</b>  | <b>2,510</b>  | <b>10,236</b> | <b>9,501</b>  |
| General administrative expenses:                                                    |               |               |               |               |               |               |               |               |               |               |
| Staff costs                                                                         | -764          | -752          | -761          | -771          | -714          | -887          | -744          | -768          | -3,048        | -3,113        |
| Other expenses                                                                      | -473          | -467          | -465          | -455          | -502          | -474          | -485          | -453          | -1,860        | -1,914        |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -90           | -74           | -64           | -50           | -50           | -52           | -46           | -44           | -278          | -192          |
| <b>Total operating expenses</b>                                                     | <b>-1,327</b> | <b>-1,293</b> | <b>-1,290</b> | <b>-1,276</b> | <b>-1,266</b> | <b>-1,413</b> | <b>-1,275</b> | <b>-1,265</b> | <b>-5,186</b> | <b>-5,219</b> |
| <b>Profit before loan losses</b>                                                    | <b>1,303</b>  | <b>1,176</b>  | <b>1,316</b>  | <b>1,255</b>  | <b>1,292</b>  | <b>678</b>    | <b>1,067</b>  | <b>1,245</b>  | <b>5,050</b>  | <b>4,282</b>  |
| Net loan losses                                                                     | -244          | -254          | -217          | -218          | -263          | -112          | -118          | -242          | -933          | -735          |
| <b>Operating profit</b>                                                             | <b>1,059</b>  | <b>922</b>    | <b>1,099</b>  | <b>1,037</b>  | <b>1,029</b>  | <b>566</b>    | <b>949</b>    | <b>1,003</b>  | <b>4,117</b>  | <b>3,547</b>  |
| Income tax expense                                                                  | -217          | -234          | -278          | -262          | -243          | -160          | -249          | -261          | -991          | -913          |
| <b>Net profit for the period</b>                                                    | <b>842</b>    | <b>688</b>    | <b>821</b>    | <b>775</b>    | <b>786</b>    | <b>406</b>    | <b>700</b>    | <b>742</b>    | <b>3,126</b>  | <b>2,634</b>  |
| Diluted earnings per share (DEPS), EUR                                              | 0.21          | 0.17          | 0.21          | 0.19          | 0.19          | 0.10          | 0.18          | 0.18          | 0.78          | 0.65          |
| DEPS, rolling 12 months up to period end, EUR                                       | 0.78          | 0.76          | 0.69          | 0.66          | 0.65          | 0.65          | 0.73          | 0.68          | 0.78          | 0.65          |

# 5 year overview, Group

## Income statement

| EURm                                                                                | 2012          | 2011          | 2010          | 2009          | 2008          |
|-------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Net interest income                                                                 | 5,752         | 5,456         | 5,159         | 5,281         | 5,093         |
| Net fee and commission income                                                       | 2,504         | 2,395         | 2,156         | 1,693         | 1,883         |
| Net result from items at fair value                                                 | 1,784         | 1,517         | 1,837         | 1,946         | 1,028         |
| Profit from associated undertakings accounted for under the equity method           | 93            | 42            | 66            | 48            | 24            |
| Other income                                                                        | 103           | 91            | 116           | 105           | 172           |
| <b>Total operating income</b>                                                       | <b>10,236</b> | <b>9,501</b>  | <b>9,334</b>  | <b>9,073</b>  | <b>8,200</b>  |
| General administrative expenses:                                                    |               |               |               |               |               |
| Staff costs                                                                         | -3,048        | -3,113        | -2,784        | -2,724        | -2,568        |
| Other expenses                                                                      | -1,860        | -1,914        | -1,862        | -1,639        | -1,646        |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -278          | -192          | -170          | -149          | -124          |
| <b>Total operating expenses</b>                                                     | <b>-5,186</b> | <b>-5,219</b> | <b>-4,816</b> | <b>-4,512</b> | <b>-4,338</b> |
| <b>Profit before loan losses</b>                                                    | <b>5,050</b>  | <b>4,282</b>  | <b>4,518</b>  | <b>4,561</b>  | <b>3,862</b>  |
| Net loan losses                                                                     | -933          | -735          | -879          | -1,486        | -466          |
| <b>Operating profit</b>                                                             | <b>4,117</b>  | <b>3,547</b>  | <b>3,639</b>  | <b>3,075</b>  | <b>3,396</b>  |
| Income tax expense                                                                  | -991          | -913          | -976          | -757          | -724          |
| <b>Net profit for the year</b>                                                      | <b>3,126</b>  | <b>2,634</b>  | <b>2,663</b>  | <b>2,318</b>  | <b>2,672</b>  |

## Balance sheet

| EURm                                           | 31 Dec 2012    | 31 Dec 2011    | 31 Dec 2010    | 31 Dec 2009    | 31 Dec 2008    |
|------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Cash and balances with central banks           | 36,060         | 3,765          | 10,023         | 11,500         | 3,157          |
| Interest-bearing securities                    | 94,939         | 92,373         | 82,249         | 69,099         | 51,375         |
| Loans to central banks and credit institutions | 18,574         | 51,865         | 15,788         | 18,555         | 23,903         |
| Loans to the public                            | 346,251        | 337,203        | 314,211        | 282,411        | 265,100        |
| Derivatives                                    | 118,789        | 171,943        | 96,825         | 75,422         | 86,838         |
| Other assets                                   | 62,807         | 59,055         | 61,743         | 50,557         | 43,701         |
| <b>Total assets</b>                            | <b>677,420</b> | <b>716,204</b> | <b>580,839</b> | <b>507,544</b> | <b>474,074</b> |
| Deposits by credit institutions                | 55,426         | 55,316         | 40,736         | 52,190         | 51,932         |
| Deposits and borrowings from the public        | 200,678        | 190,092        | 176,390        | 153,577        | 148,591        |
| Liabilities to policyholders                   | 45,320         | 40,715         | 38,766         | 33,831         | 29,238         |
| Debt securities in issue                       | 184,340        | 179,950        | 151,578        | 130,519        | 108,989        |
| Derivatives                                    | 114,203        | 167,390        | 95,887         | 73,043         | 85,538         |
| Subordinated liabilities                       | 7,797          | 6,503          | 7,761          | 7,185          | 8,209          |
| Other liabilities                              | 41,440         | 50,118         | 45,183         | 34,779         | 23,774         |
| Equity                                         | 28,216         | 26,120         | 24,538         | 22,420         | 17,803         |
| <b>Total liabilities and equity</b>            | <b>677,420</b> | <b>716,204</b> | <b>580,839</b> | <b>507,544</b> | <b>474,074</b> |

# Ratios and key figures, Group

|                                                                        | 2012   | 2011   | 2010   | 2009   | 2008   |
|------------------------------------------------------------------------|--------|--------|--------|--------|--------|
| Basic earnings per share, EUR                                          | 0.78   | 0.65   | 0.66   | 0.60   | 0.79   |
| Diluted earnings per share, EUR                                        | 0.78   | 0.65   | 0.66   | 0.60   | 0.79   |
| Share price <sup>1</sup> , EUR                                         | 7.24   | 5.98   | 8.16   | 7.10   | 3.90   |
| Total shareholders' return, %                                          | 21.0   | -24.4  | 3.7    | 78.6   | -46.9  |
| Proposed/actual dividend per share, EUR                                | 0.34   | 0.26   | 0.29   | 0.25   | 0.20   |
| Equity per share <sup>1</sup> , EUR                                    | 7.01   | 6.47   | 6.07   | 5.56   | 5.29   |
| Potential shares outstanding <sup>1,2</sup> , million                  | 4,050  | 4,047  | 4,043  | 4,037  | 2,600  |
| Weighted average number of diluted shares <sup>3</sup> , million       | 4,022  | 4,028  | 4,022  | 3,846  | 3,355  |
| Return on equity, %                                                    | 11.6   | 10.6   | 11.5   | 11.3   | 15.3   |
| Assets under management <sup>1</sup> , EURbn                           | 218.3  | 187.4  | 191.0  | 158.1  | 125.6  |
| Cost/income ratio, %                                                   | 51     | 55     | 52     | 50     | 53     |
| Loan loss ratio, basis points                                          | 28     | 23     | 31     | 56     | 19     |
| Core tier 1 capital ratio, excluding transition rules <sup>1</sup> , % | 13.1   | 11.2   | 10.3   | 10.3   | 8.5    |
| Tier 1 capital ratio, excluding transition rules <sup>1</sup> , %      | 14.3   | 12.2   | 11.4   | 11.4   | 9.3    |
| Total capital ratio, excluding transition rules <sup>1</sup> , %       | 16.2   | 13.4   | 13.4   | 13.4   | 12.1   |
| Core tier 1 capital ratio <sup>1</sup> , %                             | 10.2   | 9.2    | 8.9    | 9.3    | 6.7    |
| Tier 1 capital ratio <sup>1</sup> , %                                  | 11.2   | 10.1   | 9.8    | 10.2   | 7.4    |
| Total capital ratio <sup>1</sup> , %                                   | 12.7   | 11.1   | 11.5   | 11.9   | 9.5    |
| Core tier 1 capital <sup>1</sup> , EURm                                | 21,961 | 20,677 | 19,103 | 17,766 | 14,313 |
| Tier 1 capital <sup>1</sup> , EURm                                     | 23,953 | 22,641 | 21,049 | 19,577 | 15,760 |
| Risk-weighted assets, incl transition rules <sup>1</sup> , EURbn       | 215    | 224    | 215    | 192    | 213    |
| Number of employees (full-time equivalents) <sup>1</sup>               | 31,466 | 33,068 | 33,809 | 33,347 | 34,008 |
| Risk-adjusted profit, EURm                                             | 3,245  | 2,714  | 2,622  | 2,786  | 2,279  |
| Economic profit, EURm                                                  | 1,403  | 1,145  | 936    | 1,334  | 1,015  |
| Economic capital <sup>1</sup> , EURbn                                  | 17.9   | 17.7   | 17.5   | 16.7   | 15.8   |
| EPS, risk-adjusted, EUR                                                | 0.81   | 0.67   | 0.65   | 0.72   | 0.68   |
| RAROCAR, %                                                             | 17.6   | 15.5   | 15.0   | 17.3   | 15.6   |
| MCEV, EURm                                                             | 3,762  | 2,714  | 3,655  | 3,244  | 2,624  |

1) End of the year.

2) Increase between 2008 and 2009 due to Nordea's rights issue.

3) 2008–2009 restated due to the rights issue.



# Business definitions

These definitions apply to the descriptions in the Annual Report.

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

**Basic earnings per share** Net profit for the year divided by the weighted average number of outstanding shares, non-controlling interests excluded.

**Capital base** Capital base includes the sum of the Tier 1 capital and the supplementary capital consisting of subordinated loans, after deduction of the carrying amount of the shares in wholly owned insurance companies and the potential deduction for expected shortfall.

**Cost of equity (%)** Required return by investors on the Nordea share, measured as the long risk free euro rate plus required average risk premium to invest in equities multiplied by Beta, which reflects the Nordea share's volatility and correlation with market volatility.

Cost of equity in EUR is defined as Cost of equity (%) times Economic capital. The Cost of equity is set by management once a year as a parameter to manage risk appetite and investment level.

**Cost/income ratio** Total operating expenses divided by total operating income.

**Diluted earnings per share** Net profit for the year divided by the weighted average number of outstanding shares after full dilution, non-controlling interests excluded.

**Economic capital (EC)** Internal estimate of required capital and measures the capital required to cover unexpected losses in the course of its business with a certain probability. EC uses advanced internal models to provide a consistent measurement for Credit Risk, Market Risk, Operational Risk, Business Risk and Life Insurance Risk arising from activities in Nordea's various business areas.

The aggregation of risks across the group gives rise to diversification effects resulting from the differences in

risk drivers and the improbability that unexpected losses occur simultaneously.

**Economic profit** Deducting Cost of equity from Risk-adjusted profit.

**Equity per share** Equity as shown on the balance sheet after full dilution and non-controlling interests excluded divided by the number of shares after full dilution.

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

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

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

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

**MCEV (Market Consistent Embedded Value)** Estimate of the value a shareholder would put on a portfolio of in-force life and pension business based on objective market return. No franchise value or other additional value is included in MCEV.

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

**Price to Book** Nordea's stock market value relative to its book value of total equity.

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

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

**Risk-adjusted profit** Total income minus total operating expenses, minus Expected losses and standard tax (25 % 2012). In addition, Risk-adjusted profit excludes major non-recurring items.

**Risk-weighted assets** Total assets and off-balance-sheet items valued on the basis of the credit and market risks, as well as operational risks of the Group's undertakings, in accordance with regulations governing capital adequacy, excluding assets in insurance companies, carrying amount of shares which have been deducted from the capital base and intangible assets.

**Tier 1 capital** Proportion of the capital base, which includes consolidated shareholders' equity excluding investments in insurance companies, proposed dividend, deferred tax assets, intangible assets in the banking operations and half of the expected shortfall deduction, – the negative difference between expected losses and provisions. Subsequent to the approval of the supervisory authorities, Tier 1 capital also includes qualified forms of subordinated loans (Tier 1 capital contributions and hybrid capital loans).

The Core tier 1 capital constitutes the Tier 1 capital excluding hybrid capital loans.

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

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

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

**Total capital ratio** Capital base as a percentage of risk-weighted assets.

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

## G1

## Accounting policies

**Content for Note G1**

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**1. Basis for presentation**

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

The disclosures, required in the standards, recommendations and legislation above, have been included in the notes, the Risk, Liquidity and Capital management section or in other parts of the "Financial statements".

On 6 February 2013 the Board of Directors approved the financial statements, subject to final approval of the Annual General Meeting on 14 March 2013.

**2. Changed accounting policies and presentation**

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2011 Annual Report, mainly apart from the categorisation of commissions within Note G4 "Net fee and commission income" and the definition of impaired loans in Note G13 "Loans and impairment". These changes are further described below.

In addition, to provide more relevant information of the nature and the characteristics of the assets on the balance sheet, loans to central banks have been separated from loans to credit institutions and are reported on a new line on the balance sheet.

The comparative figures have been restated accordingly.

Further, the balance sheet lines "Treasury bills" and "Interest-bearing securities" have been merged and are now reported as "Interest-bearing securities". The comparative figures have been restated accordingly.

Below follows also a section covering other changes in IFRSs implemented in 2012, which have not had any significant impact on Nordea.

**Definition of impaired loans**

The definition of impaired loans has been changed and the disclosure includes all loans that have, as a consequence of identified loss event, been written down either individually, for individually significant loans, or as part of a portfolio, for individually insignificant loans.

This definition of impaired loans provides more granular information of the loans actually impaired.

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

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

**Categorisation of commissions**

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

| EURm                                               | Jan–Dec 2011 |            |
|----------------------------------------------------|--------------|------------|
|                                                    | New policy   | Old policy |
| Brokerage, securities issues and corporate finance | 266          | 200        |
| Custody and issuer services                        | 115          | 90         |
| Payments                                           | 399          | 421        |
| Other commissions income                           | 141          | 210        |

**Changes in IFRSs implemented 2012**

IASB has amended IAS 1 "Presentation of Financial Statements" (Presentation of Items of Other Comprehensive Income), IFRS 7 "Financial instruments: Disclosures" (Transfers of Financial Assets) and IAS 12 "Income taxes" (Recovery of Underlying Assets) and the amendments have been implemented in Nordea as from 1 January 2012.

The amendments to IAS 1 have changed Nordea's presentation of other comprehensive income so that items that can later be reclassified to profit or loss are separated from the items that will not. The amendments to IFRS 7 have not added any new disclosures as Nordea has not transferred assets where there is a continuing involvement. The amended IAS 12 has not had any significant impact on the financial statements or on the capital adequacy in Nordea.

### 3. Changes in IFRSs not yet applied by Nordea

#### IFRS 9 “Financial instruments” (Phase 1)

In 2009 the IASB published a new standard on financial instruments containing requirements for financial assets. Requirements for financial liabilities were added to this standard in 2010. The standard is the first step in the replacement of IAS 39 “Financial instruments: Recognition and Measurement” and this first phase covers the classification and measurement of financial assets and liabilities. The effective date is as from 1 January 2015, but earlier application is permitted. The EU commission has not yet endorsed this standard.

The tentative assessment is that there will be an impact on the financial statements as the new standard will decrease the number of measurements categories and therefore have an impact on the presentation and disclosures covering financial instruments. The new standard is, on the other hand, not expected to have a significant impact on Nordea’s income statement and balance sheet as the mixed measurement model will be maintained. No significant reclassifications between fair value and amortised cost or impact on the capital adequacy are expected, but this is naturally dependent on the financial instruments on Nordea’s balance sheet at transition. It is furthermore expected that changes will be made to the standard before the standard becomes effective.

Nordea has, due to the fact that the standard is not yet endorsed by the EU commission and as changes before the effective date are likely, not finalised the investigation of the impact on the financial statements in the period of initial application or in subsequent periods.

IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosures of Interests in Other Entities”, IAS 27 “Separate Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” The IASB has published three new standards relating to consolidation, IFRS 10, IFRS 11 and IFRS 12, as well as amended IAS 27 and IAS 28. The effective date for these standards and amendments is as from 1 January 2013, but earlier application is permitted. The EU commission has endorsed these standards and amendments during 2012. In contrast to IFRS, the EU commission requires the standards to be applied for financial statements starting on or after 1 January 2014. Nordea will apply these standards as from 1 January 2014.

A potential impact from the new definition of control is that Nordea will have to consolidate additional entities (including so called Structured Entities or Special Purpose Entities, SPEs). Nordea’s current assessment is that no additional entities that significantly affect Nordea’s income statement, balance sheet or equity will have to be consolidated, although some uncertainty still remains around some mutual funds. If the funds have to be consolidated it will not affect the income statement, but it will have an impact on Nordea’s balance sheet and if those entities hold Nordea shares that will have to be eliminated in the Nordea Group there will be an impact on the equity. The new standards furthermore include more extensive disclosure requirements which will have an impact on Nordea’s disclosures covering consolidated and unconsolidated entities. Otherwise the new standards and amendments are not expected to have a significant impact on Nordea’s income statement or balance sheet. It is not expected that the new standards and amendments will have a significant impact on the capital adequacy.

Nordea has not finalised the investigation of the impact on the financial statements in the period of initial application or in subsequent periods.

#### IFRS 13 “Fair Value Measurement”

The IASB has published IFRS 13 “Fair Value Measurement”. The effective date is as from 1 January 2013, but earlier application is permitted. The EU commission has endorsed this standard during 2012. Nordea will apply this standard as from 1 January 2013.

IFRS 13 clarifies how to measure fair value but does not change the requirements regarding which items should be measured at fair value. In addition IFRS 13 requires additional disclosures about fair value measurements.

The assessment is that the new standard will not have any significant impact on the income statement or balance sheet. There will on the other hand be an impact on the disclosures as the new standard requires more extensive disclosures regarding fair value measurements, especially for fair value measurements in level 3 of the fair value hierarchy.

The assessment is that the new standard will not have a significant impact on the capital adequacy.

#### IAS 19 “Employee Benefits”

IASB has amended IAS 19. The effective date is as from 1 January 2013, but earlier application is permitted. The EU commission has endorsed this amendment during 2012. Nordea will apply this amendment as from 1 January 2013.

The amended standard will have an impact on the financial statements in the period of initial application, as well as in subsequent periods. This is mainly related to defined benefit plans. The amended IAS 19 states that actuarial gains/losses shall be recognised immediately in equity through other comprehensive income, which will lead to higher volatility in equity compared to the current corridor approach. Consequently no actuarial gains/losses will be recognised in the income statement. Under current IAS 19 actuarial gains/losses outside the corridor are amortised through the income statement.

The amended IAS 19 furthermore states that the expected return on plan assets shall be recognised using the same interest rate as the discount rate used when measuring the pension obligation. This will lead to higher pension expenses in the income statement as Nordea currently expects a higher return than the discount rate. Any difference between the actual return and the expected return will be a part of the actuarial gains/losses recognised immediately in equity through other comprehensive income without recycling to the income statement.

The unrecognised actuarial losses at 31 December 2012 amounted to EUR 251m excluding special wage tax and before income tax. This will at transition have a negative impact on equity of EUR 280m after special wage tax and before income tax. If implemented on 31 December 2012, Nordea’s core tier 1 capital would have been reduced by EUR 258m, including impact from changes in deferred tax assets. The impact on the income statement is not expected to be significant. See Note G33 “Retirement benefit obligations” for more information.

The Swedish Financial Reporting Board has furthermore withdrawn UFR 4 “Accounting for special wage tax and yield tax” and published UFR 9 “Accounting for yield tax”. Nordea will apply UFR 9 as from 1 January 2013. UFR 4 is applied in the financial statements for 2012. The treatment of yield tax in UFR 9 is the same as in UFR 4. Regarding special wage tax the withdrawal of UFR 4 and the implementation of IAS 19 are not expected to have any significant impact on Nordea’s financial statements or on the capital adequacy.

#### IAS 32 “Financial Instrument: Presentation”

IAS 32 “Financial Instruments: Presentation” has been

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## Accounting policies

amended. The change relates to offsetting of financial assets and financial liabilities. The amendment is not intended to change the criteria for offsetting, but to give additional guidance on how to apply the existing criteria.

The effective date is as from 1 January 2014 but earlier application is permitted. The EU commission has endorsed these amendments during 2012. Nordea will apply this amendment as from 1 January 2013. The assessment is that the amended standard will not have any significant impact on the financial statements or on the capital adequacy.

#### IFRS 7 “Financial instruments: Disclosures”

IFRS 7 “Financial instruments: Disclosures” has furthermore been amended and will lead to additional disclosures around offsetting of financial assets and financial liabilities.

The effective date is as from 1 January 2013, but earlier application is permitted. The EU commission has endorsed these amendments during 2012. Nordea will apply this amendment as from 1 January 2013.

The amended standard will not have any impact on the financial statements, apart from disclosures, or on the capital adequacy.

#### 4. Critical judgements and estimation uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires, in some cases, the use of judgements and estimates by management. Actual outcome can later, to some extent, differ from the estimates and the assumptions made. In this section Nordea describes:

- the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year, and
- the judgements made when applying accounting policies (apart from those involving estimations) that have the most significant effect on the amounts recognised in the financial statements.

Critical judgements and estimates are in particular associated with:

- the fair value measurement of certain financial instruments
- the impairment testing of:
  - goodwill and
  - loans to the public/credit institutions
- the effectiveness testing of cash flow hedges
- the actuarial calculations of pension liabilities and plan assets related to employees
- the actuarial calculations of insurance contracts
- the valuation of investment properties
- the classification of leases
- the translations of assets and liabilities denominated in foreign currencies
- the valuation of deferred tax assets
- claims in civil lawsuits

#### Fair value measurement of certain financial instruments

Nordea’s accounting policy for determining the fair value of financial instruments is described in section 11 “Determination of fair value of financial instruments” and Note G42 “Assets and liabilities at fair value”. Critical judgements that have a significant impact on the recognised amounts for financial instruments is exercised when determining fair value of OTC derivatives and other financial instruments that lack quoted prices or recently observed market prices. Those

judgements relate to the following areas:

- The choice of valuation techniques.
- The determination of when quoted prices fail to represent fair value (including the judgement of whether markets are active).
- The construction of fair value adjustments in order to incorporate relevant risk factors such as credit risk, model risk and liquidity risk.
- The judgement of which market parameters that are observable.

When determining fair value of financial instruments that lack quoted prices or recently observed market prices there is also a high degree of estimation uncertainty. That estimation uncertainty is mainly a result of the judgement management exercises when:

- selecting an appropriate discount rate for the instrument and
- determining expected timing of future cash flows from the instruments.

In all of these instances, decisions are based upon professional judgement in accordance with Nordea’s accounting and valuation policies. In order to ensure proper governance, Nordea has a Group Valuation Committee that on an on-going basis reviews critical judgements that are deemed to have a significant impact on fair value measurements.

The fair value of financial assets and liabilities measured at fair value using a valuation technique, level 2 and 3 in the fair value hierarchy, was EUR 252,558m (EUR 285,476m) and EUR 185,506m (EUR 235,514m) respectively at the end of the year.

Sensitivity analysis disclosures covering fair values of financial instruments with significant unobservable inputs can be found in Note G42 “Assets and liabilities at fair value”.

#### Impairment testing of goodwill

Nordea’s accounting policy for goodwill is described in section 16 “Intangible assets” and Note G20 “Intangible assets” lists the cash generating units to which goodwill has been allocated. Nordea’s total goodwill amounted to EUR 2,656m (EUR 2,575m) at the end of the year.

The estimation of future cash flows and the calculation of the rate used to discount those cash flows are subject to estimation uncertainty. The forecast of future cash flows is sensitive to the cash flow projections for the near future (2–3 years) and to the estimated sector growth rate for the period beyond 2–3 years. The growth rates are based on historical data, updated to reflect the current situation, which implies estimation uncertainty.

The rates used to discount future expected cash flows are based on the long-term risk free interest rate plus a risk premium (post tax). The risk premium is based on external information of overall risk premiums in relevant countries.

For information on the sensitivity to changes in relevant parameters, see Note G20 “Intangible assets”.

#### Impairment testing of loans to the public/credit institutions

Nordea’s accounting policy for impairment testing of loans is described in section 14 “Loans to the public/credit institutions”.

Management is required to exercise critical judgements and estimates when calculating loan impairment allowances on both individually assessed and collectively assessed loans. Nordea’s total lending before impairment allowances was EUR 367,673m (EUR 391,539m) at the end of the year. For more information, see Note G13 “Loans and impairment”.



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The most judgemental area is the calculation of collective impairment allowances. When testing a group of loans collectively for impairment, judgement has to be exercised when identifying the events and/or the observable data that indicate that losses have been incurred in the group of loans. Nordea monitors its portfolio through rating migrations and a loss event is an event resulting in a negative rating migration. Assessing the net present value of the cash flows generated by the customers in the group of loans also includes estimation uncertainty. This includes the use of historical data on probability of default and loss given default supplemented by acquired experience when adjusting the assumptions based on historical data to reflect the current situation.

#### Effectiveness testing of cash flow hedges

Nordea's accounting policies for cash flow hedges are described in section 10 "Hedge accounting".

One important judgement in connection to cash flow hedge accounting is the choice of method used for effectiveness testing.

Where Nordea applies cash flow hedge accounting the hedging instruments used are predominantly cross currency interest rate swaps, which are always held at fair value. The currency component is designated as a cash flow hedge of currency risk and the interest component as a fair value hedge of interest rate risk. The hypothetical derivative method is used when measuring the effectiveness of these cash flow hedges, meaning that the change in a perfect hypothetical swap is used as proxy for the present value of the cumulative change in expected future cash flows on the hedged transaction (the currency component). Critical judgement has to be exercised when defining the characteristics of the perfect hypothetical swap.

#### Actuarial calculations of pension liabilities and plan assets related to employees

Nordea's accounting policy for post-employment benefits is described in section 22 "Employee benefits".

The Projected Benefit Obligation (PBO) for major pension plans is calculated by external actuaries using demographic assumptions based on the current population. As a basis for these calculations a number of actuarial and financial parameters are used.

The estimation of the discount rate is subject to uncertainty around whether corporate bond markets are deep enough, of high quality and also in connection to the extrapolation of yield curves to relevant maturities. In Sweden, Norway and Denmark the discount rate is determined with reference to covered bonds and in Finland with reference to corporate bonds. Other parameters like assumptions about salary increases and inflation are based on the expected long-term development of these parameters and are also subject to estimation uncertainty. The fixing of these parameters at year-end is disclosed in Note G33 "Retirement benefit obligations" together with a description of the discount rate sensitivity.

The expected return on plan assets is estimated taking into account the asset composition and based on long-term expectations on the return on the different asset classes. On bonds this is linked to the discount rate while equities and real estate have an added risk premium, both are subject to estimation uncertainty. The expected return is disclosed in Note G33 "Retirement benefit obligations".

#### Actuarial calculations of insurance contracts

Nordea's accounting policy for insurance contracts is

described in section 19 "Liabilities to policyholders".

A valuation of insurance liabilities includes estimations and assumptions, both financial and actuarial. One of the important financial assumptions is the interest rate used for discounting future cash flows. Other important actuarial assumptions are those on mortality and disability, which affect the size and timing of the future cash flows. The financial and actuarial assumptions are, to a large extent, stipulated in local legislation and therefore not under Nordea's discretion. Also assumptions about future administrative and tax expenses have an impact on the calculation of policyholder liabilities.

The insurance liability and the assumption sensitivities to the carrying amount are disclosed in Note G28 "Liabilities to policyholders".

#### Valuation of investment properties

Nordea's accounting policies for investment properties are described in section 18 "Investment property".

Investment properties are measured at fair value. As there normally are no active markets for investment properties, the fair values are estimated based on discounted cash flow models. These models are based on assumptions on future rents, vacancy levels, operating and maintenance costs, yield requirements and interest rates.

The carrying amounts of investment property were EUR 3,408m (EUR 3,644m) at the end of the year. See Note G23 "Investment property" for more information on amounts and parameters used in these models.

#### Classification of leases

Nordea's accounting policies for leases are described in section 15 "Leasing".

Critical judgement has to be exercised when classifying lease contracts. A lease is classified as a finance lease if it transfers substantially all the risks and rewards related to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards related to ownership.

The central district properties in Finland, Norway and Sweden that Nordea has divested are leased back. The duration of the lease agreement was initially 3–25 years with renewal options. The lease agreements include no transfers of ownerships of the asset by the end of the lease term, nor any economic benefit from appreciation in value of the leased property. In addition, the lease term is not for the major part of the assets' economic life. As a result, Nordea has classified these leases as operating leases. This judgement is a critical judgement that has a significant impact on the carrying amounts in the financial statement. The carrying amount of these properties at the time of disposal was EUR 1.5bn.

More information on lease contracts can be found in Note G22 "Leasing".

#### Translation of assets and liabilities denominated in foreign currencies

Nordea's accounting policies covering the translation of assets and liabilities denominated in foreign currencies is described in section 9 "Translation of assets and liabilities denominated in foreign currencies".

When reporting consolidated financial statements, the parent company Nordea Bank AB (publ) has been assessed to have two functional currencies, SEK and EUR, based on the different activities. The functional currency of the normal

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## Accounting policies

banking operations is SEK and the functional currency of the entity holding equity, shares in group undertakings and the funding of those shares is EUR. It is Nordea's assessment that one legal entity can consist of different entities with different functional currencies.

#### Valuation of deferred tax assets

Nordea's accounting policy for the recognition of deferred tax assets is described in section 20 "Taxes" and Note G11 "Taxes".

The valuation of deferred tax assets is influenced by management's assessment of Nordea's future profitability and sufficiency of future taxable profits and future reversals of existing taxable temporary differences. These assessments are updated and reviewed at each balance sheet date, and are, if necessary, revised to reflect the current situation.

The carrying amount of deferred tax assets was EUR 218m (EUR 169m) at the end of the year.

#### Claims in civil lawsuits

Within the framework of the normal business operations, Nordea faces a number of claims in civil lawsuits and disputes, most of which involve relatively limited amounts. Presently, none of the current disputes are considered likely to have any significant adverse effect on Nordea or its financial position. See also Note G32 "Provisions" and Note G37 "Contingent liabilities".

### 5. Principles of consolidation

#### Consolidated entities

The consolidated financial statements include the accounts of the parent company Nordea Bank AB (publ), and those entities that the parent company controls. Control is generally achieved when the parent company owns, directly or indirectly through group undertakings, more than 50 per cent of the voting rights or otherwise has the power to govern the financial and operating policies of the entity.

All Group undertakings are consolidated using the acquisition method, except for the forming of Nordea in 1997–98 when the holding in Nordea Bank Finland Plc was consolidated using the pooling method. Under the acquisition method, the acquisition is regarded as a transaction whereby the parent company indirectly acquires the group undertaking's assets and assumes its liabilities and contingent liabilities. The Group's acquisition cost is established in a purchase price allocation analysis. In such analysis, the cost of the business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for the identifiable net assets acquired. Costs directly attributable to the business combination are expensed.

As at the acquisition date Nordea recognises the identifiable assets acquired and the liabilities assumed at their acquisition date fair values.

For each business combination Nordea measures the non-controlling interest in the acquired business either at fair value or at their proportionate share of the acquired identifiable net assets.

When the aggregate of the consideration transferred in a business combination and the amount recognised for non-controlling interest exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities, the excess is reported as goodwill. If the difference is negative, such difference is recognised immediately in the income statement.

Equity and net income attributable to non-controlling interests are separately disclosed on the balance sheet,

income statement and statement of comprehensive income.

Intra-group transactions and balances between the consolidated group undertakings are eliminated.

The Group undertakings are included in the consolidated accounts as from the date on which control is transferred to Nordea and are no longer consolidated as from the date on which control ceases.

In the consolidation process the reporting from the group undertakings is adjusted to ensure consistency with the IFRS principles applied by Nordea.

#### Investments in associated undertakings

The equity method of accounting is used for associated undertakings where the share of voting rights is between 20 and 50 per cent and/or where Nordea has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control over those policies. Investments within Nordea's investment activities, which are classified as a venture capital organisation within Nordea, are measured at fair value in accordance with the rules set out in IAS 28 and IAS 39. Further information on the equity method is disclosed in section 6 "Recognition of operating income and impairment".

Profits from companies accounted for under the equity method are reported post-taxes in the income statement. Consequently, the tax expense related to these profits is not included in the income tax expense for Nordea.

Internal transactions, in the income statement, between Nordea and its associated undertakings are not eliminated. Nordea does not have any sales of assets to or from associated undertakings.

#### Special Purpose Entities (SPE)

A SPE is an entity created to accomplish a narrow and well defined objective. Often legal arrangements impose strict limits on the decision making powers of the management over the on-going activities of the SPE.

Nordea does not consolidate SPEs' assets and liabilities beyond its control. In order to determine whether Nordea controls a SPE or not, Nordea has to make judgements about risks and rewards and assess the ability to make operational decisions for the SPE in question. When assessing whether Nordea shall consolidate a SPE, a range of factors are evaluated. These factors include whether the activities of the SPE are being in substance conducted on Nordea's behalf or if Nordea has in substance the decision making powers, the rights to obtain the majority of the benefits or the majority of the residual- or ownership risks. Nordea consolidates all SPEs, where Nordea has retained the majority of the risks and rewards. For the SPEs that are not consolidated the rationale is that Nordea does not have significant risks or rewards in connection to these assets and liabilities.

Nordea has created a number of SPEs to allow clients to invest in assets invested in by the SPEs. Some SPEs invest in tradable financial instruments, such as shares and bonds (mutual funds). Other SPEs invest in structured credit products or acquire assets from customers of Nordea. Nordea is generally the investment manager and has sole discretion about investments and other administrative decisions. Typically, Nordea will receive service and commission fees in connection to the creation of the SPEs, or because it acts as investment manager, custodian or in some other function. This in itself does not constitute a beneficial interest triggering consolidation. In some SPEs Nordea has also supplied substantial parts of the funding in the form of fund units, loans or credit commit-

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ments. In these SPEs Nordea has a beneficial interest and retains the majority of the risks and rewards, which is why these SPEs are consolidated. Note P21 “Investments in group undertakings” lists the major group undertakings in the Nordea Group, including consolidated SPEs.

#### Currency translation of foreign entities

The consolidated financial statements are prepared in euro (EUR), the presentation currency of the parent company Nordea Bank AB (publ). The current method is used when translating the financial statements of foreign entities into EUR from their functional currency. The assets and liabilities of foreign entities have been translated at the closing rates, while items in the income statement and statement of comprehensive income are translated at the average exchange rate for the year. Translation differences are accounted for in other comprehensive income and are accumulated in the translation reserve in equity.

Goodwill and fair value adjustments arising from the acquisition of group undertakings are treated as items in the same functional currency as the cash generating unit to which they belong and are also translated at the closing rate.

Information on the most important exchange rates is disclosed in the separate section 27 “Exchange rates”.

### 6. Recognition of operating income and impairment

#### Net interest income

Interest income and expense are calculated and recognised based on the effective interest rate method or, if considered appropriate, based on a method that results in an interest income or interest expense that is a reasonable approximation of using the effective interest rate method as basis for the calculation. The effective interest includes fees considered to be an integral part of the effective interest rate of a financial instrument (generally fees received as compensation for risk). The effective interest rate equals the rate that discounts the contractual future cash flows to the carrying amount of the financial asset or financial liability.

Interest income and expenses from financial instruments are, with the exceptions described below, classified as “Net interest income”.

Interest income and interest expense related to all balance sheet items held at fair value in Markets and Nordea Life & Pensions are classified as “Net result from items at fair value” in the income statement. Also the interest on the net funding of the operations in Markets is recognised on this line.

The interest component in FX swaps, and the interest paid and received in interest rate swaps plus changes in accrued interest, is classified as “Net result from items at fair value”, apart for derivatives used for hedging, including economical hedges of Nordea’s funding, where such components are classified as “Net interest income”.

#### Net fee and commission income

Nordea earns commission income from different services provided to its customers. The recognition of commission income depends on the purpose for which the fees are received. Fees are either recognised as revenue when services are provided or in connection to the execution of a significant act. Fees received in connection to performed services are recognised as income in the period these services are provided. A loan syndication fee received as payment for arranging a loan, as well as other fees received as payments for certain acts, are recognised as revenue when the act has been completed, i.e. when the syndication has been finalised.

Commission expenses are normally transaction based and recognised in the period when the services are received.

Income from issued financial guarantees and expenses from bought financial guarantees, including fees paid to state guarantees, are amortised over the duration of the instruments and classified as “Fee and commission income” and “Fee and commission expense” respectively.

#### Net result from items at fair value

Realised and unrealised gains and losses on financial instruments measured at fair value through profit or loss are recognised in the item “Net result from items at fair value”.

Realised and unrealised gains and losses derive from:

- Shares/participations and other share-related instruments
- Interest-bearing securities and other interest-related instruments
- Other financial instruments, including credit derivatives as well as commodity instruments/derivatives
- Foreign exchange gains/losses
- Investment properties, which include realised and unrealised income, for instance revaluation gains and losses. This line also includes realised results from disposals as well as the running property yield stemming from the holding of investment properties.

Interest income and interest expense related to all balance sheet items in Markets and Nordea Life & Pensions, including the net funding of the operations in Markets, are classified as “Net result from items at fair value”.

Also the ineffective portion of cash flow hedges and net investment hedges as well as recycled gains and losses on financial instruments classified into the category Available for sale are recognised in “Net result from items at fair value”.

This item also includes realised gains and losses from financial instruments measured at amortised cost, such as interest compensation received and realised gains/losses on buy-backs of issued own debt.

“Net result from items at fair value” includes also losses from counterparty risk on instruments classified into the category Financial assets at fair value through profit or loss as well as impairment on instruments classified into the category Available for sale. However, the fair value adjustments of credit risk on loans granted in accordance with the Danish mortgage finance law (see section 13 “Financial instruments” and Note G42 “Assets and liabilities at fair value”) are reported under “Net loan losses”. Impairment losses from instruments within other categories are recognised in the items “Net loan losses” or “Impairment of securities held as financial non-current assets” (see also the sub-sections “Net loan losses” and “Impairment of securities held as financial non-current assets” below).

Dividends received are recognised in the income statement as “Net result from items at fair value” and classified as “Shares/participations and other share-related instruments” in the note. Income is recognised in the period in which the right to receive payment is established.

The income recognition and descriptions of the lines relating to life insurance are described in section 7 “Income recognition life insurance” below.

#### Profit from companies accounted for under the equity method

The profit from companies accounted for under the equity method is defined as the post-acquisition change in Nordea’s share of net assets in the associated undertakings. Nordea’s

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share of items accounted for in other comprehensive income in the associated undertakings is accounted for in other comprehensive income in Nordea. Profits from companies accounted for under the equity method are, as stated in section 5 “Principles of consolidation”, reported in the income statement post-taxes. Consequently the tax expense related to these profits is excluded from the income tax expense for Nordea.

Fair values are, at acquisition, allocated to the associated undertaking’s identifiable assets, liabilities and contingent liabilities. Any difference between Nordea’s share of the fair values of the acquired identifiable net assets and the purchase price is goodwill or negative goodwill. Goodwill is included in the carrying amount of the associated undertaking. Subsequently the investment in the associated undertaking increases/decreases with Nordea’s share of the post-acquisition change in net assets in the associated undertaking and decreases through received dividends and impairment. An impairment charge can be reversed in a subsequent period.

The change in Nordea’s share of the net assets is generally based on monthly reporting from the associated undertakings. For some associated undertakings not individually significant the change in Nordea’s share of the net assets is based on the external reporting of the associated undertakings and affects the financial statements of Nordea in the period in which the information is available. The reporting from the associated undertakings is, if applicable, adjusted to comply with Nordea’s accounting policies.

#### Other operating income

Net gains from divestments of shares in group undertakings and associated undertakings and net gains on sale of tangible assets as well as other operating income, not related to any other income line, are generally recognised when it is probable that the benefits associated with the transaction will flow to Nordea and if the significant risks and rewards have been transferred to the buyer (generally when the transactions are finalised).

#### Net loan losses

Impairment losses from financial assets classified into the category Loans and receivables (see section 13 “Financial instruments”), in the items “Loans to central banks”, “Loans to credit institutions” and “Loans to the public” on the balance sheet, are reported as “Net loan losses” together with losses from financial guarantees (including state guarantees in Denmark). Also the fair value adjustments of credit risk on loans granted in accordance with the Danish mortgage finance law (see section 13 “Financial instruments”, and Note G42 “Assets and liabilities at fair value”) are reported under “Net loan losses”. Losses are reported net of any collateral and other credit enhancements. Nordea’s accounting policies for the calculation of impairment losses on loans can be found in section 14 “Loans to the public/credit institutions”.

Counterparty losses on instruments classified into the category Financial assets at fair value through profit or loss, including credit derivatives but apart from loans held at fair value as described above, as well as impairment on financial assets classified into the category Available for sale are reported under “Net result from items at fair value”.

#### Impairment of securities held as financial non-current assets

Impairment on investments in interest-bearing securities, classified into the categories Loans and receivables or Held to maturity, and on investments in associated undertakings are

classified as “Impairment of securities held as financial non-current assets” in the income statement. The policies covering impairment of financial assets classified into the categories Loans and receivables and Held to maturity are disclosed in section 13 “Financial instruments” and section 14 “Loans to the public/credit institutions”.

Investments in associated undertakings are assessed for impairment annually. If observable indicators (loss events) indicate that an associated undertaking is impaired, an impairment test is performed to assess whether there is objective evidence of impairment. The carrying amount of the investment in the associate is compared with the recoverable amount (higher of value in use and fair value less cost to sell) and the carrying amount is written down to the recoverable amount if required.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount, but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

#### 7. Income recognition life insurance

Premiums received, and repayments to policyholders, related to the saving part of the life insurance contracts are reported as increases or decreases of liabilities to policyholders. See further information in section 19 “Liabilities to policyholders”.

The total income from life insurance mainly consists of the following components:

- Cost result
- Insurance risk result
- Risk and performance margin
- Investment return on additional capital in life insurance

The result from these components is, except for the cost result and the risk and performance margin relating to Unit Linked and Investment contracts, included in “Net result from items at fair value”.

The cost result is the result of expense loading from policyholders and is included in the item “Fee and commission income”, together with the risk and performance margin relating to Unit Linked and Investment contracts. The related expenses are included in the items “Fee and commission expense” and “Operating expenses”. The policyholder’s part of a positive or negative cost result (profit sharing) is included in the note line “Change in technical provisions, Life” within Note G5 “Net result from items at fair value”.

The insurance risk result consists of income from individual risk products and from unbundled life insurance contracts as well as Health and personal accident insurance. The risk premiums are amortised over the coverage period as the provisions are reduced when insurance risk is released. A large part of the unbundled risk result from traditional life insurance is subject to profit sharing, which means that the policyholders receive a part of a net income or a net deficit. The risk income and the risk expenses are presented gross on the lines “Insurance risk income, Life” and “Insurance risk expense, Life” in Note G5 “Net result from items at fair value”. The policyholder’s part of the result is included in the line “Change in technical provisions, Life” in the note.

Gains and losses derived from investments in Nordea Life & Pensions are split on the relevant lines in Note G5 “Net result from items at fair value” as for any other investments in Nordea. The lines include investment return on assets held to cover liabilities to policyholders and return on the additional capital allocated to Nordea Life & Pensions (Shareholders



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capital in the Nordea Life & Pensions group).

The note line “Change in technical provisions, Life” in Note G5 “Net result from items at fair value” includes:

- Investment returns on assets held to cover liabilities to policyholders (including liabilities from traditional life insurance, unit linked insurance and investment contracts), individually transferred to policyholders’ accounts according to the contracts.
- Additional bonus (discretionary participation feature) to policyholders concerning traditional life insurance contracts or any other transfers to the policyholders to cover a periodical deficit between the investment result and any agreed minimum benefit to the policyholders.
- Risk and performance margin regarding traditional life insurance products according to local allocation rules in each Nordea Life & Pensions unit and according to contracts with policyholders. The recognition of a risk and performance margin in the income statement is mainly conditional on a positive result for traditional life insurance contracts. Risk and performance margins not possible to recognise in the current period due to poor investment results, can, in some countries, partly or wholly be deferred to years with higher returns.
- The policyholders’ part of the cost- and risk result regarding traditional life insurance contracts or unit linked contracts.

The note line “Change in collective bonus potential, Life” in Note G5 “Net result from items at fair value” relates only to traditional life insurance contracts. The line includes policyholders’ share of investment returns not yet individualised. The line includes also additional bonus (discretionary participation feature) and amounts needed to cover a periodical deficit between the investment result and any minimum benefits to the policyholders.

## 8. Recognition and derecognition of financial instruments on the balance sheet

Derivative instruments, quoted securities and foreign exchange spot transactions are recognised on and derecognised (reclassified to the items “Other assets” or “Other liabilities” on the balance sheet between trade date and settlement date) from the balance sheet on the trade date. Other financial instruments are recognised on the balance sheet on settlement date.

Financial assets, other than those for which trade date accounting is applied, are derecognised from the balance sheet when the contractual rights to the cash flows from the financial asset expire or are transferred to another party. The rights to the cash flows normally expire or are transferred when the counterpart has performed by e.g. repaying a loan to Nordea, i.e. on settlement date.

In some cases, Nordea enters into transactions where it transfers assets that are recognised on the balance sheet, but retains either all or a portion of risks and rewards from the transferred assets. If all or substantially all risks and rewards are retained, the transferred assets are not derecognised from the balance sheet. If Nordea’s counterpart can sell or repledge the transferred assets, the assets are reclassified to the item “Financial instruments pledged as collateral” on the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include e.g. security lending agreements and repurchase agreements.

Financial liabilities are derecognised from the balance sheet when the liability is extinguished. Normally this occurs when Nordea performs, for example when Nordea repays a deposit to the counterpart, i.e. on settlement date. Financial

liabilities under trade date accounting are generally reclassified to “Other liabilities” on the balance sheet on trade date.

For further information, see sections “Securities borrowing and lending agreements” and “Repurchase and reverse repurchase agreements” within 13 “Financial instruments”, as well as Note G43 “Transferred assets and obtained collaterals”.

## 9. Translation of assets and liabilities denominated in foreign currencies

The functional currency of each entity is decided based upon the primary economic environment in which the entity operates. The parent company Nordea Bank AB (publ) uses two functional currencies, SEK and EUR for reporting in consolidated accounts, based on the different activities in the underlying business.

Foreign currency is defined as any currency other than the functional currency of the entity. Foreign currency transactions are recorded at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealised translation differences on unsettled foreign currency monetary assets and liabilities, are recognised in the income statement in the item “Net result from items at fair value”.

Translation differences on financial instruments that are designated hedging instruments in a hedge of a net investment in a group undertaking are recognised in other comprehensive income, to the extent the hedge is effective. This is performed in order to offset the translation differences affecting other comprehensive income when consolidating the group undertaking into Nordea. Any ineffectiveness is recognised in the income statement in the item “Net result from items at fair value”.

## 10. Hedge accounting

Nordea applies the EU carve out version of IAS 39 for portfolio hedges of both assets and liabilities. The EU carve out macro hedging enables a group of derivatives (or proportions thereof) to be viewed in combination and designated as the hedging instrument and removes some of the limitations in fair value hedge accounting relating to hedging core deposits and under-hedging strategies.

Nordea uses hedge accounting in order to have a symmetrical accounting treatment of the changes in fair value of the hedged item and changes in fair value of the hedging instruments as well as to hedge the exposure to variability in future cash flows and the exposure to net investments in foreign operations.

There are three forms of hedge accounting:

- Fair value hedge accounting
- Cash flow hedge accounting
- Hedges of net investments in foreign operations

### Fair value hedge accounting

Fair value hedge accounting is used when derivatives are hedging changes in fair value of a recognised asset or liability attributable to a specific risk. The risk of changes in fair value of assets and liabilities in Nordea’s financial statements originates mainly from loans, securities and deposits with a fixed interest rate, causing interest rate risk. Changes in fair value from derivatives as well as changes in fair value of the hedged item attributable to the risks being hedged are recognised separately in the income statement in the item “Net result from items at fair value”. Given an effective hedge, the two changes

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in fair value will more or less balance, meaning the net result is close to zero. The changes in fair value of the hedged item attributable to the risks hedged with the derivative instrument are reflected in an adjustment to the carrying amount of the hedged item, which is also recognised in the income statement. The fair value change of the hedged item held at amortised cost in a portfolio hedge of interest rate risks is reported separately from the portfolio in the item “Fair value changes of the hedged items in portfolio hedge of interest rate risk” on the balance sheet.

Fair value hedge accounting in Nordea is performed mainly on a portfolio basis. Any ineffectiveness is recognised in the income statement under the item “Net result from items at fair value”.

#### *Hedged items*

A hedged item in a fair value hedge can be a recognised single asset or liability, an unrecognised firm commitment, or a portion thereof. The hedged item can also be a group of assets, liabilities or firm commitments with similar risk characteristics. Hedged items in Nordea consist of both individual assets or liabilities and portfolios of assets and/or liabilities.

#### *Hedging instruments*

The hedging instruments used in Nordea are predominantly interest rate swaps and cross currency interest rate swaps, which are always held at fair value. Cash instruments are only used in a few transactions as hedging instruments when hedging currency risk.

#### **Cash flow hedge accounting**

Cash flow hedge accounting can be used for the hedging of exposure to variations in future interest payments on instruments with variable interest rates and for the hedging of currency exposures. The portion of the gain or loss on the hedging instrument, that is determined to be an effective hedge, is recognised in other comprehensive income and accumulated in the cash flow hedge reserve in equity. The ineffective portion of the gain or loss on the hedging instrument is recycled to the item “Net result from items at fair value” in the income statement.

Gains or losses on hedging instruments recognised in the cash flow hedge reserve in equity through other comprehensive income are recycled and recognised in the income statement in the same period as the hedged item affects profit or loss, normally in the period that interest income or interest expense is recognised.

#### *Hedged items*

A hedged item in a cash flow hedge can be highly probable floating interest rate cash flows from recognised assets or liabilities or from future assets or liabilities. Nordea uses cash flow hedges when hedging currency risk in future payments of interest and principal in foreign currency.

#### *Hedging instruments*

The hedging instruments used in Nordea are predominantly cross currency interest rate swaps, which are always held at fair value, where the currency component is designated as a cash flow hedge of currency risk and the interest component as a fair value hedge of interest rate risk.

#### **Hedges of net investments**

See separate section 9 “Translation of assets and liabilities denominated in foreign currencies”.

#### **Hedge effectiveness**

The application of hedge accounting requires the hedge to be highly effective. A hedge is regarded as highly effective if at inception and throughout its life it can be expected that changes in fair value of the hedged item as regards the hedged risk can be essentially offset by changes in fair value of the hedging instrument. The result should be within a range of 80–125 per cent. When assessing hedge effectiveness retrospectively Nordea measures the fair value of the hedging instruments and compares the change in fair value of the hedging instrument to the change in fair value of the hedged item. The effectiveness measurement is made on a cumulative basis. The hypothetical derivative method is used when measuring the effectiveness of cash flow hedges, meaning that the change in a perfect hypothetical swap is used as proxy for the present value of the cumulative change in expected future cash flows from the hedged transaction (the currency component).

If the hedge relationship does not fulfil the requirements, hedge accounting is terminated. For fair value hedges the hedging instrument is reclassified to a trading derivative and the change in the fair value of the hedged item, up to the point when the hedge relationship is terminated, is amortised to the income statement on a straight-line basis over the remaining maturity of the hedged item.

In cash flow hedges, changes in the unrealised value of the hedging instrument will prospectively from the last time it was proven effective be accounted for in the income statement. The cumulative gain or loss on the hedging instrument that has been recognised in the cash flow hedge reserve in equity through other comprehensive income from the period when the hedge was effective is reclassified from equity to “Net result from items at fair value” in the income statement if the expected transaction no longer is expected to occur. If the expected transaction no longer is highly probable, but is still expected to occur, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective remains in other comprehensive income until the transaction occurs or is no longer expected to occur.

#### **11. Determination of fair value of financial instruments**

Financial assets and liabilities classified into the categories Financial assets/liabilities at fair value through profit or loss (including derivative instruments) are recorded at fair value on the balance sheet with changes in fair value recognised in the income statement in the item “Net result from items at fair value”.

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The existence of published price quotations in an active market is the best evidence of fair value and when they exist they are used to measure financial assets and financial liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an on-going basis. The absolute levels for liquidity and volume required for a market to be considered active vary with the instrument classes. For some classes low price volatility is seen, also for those instruments within the class where the trade frequency is high. For instruments in such a class the liquidity requirements are lower and, correspondingly, the age limit for the prices used for establishing fair value is higher.

If markets are active or non-active is assessed regularly. The trade frequency and volume are monitored daily.

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Nordea is predominantly using published price quotations to establish fair value for items disclosed under the following balance sheet items:

- Interest-bearing securities
- Shares (listed)
- Derivatives (listed)
- Debt securities in issue (issued mortgage bonds in Nordea Kredit Realkreditaktieselskab)

If quoted prices for a financial instrument fail to represent actual and regularly occurring market transactions or if quoted prices are not available, fair value is established by using an appropriate valuation technique. The adequacy of the valuation technique, including an assessment of whether to use quoted prices or theoretical prices, is monitored on a regular basis.

Valuation techniques can range from simple discounted cash flow analysis to complex option pricing models. Valuation models are designed to apply observable market prices and rates as input whenever possible, but can also make use of unobservable model parameters. The adequacy of the valuation model is assessed by measuring its capability to hit market prices. This is done by comparison of calculated prices to relevant benchmark data, e.g. quoted prices from the exchange, the counterpartys valuations, price data from consensus services etc.

Nordea is predominantly using valuation techniques to establish fair value for items disclosed under the following balance sheet items:

- Loans to the public (mortgage loans in Nordea Kredit Realkreditaktieselskab)
- Interest-bearing securities (when quoted prices in an active market are not available)
- Shares (when quoted prices in an active market are not available)
- Derivatives (OTC-derivatives)

For financial instruments, where fair value is estimated by a valuation technique, it is investigated whether the variables used in the valuation model are predominantly based on data from observable markets. By data from observable markets, Nordea considers data that can be collected from generally available external sources and where this data is judged to represent realistic market prices. If non-observable data has a significant impact on the valuation, the instrument cannot be recognised initially at the fair value estimated by the valuation technique and any upfront gains are thereby deferred and amortised through the income statement over the contractual life of the instrument. The deferred upfront gains are subsequently released to income if the non-observable data becomes observable.

Note G42 “Assets and liabilities at fair value” provides a breakdown of fair values of financial instruments measured on the basis of:

- quoted prices in active markets for the same instrument (level 1),
- valuation technique using observable data (level 2), and
- valuation technique using non-observable data (level 3).

The valuation models applied by Nordea are consistent with accepted economic methodologies for pricing financial instruments and incorporate the factors that market participants consider when setting a price.

New valuation models are subject to approval by the Model Risk Management Committee and all models are reviewed on

a regular basis.

For further information, see Note G42 “Assets and liabilities at fair value”.

## 12. Cash and cash equivalents

Cash and cash equivalents consist of cash and balances with central banks where the following conditions are fulfilled:

- The central bank is domiciled in a country where Nordea is operating under a banking licence
- The balance is readily available at any time

Cash and cash equivalents are financial instruments classified into the category Loans and receivables, see section 13 “Financial instruments”.

Loans to credit institutions payable on demand are also recognised as “Cash and cash equivalents” in the cash flow statement together with instruments with central banks that can be resold immediately.

## 13. Financial instruments

### Classification of financial instruments

Each financial instrument has been classified into one of the following categories:

Financial assets:

- Financial assets at fair value through profit or loss:
    - Held for trading
    - Designated at fair value through profit or loss (Fair Value Option)
  - Loans and receivables
  - Held to maturity
  - Available for sale
- Financial liabilities:
- Financial liabilities at fair value through profit or loss:
    - Held for trading
    - Designated at fair value through profit or loss (Fair Value Option)
  - Other financial liabilities

All financial assets and liabilities are initially measured at fair value. The classification of financial instruments into different categories forms the basis for how each instrument is subsequently measured on the balance sheet and how changes in its value are recognised. In Note G41 “Classification of financial instruments” the classification of the financial instruments on Nordea’s balance sheet into different categories is presented.

### *Financial assets and financial liabilities at fair value through profit or loss*

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value, excluding transaction costs. All changes in fair values are recognised directly in the income statement in the item “Net result from items at fair value”.

The category consists of two sub-categories; Held for trading and Designated at fair value through profit or loss (Fair value option).

The sub-category Held for trading mainly contains derivative instruments that are held for trading purposes, interest-bearing securities and shares within Markets and Treasury. It also contains trading liabilities such as short-selling positions.

The major parts of the financial assets/liabilities classified into the category Designated at fair value through profit or loss are mortgage loans and related issued bonds in the Danish group undertaking Nordea Kredit Realkreditaktieselskab and interest-bearing securities, shares and investment

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contracts in Nordea Life & Pensions.

Assets and liabilities in Nordea Kredit Realkreditaktieselskab are classified into the category Designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. When Nordea grants mortgage loans to customers in accordance with the Danish mortgage finance law Nordea at the same time issues bonds with matching terms, so called “match funding”. The customers can repay the loans either through repayments of the principal or by purchasing the issued bonds and return them to Nordea as a settlement of the loan. The bonds play an important part in the Danish money market and Nordea consequently buys and sells own bonds in the market. If the loans and bonds were measured at amortised cost such buy-backs of bonds would give rise to an accounting mismatch as any gains or losses would have to be recognised immediately in the income statement. If such bonds are subsequently sold in the market any premium or discount would be amortised over the expected maturity, which would also create an accounting mismatch. To avoid such an accounting mismatch Nordea measures both the loans and bonds at fair value through profit or loss.

Interest-bearing securities, shares and investment contracts (defined in section 19 “Liabilities to policyholders”) in Nordea Life & Pensions are generally also classified into the category Designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. The investment contracts (unit-linked) are held at fair value and to avoid an accounting mismatch also the related assets are held at fair value. This is valid also for insurance contracts (defined in section 19 “Liabilities to policyholders”) where the assets are generally held at fair value to reduce an accounting mismatch with the liabilities to policyholders that are generally measured at fair value.

Nordea also applies the Fair value option on certain financial assets and financial liabilities related to Markets. The classification stems from that Markets is managing and measuring its financial assets and liabilities at fair value. Consequently, the majority of financial assets and financial liabilities in Markets are classified into the categories Financial assets/Financial liabilities at fair value through profit or loss.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets, with fixed or determinable payments, that are not quoted in an active market. These assets and their impairment are further described in the separate section 14 “Loans to the public/credit institutions”.

#### *Held to maturity*

Financial assets that Nordea has chosen to classify into the category Held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity that Nordea has the positive intent and ability to hold to maturity. Financial assets classified into the category Held to maturity are initially recognised on the balance sheet at the acquisition price, including transaction costs. Subsequent to initial recognition, the instruments within this category are measured at amortised cost. In an amortised cost measurement, the difference between acquisition cost and redemption value is amortised in the income statement over the remaining term using the effective interest rate method.

If more than an insignificant amount of the Held to maturity portfolio is sold or transferred the Held to maturity category is tainted, except for if the sale or transfer either occur close to maturity, after substantially all of the original principal

is already collected, or due to an isolated non-recurring event beyond the control of Nordea.

Nordea assesses at each reporting date whether there is any objective evidence that the asset is impaired. If there is such evidence, an impairment loss is recorded. The loss is calculated as the difference between the carrying amount and the present value of estimated future cash flows and is recognised as “Impairment of securities held as financial non-current assets” in the income statement. See section 14 “Loans to the public/credit institutions” for more information on the identification and measurement of objective evidence of impairment, which is applicable also for interest-bearing securities classified into the category Held to maturity.

#### *Available for sale*

Financial instruments classified into the category Available for sale are measured at fair value. Changes in fair values, except for interest, foreign exchange effects and impairment losses, are recognised in the fair value reserve in equity through other comprehensive income. Interest is recognised in the item “Interest income” and foreign exchange effects and impairment losses in the item “Net result from items at fair value” in the income statement.

When an instrument classified into the category Available for sale is disposed of, the fair value changes that previously have been accumulated in the fair value reserve (related to Available for sale investments) in other comprehensive income are removed from equity and recognised in the income statement in the item “Net result from items at fair value”.

Financial assets classified into the category Available for sale are assessed at least annually in order to determine any need for impairment losses. If there is objective evidence of impairment, the accumulated loss that has been recognised in other comprehensive income is removed from equity and recognised as “Net result from items at fair value” in the income statement. The amount of the accumulated loss that is recycled from equity is the difference between the asset’s acquisition cost and current fair value. For equity investments a prolonged or significant decline in the fair value, compared to the acquisition cost, is considered to be objective evidence of impairment. Objective evidence of impairment for a debt instrument is rather connected to a loss event, such as an issuer’s financial difficulty.

#### *Other financial liabilities*

Financial liabilities, other than those classified into the category Financial liabilities at fair value through profit or loss, are measured at amortised cost. Interest from Other financial liabilities is recognised in the item “Interest expense” in the income statement.

#### *Hybrid (combined) financial instruments*

Hybrid (combined) financial instruments are contracts containing a host contract and an embedded derivative instrument. Such combinations arise predominantly from the issuance of structured debt instruments, such as issued index-linked bonds.

Index-linked bonds issued by Group Treasury are considered to be part of the funding activities. The zero coupon bond, is measured at amortised cost. The embedded derivatives in those instruments are separated from the host contract and accounted for as stand-alone derivatives at fair value, if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and



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risks of the host contract, and the embedded derivative meets the definition of a derivative instrument. Changes in fair values, of the embedded derivatives, are recognised in the income statement in the item “Net result from items at fair value”.

Index-linked bonds issued by Markets as part of the trading portfolio are classified into the category Held for trading, and the entire combined instrument, host contract together with the embedded derivative, is measured at fair value through profit or loss. Changes in fair values are recognised in the income statement in the item “Net result from items at fair value”.

#### Securities borrowing and lending agreements

Generally, securities borrowing and securities lending transactions are entered into on a collateralised basis. Unless the risks and rewards of ownership are transferred, the securities are not recognised on or derecognised from the balance sheet. In the cases where the counterpart is entitled to resell or repledge the securities, the securities are reclassified to the balance sheet item “Financial instruments pledged as collateral”.

Securities in securities lending transactions are also disclosed in the item “Assets pledged as security for own liabilities”.

Cash collateral advanced (securities borrowing) to the counterparts is recognised on the balance sheet as “Loans to central banks”, “Loans to credit institutions” or as “Loans to the public”. Cash collateral received (securities lending) from the counterparts is recognised on the balance sheet as “Deposits by credit institutions” or as “Deposits and borrowings from the public”.

#### Repurchase and reverse repurchase agreements

Securities delivered under repurchase agreements and securities received under reverse repurchase agreements are not derecognised from or recognised on the balance sheet. In the cases where the counterpart has the right to resell or repledge the securities, the securities are reclassified to the balance sheet line “Financial instruments pledged as collateral”.

Securities delivered under repurchase agreements are also disclosed in the item “Assets pledged as security for own liabilities”.

Cash received under repurchase agreements is recognised on the balance sheet as “Deposits by credit institutions” or as “Deposits and borrowings from the public”. Cash delivered under reverse repurchase agreements is recognised on the balance sheet as “Loans to central banks”, “Loans to credit institutions” or as “Loans to the public”.

Additionally, the sale of securities received in reverse repurchase agreements trigger the recognition of a trading liability (short sale).

#### Derivatives

All derivatives are recognised on the balance sheet and measured at fair value. Derivatives with total positive fair values, including any accrued interest, are recognised as assets in the item “Derivatives” on the asset side. Derivatives with total negative fair values, including any accrued interest, are recognised as liabilities in the item “Derivatives” on the liability side.

Realised and unrealised gains and losses from derivatives are recognised in the income statement in the item “Net result from items at fair value”.

#### Offsetting of financial assets and liabilities

Nordea offsets financial assets and liabilities on the balance sheet if there is a legal right to offset, in the ordinary course of

business and in case of bankruptcy, and if the intent is to settle the items net or realise the asset and settle the liability simultaneously. This is generally achieved through the central counterparty clearing houses that Nordea has agreements with.

#### 14. Loans to the public/credit institutions

Financial instruments classified as “Loans to the public/credit institutions” (including loans to central banks) on the balance sheet and into the category Loans and receivables are measured at amortised cost (see also the separate section 8 “Recognition and derecognition of financial instruments on the balance sheet” as well as Note G41 “Classification of financial instruments”).

Nordea monitors loans as described in the separate section on Risk, Liquidity and Capital management. Loans attached to individual customers or groups of customers are identified as impaired if the impairment tests indicate an objective evidence of impairment.

Also interest-bearing securities classified into the categories Loans and receivables and Held to maturity are held at amortised cost and the description below is valid also for the identification and measurement of impairment on these assets. Possible impairment losses on interest-bearing securities classified into the categories Loans and receivables and Held to maturity are recognised as “Impairment of securities held as non-current financial assets” in the income statement.

#### Impairment test of individually assessed loans

Nordea tests all loans for impairment on an individual basis. The purpose of the impairment tests is to find out if the loans have become impaired. As a first step in the identification process for impaired loans, Nordea monitors whether there are indicators of impairment (loss event) and whether these loss events represent objective evidence of impairment. More information on the identification of loss events can be found in the Risk, Liquidity and Capital management section.

Loans that are not individually impaired will be transferred to a group of loans with similar risk characteristics for a collective impairment test.

#### Impairment test of collectively assessed loans

Loans not impaired on an individual basis are collectively tested for impairment.

These loans are grouped on the basis of similar credit risk characteristics that are indicative of the debtors’ ability to pay all amounts due according to the contractual terms. Nordea monitors its portfolio through rating migrations, the credit decision and annual review process supplemented by quarterly risk reviews. Through these processes Nordea identifies loss events indicating incurred losses in a group. A loss event is an event resulting in a deterioration of the expected future cash flows. Only loss events incurred up to the reporting date are included when performing the assessment of the group.

The objective for the group assessment process is to evaluate if there is a need to make a provision due to the fact that a loss event has occurred, which has not yet been identified on an individual basis. This period between the date when the loss event occurred and the date when it is identified on an individual basis is called “Emergence period”. The impairment remains related to the group of loans until the losses have been identified on an individual basis. The identification of the loss is made through a default of the engagement or by other indicators.

For corporate customers and bank counterparts, Nordea uses the existing rating system as a basis when assessing the

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credit risk. Nordea uses historical data on probability of default to estimate the risk for a default in a rating class. These loans are rated and grouped mostly based on type of industry and/or sensitivity to certain macro parameters, e.g. dependency to oil prices etc.

Personal customers and small corporate customers are monitored through scoring models. These are based mostly on historical data, as default rates and loss rates given a default, and experienced judgement performed by management. Rating and scoring models are described in more detail in the separate section on Risk, Liquidity and Capital management.

The collective assessment is performed through a netting principle, i.e. when rated engagements are up-rated due to estimated increases in cash flows, this improvement will be netted against losses on loans that are down-rated due to estimated decreases in cash-flows. Netting is only performed within groups with similar risk characteristics where Nordea assesses that the customers' future cash flows are insufficient to serve the loans in full.

### Impairment loss

If the carrying amount of the loans is higher than the sum of the net present value of estimated cash flows (discounted with original effective interest rate), including the fair value of the collaterals and other credit enhancements, the difference is the impairment loss.

For significant loans that have been individually identified as impaired the measurement of the impairment loss is made on an individual basis.

For insignificant loans that have been individually identified as impaired and for loans not identified as impaired on an individual basis the measurement of the impairment loss is measured using a portfolio based expectation of the future cash flows.

If the impairment loss is not regarded as final, the impairment loss is accounted for on an allowance account representing the accumulated impairment losses. Changes in the credit risk and accumulated impairment losses are accounted for as changes in the allowance account and as "Net loan losses" in the income statement (see also section 6 "Recognition of operating income and impairment").

If the impairment loss is regarded as final, it is reported as a realised loss and the value of the loan and the related allowance for impairment loss are derecognised. An impairment loss is regarded as final when the obligor is filed for bankruptcy and the administrator has declared the economic outcome of the bankruptcy procedure, or when Nordea forgives its claims either through a legal based or voluntary reconstruction or when Nordea, for other reasons, deem it unlikely that the claim will be recovered.

### Discount rate

The discount rate used to measure impairment is the original effective interest rate for loans attached to an individual customer or, if applicable, to a group of loans. If considered appropriate, the discount rate can be based on a method that results in an impairment that is a reasonable approximation of using the effective interest rate method as basis for the calculation.

### Restructured loans

In this context a restructured loan is defined as a loan where Nordea has granted concessions to the obligor due to its deteriorated financial situation and where this concession has resulted in an impairment loss for Nordea. After a reconstruction the loan is normally regarded as not impaired if it

performs according to the new conditions. Concessions made in reconstructions are regarded as final losses unless Nordea retains the possibility to regain the loan losses incurred. In the event of a recovery the payment is reported as a recovery of loan losses.

### Assets taken over for protection of claims

In a financial reconstruction the creditor may concede loans to the obligor and in exchange for this concession acquire an asset pledged for the conceded loans, shares issued by the obligor or other assets. Assets taken over for protection of claims are reported on the same balance sheet line as similar assets already held by Nordea. For example a property taken over, not held for Nordea's own use, is reported together with other investment properties.

At initial recognition, all assets taken over for protection of claims are recognised at fair value and the possible difference between the carrying amount of the loan and the fair value of the assets taken over is recognised as "Net loan losses". The fair value of the asset on the date of recognition becomes its cost or amortised cost value, as applicable. In subsequent periods, assets taken over for protection of claims are valued in accordance with the valuation principles for the appropriate type of asset. Investment properties are then measured at fair value. Financial assets that are foreclosed are generally classified into the categories Available for sale or Designated at fair value through profit or loss (Fair Value Option) (see section 13 "Financial instruments") and measured at fair value. Changes in fair values are recognised in other comprehensive income for assets classified into the category Available for sale. For assets classified into the category Designated at fair value through profit or loss, changes in fair value are recognised in the income statement under the line "Net result from items at fair value".

Any change in value, after the initial recognition of the asset taken over, is presented in the income statement in line with the Group's presentation policies for the appropriate asset. "Net loan losses" in the income statement is, after the initial recognition of the asset taken over, consequently not affected by any subsequent remeasurement of the asset.

## 15. Leasing

### Nordea as lessor

#### Finance leases

Nordea's leasing operations mainly comprise finance leases. A finance lease is reported as a receivable from the lessee in the balance sheet item "Loans to the public" at an amount equal to the net investment in the lease. The lease payment, excluding cost of services, is recorded as repayment of principal and interest income. The income allocation is based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of the finance lease.

#### Operating leases

Assets subject to operating leases on the balance sheet are reported in accordance with the nature of the assets, in general as property and equipment. Leasing income is recognised as income on a straight-line basis over the lease term and classified as "Net interest income". The depreciation of the leased assets is calculated on the basis of Nordea's depreciation policy for similar assets and reported as "Depreciation, amortisation and impairment charges of tangible and intangible assets" in the income statement.

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## Nordea as lessee

*Finance leases*

Finance leases are recognised as assets and liabilities on the balance sheet at the amount equal to the fair value, or if lower, the present value of the minimum lease payments of the leased assets at the inception of the lease. The assets are reported in accordance with the nature of the assets. Lease payments are apportioned between finance charge and reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. A finance lease also gives rise to a depreciation expense for the leased asset. The depreciation policy is consistent with that of the assets in own use. Impairment testing of leased assets is performed following the same principles as for similar owned assets.

*Operating leases*

Operating leases are not recognised on Nordea's balance sheet. For operating leases the lease payments are recognised as expenses in the income statement on a straight-line basis over the lease term unless another systematic way better reflects the time pattern of Nordea's benefit. The original lease terms normally range between 3 to 25 years.

Operating leasing is mainly related to office premises contracts and office equipment contracts normal to the business.

The central district properties in Finland, Norway and Sweden that Nordea has divested are leased back. The duration of the lease agreements was initially 3–25 years with renewal options. The lease agreements include no transfers of ownerships of the asset by the end of the lease term, nor any economic benefits from appreciation in value of the leased property. In addition, the lease term is not for the major part of the assets' economic life. These leases are thus classified as operating leases. The rental expense for these premises is recognised on the basis of the time-pattern of Nordea's economic benefit which differs from the straight-line basis and better resembles an ordinary rental arrangement.

*Embedded leases*

Agreements can contain a right to use an asset in return for a payment, or a series of payments, although the agreement is not in the legal form of a leasing contract. If applicable, these assets are separated from the contract and accounted for as leased assets

**16. Intangible assets**

Intangible assets are identifiable, non-monetary assets without physical substance. The assets are under Nordea's control, which means that Nordea has the power and rights to obtain the future economic benefits flowing from the underlying resource. The intangible assets in Nordea mainly consist of goodwill, IT-development/computer software and customer related intangible assets.

*Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of Nordea's share of net identifiable assets of the acquired group undertaking/associated undertaking at the date of acquisition. Goodwill on acquisition of group undertakings is included in "Intangible assets". Goodwill on acquisitions of associates is not recognised as a separate asset, but included in "Investments in associated undertakings". Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Good-

will is carried at cost less accumulated impairment losses. Impairment losses on goodwill cannot be reversed in subsequent periods. Goodwill related to associated undertakings is not tested for impairment separately, but included in the total carrying amount of the associated undertakings. The policies covering impairment testing of associated undertakings is disclosed in section 6 "Recognition of operating income and impairment".

*IT-development/Computer software*

Costs associated with maintaining computer software programs are expensed as incurred. Costs directly associated with major software development investments, with a useful life of three years or more and the ability to generate future economic benefits, are recognised as intangible assets. These costs include software development staff costs and overhead expenditures directly attributable to preparing the asset for use. Computer software includes also acquired software licenses not related to the function of a tangible asset.

Amortisation is calculated on a straight-line basis over the useful life of the software, generally a period of 3 to 10 years.

*Customer related intangible assets*

In business combinations a portion of the purchase price is normally allocated to a customer related intangible asset, if the asset is identifiable and under Nordea's control. An intangible asset is identifiable if it arises from contractual or legal rights, or could be separated from the entity and sold, transferred, licenced, rented or exchanged. The asset is amortised over its useful life, generally over 10 years.

*Impairment*

Goodwill is not amortised but tested for impairment annually irrespective of any indications of impairment. Impairment testing is also performed more frequently if required due to any indication of impairment. The impairment charge is calculated as the difference between the carrying amount and the recoverable amount.

At each balance sheet date, all intangible assets with definite useful lives are reviewed for indications of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the intangible asset is fully recoverable.

The recoverable amount is the higher of fair value less costs to sell and the value in use of the asset or the cash-generating unit, which is defined as the smallest identifiable group of assets that generates largely independent cash flows in relation to the asset. For goodwill, the cash generating units are defined as the operating segments. The value in use is the present value of the cash flows expected to be realised from the asset or the cash-generating unit. The cash flows are assessed based on the asset or cash-generating unit in its current condition and discounted at a rate based on the long-term risk free interest rate plus a risk premium (post tax). If the recoverable amount is less than the carrying amount, an impairment loss is recognised. See Note G20 "Intangible assets" for more information on the impairment testing.

**17. Property and equipment**

Property and equipment includes own-used properties, leasehold improvements, IT equipment, furniture and other equipment. Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment comprise its purchase price, as well as any directly attributable costs of bringing the asset to the working condition for its in-

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tended use. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items.

Property and equipment is depreciated on a straight-line basis over the estimated useful life of the assets. The estimates of the useful life of different assets are reassessed on a yearly basis. Below follows the current estimates:

|                        |                                                                                                                                                                                                                                                                                                                  |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Buildings              | 30–75 years                                                                                                                                                                                                                                                                                                      |
| Equipment              | 3–5 years                                                                                                                                                                                                                                                                                                        |
| Leasehold improvements | Changes within buildings the shorter of 10 years and the remaining leasing term. New construction the shorter of the principles used for owned buildings and the remaining leasing term. Fixtures installed in leased properties are depreciated over the shorter of 10–20 years and the remaining leasing term. |

At each balance sheet date, Nordea assesses whether there is any indication that an item of property and equipment may be impaired. If any such indication exists, the recoverable amount of the asset is estimated and any impairment loss is recognised.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount, but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

### 18. Investment property

Investment properties are primarily properties held to earn rent and/or capital appreciation. The majority of the properties in Nordea are attributable to Nordea Life & Pensions. Nordea applies the fair value model for subsequent measurement of investment properties. The best evidence of a fair value is normally given by quoted prices in an active market for similar property in the same location and condition. As these prices are rarely available discounted cash flow projection models based on reliable estimates of future cash flows are also used.

Net rental income, gains and losses as well as fair value adjustments are recognised directly in the income statement as “Net result from items at fair value”.

### 19. Liabilities to policyholders

Liabilities to policyholders include obligations according to insurance contracts and investment contracts with policyholders.

An insurance contract is defined as “a contract under which one party (the insurer) accepts significant insurance risks from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder”.

Investment contracts are contracts with policyholders that have the legal form of insurance contracts but where the insurance risk transfer has been assessed to be insignificant.

The insurance risk is generally calculated as the risk sum payable as a percentage of the reserve behind the contract at the beginning of the contract period. It is Nordea’s assessment that a risk percentage of five or higher is a significant insurance risk.

The contracts can be divided into the following classes:

- Insurance contracts:
  - Traditional life insurance contracts with and without discretionary participation feature
  - Unit-Linked contracts with significant insurance risk
  - Health and personal accident
- Investment contracts:
  - Investment contracts with discretionary participation feature
  - Investment contracts without discretionary participation feature

### Insurance contracts

The measurement principles under local GAAP have been maintained consequently resulting in a non-uniform accounting policies method on consolidation.

Traditional life insurance provisions represent consolidated provisions for all the companies in Nordea Life & Pensions, including companies in Sweden, Norway, Finland, Denmark, Poland, Luxembourg, Isle of Man, Estonia and Lithuania.

In Denmark, Sweden and Finland the measurements are prepared by calculating the present value of future benefits, to which the policyholders are entitled. The calculation includes assumptions about market consistent discounting rates as well as expenses and life risk. The discount rate is based on the liabilities’ current term. In Denmark, the provision, in addition, includes bonus potential on paid policies and on future premiums.

In Norway the provisions are mainly calculated on the basis of a prospective method. The discount rate used is equal to the original tariff rates and assumptions about expenses and risk.

The accounting policy for each company is based on the local structure of the business and is closely related to solvency rules and national regulation concerning profit sharing and other requirements about collective bonus potential.

Unit-Linked contracts represent life insurance provisions relating to Unit-Linked policies written either with or without an investment guarantee. Unit-Linked contracts classified as insurance contracts include the same insurance risk elements as traditional insurance contracts. These contracts are mainly recognised and measured at fair value on the basis of:

- the fair value of the assets linked to the Unit-Linked contracts, and
- the estimated present value of the insurance risk which is calculated in the same way as traditional insurance contracts considering the impact on every risk element included in the cash flows.

Health and personal accident provisions include premium reserves and claims outstanding. This item is recognised and measured on deferred basis in the same way as general insurance contracts.

### Investment contracts

Investment contracts are contracts with policyholders, which do not transfer sufficient insurance risk to be classified as insurance contracts.

However, investment contracts with discretionary participation features are, in line with IFRS 4, accounted for as insurance contracts using local accounting principles. Nordea Life & Pension has only a small number of these contracts.

Investment contracts without discretionary participation features are recognised and measured at fair value in accordance with IAS 39 “Financial Instruments: Recognition and Measurement”, equal to fair value of the assets linked to these



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contracts. These assets are classified into the category Designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

#### Discretionary participating features (DPF)

Some traditional life insurance contracts and investment contracts include a contractual right for the policyholder to receive significant benefits in addition to guaranteed benefits. Nordea has discretion to pay these additional benefits as bonus on risk result, expense result and interest rate. These DPF-features (Collective bonus potential) are classified as liabilities on the balance sheet.

Collective bonus potential includes amounts allocated but not attributed to the policyholders. In Finland, collective bonus potential includes the policyholder's part of the total unrealised investment gains and bonus potential on paid policies and future premiums (the difference between retrospective and market consistent prospective measurement principles of the insurance contracts). In Norway, collective bonus potential includes the policyholder's part of both the total unrealised investment gains and additional reserves. In Sweden and Denmark, the main valuation principle is fair value (insurance contracts). The policyholder's part of both realised and unrealised investment gains is therefore included on the balance sheet representing either "Change in technical provisions, Life" and/or "Change in collective bonus potentials, Life", depending on whether the investment result is allocated or not. Both the mentioned lines are included on the balance sheet line "Liabilities to policyholders".

#### Liability adequacy test

The adequacy of insurance provisions is assessed at each reporting date to ensure that the carrying amount of the liabilities is higher than the best estimate of future cash flows discounted with current interest rates. If needed, additional provisions are accounted for and recognised in the income statement.

#### 20. Taxes

The item "Income tax expense" in the income statement comprises current- and deferred income tax. The income tax expense is recognised in the income statement, except to the extent the tax effect relates to items recognised in other comprehensive income or directly in equity, in which case the tax effect is recognised in other comprehensive income or in equity respectively.

Current tax is the expected tax expense on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised, using the balance sheet method, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits. Deferred tax is not recognised for temporary differences arising on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, nor for differences relating to investments in group undertakings and associated undertakings to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based

on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, tax losses carry forward and unused tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when the legal right to offset exists and Nordea intends to either settle the tax asset and the tax liability net or to recover the asset and settle the liability simultaneously. Deferred tax assets and deferred tax liabilities are generally offset if there is a legally enforceable right to offset current tax assets and current tax liabilities.

#### 21. Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to shareholders of Nordea Bank AB by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, consisting of rights to performance shares in the long term incentive programmes.

The potential ordinary shares are only considered to be dilutive, on the balance sheet date, if all performance conditions are fulfilled and if a conversion to ordinary shares would decrease earnings per share. The rights are furthermore considered dilutive only when the exercise price, with the addition of future services, is lower than the period's average share price.

#### 22. Employee benefits

All forms of consideration given by Nordea to its employees as compensation for services performed are employee benefits. Short-term benefits are to be settled within twelve months after the reporting period when the services have been performed. Post-employment benefits are benefits payable after the termination of the employment. Post-employment benefits in Nordea consist only of pensions. Termination benefits normally arise if an employment is terminated before the normal retirement date, or if an employee accepts an offer of voluntary redundancy.

##### Short-term benefits

Short term benefits consist mainly of fixed and variable salary. Both fixed and variable salaries are expensed in the period when the employees have performed services to Nordea. Nordea has also issued share-based payment programmes, which are further described in section 25 "Share-based payment".

More information can be found in Note G7 "Staff costs".

##### Post-employment benefits

###### *Pension plans*

The companies within Nordea have various pension plans, consisting of both defined benefit plans and defined contribution plans, reflecting national practices and conditions in the countries where Nordea operates. Defined benefit plans are predominantly sponsored in Sweden, Norway and Finland. The major defined benefit plans are funded schemes covered by assets in pension funds/foundations. If the fair value of plan assets, associated with a specific pension plan, is lower than the gross present value of the defined benefit obligation, the net amount is, after adjusting for unrecog-

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nised actuarial gains/losses, recognised as a liability (defined benefit obligation). If not, the net amount is recognised as an asset (defined benefit asset). Non-funded pension plans are recognised as defined benefit obligations.

Most pensions in Denmark, but also plans in other countries, are based on defined contribution arrangements that hold no pension liability for Nordea. Nordea also contributes to public pension systems.

#### *Pension costs*

Obligations for defined contribution pension plans are recognised as an expense as the employee renders services to the entity and the contribution payable in exchange for that service becomes due. Nordea's net obligation for defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of any plan assets are deducted and unrecognised actuarial gains/losses adjusted for. Actuarial calculations, performed annually, are applied to assess the present value of defined benefit obligations and related costs, based on several actuarial and financial assumptions (as disclosed in Note G33 "Retirement benefit obligations").

When establishing the present value of the obligation and the fair value of any plan assets, actuarial gains and losses may arise as a result of changes in actuarial assumptions and experience effects (actual outcome compared to assumptions). The actuarial gains and losses are not recognised immediately in the income statement. Rather, only when the net cumulative unrecognised actuarial gain or loss exceeds a "corridor" equal to 10 percent of the greater of either the present value of the defined benefit obligation or the fair value of the plan assets, the excess is recognised in the income statement over the expected average remaining service period of the employees participating in the plan. Otherwise, actuarial gains and losses are not recognised.

When the calculation results in a benefit to the Nordea entity, the recognised asset is limited to the net total of any unrecognised actuarial losses, unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Social security contribution is calculated and accounted for based on the net recognised surplus or deficit by plan and is included in the "Retirement benefit obligation" or in the "Retirement benefit asset".

#### *Discount rate in Defined Benefit Plans*

The discount rate is determined by reference to high quality corporate bonds, where a deep enough market for such bonds exists. Covered bonds are in this context considered to be corporate bonds. In countries where no such market exists the discount rate is determined by reference to government bond yields. In Sweden, Norway and Denmark the discount rate is determined with reference to covered bonds and in Finland with reference to corporate bonds.

#### *Termination benefits*

As mentioned above termination benefits normally arise if an employment is terminated before the normal retirement date, or if an employee accepts an offer of voluntary redundancy. Termination benefits do not arise if the employees have to continue performing services and the termination benefits can be considered to be normal compensation for those services.

Termination benefits are expensed when Nordea has an obligation to make the payment. An obligation arises when there is a formal plan committed to on the appropriate organisational level and when Nordea is without realistic possibility of withdrawal, which normally occurs when the plan has been communicated to the group affected or to their representatives.

Termination benefits can include both short-term benefits, for instance a number of months' salary, and post-employment benefits, normally in the form of early retirement. Short-term benefits are classified as "Salaries and remuneration" and post-employment benefits as "Pension costs" in Note G7 "Staff costs".

### **23. Equity**

#### **Non-controlling interests**

Non-controlling interests comprise the portion of net assets of group undertakings not owned directly or indirectly by Nordea Bank AB (publ).

For each business combination, Nordea measures the non-controlling interests in the acquiree either at fair value or at their proportionate share of the acquiree's identifiable net assets.

#### **Share premium reserve**

The share premium reserve consists of the difference between the subscription price and the quota value of the shares in Nordea's rights issue. Transaction costs in connection to the rights issue have been deducted.

#### **Other reserves**

Other reserves comprise income and expenses, net after tax effects, which are reported in equity through other comprehensive income. These reserves include fair value reserves for cash flow hedges and financial assets classified into the category Available for sale as well as a reserve for translation differences.

#### **Retained earnings**

Apart from undistributed profits from previous years, retained earnings include the equity portion of untaxed reserves. Untaxed reserves according to national rules are accounted for as equity net of deferred tax at prevailing tax rates in the respective country.

In addition, Nordea's share of the earnings in associated undertakings, after the acquisition date, that have not been distributed is included in retained earnings.

#### **Treasury shares**

Treasury shares are not accounted for as assets. Acquisitions of treasury shares are classified as deductions of "Retained earnings" on the balance sheet. Also own shares in trading portfolios are classified as treasury shares. Divested treasury shares are recognised as an increase of "Retained earnings".

Contracts on Nordea shares that can be settled net in cash are either financial assets or financial liabilities.

### **24. Financial guarantee contracts and credit commitments**

Upon initial recognition, premiums received in issued financial guarantee contracts and credit commitments are recognised as prepaid income on the balance sheet. The guarantees and irrevocable credit commitments are subsequently measured, and recognised as a provision on the balance sheet, at the higher of either the received fee less amortisation, or an amount calculated as the discounted best estimate of the expenditure required to settle the present obligation. Changes

## G1

## Accounting policies

in provisions are recognised in the income statement in the item "Net loan losses".

Premiums received for financial guarantees are, as stated in section 6 "Recognition of operating income and impairment", amortised over the guarantee period and recognised as "Fee and commission income" in the income statement. Premiums received on credit commitments are generally amortised over the loan commitment period. The contractual amounts are recognised off-balance sheet, financial guarantees in the item "Contingent liabilities" and irrevocable credit commitments in the item "Credit commitments".

## 25. Share-based payment

### Equity-settled programmes

Nordea has annually issued Long Term Incentive Programmes from 2007 through 2012. Employees participating in these programmes are granted share-based equity-settled rights, i.e. rights to receive shares for free or to acquire shares in Nordea at a significant discount compared to the share price at grant date. The value of such rights is expensed. The expense is based on the estimated fair value of each right at grant date. The total fair value of these rights is determined based on the group's estimate of the number of rights that will eventually vest, which is reassessed at each reporting date. The fair value is expensed on a straight-line basis over the vesting period. The vesting period is the period that the employees have to remain in service in Nordea in order for their rights to vest. Market performance conditions in D-rights/Performance Share II are reflected as a probability adjustment to the initial estimate of fair value at grant date. There is no adjustment (true-up) for differences between estimated and actual vesting due to market conditions.

Social security costs are also allocated over the vesting period, in accordance with statement UFR 7 issued by the Swedish Financial Reporting Board: "IFRS 2 and social security contributions for listed enterprises". The provision for social security costs is reassessed on each reporting date to ensure that the provision is based on the rights' fair value at the reporting date.

For more information see Note G7 "Staff costs".

### Cash-settled programmes

Nordea has to defer payment of variable salaries under Nordic FSA's regulations and general guidelines. The deferred amounts are to some extent indexed using Nordea's TSR (Total Shareholders' Return) and these "programmes" are cash-settled share-based programmes. These programmes are fully vested when the payments of variable salaries are initially deferred and the fair value of the obligation is remeasured on a continuous basis. The remeasurements are, together with the related social charges, recognised in the income statement in the item "Net result from items at fair value".

For more information see Note G7 "Staff costs".

## 26. Related party transactions

Nordea defines related parties as:

- Shareholders with significant influence
- Group undertakings
- Associated undertakings
- Key management personnel
- Other related parties

All transactions with related parties are made on an arm's length basis.

### Shareholders with significant influence

Shareholders with significant influence are shareholders that have the power to participate in the financial and operating decisions of Nordea but do not control those policies.

### Group undertakings

For the definition of group undertakings see section 5 "Principles of consolidation". Further information on the undertakings included in the Nordea Group is found in Note P21 "Investments in group undertakings".

Group internal transactions between legal entities are performed according to arm's length principles in conformity with OECD requirements on transfer pricing. These transactions are eliminated in the consolidated accounts.

### Associated undertakings

For the definition of Associated undertakings see section 5 "Principles of consolidation".

Further information on the associated undertakings included in the Nordea Group is found in Note G19 "Investments in associated undertakings".

### Key management personnel

Key management personnel includes the following positions:

- The Board of Directors
- The Chief Executive Officer (CEO)
- The Group Executive Management (GEM)

For information about compensation, pensions and other transactions with key management personnel, see Note G7 "Staff costs".

### Other related parties

Other related parties comprise close family members to individuals in key management personnel. Other related parties also include companies significantly influenced by key management personnel in Nordea Group as well as companies significantly influenced by close family members to these key management personnel. Other related parties also include Nordea's pension foundations.

Information concerning transactions between Nordea and other related parties is found in Note G46 "Related-party transactions".

## 27. Exchange rates

| EUR 1 = SEK                      | Jan-Dec<br>2012 | Jan-Dec<br>2011 |
|----------------------------------|-----------------|-----------------|
| Income statement (average)       | 8,7052          | 9,0293          |
| Balance sheet (at end of period) | 8,5820          | 8,9120          |
| <b>EUR 1 = DKK</b>               |                 |                 |
| Income statement (average)       | 7,4438          | 7,4506          |
| Balance sheet (at end of period) | 7,4610          | 7,4342          |
| <b>EUR 1 = NOK</b>               |                 |                 |
| Income statement (average)       | 7,4758          | 7,7946          |
| Balance sheet (at end of period) | 7,3483          | 7,7540          |
| <b>EUR 1 = PLN</b>               |                 |                 |
| Income statement (average)       | 4,1836          | 4,1203          |
| Balance sheet (at end of period) | 4,0740          | 4,4580          |
| <b>EUR 1 = RUB</b>               |                 |                 |
| Income statement (average)       | 39,9253         | 40,8809         |
| Balance sheet (at end of period) | 40,3295         | 41,7650         |

## G2

## Segment reporting

## Operating segments

## Measurement of Operating segments' performance

The measurement principles and allocation between operating segments follow the information reported to the Chief Operating Decision Maker (CODM), as required by IFRS 8. In Nordea the CODM has been defined as Group Executive Management. The main differences compared to the business area reporting are that the information to CODM is prepared using current years' plan rates and to that different allocations principles between operating segments have been applied. Internally developed and bought software have previously been expensed as incurred in the operating segments but capitalised, as required by IAS 38, in the group's balance sheet. As from 2012 internally developed and bought software are capitalised directly in the operating segments. Comparative information has been restated accordingly.

## Basis of segmentation

Compared with the 2011 Annual Report there have been no changes in the basis of segmentation. Nordea's organisation is developed around the three main business areas Retail Banking, Wholesale Banking and Wealth Management and around the business unit Group Operations & Other Lines of Business. The separate divisions within these main business areas and business unit have been identified as operating segments. Also Group Corporate Centre has been identified as an operating segment. Financial results are presented for the two main business areas Retail Banking and Wholesale Banking, with further breakdown on operating segments, and for the operating segment Group Corporate Centre. Other operating

segments below the quantitative thresholds in IFRS 8 are included in Other operating segments. Group functions and eliminations as well as the result that is not fully allocated to any of the operating segments, are shown separately as reconciling items.

## Reportable Operating segments

Retail Banking conducts a full service banking operation and offers a wide range of products. It is Nordea's largest customer area and serves household customers and corporate customers in the Nordic markets (Retail Banking Nordic) as well as in Poland and the Baltic countries (Retail Banking Poland & Baltic countries). Wholesale Banking provides banking and other financial solutions to large Nordic and international corporate, institutional and public companies. The division Corporate & Institutional Banking is a customer oriented organisation serving the largest globally operating corporates. This division is also responsible for Nordea's customers within the financial sector, and offers single products such as funds and equity products as well as consulting services within asset allocation and fund sales. The division Shipping, Oil Services & International is responsible for Nordea's customers within the shipping, offshore and oil services industries and provides tailor made solutions and syndicated loan transactions. Nordea Bank Russia offers a full range of bank services to corporate and private customers in Russia. Capital Markets unallocated includes the result in Capital Markets which is not allocated to the main business areas. Group Corporate Centre's main objective is to manage the Group's funding and to support the management and control of the Nordea Group. The main income in Group Corporate Centre originates from Group Treasury.

|                                                                                     | Retail Banking |               | Wholesale Banking |              | Group Corporate Centre |             | Other Operating segments <sup>1</sup> |              | Total operating segments |               | Reconciliation |             | Total Group   |               |
|-------------------------------------------------------------------------------------|----------------|---------------|-------------------|--------------|------------------------|-------------|---------------------------------------|--------------|--------------------------|---------------|----------------|-------------|---------------|---------------|
| Income statement, EURm                                                              | 2012           | 2011          | 2012              | 2011         | 2012                   | 2011        | 2012                                  | 2011         | 2012                     | 2011          | 2012           | 2011        | 2012          | 2011          |
| Net interest income                                                                 | 3,881          | 3,651         | 1,145             | 1,214        | 399                    | 363         | 131                                   | 159          | 5,556                    | 5,387         | 196            | 69          | 5,752         | 5,456         |
| Net fee and commission income                                                       | 1,468          | 1,421         | 528               | 547          | -6                     | -14         | 582                                   | 573          | 2,572                    | 2,527         | -68            | -132        | 2,504         | 2,395         |
| Net result from items at fair value                                                 | 355            | 423           | 1,061             | 822          | 84                     | 10          | 378                                   | 290          | 1,878                    | 1,545         | -94            | -28         | 1,784         | 1,517         |
| Profit from associated undertakings accounted for under the equity method           | 37             | 22            | 0                 | 0            | -1                     | 0           | 4                                     | 2            | 40                       | 24            | 53             | 18          | 93            | 42            |
| Other income                                                                        | 35             | 23            | 11                | 5            | 4                      | 0           | 133                                   | 105          | 183                      | 133           | -80            | -42         | 103           | 91            |
| <b>Total operating income</b>                                                       | <b>5,776</b>   | <b>5,540</b>  | <b>2,745</b>      | <b>2,588</b> | <b>480</b>             | <b>359</b>  | <b>1,228</b>                          | <b>1,129</b> | <b>10,229</b>            | <b>9,616</b>  | <b>7</b>       | <b>-115</b> | <b>10,236</b> | <b>9,501</b>  |
| - of which internal transactions <sup>2</sup>                                       | -2,104         | -2,058        | -458              | -413         | 2,646                  | 2,573       | -84                                   | -102         | 0                        | 0             | —              | —           | —             | —             |
| Staff costs                                                                         | -1,306         | -1,333        | -773              | -718         | -69                    | -62         | -704                                  | -674         | -2,852                   | -2,787        | -196           | -326        | -3,048        | -3,113        |
| Other expenses                                                                      | -1,797         | -1,900        | -102              | -106         | -90                    | -100        | 55                                    | 69           | -1,934                   | -2,037        | 74             | 123         | -1,860        | -1,914        |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -93            | -74           | -38               | -20          | -1                     | 0           | -91                                   | -68          | -223                     | -162          | -55            | -30         | -278          | -192          |
| <b>Total operating expenses</b>                                                     | <b>-3,196</b>  | <b>-3,307</b> | <b>-913</b>       | <b>-844</b>  | <b>-160</b>            | <b>-162</b> | <b>-740</b>                           | <b>-673</b>  | <b>-5,009</b>            | <b>-4,986</b> | <b>-177</b>    | <b>-233</b> | <b>-5,186</b> | <b>-5,219</b> |
| <b>Profit before loan losses</b>                                                    | <b>2,580</b>   | <b>2,233</b>  | <b>1,832</b>      | <b>1,744</b> | <b>320</b>             | <b>197</b>  | <b>488</b>                            | <b>456</b>   | <b>5,220</b>             | <b>4,630</b>  | <b>-170</b>    | <b>-348</b> | <b>5,050</b>  | <b>4,282</b>  |
| Net loan losses                                                                     | -625           | -597          | -308              | -173         | 0                      | 0           | -24                                   | -8           | -957                     | -778          | 24             | 43          | -933          | -735          |
| <b>Operating profit</b>                                                             | <b>1,955</b>   | <b>1,636</b>  | <b>1,524</b>      | <b>1,571</b> | <b>320</b>             | <b>197</b>  | <b>464</b>                            | <b>448</b>   | <b>4,263</b>             | <b>3,852</b>  | <b>-146</b>    | <b>-305</b> | <b>4,117</b>  | <b>3,547</b>  |
| Income tax expense                                                                  | -517           | -436          | -419              | -407         | -79                    | -52         | -120                                  | -122         | -1,135                   | -1,017        | 144            | 104         | -991          | -913          |
| <b>Net profit for the year</b>                                                      | <b>1,438</b>   | <b>1,200</b>  | <b>1,105</b>      | <b>1,164</b> | <b>241</b>             | <b>145</b>  | <b>344</b>                            | <b>326</b>   | <b>3,128</b>             | <b>2,835</b>  | <b>-2</b>      | <b>-201</b> | <b>3,126</b>  | <b>2,634</b>  |
| <b>Balance sheet, EURbn</b>                                                         |                |               |                   |              |                        |             |                                       |              |                          |               |                |             |               |               |
| Loans to the public <sup>3</sup>                                                    | 225            | 218           | 64                | 62           | 0                      | 0           | 8                                     | 8            | 297                      | 288           | 49             | 49          | 346           | 337           |
| Deposits and borrowings from the public <sup>3</sup>                                | 109            | 105           | 46                | 39           | 0                      | 0           | 10                                    | 10           | 165                      | 154           | 36             | 36          | 201           | 190           |

1) Including the main business area Wealth Management and the business unit Group Operations & Other Lines of Business.

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

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

## G2

## Segment reporting, cont.

## Break-down of Retail Banking

|                                                                                     | Retail Banking Nordic <sup>1</sup> |        | Retail Banking Poland & Baltic countries <sup>1</sup> |      | Retail Banking Other <sup>2</sup> |      | Total Retail Banking |        |
|-------------------------------------------------------------------------------------|------------------------------------|--------|-------------------------------------------------------|------|-----------------------------------|------|----------------------|--------|
| Income statement, EURm                                                              | 2012                               | 2011   | 2012                                                  | 2011 | 2012                              | 2011 | 2012                 | 2011   |
| Net interest income                                                                 | 3,893                              | 3,602  | 304                                                   | 275  | -316                              | -226 | 3,881                | 3,651  |
| Net fee and commission income                                                       | 1,420                              | 1,374  | 76                                                    | 72   | -28                               | -25  | 1,468                | 1,421  |
| Net result from items at fair value                                                 | 344                                | 375    | 24                                                    | 50   | -13                               | -2   | 355                  | 423    |
| Profit from associated undertakings accounted for under the equity method           | 37                                 | 22     | 0                                                     | 0    | 0                                 | 0    | 37                   | 22     |
| Other income                                                                        | 18                                 | 5      | 5                                                     | 7    | 12                                | 11   | 35                   | 23     |
| Total operating income                                                              | 5,712                              | 5,378  | 409                                                   | 404  | -345                              | -242 | 5,776                | 5,540  |
| - of which internal customers <sup>3</sup>                                          | -1,688                             | -1,766 | -57                                                   | -34  | -359                              | -258 | -2,104               | -2,058 |
| Staff costs                                                                         | -993                               | -1,025 | -69                                                   | -75  | -244                              | -233 | -1,306               | -1,333 |
| Other expenses                                                                      | -1,931                             | -2,032 | -110                                                  | -114 | 244                               | 246  | -1,797               | -1,900 |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -42                                | -36    | -8                                                    | -8   | -43                               | -30  | -93                  | -74    |
| Total operating expenses                                                            | -2,966                             | -3,093 | -187                                                  | -197 | -43                               | -17  | -3,196               | -3,307 |
| Profit before loan losses                                                           | 2,746                              | 2,285  | 222                                                   | 207  | -388                              | -259 | 2,580                | 2,233  |
| Net loan losses                                                                     | -561                               | -531   | -64                                                   | -66  | 0                                 | 0    | -625                 | -597   |
| Operating profit                                                                    | 2,185                              | 1,754  | 158                                                   | 141  | -388                              | -259 | 1,955                | 1,636  |
| Income tax expense                                                                  | -575                               | -461   | -39                                                   | -43  | 97                                | 68   | -517                 | -436   |
| Net profit for the year                                                             | 1,610                              | 1,293  | 119                                                   | 98   | -291                              | -191 | 1,438                | 1,200  |
| Balance sheet, EURbn                                                                |                                    |        |                                                       |      |                                   |      |                      |        |
| Loans to the public                                                                 | 211                                | 205    | 14                                                    | 13   | 0                                 | 0    | 225                  | 218    |
| Deposits and borrowings from the public                                             | 104                                | 101    | 5                                                     | 4    | 0                                 | 0    | 109                  | 105    |

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

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

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



## G2

## Segment reporting, cont.

## Break-down of Wholesale Banking

|                                                                                           | Corporate<br>& Institutional<br>Banking |       | Shipping,<br>Offshore<br>& Oil Services |      | Nordea Bank<br>Russia |      | Capital Markets<br>unallocated |      | Wholesale Bank-<br>ing Other <sup>1</sup> |      | Total Wholesale<br>Banking |       |
|-------------------------------------------------------------------------------------------|-----------------------------------------|-------|-----------------------------------------|------|-----------------------|------|--------------------------------|------|-------------------------------------------|------|----------------------------|-------|
| Income statement, EURm                                                                    | 2012                                    | 2011  | 2012                                    | 2011 | 2012                  | 2011 | 2012                           | 2011 | 2012                                      | 2011 | 2012                       | 2011  |
| Net interest income                                                                       | 802                                     | 785   | 319                                     | 328  | 196                   | 171  | 9                              | 3    | -181                                      | -73  | 1,145                      | 1,214 |
| Net fee and commission income                                                             | 546                                     | 542   | 61                                      | 82   | 15                    | 14   | -97                            | -94  | 3                                         | 3    | 528                        | 547   |
| Net result from items at fair value                                                       | 396                                     | 413   | 27                                      | 29   | 8                     | 13   | 630                            | 367  | 0                                         | 0    | 1,061                      | 822   |
| Profit from associated undertakings<br>accounted for under the equity<br>method           | 0                                       | 0     | 0                                       | 0    | 0                     | 0    | 0                              | 0    | 0                                         | 0    | 0                          | 0     |
| Other income                                                                              | 1                                       | 0     | 0                                       | 0    | 3                     | 1    | 2                              | 1    | 5                                         | 3    | 11                         | 5     |
| Total operating income                                                                    | 1,745                                   | 1,740 | 407                                     | 439  | 222                   | 199  | 544                            | 277  | -173                                      | -67  | 2,745                      | 2,588 |
| - of which internal transactions <sup>2</sup>                                             | -229                                    | -204  | -67                                     | -74  | -46                   | -27  | 70                             | -23  | -186                                      | -85  | -458                       | -413  |
| Staff costs                                                                               | -39                                     | -39   | -24                                     | -25  | -66                   | -56  | -444                           | -406 | -200                                      | -192 | -773                       | -718  |
| Other expenses                                                                            | -439                                    | -438  | -41                                     | -41  | -31                   | -34  | 205                            | 224  | 204                                       | 183  | -102                       | -106  |
| Depreciation, amortisation and<br>impairment charges of tangible<br>and intangible assets | 0                                       | 0     | 0                                       | 0    | -5                    | -6   | -1                             | -1   | -32                                       | -13  | -38                        | -20   |
| Total operating expenses                                                                  | -478                                    | -477  | -65                                     | -66  | -102                  | -96  | -240                           | -183 | -28                                       | -22  | -913                       | -844  |
| Profit before loan losses                                                                 | 1,267                                   | 1,263 | 342                                     | 373  | 120                   | 103  | 304                            | 94   | -201                                      | -89  | 1,832                      | 1,744 |
| Net loan losses                                                                           | -67                                     | -31   | -234                                    | -136 | -6                    | -7   | 0                              | 0    | -1                                        | 1    | -308                       | -173  |
| Operating profit                                                                          | 1,200                                   | 1,232 | 108                                     | 237  | 114                   | 96   | 304                            | 94   | -202                                      | -88  | 1,524                      | 1,571 |
| Income tax expense                                                                        | -288                                    | -294  | -77                                     | -89  | -27                   | -24  | -76                            | -24  | 49                                        | 24   | -419                       | -407  |
| Net profit for the year                                                                   | 912                                     | 938   | 31                                      | 148  | 87                    | 72   | 228                            | 70   | -153                                      | -64  | 1,105                      | 1,164 |
| Balance sheet, EURbn                                                                      |                                         |       |                                         |      |                       |      |                                |      |                                           |      |                            |       |
| Loans to the public                                                                       | 45                                      | 44    | 13                                      | 13   | 6                     | 5    | 0                              | 0    | 0                                         | 0    | 64                         | 62    |
| Deposits and borrowings<br>from the public                                                | 39                                      | 33    | 5                                       | 5    | 2                     | 1    | 0                              | 0    | 0                                         | 0    | 46                         | 39    |

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

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

## G2

## Segment reporting, cont.

## Reconciliation between total operating segments and financial statements

|                                                 | Total operating income, EURm |              | Operating profit, EURm |              | Loans to the public, EURbn |             | Deposits and borrowings from the public, EURbn |             |
|-------------------------------------------------|------------------------------|--------------|------------------------|--------------|----------------------------|-------------|------------------------------------------------|-------------|
|                                                 | 2012                         | 2011         | 2012                   | 2011         | 31 Dec 2012                | 31 Dec 2011 | 31 Dec 2012                                    | 31 Dec 2011 |
| Total Operating segments                        | 10,229                       | 9,616        | 4,263                  | 3,852        | 297                        | 288         | 165                                            | 154         |
| Group functions <sup>1</sup>                    | 10                           | 9            | -117                   | -236         | 0                          | 0           | 0                                              | 0           |
| Unallocated items                               | 30                           | 53           | -83                    | -67          | 45                         | 39          | 20                                             | 17          |
| Eliminations                                    | -195                         | -181         | —                      | —            | —                          | —           | —                                              | —           |
| Differences in accounting policies <sup>2</sup> | 162                          | 4            | 54                     | -2           | 4                          | 10          | 16                                             | 19          |
| <b>Total</b>                                    | <b>10,236</b>                | <b>9,501</b> | <b>4,117</b>           | <b>3,547</b> | <b>346</b>                 | <b>337</b>  | <b>201</b>                                     | <b>190</b>  |

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

2) Impact from plan rates used in the segment reporting.

## Total operating income split on product groups, EURm

|                                     | 2012          | 2011         |
|-------------------------------------|---------------|--------------|
| Banking products                    | 6,571         | 6,215        |
| Capital Markets products            | 2,329         | 2,068        |
| Savings products & Asset management | 739           | 691          |
| Life & Pensions                     | 546           | 417          |
| Other                               | 51            | 110          |
| <b>Total</b>                        | <b>10,236</b> | <b>9,501</b> |

Banking products consists of three different product types. Account products includes account based products such as lending, deposits, cards and Netbank services. Transaction products consist of cash management as well as trade and project finance services. Financing products includes asset based financing through leasing, hire purchase and factoring as well as sales to finance partners such as dealers, vendors and retailers. Capital Markets products contains financial instruments, or arrangements for financial instruments, that are available in the financial marketplace, including currencies, commodities, stocks and bonds. Savings products & Asset management includes Investment funds, Discretionary Management, Portfolio Advice, Equity Trading and Pension Accounts. Investment Funds is a bundled product where the fund company invest in stocks, bonds, derivatives or other standardised products on behalf of the fund's shareholders. Discretionary Management is a service providing the management of an investment portfolio on behalf of the customer and Portfolio Advise is a service provided to support the customers' investment decisions. Life & Pensions includes life insurance and pension products and services.

## Geographical information

|                  | Total operating income, EURm |              | Assets, EURbn |             |
|------------------|------------------------------|--------------|---------------|-------------|
|                  | 2012                         | 2011         | 31 Dec 2012   | 31 Dec 2011 |
| Sweden           | 2,246                        | 2,290        | 145           | 146         |
| Finland          | 1,792                        | 1,573        | 73            | 78          |
| Norway           | 1,944                        | 1,983        | 92            | 89          |
| Denmark          | 3,133                        | 2,680        | 275           | 320         |
| Baltic countries | 212                          | 28           | 10            | 1           |
| Poland           | 246                          | 252          | 9             | 9           |
| Russia           | 180                          | 180          | 5             | 6           |
| Other            | 483                          | 515          | 68            | 67          |
| <b>Total</b>     | <b>10,236</b>                | <b>9,501</b> | <b>677</b>    | <b>716</b>  |

Nordea's main geographical market comprises the Nordic countries, the Baltic countries, Poland and Russia. Revenues and assets are distributed to geographical areas based on the location of the customers operations. Goodwill is allocated to different countries based on the location of the business activities of the acquired entities.

## G3

## Net interest income

| EURm                                    | 2012          | 2011          |
|-----------------------------------------|---------------|---------------|
| <b>Interest income</b>                  |               |               |
| Loans to credit institutions            | 105           | 282           |
| Loans to the public                     | 10,634        | 10,318        |
| Interest-bearing securities             | 901           | 904           |
| Other interest income                   | 624           | 451           |
| <b>Interest income</b>                  | <b>12,264</b> | <b>11,955</b> |
| <b>Interest expense</b>                 |               |               |
| Deposits by credit institutions         | -217          | -240          |
| Deposits and borrowings from the public | -2,007        | -2,158        |
| Debt securities in issue                | -3,965        | -3,586        |
| Subordinated liabilities                | -354          | -330          |
| Other interest expenses <sup>1</sup>    | 31            | -185          |
| <b>Interest expense</b>                 | <b>-6,512</b> | <b>-6,499</b> |
| <b>Net interest income</b>              | <b>5,752</b>  | <b>5,456</b>  |

1) The net interest income from derivatives, measured at fair value and are related to Nordea's funding. This can have both a positive and negative impact on other interest expense, for further information see Note G1.

Interest income from financial instruments not measured at fair value through profit and loss amounts to EUR 9,844m (EUR 9,178m). Interest expenses from financial instruments not measured at fair value through profit and loss amounts to EUR -5,283m (EUR -4,819m).

Interest on impaired loans amounted to an insignificant portion of interest income.

## Net interest income

| EURm                        | 2012         | 2011         |
|-----------------------------|--------------|--------------|
| Interest income             | 11,955       | 11,662       |
| Leasing income <sup>1</sup> | 309          | 293          |
| Interest expense            | -6,512       | -6,499       |
| <b>Total</b>                | <b>5,752</b> | <b>5,456</b> |

1) Of which contingent leasing income amounts to EUR 148m (EUR 146m). Contingent leasing income in Nordea contains of variable interest rates, excluding the fixed margin. If the contingent leasing income decreases there will be an offsetting impact from lower funding expenses.

**G4****Net fee and commission income**

| EURm                                               | 2012         | 2011         |
|----------------------------------------------------|--------------|--------------|
| Asset management commissions                       | 832          | 754          |
| Life insurance                                     | 301          | 306          |
| Brokerage, securities issues and corporate finance | 289          | 266          |
| Custody and issuers services                       | 117          | 115          |
| Deposits                                           | 54           | 44           |
| <b>Total savings related commissions</b>           | <b>1,593</b> | <b>1,485</b> |
| Payments                                           | 416          | 399          |
| Cards                                              | 487          | 446          |
| <b>Total payment commissions</b>                   | <b>903</b>   | <b>845</b>   |
| Lending                                            | 463          | 437          |
| Guarantees and documentary payment                 | 225          | 214          |
| <b>Total lending related to commissions</b>        | <b>688</b>   | <b>651</b>   |
| Other commission income                            | 122          | 141          |
| <b>Fee and commission income</b>                   | <b>3,306</b> | <b>3,122</b> |
| Savings and investments                            | -276         | -245         |
| Payments                                           | -92          | -87          |
| Cards                                              | -238         | -219         |
| State guarantee fees                               | -89          | -55          |
| Other commission expenses                          | -107         | -121         |
| <b>Fee and commission expense</b>                  | <b>-802</b>  | <b>-727</b>  |
| <b>Net fee and commission income</b>               | <b>2,504</b> | <b>2,395</b> |

Fee income, not included in determining the effective interest rate, from financial assets and liabilities not measured at fair value through profit or loss amounts to EUR 491m (EUR 468m).

Fee income, not included in determining the effective interest rate, from fiduciary activities that result in the holding or investing of assets on behalf of customers amount to EUR 1,422m (EUR 1,260m). The corresponding amount for fee expenses is EUR -64m (EUR -67m).

**G5****Net result from items at fair value**

| EURm                                                               | 2012         | 2011         |
|--------------------------------------------------------------------|--------------|--------------|
| Shares/participations and other share-related instruments          | 1,657        | -518         |
| Interest-bearing securities and other interest-related instruments | 2,638        | 1,452        |
| Other financial instruments                                        | 484          | 163          |
| Foreign exchange gains/losses                                      | 253          | 546          |
| Investment properties                                              | 135          | 158          |
| Change in technical provisions, Life <sup>2</sup>                  | -2,935       | -937         |
| Change in collective bonus potential, Life                         | -544         | 607          |
| Insurance risk income, Life                                        | 188          | 217          |
| Insurance risk expense, Life                                       | -92          | -171         |
| <b>Total</b>                                                       | <b>1,784</b> | <b>1,517</b> |

**Net result from categories of financial instruments<sup>1</sup>**

| EURm                                                                  | 2012         | 2011         |
|-----------------------------------------------------------------------|--------------|--------------|
| Financial instruments designated at fair value through profit or loss | 40           | 20           |
| Financial instruments held for trading <sup>3</sup>                   | 1,191        | 988          |
| Financial instruments under fair value hedge accounting               | 36           | 10           |
| – of which net gains/losses on hedging instruments                    | 1,076        | 1,940        |
| – of which net gains/losses on hedged items                           | -1,040       | -1,930       |
| Financial assets measured at amortised cost <sup>4</sup>              | 29           | 10           |
| Financial liabilities measured at amortised cost                      | -23          | -8           |
| Foreign exchange gains/losses excluding currency hedges               | 230          | 317          |
| Other                                                                 | -2           | 1            |
| Financial risk income, net Life <sup>2</sup>                          | 187          | 132          |
| Insurance risk income, net Life                                       | 96           | 47           |
| <b>Total</b>                                                          | <b>1,784</b> | <b>1,517</b> |

1) The figures disclosed for Life (financial risk income and insurance risk income) are disclosed on gross basis, ie before eliminations of intra-group transactions.

2) Premium income amounts to EUR 2,601m (EUR 2,544m).

3) Of which amortised deferred day one profits amounts to EUR 12m (EUR 14m).

4) Of which EUR 21m related to instruments classified into the category "Loans and receivables" and EUR 8m related to instruments classified into the category "Held to maturity".

**G6****Other operating income**

| EURm                                       | 2012       | 2011      |
|--------------------------------------------|------------|-----------|
| Sale of global custody operations          | 4          | 2         |
| Income from real estate                    | 10         | 3         |
| Disposal of tangible and intangible assets | 13         | 10        |
| Other                                      | 76         | 76        |
| <b>Total</b>                               | <b>103</b> | <b>91</b> |



## G7

## Staff costs

| EURm                                                         | 2012          | 2011          |
|--------------------------------------------------------------|---------------|---------------|
| Salaries and remuneration (specification below) <sup>1</sup> | -2,327        | -2,343        |
| Pension costs (specification below)                          | -247          | -299          |
| Social security contributions                                | -398          | -388          |
| Other staff costs                                            | -76           | -83           |
| <b>Total<sup>2</sup></b>                                     | <b>-3,048</b> | <b>-3,113</b> |

## Salaries and remuneration

To executives<sup>3</sup>

|                                    |               |               |
|------------------------------------|---------------|---------------|
| – Fixed compensation and benefits  | -21           | -20           |
| – Performance-related compensation | -8            | -7            |
| – Allocation to profit-sharing     | -1            | 0             |
| <b>Total</b>                       | <b>-30</b>    | <b>-27</b>    |
| To other employees                 | -2,297        | -2,316        |
| <b>Total</b>                       | <b>-2,327</b> | <b>-2,343</b> |

1) Of which allocation to profit-sharing 2012 EUR 65m (EUR 37m) consisting of a new allocation of EUR 70m (EUR 43m) and a release related to prior years of EUR 5m (EUR 6m).

2) Of which EUR 111m related to New Normal in 2011.

3) Executives include the Board of Directors (including deputies), CEO, deputy CEO, executive vice presidents and Group Executive Management in the parent company as well as the Board of Directors (including deputies), managing directors and executive vice presidents in operating group undertakings. Former board members (including deputies), CEOs, deputy CEOs, managing directors and executive vice presidents, in the parent company and operating group undertakings, are included. Executives amount to 315 (315) positions.

| EURm                                           | 2012        | 2011        |
|------------------------------------------------|-------------|-------------|
| <b>Pension costs<sup>1</sup></b>               |             |             |
| Defined benefits plans (Note G33) <sup>2</sup> | -58         | -104        |
| Defined contribution plans                     | -189        | -195        |
| <b>Total</b>                                   | <b>-247</b> | <b>-299</b> |

1) Pension cost for executives as defined in footnote 3 above, amounts to EUR 8m (EUR 8m) and pension obligations to EUR 57m (EUR 56m).

2) Excluding social security contributions. Including social security contributions EUR 66m (EUR 124m).

### Additional disclosures on remuneration under Nordic FSAs' regulations and general guidelines

The qualitative disclosures under these regulations can be found in the separate section on remuneration in the Board of Directors' Report, while the quantitative disclosures will be published in a separate report on Nordea's homepage ([www.nordea.com](http://www.nordea.com)) one week before the Annual General Meeting on 14 March 2013.

## Remuneration to the Board of Directors, CEO and Group Executive Management

### Board remuneration

The remuneration for the Board was decided to be unchanged by the Annual General Meeting (AGM) 2012. The remuneration was EUR 252,000 for the Chairman, EUR 97,650 for the Vice Chairman and EUR 75,600 for other members and the annual remuneration for committee work was EUR 16,600 for the chairman of the committee and EUR 12,900 for other members. Board members employed by Nordea do not receive separate compensation for their Board membership. There are no commitments for severance pay, pension or other compensation to the members of the Board, except for pension commitments to one Board member previously employed by Nordea.

### Salary and benefits

#### CEO

The fixed salary, variable salary part and contract terms for the CEO are proposed by the Board Remuneration Committee (BRC) and approved by the Board. Variable salary part 2012, which is based on agreed, specific targets, can amount to a maximum of 35% of the fixed salary.

The fixed salary was increased with 2.5% to SEK 10,762,500 (EUR 1,236,330) as from 1 January 2012, which was announced at the AGM 2012. For 2012 the CEO has earned variable salary part which, together with the fixed salary, is in accordance with Nordea's remuneration guidelines approved by the AGM 2012. The CEO takes part of the Long Term Incentive Programmes as described in the separate section on remuneration in the Board of Directors' report and below. Benefits for the CEO include primarily car and housing.

### Group Executive Management (GEM)

The BRC prepares alterations in salary levels and outcome of variable salary part as well as other changes in the compensation package for members of GEM, for resolution by the Board. Variable salary part 2012, which is based on agreed, specific targets, can be a maximum of 35% of the fixed salary.

As for the CEO, GEM members take part of the Long Term Incentive Programmes. Benefits include primarily car and/or housing.

G7

## Staff costs, cont.

| EUR                                              | Fixed salary/<br>Board fee <sup>1</sup> |                   | Variable salary part |                   | Long Term<br>Incentive<br>Programmes <sup>2</sup> |                 | Benefits        |                 | Total              |                   |
|--------------------------------------------------|-----------------------------------------|-------------------|----------------------|-------------------|---------------------------------------------------|-----------------|-----------------|-----------------|--------------------|-------------------|
|                                                  | 2012                                    | 2011              | 2012                 | 2011              | 2012                                              | 2011            | 2012            | 2011            | 2012               | 2011              |
| <b>Chairman of the Board:</b>                    |                                         |                   |                      |                   |                                                   |                 |                 |                 |                    |                   |
| Björn Wahlroos <sup>3</sup>                      | -267,115                                | -227,219          | —                    | —                 | —                                                 | —               | —               | —               | -267,115           | -227,219          |
| <b>Vice Chairman of the Board:</b>               |                                         |                   |                      |                   |                                                   |                 |                 |                 |                    |                   |
| Marie Ehrling <sup>4</sup>                       | -115,207                                | -112,839          | —                    | —                 | —                                                 | —               | —               | —               | -115,207           | -112,839          |
| <b>Former chairman of the Board:</b>             |                                         |                   |                      |                   |                                                   |                 |                 |                 |                    |                   |
| Hans Dalborg <sup>5</sup>                        | —                                       | -74,199           | —                    | —                 | —                                                 | —               | —               | —               | —                  | -74,199           |
| <b>Other Board members:<sup>6</sup></b>          |                                         |                   |                      |                   |                                                   |                 |                 |                 |                    |                   |
| Tom Knutzen                                      | -89,240                                 | -93,278           | —                    | —                 | —                                                 | —               | —               | —               | -89,240            | -93,278           |
| Lars G Nordström                                 | -89,240                                 | -87,767           | —                    | —                 | —                                                 | —               | —               | —               | -89,240            | -87,767           |
| Björn Savén <sup>7</sup>                         | —                                       | -93,278           | —                    | —                 | —                                                 | —               | —               | —               | —                  | -93,278           |
| Svein Jacobsen                                   | -92,971                                 | -98,201           | —                    | —                 | —                                                 | —               | —               | —               | -92,971            | -98,201           |
| Stine Bosse                                      | -89,240                                 | -89,590           | —                    | —                 | —                                                 | —               | —               | —               | -89,240            | -89,590           |
| Sarah Russell                                    | -89,240                                 | -93,278           | —                    | —                 | —                                                 | —               | —               | —               | -89,240            | -93,278           |
| Kari Stadigh                                     | -92,971                                 | -96,089           | —                    | —                 | —                                                 | —               | —               | —               | -92,971            | -96,089           |
| Peter F Braunwalder <sup>8</sup>                 | -66,483                                 | —                 | —                    | —                 | —                                                 | —               | —               | —               | -66,483            | —                 |
| <b>CEO:</b>                                      |                                         |                   |                      |                   |                                                   |                 |                 |                 |                    |                   |
| Christian Clausen <sup>9</sup>                   | -1,236,330                              | -1,162,884        | -383,262             | -308,164          | -277,292                                          | -144,782        | -57,653         | -22,411         | -1,954,537         | -1,638,241        |
| <b>Group Executive Management (GEM):</b>         |                                         |                   |                      |                   |                                                   |                 |                 |                 |                    |                   |
| 7 (7) individuals<br>excluding CEO <sup>10</sup> | -5,248,832                              | -4,637,433        | -1,560,348           | -1,084,710        | -1,170,473                                        | -507,492        | -264,791        | -222,780        | -8,244,444         | -6,452,415        |
| <b>Total</b>                                     | <b>-7,476,869</b>                       | <b>-6,866,055</b> | <b>-1,943,610</b>    | <b>-1,392,874</b> | <b>-1,447,765</b>                                 | <b>-652,274</b> | <b>-322,444</b> | <b>-245,191</b> | <b>-11,190,688</b> | <b>-9,156,394</b> |

1) The Board fee consists of a fixed annual fee and a fixed annual fee for committee work. These are accounted for in SEK and translated into EUR based on the average exchange rate each year.

2) CEO and members of GEM have a conditional right to maximum 61,158 matching shares, 122,316 performance shares I and 61,158 performance shares II in LTIP 2010, 114,867 matching shares, 229,735 performance shares I and 114,867 performance shares II in LTIP 2011 and 157,978 matching shares, 473,934 performance shares I and 157,978 performance shares II in LTIP 2012. The disclosed expense is calculated in accordance with IFRS 2 "Share-based Payment". LTIP costs increased mainly as LTIP 2011 and LTIP 2012 allows CEO and members of GEM to invest 15% of their salaries in saving shares instead of 10% in earlier programmes. The LTIP expense in 2011 was also on a lower level due to a shift from a two year vesting period until LTIP 2009 to a three year vesting period as from LTIP 2010. See below for more information on the valuation of the Long Term Incentive Programmes.

3) New Chairman of the Board as from the AGM 2011.

4) New Vice Chairman of the Board as from the AGM 2011.

5) Resigned as Chairman of the Board as from the AGM 2011.

6) Employee representatives excluded.

7) Resigned as Board member in December 2011.

8) New member of the Board as from the AGM 2012.

9) The CEO's salary is paid in SEK and converted to EUR based on the average exchange rate each year. The increase in fixed salary 2012 is in accordance with the salary increase communicated at the AGM 2012 of 2.5% and the remaining increase is due to the exchange rate effect. Benefits are included at taxable values after salary deduction. In 2011 Nordea bought an apartment to be used by the CEO as from April 2012. The new housing arrangement has had an increasing effect on the disclosed housing benefit, defined as the taxable benefit used when calculating social charges. The taxable housing benefit for the CEO is largely unchanged.

10) GEM members are included for the period they have been appointed. Two new GEM members were appointed, and one member retired, in May 2011. The increase in compensation is mainly due to the full year impact of one additional GEM member, a general salary increase and exchange rate effects. Benefits are included at taxable values.

## Pension

### CEO

The retirement age for the CEO is 60 and his pension amounts to 50% of the pensionable income for life. Pensionable income is defined as the fixed salary. The maximum pensionable income is 200 Swedish Income Base Amounts. The pension obligation is fully funded, meaning that it is covered in full by plan assets. At retirement the pension risk is transferred to the CEO. Pension payments are to be made in accordance with local legislations and pension insurance conditions.

### Group Executive Management (GEM)

The pension agreements vary due to local country practices.

GEM members are entitled to retire with pension at the age of 60, 62 or 70. Pension agreements are Defined Benefit Plans (DBP), Defined Contribution Plans (DCP) or a combination of such plans.

Two members have DBPs not based on collective agreements. One of these DBPs provides retirement pension amounting to 50% of pensionable income for life from age 62, including national pension benefits. The second DBP not based on a collective agreement provides a retirement pension from age 60, including both national pension benefits and previously earned pension. The retirement pension benefit in this plan decreased from 70% to 66% of pensionable income for future earnings as from 1 January 2011. Two members have DBPs in accordance with the Swedish collective agreement and complementing DCPs. Three members have DCPs only. Fixed salary is pensionable income for all GEM-members. Variable salary part is included for two members.

## G7

## Staff costs, cont.

| EUR                                           | 2012                      |                                 | 2011                      |                                 |
|-----------------------------------------------|---------------------------|---------------------------------|---------------------------|---------------------------------|
|                                               | Pension cost <sup>4</sup> | Pension obligation <sup>5</sup> | Pension cost <sup>4</sup> | Pension obligation <sup>5</sup> |
| <b>Board members<sup>1</sup>:</b>             |                           |                                 |                           |                                 |
| Lars G Nordström                              | —                         | 402,250                         | —                         | 430,549                         |
| <b>CEO:</b>                                   |                           |                                 |                           |                                 |
| Christian Clausen <sup>2</sup>                | -843,527                  | 12,151,364                      | -1,514,941                | 11,466,681                      |
| <b>Group Executive Management:</b>            |                           |                                 |                           |                                 |
| 7 (7) individuals excluding CEO <sup>3</sup>  | -2,108,905                | 5,337,679                       | -2,184,289                | 4,606,923                       |
| <b>Former Chairman of the Board and CEOs:</b> |                           |                                 |                           |                                 |
| Vesa Vainio and Thorleif Krarup <sup>6</sup>  | —                         | 18,132,111                      | —                         | 18,271,060                      |
| <b>Total</b>                                  | <b>-2,952,432</b>         | <b>36,023,404</b>               | <b>-3,699,230</b>         | <b>34,775,213</b>               |

1) Employee representatives excluded. The pension obligation is in accordance with the collective pension agreement BTP and earned during the employment period.

2) The main reason behind the decrease in pension cost is the increase of the maximum pensionable income in 2011, from 190 Swedish Income Base Amounts to 200 Swedish Income Base Amounts, which gave rise to a Past service cost of EUR 838,042 in 2011. The Past service cost constituted the retroactive adjustment of the pension earned in earlier periods following the increase in the maximum pensionable income. New pension rights earned in 2012, the discount factor and exchange rate effects have had an increasing impact on the pension obligation, while changes in actuarial assumptions have had a decreasing impact.

3) Members of GEM included for the period they have been appointed. The pension obligation is the obligation towards the members of GEM as of 31 December. The increase in the pension obligation is due to new pension rights earned and exchange rate effects, to some extent offset by changes in actuarial assumptions.

4) Pension costs are related to pension premiums paid in DCP agreements and pension rights earned during the year in DBP agreements (Service cost, Past service cost and Curtailments and settlements as defined in IAS 19). Of the total pension cost EUR 1,094,953 (1,029,988) relates to DCP agreements.

5) Pension obligations calculated in accordance with IAS 19. These obligations are dependent on changes in actuarial assumptions and inter annual variations can therefore be significant. IAS 19 includes an assumption about future increases in salary, which leads to that the pension obligations disclosed are the earned pension rights calculated using the expected salary levels at retirement. The pension plans are funded, meaning that these obligations are backed with plan assets with fair value generally on a similar level as the obligations.

6) The pension obligation for Vesa Vainio and Thorleif Krarup is mainly due to pension rights earned in, and funded by, banks forming Nordea.

**Notice period and severance pay**

In accordance with their employment contracts CEO and three GEM members have a notice period of 12 months and a severance pay equal to 12 months' salary to be reduced by the salary the executive receives as a result of any other employment during these 12 months. Four GEM members are entitled to 6 months' salary during the notice period, and with regard to severance pay 18 months' salary to be reduced by the salary they receive as a result of any other employment during these 18 months.

**Loans to key management personnel**

Loans to key management personnel, as defined in Note G1 section 26, amounts to EUR 6m (EUR 4m). Interest income on these loans amounts to EUR 0m (EUR 0m).

For key management personnel who are employed by Nordea the same credit terms apply as for other employees, except for key management personnel in Denmark whose loans are granted on terms based on market conditions. In Norway the employee interest rate for loans is 100 basis points lower than the best corresponding interest rate for external customers, with a cap on the loan amount of 3 times salary grade 55 plus NOK 100,000. In Finland the employee interest rate for loans corresponds to Nordea's funding cost with a margin of 10 basis points up to EUR 400,000, and 30 basis points on the part that exceeds EUR 400,000. In Sweden the employee interest rate on fixed- and variable interest rate loans is 215 basis points lower than the corresponding interest rate for external customers (with a lower limit of 50 basis points for variable interest rate loans and 150 basis points for fixed interest rate loans). There is currently a cap of 57 Swedish price base amounts both on fixed- and variable interest rate loans. Interest on loans above the defined caps is set on market terms. Loans to family members of key management personnel are granted on normal market terms, as well as loans to key management personnel who are not employed by Nordea.

**Long Term Incentive Programmes**

|                                      | 2012             |                     |                      | 2011           |                     |                      |
|--------------------------------------|------------------|---------------------|----------------------|----------------|---------------------|----------------------|
|                                      | Matching Share   | Performance Share I | Performance Share II | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional rights LTIP 2012</b>  |                  |                     |                      |                |                     |                      |
| Granted                              | 1,270,410        | 3,188,486           | 1,270,410            | —              | —                   | —                    |
| Forfeited                            | -5,973           | -11,946             | -5,973               | —              | —                   | —                    |
| <b>Outstanding at end of year</b>    | <b>1,264,437</b> | <b>3,176,540</b>    | <b>1,264,437</b>     | <b>—</b>       | <b>—</b>            | <b>—</b>             |
| – of which currently exercisable     | —                | —                   | —                    | —              | —                   | —                    |
| <b>Conditional rights LTIP 2011</b>  |                  |                     |                      |                |                     |                      |
| Outstanding at the beginning of year | 950,056          | 1,900,112           | 950,056              | —              | —                   | —                    |
| Granted <sup>1</sup>                 | 35,599           | 71,199              | 35,599               | 950,056        | 1,900,112           | 950,056              |
| Forfeited                            | -14,460          | -28,920             | -14,460              | —              | —                   | —                    |
| <b>Outstanding at end of year</b>    | <b>971,195</b>   | <b>1,942,391</b>    | <b>971,195</b>       | <b>950,056</b> | <b>1,900,112</b>    | <b>950,056</b>       |
| – of which currently exercisable     | —                | —                   | —                    | —              | —                   | —                    |
| <b>Conditional rights LTIP 2010</b>  |                  |                     |                      |                |                     |                      |
| Outstanding at the beginning of year | 889,163          | 1,778,326           | 889,163              | 896,645        | 1,793,290           | 896,645              |
| Forfeited                            | -18,135          | -36,270             | -18,135              | -7,482         | -14,964             | -7,482               |
| <b>Outstanding at end of year</b>    | <b>871,028</b>   | <b>1,742,056</b>    | <b>871,028</b>       | <b>889,163</b> | <b>1,778,326</b>    | <b>889,163</b>       |
| – of which currently exercisable     | —                | —                   | —                    | —              | —                   | —                    |

G7

## Staff costs, cont.

| Rights LTIP 2009                     | 2012           |                |               | 2011           |                |                |
|--------------------------------------|----------------|----------------|---------------|----------------|----------------|----------------|
|                                      | A-rights       | B-C-rights     | D-rights      | A-rights       | B-C-rights     | D-rights       |
| Outstanding at the beginning of year | 316,498        | 306,340        | 119,944       | 959,006        | 959,006        | 383,602        |
| Forfeited                            | -11,962        | -11,962        | -11,962       | —              | —              | —              |
| Exercised <sup>2</sup>               | -202,631       | -186,841       | -73,678       | -642,508       | -652,666       | -263,658       |
| <b>Outstanding at end of year</b>    | <b>101,905</b> | <b>107,537</b> | <b>34,304</b> | <b>316,498</b> | <b>306,340</b> | <b>119,944</b> |
| – of which currently exercisable     | 101,905        | 107,537        | 34,304        | 316,498        | 306,340        | 119,944        |

## Rights LTIP 2008

|                                      |          |          |          |               |               |               |
|--------------------------------------|----------|----------|----------|---------------|---------------|---------------|
| Outstanding at the beginning of year | 52,654   | 54,351   | 43,573   | 98,255        | 100,383       | 80,695        |
| Forfeited                            | -7,043   | -7,043   | -7,043   | -500          | -500          | -500          |
| Exercised <sup>2</sup>               | -45,611  | -47,308  | -36,530  | -45,101       | -45,532       | -36,622       |
| <b>Outstanding at end of year</b>    | <b>0</b> | <b>0</b> | <b>0</b> | <b>52,654</b> | <b>54,351</b> | <b>43,573</b> |
| – of which currently exercisable     | 0        | 0        | 0        | 52,654        | 54,351        | 43,573        |

1) Granted rights in 2012 in LTIP 2011 are compensation for dividend on the underlying Nordea share during 2012.

2) Weighted average share price during the exercise period amounts to EUR 6.88 (EUR 7.45).

Participation in the Long Term Incentive Programmes (LTIPs) requires that the participants take direct ownership by investing in Nordea shares.

|                          | LTIP 2012      |                     |                      | LTIP 2011             |                       |                       |
|--------------------------|----------------|---------------------|----------------------|-----------------------|-----------------------|-----------------------|
|                          | Matching Share | Performance Share I | Performance Share II | Matching Share        | Performance Share I   | Performance Share II  |
| Ordinary share per right | 1.0            | 1.0                 | 1.0                  | 1.00                  | 1.00                  | 1.00                  |
| Exercise price           | —              | —                   | —                    | —                     | —                     | —                     |
| Grant date               | 13 May 2012    | 13 May 2012         | 13 May 2012          | 13 May 2011           | 13 May 2011           | 13 May 2011           |
| Vesting period           | 36 months      | 36 months           | 36 months            | 36 months             | 36 months             | 36 months             |
| Contractual life         | 36 months      | 36 months           | 36 months            | 36 months             | 36 months             | 36 months             |
| Allotment                | April/May 2015 | April/May 2015      | April/May 2015       | April/May 2014        | April/May 2014        | April/May 2014        |
| Fair value at grant date | EUR 6.55       | EUR 6.55            | EUR 2.37             | EUR 7.90 <sup>1</sup> | EUR 7.90 <sup>1</sup> | EUR 2.86 <sup>1</sup> |

1) The fair value has been recalculated due to dividend during the vesting period which the participants are compensated for through additional Matching and Performance Shares.

|                                 | LTIP 2010      |                     |                      | LTIP 2009     |               |               |
|---------------------------------|----------------|---------------------|----------------------|---------------|---------------|---------------|
|                                 | Matching Share | Performance Share I | Performance Share II | A-rights      | B-C-rights    | D-rights      |
| Ordinary share per right        | 1.00           | 1.00                | 1.00                 | 1.00          | 1.00          | 1.00          |
| Exercise price                  | —              | —                   | —                    | EUR 0.51      | EUR 0.12      | EUR 0.12      |
| Grant date                      | 13 May 2010    | 13 May 2010         | 13 May 2010          | 14 May 2009   | 14 May 2009   | 14 May 2009   |
| Vesting period                  | 36 months      | 36 months           | 36 months            | 24 months     | 24 months     | 24 months     |
| Contractual life                | 36 months      | 36 months           | 36 months            | 48 months     | 48 months     | 48 months     |
| Allotment/First day of exercise | April/May 2013 | April/May 2013      | April/May 2013       | 29 April 2011 | 29 April 2011 | 29 April 2011 |
| Fair value at grant date        | EUR 6.75       | EUR 6.75            | EUR 2.45             | EUR 4.66      | EUR 5.01      | EUR 1.75      |

|                          | LTIP 2008 <sup>1</sup> |               |               |
|--------------------------|------------------------|---------------|---------------|
|                          | A-rights               | B-C-rights    | D-rights      |
| Ordinary share per right | 1.30                   | 1.30          | 1.30          |
| Exercise price           | EUR 1.75               | EUR 0.98      | EUR 0.98      |
| Grant date               | 13 May 2008            | 13 May 2008   | 13 May 2008   |
| Vesting period           | 24 months              | 24 months     | 24 months     |
| Contractual life         | 48 months              | 48 months     | 48 months     |
| First day of exercise    | 29 April 2010          | 29 April 2010 | 29 April 2010 |
| Fair value at grant date | EUR 7.53               | EUR 8.45      | EUR 4.14      |

1) The new rights issue, which was resolved on an extra ordinary general meeting on 12 March 2009, triggered recalculations of some of the parameters in LTIP 2008, in accordance with the agreement of the programme. The recalculation was performed with the purpose of putting the participants in an equivalent financial position as the one being at hand immediately prior to the new rights issue.

## G7

## Staff costs, cont.

## Conditions and requirements

For each ordinary share the participants lock in to the LTIPs, they are granted a conditional A-right/Matching Share to acquire or receive ordinary shares based on continued employment, with certain exemptions, and the conditional B-D-rights/Performance Share I and II to acquire or receive additional ordinary shares also based on fulfilment of certain performance conditions. The performance conditions for B- and C-rights and for Performance Share I comprise a target growth in risk adjusted profit per share (RAPPS) or a target in risk-adjusted return on capital at risk (RAROCAR). Should the reported earnings per share (EPS) be lower than a predetermined level the participants are not entitled to exercise any

B- or C-rights or Performance Share I. The performance conditions for D-rights and Performance Share II are market related and comprise growth in total shareholder return (TSR) in comparison with a peer group's TSR or a target in RAROCAR and in P/B-ranking compared to a peer group.

When the performance conditions are not fulfilled in full, the rights that are no longer exercisable are shown as forfeited in the previous tables, together with shares forfeited due to participants leaving the Nordea Group.

The exercise price, where applicable, for the ordinary shares is adjusted for dividends, however never adjusted below a predetermined price. Furthermore the profit for each right is capped.

|                                                       | LTIP 2012                                                                                                                                                                                                                 | LTIP 2011                                                                                                                                                                                         | LTIP 2010                                                                                                                                                                                        | LTIP 2009 <sup>1</sup>                                                                                                   | LTIP 2008 <sup>1</sup>                                                                                                   |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Service condition, A-D-rights/Matching Share I and II | Employed, with certain exemptions, within the Nordea Group during the three year vesting period.                                                                                                                          | Employed, with certain exemptions, within the Nordea Group during the three year vesting period.                                                                                                  | Employed, with certain exemptions, within the Nordea Group during the three year vesting period.                                                                                                 | Employed, with certain exemptions, within the Nordea Group during the two year vesting period.                           | Employed, with certain exemptions, within the Nordea Group during the two year vesting period.                           |
| Performance condition, B-rights/Performance Share I   | Average RAROCAR during the period 2012 up to and including 2014. Full right to exercise will be obtained if the RAROCAR amounts to 17%.                                                                                   | Compound Annual Growth Rate in RAPPS from year 2010 (base year) to and including year 2013. Full right to exercise will be obtained if the Compound Annual Growth Rate amounts to or exceeds 10%. | Compound Annual Growth Rate in RAPPS from year 2009 (base year) to and including year 2012. Full right to exercise will be obtained if the Compound Annual Growth Rate amounts to or exceeds 9%. | Increase in RAPPS 2009 compared to 2008. Full right to exercise was obtained if RAPPS increased by 8% or more.           | Increase in RAPPS 2008 compared to 2007. Full right to exercise was obtained if RAPPS increased by 12% or more.          |
| EPS knock out, B-rights/Performance Share I           | —                                                                                                                                                                                                                         | Average reported EPS for 2011–2013 lower than EUR 0.26.                                                                                                                                           | Average reported EPS for 2010–2012 lower than EUR 0.26.                                                                                                                                          | Reported EPS for 2009 lower than EUR 0.26.                                                                               | Reported EPS for 2008 lower than EUR 0.80.                                                                               |
| Performance condition, C-rights                       | —                                                                                                                                                                                                                         | —                                                                                                                                                                                                 | —                                                                                                                                                                                                | Increase in RAPPS 2010 compared to 2009. Full right to exercise was obtained if RAPPS increased by 8% or more.           | Increase in RAPPS 2009 compared to 2008. Full right to exercise was obtained if RAPPS increased by 12% or more.          |
| EPS knock out, C-rights                               | —                                                                                                                                                                                                                         | —                                                                                                                                                                                                 | —                                                                                                                                                                                                | Reported EPS for 2010 lower than EUR 0.26.                                                                               | Reported EPS for 2009 lower than EUR 0.52.                                                                               |
| Performance condition, D-rights/Performance Share II  | RAROCAR during the period 2012 up to and including 2014 and P/B-ranking year-end 2014 compared to a peer group. Full right to exercise will be obtained if the RAROCAR amounts to 14% and if Nordea's P/B-ranking is 1–5. | TSR during 2011–2013 in comparison with a peer group. Full right to exercise will be obtained if Nordea is ranked number 1–5.                                                                     | TSR during 2010–2012 in comparison with a peer group. Full right to exercise will be obtained if Nordea is ranked number 1–5.                                                                    | TSR during 2009–2010 in comparison with a peer group. Full right to exercise was obtained if Nordea was ranked number 1. | TSR during 2008–2009 in comparison with a peer group. Full right to exercise was obtained if Nordea was ranked number 1. |
| Cap                                                   | The market value of the allotted shares is capped to the participants' annual salary for year-end 2011.                                                                                                                   | The market value of the allotted shares is capped to the participants' annual salary for year-end 2010.                                                                                           | The market value of the allotted shares is capped to the participants' annual salary for year-end 2009.                                                                                          | The profit per A-D-right is capped to EUR 9.59 per right.                                                                | The profit per A-D-right is capped to EUR 21.87 per right.                                                               |

G7

## Staff costs, cont.

|                       | LTIP 2012                                                                                                                                                                                                                                   | LTIP 2011                                                                                                                                                                                                                                   | LTIP 2010 | LTIP 2009 <sup>1</sup>                                                                                               | LTIP 2008 <sup>1</sup>                                                                                               |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Dividend compensation | The number of Matching Shares and Performance Shares will be adjusted for dividends on the underlying Nordea share during the vesting period, as if assuming that each dividend was used to immediately invest in additional Nordea shares. | The number of Matching Shares and Performance Shares will be adjusted for dividends on the underlying Nordea share during the vesting period, as if assuming that each dividend was used to immediately invest in additional Nordea shares. | —         | The exercise price will be adjusted for dividends during the exercise period, however never adjusted below EUR 0.10. | The exercise price will be adjusted for dividends during the exercise period, however never adjusted below EUR 0.10. |

1) RAPPS for the financial year 2008 and 2009 used for LTIP 2008 (C-rights) and LTIP 2009 (B- and C-rights), EPS knock out in LTIP 2008 (C-rights) and LTIP 2009 (B- and C-rights) and the cap in LTIP 2009 and LTIP 2008 were in 2009 adjusted due to the financial effects of the new rights issue in 2009.

## Fair value calculations

The fair value is measured through the use of generally accepted valuation models with the following input factors:

|                                 | LTIP 2012      | LTIP 2011      | LTIP 2010      | LTIP 2009 | LTIP 2008 |
|---------------------------------|----------------|----------------|----------------|-----------|-----------|
| Weighted average share price    | EUR 6.70       | EUR 8.39       | EUR 6.88       | EUR 5.79  | EUR 11.08 |
| Right life                      | 3.0 years      | 3.0 years      | 3.0 years      | 2.5 years | 2.5 years |
| Deduction of expected dividends | No             | No             | No             | Yes       | Yes       |
| Risk free rate                  | Not applicable | Not applicable | Not applicable | 1.84%     | 3.83%     |
| Expected volatility             | Not applicable | Not applicable | Not applicable | 29%       | 21%       |

Expected volatility is based on historical values. As the exercise price (zero for LTIP 2010, LTIP 2011 and LTIP 2012) is significantly below the share price at grant date, the value has a limited sensitivity to expected volatility and risk-free interest. The fair value calculations are also based on estimated early exercise behaviour during the programmes' exercise windows, however not applicable for LTIP 2010, LTIP 2011 and LTIP 2012.

The value of the D-rights/Performance Share II are based on market related conditions and fulfilment of the TSR,

RAROCAR and P/B targets have been taken into consideration when calculating the rights' fair value at grant date.

When calculating the impact from the market conditions it has been assumed that all possible outcomes have equal possibilities. Also the caps in each programme have been taken into consideration when calculating the rights' fair value at grant. The adjustment to fair value is approximately 2–3% of the weighted average share price.

Expenses for equity-settled share-based payment programmes<sup>1</sup>

| EURm                                     | LTIP 2012 | LTIP 2011 | LTIP 2010 | LTIP 2009 | LTIP 2008 |
|------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Expected expense for the whole programme | –19       | –19       | –12       | –11       | –10       |
| Maximum expense for the whole programme  | –32       | –26       | –20       | –11       | –10       |
| Total expense during 2012                | –4        | –6        | –2        | —         | —         |
| Total expense during 2011                | —         | –3        | –4        | –2        | —         |

1) All amounts excluding social security contribution.

When calculating the expected expense an expected annual employee turnover of 5% has been used in LTIP 2010, LTIP 2011 and LTIP 2012. The expected expense is recognised over the vesting period of 36 months (LTIP 2010, LTIP 2011, LTIP 2012) and 24 months (LTIP 2009 and 2008).



## G7

## Staff costs, cont.

**Cash-settled share-based payment transactions**

Nordea operates share-linked deferrals on parts of variable compensation for certain employee categories, indexed with Nordea Total Shareholder Returns (TSR) and either vesting after three years or vesting in equal instalments over a three to five year period. Since 2011 Nordea also operates TSR-linked retention on part of variable compensation for certain employee categories. The below table only includes deferred amounts indexed with Nordea TSR. Nordea also operates deferrals not being TSR-linked, which are not included in the table below. Further information regarding all deferred amounts can be found in the separate report on remuneration published on Nordea's homepage ([www.nordea.com](http://www.nordea.com)).

| EURm                                                               | 2012      | 2011      |
|--------------------------------------------------------------------|-----------|-----------|
| Deferred TSR-linked compensation at beginning of the year          | 10        | 13        |
| Accrued deferred/retained TSR-linked compensation during the year  | 11        | 5         |
| TSR indexation during the year                                     | 4         | -3        |
| Payments during the year <sup>1</sup>                              | -4        | -4        |
| Translation differences                                            | 0         | -1        |
| <b>Deferred TSR-linked compensation at end of year<sup>2</sup></b> | <b>21</b> | <b>10</b> |

1) There have been no adjustments due to forfeitures in 2012.

2) Of which EUR 9m is available for disposal by the employees in 2013. Due to that the allocation of variable compensation is not finally decided during the current year, the deferred amount during the year relates to variable compensation earned the previous year.

**Average number of employees**

|                                                        | Total         |               | Men           |               | Women         |               |
|--------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                        | 2012          | 2011          | 2012          | 2011          | 2012          | 2011          |
| <b>Full-time equivalents</b>                           |               |               |               |               |               |               |
| Denmark                                                | 8,545         | 8,475         | 4,329         | 4,248         | 4,216         | 4,227         |
| Finland                                                | 7,312         | 7,785         | 1,889         | 1,957         | 5,423         | 5,828         |
| Sweden                                                 | 7,102         | 7,530         | 3,148         | 3,320         | 3,954         | 4,210         |
| Norway                                                 | 3,343         | 3,536         | 1,788         | 1,896         | 1,555         | 1,640         |
| Poland                                                 | 2,416         | 2,118         | 913           | 664           | 1,503         | 1,454         |
| Russia                                                 | 1,520         | 1,659         | 525           | 593           | 995           | 1,066         |
| Estonia                                                | 475           | 469           | 103           | 76            | 372           | 393           |
| Latvia                                                 | 462           | 433           | 137           | 99            | 325           | 334           |
| Luxembourg                                             | 423           | 354           | 260           | 336           | 163           | 18            |
| Lithuania                                              | 365           | 345           | 111           | 91            | 254           | 254           |
| United States                                          | 101           | 89            | 49            | 46            | 52            | 43            |
| United Kingdom                                         | 69            | 71            | 40            | 42            | 29            | 29            |
| Singapore                                              | 65            | 59            | 23            | 23            | 42            | 36            |
| Germany                                                | 49            | 39            | 29            | 20            | 20            | 19            |
| Other countries                                        | 27            | 21            | 10            | 9             | 17            | 12            |
| <b>Total average</b>                                   | <b>32,274</b> | <b>32,983</b> | <b>13,354</b> | <b>13,420</b> | <b>18,920</b> | <b>19,563</b> |
| <b>Total number of employees (FTEs), end of period</b> | <b>31,466</b> | <b>33,068</b> |               |               |               |               |

**Gender distribution**

In the parent company's Board of Directors 67% (62%) were men and 33% (38%) were women. In the Board of Directors of the Nordea Group companies, 84% (84%) were men and 16% (16%) were women. The corresponding numbers for Other executives were 67% (68%) men and 33% (32%) women. Internal Boards consist mainly of management in Nordea.

## G8

### Other expenses

| EURm                                                   | 2012          | 2011          |
|--------------------------------------------------------|---------------|---------------|
| Information technology                                 | -639          | -647          |
| Marketing and representation                           | -121          | -131          |
| Postage, transportation, telephone and office expenses | -224          | -232          |
| Rents, premises and real estate                        | -421          | -444          |
| Other <sup>1</sup>                                     | -455          | -460          |
| <b>Total</b>                                           | <b>-1,860</b> | <b>-1,914</b> |

1) Including fees and remuneration to auditors distributed as follows.

#### Auditors' fee

| EURm                   | 2012       | 2011       |
|------------------------|------------|------------|
| <b>KPMG</b>            |            |            |
| Auditing assignments   | -7         | -5         |
| Audit-related services | -1         | -2         |
| Tax advisory services  | 0          | 0          |
| Other assignments      | -2         | -5         |
| <b>Total</b>           | <b>-10</b> | <b>-12</b> |

## G9

### Depreciation, amortisation and impairment charges of tangible and intangible assets

| EURm                                                  | 2012        | 2011        |
|-------------------------------------------------------|-------------|-------------|
| <b>Depreciation/amortisation</b>                      |             |             |
| Property and equipment (Note G21)                     |             |             |
| Equipment                                             | -110        | -110        |
| Buildings                                             | 0           | -1          |
| <b>Intangible assets (Note G20)</b>                   |             |             |
| Computer software                                     | -106        | -55         |
| Other intangible assets                               | -24         | -24         |
| <b>Total</b>                                          | <b>-240</b> | <b>-190</b> |
| <b>Impairment charges/Reversed impairment charges</b> |             |             |
| Property and equipment (Note G21)                     |             |             |
| Equipment                                             | —           | —           |
| <b>Intangible assets (Note G20)</b>                   |             |             |
| Other intangible assets                               | -38         | -2          |
| <b>Total</b>                                          | <b>-38</b>  | <b>-2</b>   |
| <b>Total</b>                                          | <b>-278</b> | <b>-192</b> |

## G10

### Net loan losses

| EURm                                      | 2012        | 2011        |
|-------------------------------------------|-------------|-------------|
| <b>Divided by class</b>                   |             |             |
| Loans to credit institutions              | -1          | 2           |
| – of which provisions                     | -5          | -1          |
| – of which write-offs                     | —           | -7          |
| – of which allowances to cover write-offs | —           | 7           |
| – of which reversals                      | 4           | 1           |
| – of which recoveries                     | —           | 2           |
| Loans to the public                       | -939        | -659        |
| – of which provisions                     | -1,438      | -1,154      |
| – of which write-offs                     | -643        | -800        |
| – of which allowances to cover write-offs | 453         | 625         |
| – of which reversals                      | 611         | 596         |
| – of which recoveries                     | 78          | 74          |
| Off-balance sheet items <sup>1</sup>      | 7           | -78         |
| – of which provisions                     | -43         | -148        |
| – of which write-offs                     | —           | -315        |
| – of which allowances to cover write-offs | —           | 315         |
| – of which reversals                      | 50          | 70          |
| <b>Total</b>                              | <b>-933</b> | <b>-735</b> |

#### Specification

|                                                                        |             |             |
|------------------------------------------------------------------------|-------------|-------------|
| Changes of allowance accounts on the balance sheet                     | -821        | -636        |
| – of which Loans, individually assessed <sup>2</sup>                   | -945        | -761        |
| – of which Loans, collectively assessed <sup>2</sup>                   | 117         | 203         |
| – of which Off-balance sheet items, individually assessed <sup>1</sup> | 13          | -87         |
| – of which Off-balance sheet items, collectively assessed <sup>1</sup> | -6          | 9           |
| Changes directly recognised in the income statement                    | -112        | -99         |
| – of which realised loan losses, individually assessed                 | -190        | -175        |
| – of which realised recoveries, individually assessed                  | 78          | 76          |
| <b>Total</b>                                                           | <b>-933</b> | <b>-735</b> |

1) Included in Note G32 Provisions as "Transfer risk, off-balance" and "Individually assessed, guarantees and other commitments".

2) Included in Note G13 Loans and impairment.



## G11

## Taxes

## Income tax expense

| EURm                                                                      | 2012        | 2011        |
|---------------------------------------------------------------------------|-------------|-------------|
| Current tax <sup>1</sup>                                                  | -1,000      | -709        |
| Deferred tax                                                              | 9           | -204        |
| <b>Total</b>                                                              | <b>-991</b> | <b>-913</b> |
| 1) Of which relating to prior years                                       | -27         | 18          |
| <b>Current and deferred tax recognised in Other comprehensive income</b>  |             |             |
| Deferred tax assets due to hedge of net investments in foreign operations | 45          | 0           |
| Deferred tax relating to available-for-sale investments                   | -17         | -1          |
| Deferred tax relating to cash flow hedges                                 | 50          | -43         |
| <b>Total</b>                                                              | <b>78</b>   | <b>-44</b>  |

The tax on the Group's operating profit differs from the theoretical amount that would arise using the tax rate of Sweden as follows:

| EURm                                                                           | 2012        | 2011        |
|--------------------------------------------------------------------------------|-------------|-------------|
| Profit before tax                                                              | 4,117       | 3,547       |
| Tax calculated at a tax rate of 26.3%                                          | -1,083      | -933        |
| Effect of different tax rates in other countries                               | 29          | 14          |
| Income from associated undertakings                                            | 15          | 9           |
| Tax-exempt income                                                              | 59          | 48          |
| Non-deductible expenses                                                        | -39         | -69         |
| Adjustments relating to prior years                                            | -27         | 18          |
| Utilization of non-capitalized tax losses carry-forwards from previous periods | 0           | 0           |
| Change of tax rate <sup>1</sup>                                                | 73          | 2           |
| Not creditable foreign taxes                                                   | -18         | -2          |
| <b>Tax charge</b>                                                              | <b>-991</b> | <b>-913</b> |
| Average effective tax rate                                                     | 24%         | 26%         |

1) Due to change of corporate tax rate in Sweden from 26.3% to 22.0%.

## Deferred tax

| EURm                                                                    | Deferred tax assets |             | Deferred tax liabilities |              |
|-------------------------------------------------------------------------|---------------------|-------------|--------------------------|--------------|
|                                                                         | 2012                | 2011        | 2012                     | 2011         |
| <b>Deferred tax related to:</b>                                         |                     |             |                          |              |
| Tax losses carry-forward                                                | 18                  | 16          | —                        | —            |
| Untaxed reserves                                                        | —                   | —           | 36                       | 1            |
| Loans to the public                                                     | 19                  | 29          | 465                      | 483          |
| Shares                                                                  | —                   | —           | 19                       | 5            |
| Derivatives                                                             | 26                  | 147         | 19                       | 212          |
| Intangible assets                                                       | 0                   | 5           | 80                       | 85           |
| Property and equipment                                                  | 6                   | 8           | 0                        | 2            |
| Investment property                                                     | —                   | —           | 177                      | 176          |
| Retirement benefit assets/obligations                                   | 27                  | 60          | 57                       | 69           |
| Hedge of net investments in foreign operations                          | 97                  | 57          | —                        | 14           |
| Liabilities/provisions                                                  | 93                  | 70          | 212                      | 194          |
| <b>Netting between deferred tax assets and liabilities</b>              | <b>-68</b>          | <b>-223</b> | <b>-68</b>               | <b>-223</b>  |
| <b>Total</b>                                                            | <b>218</b>          | <b>169</b>  | <b>997</b>               | <b>1,018</b> |
| – of which expected to be settled after more than 1 year                | 154                 | 96          | 953                      | 891          |
| <b>EURm</b>                                                             |                     |             | <b>2012</b>              | <b>2011</b>  |
| <b>Movements in deferred tax assets/liabilities (net)</b>               |                     |             |                          |              |
| Amount at beginning of year (net)                                       |                     |             | -849                     | -607         |
| Deferred tax relating to items recognised in Other comprehensive income |                     |             | 78                       | -44          |
| Translation differences                                                 |                     |             | -13                      | 6            |
| Acquisitions and others                                                 |                     |             | -4                       | 0            |
| Deferred tax in the income statement                                    |                     |             | 9                        | -204         |
| <b>Amount at end of year (net)</b>                                      |                     |             | <b>-779</b>              | <b>-849</b>  |

## G11

## Taxes, cont.

| EURm                                                     | 2012      | 2011      |
|----------------------------------------------------------|-----------|-----------|
| Current tax assets                                       | 78        | 185       |
| – of which expected to be settled after more than 1 year | 9         | 17        |
| Current tax liabilities                                  | 391       | 154       |
| – of which expected to be settled after more than 1 year | 26        | 36        |
| Unrecognised deferred tax assets                         |           |           |
| Unused tax losses carry-forward                          | 53        | 54        |
| <b>Total</b>                                             | <b>53</b> | <b>54</b> |
| Expire date 2012                                         | —         | 1         |
| Expire date 2013                                         | —         | 0         |
| No expiry date                                           | 53        | 53        |
| <b>Total</b>                                             | <b>53</b> | <b>54</b> |

## G12

## Earnings per share

|                                                                                                          | 2012         | 2011         |
|----------------------------------------------------------------------------------------------------------|--------------|--------------|
| Earnings:                                                                                                |              |              |
| Profit attributable to shareholders of Nordea Bank AB (publ) (EURm)                                      | 3,119        | 2,627        |
| Number of shares (in millions):                                                                          |              |              |
| Number of shares outstanding at beginning of year                                                        | 4,047        | 4,043        |
| Average number of issued C-shares <sup>1</sup>                                                           | 2            | 3            |
| Average number of repurchased own C-shares <sup>1</sup>                                                  | –2           | –3           |
| Average number of own shares in trading portfolio                                                        | –23          | –16          |
| <b>Basic weighted average number of shares outstanding</b>                                               | <b>4,024</b> | <b>4,027</b> |
| Adjustment for diluted weighted average number of additional ordinary shares outstanding <sup>1, 2</sup> | 2            | 1            |
| <b>Diluted weighted average number of shares outstanding</b>                                             | <b>4,026</b> | <b>4,028</b> |
| Basic earnings per share, EUR                                                                            | 0.78         | 0.65         |
| Diluted earnings per share, EUR                                                                          | 0.78         | 0.65         |

1) Relates to the Long Term Incentive Programmes (LTIP).

2) Contingently issuable shares not included, that can potentially dilute basic earnings per share in future periods, exist in the Long Term Incentive Programmes.

## G13

## Loans and impairment

| EURm                                                | Central banks and credit institutions |             | The public <sup>1</sup> |             | Total       |             |
|-----------------------------------------------------|---------------------------------------|-------------|-------------------------|-------------|-------------|-------------|
|                                                     | 31 Dec 2012                           | 31 Dec 2011 | 31 Dec 2012             | 31 Dec 2011 | 31 Dec 2012 | 31 Dec 2011 |
| Loans, not impaired <sup>2</sup>                    | 18,578                                | 51,860      | 342,190                 | 334,554     | 360,768     | 386,414     |
| Impaired loans <sup>2</sup>                         | 24                                    | 33          | 6,881                   | 5,092       | 6,905       | 5,125       |
| – of which performing                               | —                                     | 9           | 4,023                   | 2,937       | 4,023       | 2,946       |
| – of which non-performing                           | 24                                    | 24          | 2,858                   | 2,155       | 2,882       | 2,179       |
| Loans before allowances                             | 18,602                                | 51,893      | 349,071                 | 339,646     | 367,673     | 391,539     |
| Allowances for individually assessed impaired loans | –24                                   | –26         | –2,376                  | –1,866      | –2,400      | –1,892      |
| – of which performing                               | —                                     | —           | –1,332                  | –1,080      | –1,332      | –1,080      |
| – of which non-performing                           | –24                                   | –26         | –1,044                  | –786        | –1,068      | –812        |
| Allowances for collectively assessed impaired loans | –4                                    | –2          | –444                    | –577        | –448        | –579        |
| Allowances                                          | –28                                   | –28         | –2,820                  | –2,443      | –2,848      | –2,471      |
| Loans, carrying amount                              | 18,574                                | 51,865      | 346,251                 | 337,203     | 364,825     | 389,068     |

1) Finance leases, where Nordea Group is a lessor, are included in Loans to the public, see Note G22 Leasing.

2) Comparative figures have been restated to ensure consistency between periods, see Note G1 for more information.

Reconciliation of allowance accounts for impaired loans<sup>1</sup>

| EURm                                 | Central banks and credit institutions |                       |       | The public            |                       |        | Total                 |                       |        |
|--------------------------------------|---------------------------------------|-----------------------|-------|-----------------------|-----------------------|--------|-----------------------|-----------------------|--------|
|                                      | Individually assessed                 | Collectively assessed | Total | Individually assessed | Collectively assessed | Total  | Individually assessed | Collectively assessed | Total  |
| Opening balance at 1 Jan 2012        | –26                                   | –2                    | –28   | –1,866                | –577                  | –2,443 | –1,892                | –579                  | –2,471 |
| Provisions                           | 0                                     | –5                    | –5    | –1,313                | –125                  | –1,438 | –1,313                | –130                  | –1,443 |
| Reversals                            | 1                                     | 3                     | 4     | 367                   | 244                   | 611    | 368                   | 247                   | 615    |
| Changes through the income statement | 1                                     | –2                    | –1    | –946                  | 119                   | –827   | –945                  | 117                   | –828   |
| Allowances used to cover write-offs  | —                                     | —                     | —     | 453                   | —                     | 453    | 453                   | 0                     | 453    |
| Reclassification                     | 0                                     | —                     | 0     | –21                   | 21                    | 0      | –21                   | 21                    | 0      |
| Translation differences              | 1                                     | 0                     | 1     | 4                     | –7                    | –3     | 5                     | –7                    | –2     |
| Closing balance at 31 Dec 2012       | –24                                   | –4                    | –28   | –2,376                | –444                  | –2,820 | –2,400                | –448                  | –2,848 |
| Opening balance at 1 Jan 2011        | –33                                   | –3                    | –36   | –1,719                | –779                  | –2,498 | –1,752                | –782                  | –2,534 |
| Provisions                           | 0                                     | 0                     | 0     | –1,065                | –90                   | –1,155 | –1,065                | –90                   | –1,155 |
| Reversals                            | 0                                     | 1                     | 1     | 304                   | 292                   | 596    | 304                   | 293                   | 597    |
| Changes through the income statement | 0                                     | 1                     | 1     | –761                  | 202                   | –559   | –761                  | 203                   | –558   |
| Allowances used to cover write-offs  | 7                                     | —                     | 7     | 625                   | —                     | 625    | 632                   | —                     | 632    |
| Translation differences              | 0                                     | 0                     | 0     | –11                   | 0                     | –11    | –11                   | 0                     | –11    |
| Closing balance at 31 Dec 2011       | –26                                   | –2                    | –28   | –1,866                | –577                  | –2,443 | –1,892                | –579                  | –2,471 |

1) See Note G10 Net loan losses.

## Allowances and provisions

| EURm                                      | Central banks and credit institutions |             | The public  |             | Total       |             |
|-------------------------------------------|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
|                                           | 31 Dec 2012                           | 31 Dec 2011 | 31 Dec 2012 | 31 Dec 2011 | 31 Dec 2012 | 31 Dec 2011 |
| Allowances for items on the balance sheet | –28                                   | –28         | –2,820      | –2,443      | –2,848      | –2,471      |
| Provisions for off balance sheet items    | –16                                   | –13         | –68         | –80         | –84         | –93         |
| Total allowances and provisions           | –44                                   | –41         | –2,888      | –2,523      | –2,932      | –2,564      |

Key ratios<sup>1</sup>

|                                                                | 31 Dec 2012 | 31 Dec 2011 |
|----------------------------------------------------------------|-------------|-------------|
| Impairment rate, gross, basis points <sup>2</sup>              | 188         | 131         |
| Impairment rate, net, basis points <sup>2</sup>                | 123         | 83          |
| Total allowance rate, basis points                             | 77          | 63          |
| Allowances in relation to impaired loans, % <sup>2</sup>       | 35          | 37          |
| Total allowances in relation to impaired loans, % <sup>2</sup> | 41          | 48          |
| Non-performing loans, not impaired, EURm <sup>2</sup>          | 614         | 307         |

1) For definitions, see Business definitions on page 93.

2) Comparative figures have been restated to ensure consistency between periods, see Note G1 for more information.

## G14

### Interest-bearing securities

| EURm                                                                            | 31 Dec<br>2012 | 31 Dec<br>2011 |
|---------------------------------------------------------------------------------|----------------|----------------|
| Eligible as collateral with central banks                                       |                |                |
| Issued by State and sovereigns                                                  | 9,258          | 10,894         |
| Issued by Municipalities and other public bodies                                | 2,236          | 1,316          |
| Issued by other entities                                                        | 14,885         | 14,896         |
| Non eligible                                                                    |                |                |
| Issued by public bodies                                                         | 10,711         | 11,183         |
| Issued by other borrowers                                                       | 65,813         | 61,807         |
| <b>Total</b>                                                                    | <b>102,903</b> | <b>100,096</b> |
| – of which Financial instruments pledged as collateral (Note G15)               | 7,964          | 7,723          |
| <b>Total</b>                                                                    | <b>94,939</b>  | <b>92,373</b>  |
| Listed and unlisted securities incl Financial instruments pledged as collateral |                |                |
| Listed securities                                                               | 95,487         | 90,816         |
| Unlisted securities                                                             | 7,416          | 9,280          |
| <b>Total</b>                                                                    | <b>102,903</b> | <b>100,096</b> |

## G15

### Financial instruments pledged as collateral

#### Financial instruments pledged as collateral

In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral. When the counterpart receiving the collateral has the right to sell or repledge the assets, the assets are reclassified on the balance sheet to the item Financial instruments pledged as collateral.

| EURm                        | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-----------------------------|----------------|----------------|
| Interest-bearing securities | 7,964          | 7,723          |
| Shares                      | 6              | 650            |
| <b>Total</b>                | <b>7,970</b>   | <b>8,373</b>   |

For information on transferred assets and reverse repos, see Note G43.

## G16

### Shares

| EURm                                                                        | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-----------------------------------------------------------------------------|----------------|----------------|
| Shares                                                                      | 11,983         | 10,509         |
| Shares taken over for protection of claims                                  | 1              | 4              |
| Fund units, equity related                                                  | 8,871          | 5,034          |
| Fund units, interest related                                                | 7,279          | 5,270          |
| <b>Total</b>                                                                | <b>28,134</b>  | <b>20,817</b>  |
| – of which Financial instruments pledged as collateral (Note G15)           | 6              | 650            |
| <b>Total</b>                                                                | <b>28,128</b>  | <b>20,167</b>  |
| – of which expected to be settled after more than 1 year                    | 19,273         | 15,894         |
| Listed and unlisted shares incl Financial instruments pledged as collateral |                |                |
| Listed shares                                                               | 24,630         | 15,283         |
| Unlisted shares                                                             | 3,504          | 5,534          |
| <b>Total</b>                                                                | <b>28,134</b>  | <b>20,817</b>  |

## G17

## Derivatives and Hedge accounting

| 31 Dec 2012, EURm                           | Fair value |          | Total nom amount |
|---------------------------------------------|------------|----------|------------------|
|                                             | Positive   | Negative |                  |
| Derivatives held for trading                |            |          |                  |
| Interest rate derivatives                   |            |          |                  |
| Interest rate swaps                         | 89,774     | 84,279   | 3,707,415        |
| FRAs                                        | 21         | 29       | 24,998           |
| Futures and forwards                        | 585        | 559      | 1,438,612        |
| Options                                     | 12,163     | 12,147   | 450,396          |
| Other                                       | 15         | 0        | 1,177            |
| Total                                       | 102,558    | 97,014   | 5,622,598        |
| Equity derivatives                          |            |          |                  |
| Equity swaps                                | 93         | 107      | 4,705            |
| Futures and forwards                        | 16         | 13       | 395              |
| Options                                     | 514        | 448      | 12,711           |
| Total                                       | 623        | 568      | 17,811           |
| Foreign exchange derivatives                |            |          |                  |
| Currency and interest rate swaps            | 10,593     | 13,345   | 792,777          |
| Currency forwards                           | 505        | 893      | 91,048           |
| Options                                     | 202        | 212      | 26,329           |
| Other                                       | 0          | 0        | 242              |
| Total                                       | 11,300     | 14,450   | 910,396          |
| Credit derivatives                          |            |          |                  |
| Credit Default Swaps (CDS)                  | 637        | 655      | 47,052           |
| Total                                       | 637        | 655      | 47,052           |
| Commodity derivatives                       |            |          |                  |
| Swaps                                       | 493        | 433      | 5,694            |
| Futures and forwards                        | 5          | 26       | 599              |
| Options                                     | 30         | 28       | 1,524            |
| Total                                       | 528        | 487      | 7,817            |
| Other derivatives                           |            |          |                  |
| Swaps                                       | —          | 8        | 426              |
| Options                                     | 11         | 6        | 233              |
| Other                                       | 49         | 14       | 1,924            |
| Total                                       | 60         | 28       | 2,583            |
| Total derivatives held for trading          | 115,706    | 113,202  | 6,608,257        |
| Derivatives used for hedge accounting       |            |          |                  |
| Interest rate derivatives                   |            |          |                  |
| Interest rate swaps                         | 2,281      | 594      | 58,816           |
| Options                                     | 0          | 0        | 1,042            |
| Total                                       | 2,281      | 594      | 59,858           |
| Foreign exchange derivatives                |            |          |                  |
| Currency and interest rate swaps            | 802        | 407      | 8,871            |
| Total                                       | 802        | 407      | 8,871            |
| Total derivatives used for hedge accounting | 3,083      | 1,001    | 68,729           |
| Total derivatives                           | 118,789    | 114,203  | 6,676,986        |

## G17

## Derivatives and Hedge accounting, cont.

| 31 Dec 2011, EURm                                  | Fair value     |                | Total nominal amount |
|----------------------------------------------------|----------------|----------------|----------------------|
|                                                    | Positive       | Negative       |                      |
| Derivatives held for trading                       |                |                |                      |
| Interest rate derivatives                          |                |                |                      |
| Interest rate swaps                                | 136,856        | 133,660        | 3,655,420            |
| FRAs                                               | 76             | 92             | 79,776               |
| Futures and forwards                               | 1,084          | 873            | 1,451,249            |
| Options                                            | 11,320         | 11,915         | 515,269              |
| Other                                              | 0              | —              | 15                   |
| <b>Total</b>                                       | <b>149,336</b> | <b>146,540</b> | <b>5,701,729</b>     |
| Equity derivatives                                 |                |                |                      |
| Equity swaps                                       | 113            | 16             | 1,780                |
| Futures and forwards                               | 55             | 32             | 544                  |
| Options                                            | 470            | 640            | 14,820               |
| <b>Total</b>                                       | <b>638</b>     | <b>688</b>     | <b>17,144</b>        |
| Foreign exchange derivatives                       |                |                |                      |
| Currency and interest rate swaps                   | 15,140         | 15,466         | 859,021              |
| Currency forwards                                  | 1,086          | 814            | 61,414               |
| Options                                            | 301            | 255            | 33,758               |
| <b>Total</b>                                       | <b>16,527</b>  | <b>16,535</b>  | <b>954,193</b>       |
| Credit derivatives                                 |                |                |                      |
| Credit Default Swaps (CDS)                         | 1,483          | 1,493          | 61,889               |
| <b>Total</b>                                       | <b>1,483</b>   | <b>1,493</b>   | <b>61,889</b>        |
| Commodity derivatives                              |                |                |                      |
| Swaps                                              | 1,228          | 1,152          | 13,182               |
| Futures and forwards                               | 79             | 76             | 1,137                |
| Options                                            | 69             | 68             | 2,228                |
| <b>Total</b>                                       | <b>1,376</b>   | <b>1,296</b>   | <b>16,547</b>        |
| Other derivatives                                  |                |                |                      |
| Swaps                                              | 38             | 201            | 1,247                |
| Futures and forwards                               | 0              | 0              | 0                    |
| Options                                            | 3              | 3              | 98                   |
| Other                                              | 1              | 7              | 825                  |
| <b>Total</b>                                       | <b>42</b>      | <b>211</b>     | <b>2,170</b>         |
| <b>Total derivatives held for trading</b>          | <b>169,402</b> | <b>166,763</b> | <b>6,753,672</b>     |
| Derivatives used for hedge accounting              |                |                |                      |
| Interest rate derivatives                          |                |                |                      |
| Interest rate swaps                                | 1,941          | 492            | 59,149               |
| Options                                            | 0              | 1              | 954                  |
| <b>Total</b>                                       | <b>1,941</b>   | <b>493</b>     | <b>60,103</b>        |
| Foreign exchange derivatives                       |                |                |                      |
| Currency and interest rate swaps                   | 600            | 134            | 10,505               |
| <b>Total</b>                                       | <b>600</b>     | <b>134</b>     | <b>10,505</b>        |
| <b>Total derivatives used for hedge accounting</b> | <b>2,541</b>   | <b>627</b>     | <b>70,608</b>        |
| <b>Total derivatives</b>                           | <b>171,943</b> | <b>167,390</b> | <b>6,824,280</b>     |

## G18

## Fair value changes of the hedged items in portfolio hedge of interest rate risk

| EURm                                 | 31 Dec | 31 Dec |
|--------------------------------------|--------|--------|
| Assets                               | 2012   | 2011   |
| Carrying amount at beginning of year | -215   | 1,127  |
| Changes during the year              |        |        |
| Revaluation of hedged items          | -506   | -1,343 |
| Translation differences              | 10     | 1      |
| Carrying amount at end of year       | -711   | -215   |
| Liabilities                          |        |        |
| Carrying amount at beginning of year | 1,274  | 898    |
| Changes during the year              |        |        |
| Revaluation of hedged items          | 625    | 366    |
| Translation differences              | 41     | 10     |
| Carrying amount at end of year       | 1,940  | 1,274  |

The carrying amount at end of year represents accumulated changes in the fair value for those repricing time periods in which the hedged item is an asset respectively a liability. When the hedged item is an asset, the change in the fair value of the hedged item is presented within assets and when the hedged item is a liability, the change is presented as a liability.

## G19

## Investments in associated undertakings

| EURm                                                    | 31 Dec<br>2012 | 31 Dec<br>2011 |
|---------------------------------------------------------|----------------|----------------|
| Acquisition value at beginning of year                  | 603            | 564            |
| Acquisitions during the year                            | 6              | 16             |
| Sales during the year                                   | -4             | -4             |
| Share in earnings <sup>1</sup>                          | 67             | 60             |
| Dividend received                                       | -42            | -35            |
| Reclassifications                                       | 0              | 1              |
| Translation differences                                 | -34            | 1              |
| <b>Acquisition value at end of year</b>                 | <b>596</b>     | <b>603</b>     |
| Accumulated impairment charges at beginning of year     | -12            | -10            |
| Accumulated impairment charges on sales during the year | 1              | —              |
| Reversed impairment charges during the year             | —              | 0              |
| Impairment charges during the year                      | —              | -1             |
| Reclassifications                                       | 0              | -1             |
| Translation differences                                 | 0              | 0              |
| <b>Accumulated impairment charges at end of year</b>    | <b>-11</b>     | <b>-12</b>     |
| <b>Total</b>                                            | <b>585</b>     | <b>591</b>     |
| – of which, listed shares                               | —              | —              |

1) Share in earnings

| EURm                                                                             | 2012      | 2011      |
|----------------------------------------------------------------------------------|-----------|-----------|
| Profit from companies accounted for under the equity method                      | 93        | 42        |
| Portfolio hedge, Eksportfinans ASA                                               | -36       | 6         |
| Associated undertakings in Life, reported as Net result from items at fair value | 10        | 12        |
| <b>Share in earnings</b>                                                         | <b>67</b> | <b>60</b> |

The total amount is expected to be settled after more than 1 year.

Nordea's share of the associated undertakings' aggregated balance sheets and income statements can be summarised as follows:

| EURm              | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-------------------|----------------|----------------|
| Total assets      | 6,975          | 8,091          |
| Total liabilities | 5,734          | 6,664          |
| Operating income  | 455            | 194            |
| Operating profit  | 98             | 84             |

Nordea has issued contingent liabilities of EUR 731m (EUR 940m) on behalf of associated undertakings.

| 31 Dec 2012                                        | Registration number | Domicile   | Carrying amount<br>2012, EURm | Carrying amount<br>2011, EURm | Voting power of<br>holding % |
|----------------------------------------------------|---------------------|------------|-------------------------------|-------------------------------|------------------------------|
| Eksportfinans ASA                                  | 816521432           | Oslo       | 129                           | 145                           | 23                           |
| Ejendomspartnerskabet af 1/7 2003                  | 27134971            | Ballerup   | 193                           | 190                           | 49                           |
| Luottokunta                                        | 0201646-0           | Helsinki   | 46                            | 49                            | 27                           |
| LR Realkredit A/S                                  | 26045304            | Copenhagen | 13                            | 4                             | 39                           |
| Realia Holding Oy                                  | 2106796-8           | Helsinki   | 20                            | 20                            | 25                           |
| Samajet Nymøllevej 59–91                           | 24247961            | Ballerup   | 20                            | 20                            | 25                           |
| E-nettet Holding A/S                               | 28308019            | Copenhagen | 2                             | 1                             | 20                           |
| Hovedbanens Forretningscenter K/S                  | 16301671            | Ballerup   | 14                            | 14                            | 50                           |
| Ejendomsselskabet Axelborg I/S                     | 79334413            | Copenhagen | 9                             | 9                             | 33                           |
| Axel IKU Invest A/S                                | 24981800            | Copenhagen | 1                             | 1                             | 33                           |
| Automatia Pankkiautomaatit Oy                      | 0974651-1           | Helsinki   | 8                             | 8                             | 33                           |
| KIFU-AX II A/S                                     | 25893662            | Copenhagen | 3                             | 3                             | 25                           |
| Bankernas KontantSERVICE A/S                       | 33077599            | Copenhagen | 3                             | 3                             | 20                           |
| Bluegarden A/S (former Multidata Holding A/S)      | 27226027            | Ballerup   | 0                             | 9                             | 29                           |
| Samejet Lautruphøj I/S                             | 50857859            | Ballerup   | 6                             | 6                             | 50                           |
| Nets Holding A/S                                   | 27225993            | Ballerup   | 99                            | 91                            | 21                           |
| NorVega SGR S.p.A.                                 | 1060050156          | Milano     | —                             | 3                             | 40                           |
| Upplysningscentralen UC AB                         | 556137-5113         | Stockholm  | 3                             | 0                             | 26                           |
| Bankomat AB (former BAB Bankernas Automatbolag AB) | 556817-9716         | Stockholm  | 6                             | 3                             | 20                           |
| Other                                              |                     |            | 10                            | 12                            |                              |
| <b>Total</b>                                       |                     |            | <b>585</b>                    | <b>591</b>                    |                              |



## G20

## Intangible assets

| EURm                                                        | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-------------------------------------------------------------|----------------|----------------|
| Goodwill allocated to cash generating units <sup>1</sup>    |                |                |
| Retail Banking Norway                                       | 958            | 909            |
| Retail Banking Denmark                                      | 590            | 592            |
| Retail Banking Sweden                                       | 237            | 230            |
| Retail Banking Poland                                       | 66             | 60             |
| Life & Pensions                                             | 310            | 306            |
| Banking Russia                                              | 277            | 268            |
| Shipping, Offshore & Oil services                           | 218            | 210            |
| <b>Goodwill, total</b>                                      | <b>2,656</b>   | <b>2,575</b>   |
| Other intangible assets                                     |                |                |
| Computer software                                           | 694            | 651            |
| Other intangible assets                                     | 75             | 95             |
| <b>Other intangible assets, total</b>                       | <b>769</b>     | <b>746</b>     |
| <b>Intangible assets, total</b>                             | <b>3,425</b>   | <b>3,321</b>   |
| 1) Excluding goodwill in associated undertakings.           |                |                |
| Goodwill                                                    |                |                |
| Acquisition value at beginning of year                      | 2,576          | 2,586          |
| Translation differences                                     | 81             | -10            |
| <b>Acquisition value at end of year</b>                     | <b>2,657</b>   | <b>2,576</b>   |
| Accumulated impairment charges at beginning of year         | -1             | -1             |
| Translation differences                                     | 0              | 0              |
| <b>Accumulated impairment charges at end of year</b>        | <b>-1</b>      | <b>-1</b>      |
| <b>Total</b>                                                | <b>2,656</b>   | <b>2,575</b>   |
| Computer software                                           |                |                |
| Acquisition value at beginning of year                      | 854            | 660            |
| Acquisitions during the year                                | 171            | 191            |
| Sales/disposals during the year                             | -1             | -1             |
| Reclassifications                                           | 0              | 0              |
| Translation differences                                     | 17             | 4              |
| <b>Acquisition value at end of year</b>                     | <b>1,041</b>   | <b>854</b>     |
| Accumulated amortisation at beginning of year               | -195           | -140           |
| Amortisation according to plan for the year                 | -106           | -55            |
| Accumulated amortisation on sales/disposals during the year | 0              | 0              |
| Reclassifications                                           | 0              | 1              |
| Translation differences                                     | -4             | -1             |
| <b>Accumulated amortisation at end of year</b>              | <b>-305</b>    | <b>-195</b>    |
| Accumulated impairment charges at beginning of year         | -8             | -5             |
| Impairment charges during the year                          | -38            | -2             |
| Reclassifications                                           | 4              | —              |
| Translation differences                                     | 0              | -1             |
| <b>Accumulated impairment charges at end of year</b>        | <b>-42</b>     | <b>-8</b>      |
| <b>Total</b>                                                | <b>694</b>     | <b>651</b>     |

## G20

## Intangible assets, cont.

| EURm                                                        | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-------------------------------------------------------------|----------------|----------------|
| <b>Other intangible assets</b>                              |                |                |
| Acquisition value at beginning of year                      | 216            | 221            |
| Acquisitions during the year                                | 6              | 1              |
| Sales/disposals during the year                             | -11            | -1             |
| Reclassifications                                           | -2             | 0              |
| Translation differences                                     | 6              | -5             |
| <b>Acquisition value at end of year</b>                     | <b>215</b>     | <b>216</b>     |
| <br>Accumulated amortisation at beginning of year           | <br>-117       | <br>-98        |
| Amortisation according to plan for the year                 | -24            | -24            |
| Accumulated amortisation on sales/disposals during the year | 9              | 1              |
| Reclassifications                                           | 1              | 1              |
| Translation differences                                     | -5             | 3              |
| <b>Accumulated amortisation at end of year</b>              | <b>-136</b>    | <b>-117</b>    |
| <br>Accumulated impairment charges at beginning of year     | <br>-4         | <br>-4         |
| <b>Accumulated impairment charges at end of year</b>        | <b>-4</b>      | <b>-4</b>      |
| <b>Total</b>                                                | <b>75</b>      | <b>95</b>      |

The total amount is expected to be recovered after more than 1 year.

#### Impairment test

A cash generating unit, defined as the operating segment, is the basis for the goodwill impairment test.

The impairment test is performed for each cash generating unit by comparing the carrying amount of the net assets, including goodwill, with the recoverable amount. The recoverable amount is the value in use and is estimated based on discounted cash flows. Due to the long-term nature of the investments, cash flow is expected to continue indefinitely.

Cash flows in the near future (between 3–5 years) are based on financial forecasts, derived from forecasted margins, volumes, sales and cost development. These input variables are based on historical data adjusted to reflect Nordea's assumptions about the future. Cash flows for the period beyond the forecasting period are based on estimated sector growth rates. For impairment testing, a growth rate of 2.5% (4.0%) has been used for all Nordic cash generating units. For cash generating units in Poland and Russia, 3.0% (4.0%) and 4.5% (4.0%) have been used. Growth rates

are based on historical data, updated to reflect the current situation.

Cash flows include normalised loan losses.

The derived cash flows are discounted at a rate based on the market's long-term risk-free rate of interest and yield requirements. The post-tax discount rate used for the impairment test 2012 is 8.5% (9.0%), which equals a pre-tax rate of 11.3% (11.9%). For operations in Poland, an additional risk premium of 150 basis points has been applied and for Russia an additional risk premium of 225 basis points has been applied.

The impairment tests conducted in 2012 did not indicate any need for goodwill impairment. See Note G1 section 4 for more information.

An increase in the discount rate of 1 percentage point or a reduction in the future growth rate of 1 percentage points are considered to be reasonably possible changes in key assumptions. Such a change would not result in an impairment in any of the cash generating units.

## G21

## Property and equipment

| EURm                                                        | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-------------------------------------------------------------|----------------|----------------|
| Property and equipment                                      | 474            | 469            |
| – of which buildings for own use                            | 73             | 72             |
| <b>Total</b>                                                | <b>474</b>     | <b>469</b>     |
| <b>Equipment</b>                                            |                |                |
| Acquisition value at beginning of year                      | 960            | 891            |
| Acquisitions during the year                                | 139            | 154            |
| Sales/disposals during the year                             | –59            | –70            |
| Reclassifications                                           | –47            | –16            |
| Translation differences                                     | 29             | 1              |
| <b>Acquisition value at end of year</b>                     | <b>1,022</b>   | <b>960</b>     |
| Accumulated depreciation at beginning of year               | –551           | –497           |
| Accumulated depreciation on sales/disposals during the year | 43             | 43             |
| Reclassifications                                           | 13             | 18             |
| Depreciations according to plan for the year                | –110           | –110           |
| Translation differences                                     | –14            | –5             |
| <b>Accumulated depreciation at end of year</b>              | <b>–619</b>    | <b>–551</b>    |
| Accumulated impairment charges at beginning of year         | –12            | –10            |
| Reclassification                                            | 10             | –2             |
| Translation differences                                     | 0              | 0              |
| <b>Accumulated impairment charges at end of year</b>        | <b>–2</b>      | <b>–12</b>     |
| <b>Total</b>                                                | <b>401</b>     | <b>397</b>     |
| <b>Land and buildings</b>                                   |                |                |
| Acquisition value at beginning of year                      | 81             | 79             |
| Acquisitions during the year                                | 1              | 3              |
| Sales/disposals during the year                             | –1             | 0              |
| Reclassifications                                           | –1             | 0              |
| Translation differences                                     | 2              | –1             |
| <b>Acquisition value at end of year</b>                     | <b>82</b>      | <b>81</b>      |
| Accumulated depreciation at beginning of year               | –9             | –9             |
| Accumulated depreciation on sales/disposals during the year | 0              | 0              |
| Depreciation according to plan for the year                 | 0              | –1             |
| Translation differences                                     | 0              | 1              |
| <b>Accumulated depreciation at end of year</b>              | <b>–9</b>      | <b>–9</b>      |
| <b>Total</b>                                                | <b>73</b>      | <b>72</b>      |

The total amount is expected to be settled after more than 1 year.

## G22

## Leasing

**Nordea as a lessor****Finance leases**

Nordea owns assets leased to customers under finance lease agreements. Finance lease agreements are reported as receivables from the lessee included in "Loans to the public" (see Note G13) at an amount equal to the net investment in the lease. The leased assets mainly comprise vehicles, machinery and other equipment.

Reconciliation of gross investments and present value of future minimum lease payments:

| EURm                                                                      | 31 Dec<br>2012 | 31 Dec<br>2011 |
|---------------------------------------------------------------------------|----------------|----------------|
| Gross investments                                                         | 8,086          | 7,682          |
| Less unearned finance income                                              | -473           | -648           |
| <b>Net investments in finance leases</b>                                  | <b>7,613</b>   | <b>7,034</b>   |
| Less unguaranteed residual values accruing to the benefit of the lessor   | -81            | -29            |
| <b>Present value of future minimum lease payments receivable</b>          | <b>7,532</b>   | <b>7,005</b>   |
| Accumulated allowance for uncollectible minimum lease payments receivable | 5              | 7              |

As of 31 December 2012 the gross investment and the net investment by remaining maturity was distributed as follows:

| EURm         | 31 Dec, 2012     |                |
|--------------|------------------|----------------|
|              | Gross Investment | Net Investment |
| 2013         | 1,740            | 1,668          |
| 2014         | 1,767            | 1,693          |
| 2015         | 1,738            | 1,688          |
| 2016         | 893              | 851            |
| 2017         | 706              | 648            |
| Later years  | 1,242            | 1,065          |
| <b>Total</b> | <b>8,086</b>     | <b>7,613</b>   |

**Operating leases**

Assets subject to operating leases mainly comprise real estate, vehicles, aeroplanes and other equipment. On the balance sheet they are reported as tangible assets.

| Carrying amount of leased assets, EURm                  | 31 Dec<br>2012 | 31 Dec<br>2011 |
|---------------------------------------------------------|----------------|----------------|
| Acquisition value                                       | 81             | 102            |
| Accumulated depreciations                               | -36            | -41            |
| Accumulated impairment charges                          | 0              | —              |
| <b>Carrying amount at end of year</b>                   | <b>45</b>      | <b>61</b>      |
| – of which repossessed leased property, carrying amount | —              | —              |

**Carrying amount distributed on groups of assets, EURm**

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| Equipment                             | 45        | 61        |
| <b>Carrying amount at end of year</b> | <b>45</b> | <b>61</b> |

Depreciation for 2012 amounted to EUR 15m (EUR 18m).

Under non-cancellable operating leases, the future minimum lease payments receivable are distributed as follows:

| EURm         | 31 Dec 2012 |
|--------------|-------------|
| 2013         | 13          |
| 2014         | 7           |
| 2015         | 5           |
| 2016         | 3           |
| 2017         | 2           |
| Later years  | 0           |
| <b>Total</b> | <b>30</b>   |

**Nordea as a lessee****Finance leases**

Nordea has only to a minor extent entered into finance lease agreements. The carrying amount of assets subject to finance leases amounts to EUR 30m (EUR 28m).

**Operating leases**

Nordea has entered into operating lease agreements for premises and office equipment.

| Leasing expenses during the year, EURm                     | 31 Dec<br>2012 | 31 Dec<br>2011 |
|------------------------------------------------------------|----------------|----------------|
| Leasing expenses during the year                           | -268           | -295           |
| – of which minimum lease payments                          | -261           | -288           |
| – of which contingent rents                                | -7             | -7             |
| Leasing income during the year regarding sublease payments | 7              | 7              |

Future minimum lease payments under non-cancellable operating leases amounted to and are distributed as follows:

| EURm         | 31 Dec 2012 |
|--------------|-------------|
| 2013         | 211         |
| 2014         | 147         |
| 2015         | 104         |
| 2016         | 75          |
| 2017         | 69          |
| Later years  | 181         |
| <b>Total</b> | <b>787</b>  |

Total sublease payments expected to be received under non-cancellable subleases amounts to EUR 23m.

**G23****Investment property****Movement on the balance sheet**

| EURm                                                     | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------------------------------------|----------------|----------------|
| Carrying amount at beginning of year                     | 3,644          | 3,535          |
| Acquisitions during the year                             | 116            | 129            |
| Sales/disposals during the year                          | -181           | -48            |
| Net gains or losses from fair value adjustments          | -48            | -17            |
| Transfers/reclassifications during the year              | -3             | 32             |
| Translation differences                                  | -120           | 13             |
| Carrying amount at end of year                           | 3,408          | 3,644          |
| – of which expected to be settled after more than 1 year | 3,378          | 3,591          |

**Amounts recognised in the income statement<sup>1</sup>**

| EURm                                                          | 2012 | 2011 |
|---------------------------------------------------------------|------|------|
| Rental income                                                 | 244  | 251  |
| Direct operating expenses that generate rental income         | -59  | -68  |
| Direct operating expenses that did not generate rental income | -2   | -11  |

1) Together with fair value adjustments included in Net result from items at fair value.

The method applied when calculating fair value is a rate of return calculation, based on internal models. As a supplement to these values, appraisals were obtained from independent external valuers for parts of the investment property.

Approximately 80% of the investment properties are valued using internal models based on a rate of return calculation. For the remaining 20% of the investment properties, appraisals were obtained from independent external valuers.

**Geographical information**

| EURm    | Carrying amount |
|---------|-----------------|
| Denmark | 1,626           |
| Norway  | 962             |
| Finland | 558             |
| Sweden  | 78              |
| Other   | 184             |
| Total   | 3,408           |

**Yield requirements, average**

|                                                      | Denmark | Norway | Finland | Sweden |
|------------------------------------------------------|---------|--------|---------|--------|
| Department stores, multistorey, car parks and hotels | 7.6%    | 6.0%   | 5.8%    | 6.8%   |
| Office buildings                                     | 6.2%    | 6.5%   | 5.9%    | —      |
| Apartment buildings                                  | 5.7%    | 6.0%   | 4.5%    | 4.3%   |
| Other                                                | —       | 6.5%   | 7.3%    | —      |

**G24****Other assets**

| EURm                                                     | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------------------------------------|----------------|----------------|
| Claims on securities settlement proceeds                 | 6,117          | 11,587         |
| Reinsurance recoverables                                 | 4              | 4              |
| Cash/margin receivables                                  | 7,810          | 6,273          |
| Other                                                    | 2,441          | 1,561          |
| Total                                                    | 16,372         | 19,425         |
| – of which expected to be settled after more than 1 year | 124            | 6              |

**G25****Prepaid expenses and accrued income**

| EURm                                                     | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------------------------------------|----------------|----------------|
| Accrued interest income                                  | 1,302          | 1,552          |
| Other accrued income                                     | 451            | 374            |
| Prepaid expenses                                         | 806            | 777            |
| Total                                                    | 2,559          | 2,703          |
| – of which expected to be settled after more than 1 year | 542            | 541            |

**G26****Deposits by credit institutions**

| EURm                      | 31 Dec<br>2012 | 31 Dec<br>2011 |
|---------------------------|----------------|----------------|
| Central banks             | 8,699          | 17,161         |
| Other banks               | 30,647         | 34,515         |
| Other credit institutions | 16,080         | 3,640          |
| Total                     | 55,426         | 55,316         |

**G27****Deposits and borrowings from the public**

| EURm                       | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------|----------------|----------------|
| Deposits from the public   | 182,061        | 174,609        |
| Borrowings from the public | 18,617         | 15,483         |
| Total                      | 200,678        | 190,092        |

Deposits are defined as funds in deposit accounts covered by the government deposit guarantee but also including amounts in excess of the individual amount limits. Individual pension savings (IPS) are also included. Portfolio schemes in Nordea Bank Danmark A/S of EUR 3,891m (EUR 3,932m) are also included in Deposits.

## G28

## Liabilities to policyholders

| EURm                                   | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------------------|----------------|----------------|
| Traditional life insurance provisions  | 23,399         | 23,572         |
| – of which guaranteed provisions       | 23,266         | 23,450         |
| – of which non-guaranteed provisions   | 133            | 122            |
| Unit-linked insurance provisions       | 7,169          | 4,899          |
| – of which guaranteed provisions       | 285            | 1,061          |
| – of which non-guaranteed provisions   | 6,884          | 3,838          |
| Insurance claims provision             | 463            | 428            |
| Provisions, Health & personal accident | 259            | 277            |
| <b>Total insurance contracts</b>       | <b>31,290</b>  | <b>29,176</b>  |
| Investment contracts                   | 12,106         | 10,226         |
| – of which guaranteed provisions       | 3,786          | 3,319          |
| – of which non-guaranteed provisions   | 8,320          | 6,907          |
| Collective bonus potential             | 1,924          | 1,313          |
| <b>Total</b>                           | <b>45,320</b>  | <b>40,715</b>  |

Liabilities to policyholders are obligations related to insurance contracts. These contracts are divided into contracts containing insurance risk and contracts without insurance risk. The latter are pure investments contracts.

Insurance contracts consists of Life insurance provisions and other insurance related items.

Life insurance contracts are measured and recognised in accordance with IFRS 4, i.e. the measurement and recognition principle under previous GAAP has been maintained consequently resulting in non-uniform accounting policies method on consolidation. Each market represented by Nordic and European entities measure and recognises insurance contracts using local accounting policies.

| 31 Dec 2012, EURm                                      | Traditional<br>life insurance<br>provisions | Unit-linked<br>insurance<br>provisions | Insurance<br>claims<br>provisions | Provisions,<br>Health & per-<br>sonal accident | Investment<br>contracts<br>provisions | Collective<br>bonus<br>potentials | Total         |
|--------------------------------------------------------|---------------------------------------------|----------------------------------------|-----------------------------------|------------------------------------------------|---------------------------------------|-----------------------------------|---------------|
| Provisions/ bonus potentials,<br>beginning of year     | 23,572                                      | 4,899                                  | 428                               | 277                                            | 10,226                                | 1,313                             | 40,715        |
| Gross premiums written                                 | 1,833                                       | 1,112                                  | —                                 | —                                              | 2,582                                 | —                                 | 5,527         |
| Transfers                                              | -1,055                                      | 1,135                                  | —                                 | —                                              | -166                                  | —                                 | -86           |
| Addition of interest/Investment<br>return              | 573                                         | 580                                    | —                                 | —                                              | 1,157                                 | —                                 | 2,310         |
| Claims and benefits                                    | -2,373                                      | -513                                   | 30                                | -34                                            | -1,744                                | —                                 | -4,634        |
| Expense loading including<br>addition of expense bonus | -82                                         | -47                                    | —                                 | —                                              | -85                                   | —                                 | -214          |
| Change in provisions/bonus potential                   | —                                           | —                                      | —                                 | 13                                             | —                                     | 584                               | 597           |
| Other                                                  | 711                                         | -16                                    | —                                 | —                                              | -100                                  | 4                                 | 599           |
| Translation differences                                | 220                                         | 19                                     | 5                                 | 3                                              | 236                                   | 23                                | 506           |
| <b>Provisions/ bonus potentials,<br/>end of year</b>   | <b>23,399</b>                               | <b>7,169</b>                           | <b>463</b>                        | <b>259</b>                                     | <b>12,106</b>                         | <b>1,924</b>                      | <b>45,320</b> |

Provision relating to bonus schemes/  
discretionary participation feature:

98%

25%

| 31 Dec 2011, EURm                                      | Traditional<br>life insurance<br>provisions | Unit-linked<br>insurance<br>provisions | Insurance<br>claims<br>provisions | Provisions,<br>Health & per-<br>sonal accident | Investment<br>contracts<br>provisions | Collective<br>bonus<br>potentials | Total         |
|--------------------------------------------------------|---------------------------------------------|----------------------------------------|-----------------------------------|------------------------------------------------|---------------------------------------|-----------------------------------|---------------|
| Provisions/ bonus potentials,<br>beginning of year     | 21,819                                      | 5,202                                  | 434                               | 181                                            | 9,339                                 | 1,791                             | 38,766        |
| Gross premiums written                                 | 2,153                                       | 781                                    | —                                 | —                                              | 2,626                                 | —                                 | 5,560         |
| Transfers                                              | -177                                        | 126                                    | —                                 | —                                              | -19                                   | —                                 | -70           |
| Addition of interest/Investment<br>return              | 702                                         | -230                                   | —                                 | —                                              | -355                                  | —                                 | 117           |
| Claims and benefits                                    | -2,160                                      | -343                                   | -5                                | 81                                             | -1,269                                | —                                 | -3,696        |
| Expense loading including<br>addition of expense bonus | -110                                        | -40                                    | —                                 | —                                              | -71                                   | —                                 | -221          |
| Change in provisions/bonus potential                   | -92                                         | —                                      | —                                 | 14                                             | —                                     | -484                              | -562          |
| Other                                                  | 1,375                                       | -591                                   | —                                 | —                                              | —                                     | —                                 | 784           |
| Translation differences                                | 62                                          | -6                                     | -1                                | 1                                              | -25                                   | 6                                 | 37            |
| <b>Provisions/ bonus potentials,<br/>end of year</b>   | <b>23,572</b>                               | <b>4,899</b>                           | <b>428</b>                        | <b>277</b>                                     | <b>10,226</b>                         | <b>1,313</b>                      | <b>40,715</b> |

Provision relating to bonus schemes/  
discretionary participation feature:

98%

26%

## G28

## Liabilities to policyholders, cont.

## Insurance risks

Insurance risk is described in the Risk, Liquidity and Capital management section of the Board of Directors' Report. Additional quantitative information is found below.

## Life insurance risk and market risks in the Life insurance operations

| Sensitivites EURm                        | 31 Dec 2012             |                                | 31 Dec 2011             |                                |
|------------------------------------------|-------------------------|--------------------------------|-------------------------|--------------------------------|
|                                          | Effect on policyholders | Effect on Nordea's own account | Effect on policyholders | Effect on Nordea's own account |
| Mortality – increased living with 1 year | -149.3                  | -130.5                         | -148.1                  | -92.1                          |
| Mortality – decreased living with 1 year | 270.9                   | 9.4                            | 226.9                   | 18.3                           |
| Disability – 10% increase                | -24.2                   | -14.1                          | -33.7                   | -6.5                           |
| Disability – 10% decrease                | 35.8                    | 0.1                            | 33.6                    | 6.5                            |
| 50 bp increase in interest rates         | -486.1                  | 4.0                            | -207.5                  | 83.3                           |
| 50 bp decrease in interest rates         | 369.6                   | -4.4                           | 200.4                   | -97.2                          |
| 12% decrease in all shareprices          | -844.8                  | -9.1                           | -712.8                  | -81.7                          |
| 8% decrease in property value            | -192.5                  | -30.8                          | -194.4                  | -46.3                          |
| 8% loss on counterparties                | -67.1                   | -0.2                           | -39.0                   | -0.2                           |

## Liabilities to policyholders divided in guarantee levels (technical interest rate)

| 31 Dec 2012, EURm   | non    | 0 pct. | 0 to 3 pct. | 3 to 5 pct. | Over 5 pct. | Total liabilities |
|---------------------|--------|--------|-------------|-------------|-------------|-------------------|
| Technical provision | 15,336 | 4,081  | 13,186      | 9,568       | 503         | 42,674            |

| 31 Dec 2011, EURm   | non    | 0 pct. | 0 to 3 pct. | 3 to 5 pct. | Over 5 pct. | Total liabilities |
|---------------------|--------|--------|-------------|-------------|-------------|-------------------|
| Technical provision | 10,867 | 3,647  | 13,627      | 10,380      | 176         | 38,697            |

## Risk profiles on insurance

| Product                      | Risk types          | Material effect |
|------------------------------|---------------------|-----------------|
| Traditional                  | – Mortality         | Yes             |
|                              | – Disability        | Yes             |
|                              | – Return guaranties | Yes             |
| Unit-Link                    | – Mortality         | Yes             |
|                              | – Disability        | Yes             |
|                              | – Return guaranties | No              |
| Health and personal accident | – Mortality         | No              |
|                              | – Disability        | Yes             |
|                              | – Return guaranties | No              |
| Financial contract           | – Mortality         | No              |
|                              | – Disability        | No              |
|                              | – Return guaranties | No              |

## G29

## Debt securities in issue

| EURm                    | 31 Dec 2012    | 31 Dec 2011    |
|-------------------------|----------------|----------------|
| Certificates of deposit | 18,627         | 35,459         |
| Commercial papers       | 38,524         | 31,381         |
| Bond loans              | 127,081        | 112,954        |
| Other                   | 108            | 156            |
| <b>Total</b>            | <b>184,340</b> | <b>179,950</b> |

## G30

## Other liabilities

| EURm                                                     | 31 Dec 2012   | 31 Dec 2011   |
|----------------------------------------------------------|---------------|---------------|
| Liabilities on securities settlement proceeds            | 16,457        | 14,355        |
| Sold, not held, securities                               | 6,136         | 13,539        |
| Accounts payable                                         | 225           | 230           |
| Cash/margin payables                                     | 5,787         | 4,374         |
| Other                                                    | 4,867         | 10,870        |
| <b>Total</b>                                             | <b>33,472</b> | <b>43,368</b> |
| – of which expected to be settled after more than 1 year | 34            | 164           |

## G31

## Accrued expenses and prepaid income

| EURm                                                     | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------------------------------------|----------------|----------------|
| Accrued interest                                         | 2,185          | 2,113          |
| Other accrued expenses                                   | 1,330          | 1,027          |
| Prepaid income                                           | 388            | 356            |
| <b>Total</b>                                             | <b>3,903</b>   | <b>3,496</b>   |
| – of which expected to be settled after more than 1 year | 25             | 25             |

## G32

## Provisions

| EURm                                                    | 31 Dec<br>2012 | 31 Dec<br>2011 |
|---------------------------------------------------------|----------------|----------------|
| Reserve for restructuring costs                         | 109            | 152            |
| Transfer risk, off-balance                              | 19             | 13             |
| Individually assessed, guarantees and other commitments | 65             | 80             |
| Tax                                                     | 132            | 112            |
| Other                                                   | 64             | 126            |
| <b>Total</b>                                            | <b>389</b>     | <b>483</b>     |

| EURm                                                     | Restructuring | Transfer risk | Off-balance<br>sheet | Tax        | Other     | Total      |
|----------------------------------------------------------|---------------|---------------|----------------------|------------|-----------|------------|
| At beginning of year                                     | 152           | 13            | 80                   | 112        | 126       | 483        |
| New provisions made                                      | 51            | 8             | 28                   | 16         | 6         | 109        |
| Provisions utilised                                      | –83           | —             | –19                  | –1         | –1        | –104       |
| Reversals                                                | –15           | –2            | –26                  | 0          | –15       | –58        |
| Reclassifications                                        | –9            | —             | —                    | —          | –56       | –65        |
| Discount effect                                          | 10            | —             | —                    | —          | 0         | 10         |
| Translation differences                                  | 3             | 0             | 2                    | 5          | 4         | 14         |
| <b>At end of year</b>                                    | <b>109</b>    | <b>19</b>     | <b>65</b>            | <b>132</b> | <b>64</b> | <b>389</b> |
| – of which expected to be settled after more than 1 year | 25            | 19            | 54                   | 1          | 49        | 148        |

Provisions for restructuring costs amounts to EUR 109m and covers termination benefit (EUR 99m) and other provisions mainly related to redundant premises (EUR 10m). The restructuring activities have mainly been launched to reach the anticipated cost efficiency and profitability, and as a part of this Nordea plans to reduce the number of employees, partly through close down of branches. The majority of the provision is expected to be used during 2013. As with any other provision there is an uncertainty around timing and amount, which is expected to be decreased as the plan is being executed during 2013.

Provision for Transfer risk of EUR 19m is related to off-balance sheet items. Transfer risk relating to loans is included in the item Allowances for collectively assessed impaired loans in Note G13. Provision for transfer risk is depending on the volume of business with different countries.

Loan loss provisions for individually assessed guarantees and other commitments amounted to EUR 65m.

Nordea has an on-going tax litigation related to the sales gain in respect of the divestment of Nordea's owner occupied

properties in Sweden, which has been provided for with EUR 131m. Nordea is of the opinion that all tax rules and regulations have been complied with and is contesting the claim in court. The court procedures are expected to be settled during 2013.

Other provisions refers to the following provisions: Provision for premiums in Defined Contribution Plans EUR 34m (EUR 11m expected to be settled 2013), provision for legal disputes EUR 10m (total amount expected to be settled after 2013) and other provisions amounting to EUR 20m (EUR 4m expected to be settled 2013). The provision related to Defined Contribution Plans is expected to be settled over the following 5–10 years.



## G33

## Retirement benefit obligations

| EURm                       | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------|----------------|----------------|
| Defined benefit plans, net | 47             | 102            |
| <b>Total</b>               | <b>47</b>      | <b>102</b>     |

Nordea has pension obligations from defined benefit plans (DBP) in all Nordic countries with the predominant share in Sweden, Norway and Finland. The plans in Finland, and Norway as from 2011, are closed to new employees and pensions for new employees are instead based on defined contribution plan (DCP) arrangements as is also the case in Denmark. DCPs are not reflected on the balance sheet, except when earned pensions rights have not yet been paid for. Nordea also contributes to public pension plans.

IAS 19 secures that the market based value of pension obligations net of plan assets backing these obligations is reflected on the Group's balance sheet. The major plans in each country are funded schemes covered by assets in pension funds/foundations.

#### Multiemployer plan

In 2010 the Norwegian Parliament decided to change the AFP (Avtalefestet Pensjon) plan in Norway as from 2011. The change gave rise to a new multiemployer DBP plan that cannot be calculated as DBP by year end 2012, as information on Nordea's share of the liabilities and pension costs in the plan is not available from Fellesordningen (the administrator). Consequently the new AFP plan has to be accounted for as a DCP in accordance with IAS 19. Information on the funded status in the plan is not available. The premium rate to Fellesordningen is 1.75% of the salary basis in 2012. The rate is expected to increase in the future.

#### IAS 19 pension calculations and assumptions

Calculations on major plans are performed by external liability calculators and are based on the actuarial assumptions fixed for each of the Group's pension plans.

| Assumptions <sup>1</sup>               | Swe  | Nor               | Fin  | Den  |
|----------------------------------------|------|-------------------|------|------|
| <b>2012</b>                            |      |                   |      |      |
| Discount rate                          | 3.5% | 4.0% <sup>2</sup> | 3.5% | 3.5% |
| Salary increase                        | 2.5% | 3.0%              | 3.0% | 2.5% |
| Inflation                              | 1.5% | 2.0%              | 2.0% | 2.0% |
| Expected return on assets before taxes | 4.5% | 5.0%              | 4.5% | 4.5% |
| <b>2011</b>                            |      |                   |      |      |
| Discount rate                          | 3.5% | 3.0%              | 4.5% | 3.5% |
| Salary increase                        | 3.0% | 3.0%              | 3.0% | 3.5% |
| Inflation                              | 2.0% | 2.0%              | 2.0% | 2.0% |
| Expected return on assets before taxes | 4.5% | 4.0%              | 5.5% | 4.5% |

1) The assumptions disclosed for 2012 have an impact on the liability calculation by year-end 2012, while the assumptions disclosed for 2011 are used for calculating the pension expense in 2012.

2) As further described in Note G1, section 22, the discount rate in Norway is as from 2012 determined with reference to covered bonds. If the government bond yield was used the discount rate would be approximately 1 percentage point lower. For effects from this change see the sensitivity analysis described below.

The expected return on assets is based on long term expectations for return on the different asset classes. On bonds, this is linked to the discount rate while equities and real estate have an added risk premium.

The discount rate has the most significant impact on the obligation and pension cost. If the discount rate is reduced the pension obligation will increase and vice versa. A one percentage point increase in the discount rate would lead to a decrease in pension obligation of 12% and in service cost of 18%. A one percentage point decrease in the discount rate would lead to an increase in pension obligation of 16% and in service cost of 24%.

#### Asset composition

The combined return on assets in 2012 was 8.7% (3.5%) driven by the fact that all assets performed well in 2012 with credit bonds and equities contributing strongly. At the end of the year the equity exposure in pension funds/foundations represented 23% (17%) of total assets.

**G33****Retirement benefit obligations, cont.**

| Asset composition in funded schemes | Swe<br>2012 | Nor<br>2012 | Fin<br>2012 | Den<br>2012 | Total<br>2012 | Total<br>2011 |
|-------------------------------------|-------------|-------------|-------------|-------------|---------------|---------------|
| Equity                              | 20%         | 21%         | 28%         | 10%         | 23%           | 17%           |
| Bonds                               | 75%         | 60%         | 60%         | 69%         | 67%           | 74%           |
| Real estate                         | —           | 15%         | 11%         | —           | 6%            | 7%            |
| – of which Nordea real estate       | —           | —           | 3%          | —           | 1%            | 1%            |
| Other plan assets                   | 5%          | 4%          | 1%          | 21%         | 4%            | 2%            |

**Amounts recognised on the balance sheet**

| EURm                                               | Swe<br>2012 | Nor<br>2012 | Fin<br>2012 | Den<br>2012 | Total<br>2012 | Total<br>2011 |
|----------------------------------------------------|-------------|-------------|-------------|-------------|---------------|---------------|
| Pension Benefit Obligation (PBO)                   | 1,477       | 935         | 894         | 117         | 3,423         | 3,484         |
| Plan assets                                        | 1,404       | 673         | 916         | 132         | 3,125         | 2,848         |
| Total surplus/deficit (–)                          | –73         | –262        | 22          | 15          | –298          | –636          |
| – of which unrecognised actuarial gains/losses (–) | –77         | –73         | –90         | –11         | –251          | –534          |
| Of which recognised on the balance sheet           | 4           | –189        | 112         | 26          | –47           | –102          |
| – of which retirement benefit assets               | 125         | 10          | 137         | 29          | 301           | 223           |
| – of which retirement benefit obligations          | 121         | 199         | 25          | 3           | 348           | 325           |
| – of which related to unfunded plans (PBO)         | 128         | 192         | 25          | 2           | 347           | 368           |

**Overview of surplus or deficit in the plans**

| EURm                | Total<br>2012 | Total<br>2011 | Total<br>2010 | Total<br>2009 | Total<br>2008 |
|---------------------|---------------|---------------|---------------|---------------|---------------|
| PBO                 | 3,423         | 3,484         | 3,305         | 3,087         | 2,830         |
| Plan Assets         | 3,125         | 2,848         | 2,766         | 2,397         | 2,099         |
| Surplus/deficit (–) | –298          | –636          | –539          | –690          | –731          |

**Changes in the PBO**

| EURm                                         | Swe<br>2012 | Nor<br>2012 | Fin<br>2012 | Den<br>2012 | Total<br>2012 | Total<br>2011 |
|----------------------------------------------|-------------|-------------|-------------|-------------|---------------|---------------|
| PBO at 1 Jan                                 | 1,574       | 1,005       | 774         | 131         | 3,484         | 3,305         |
| Service cost                                 | 36          | 25          | 3           | 0           | 64            | 63            |
| Interest cost                                | 56          | 30          | 34          | 4           | 124           | 131           |
| Pensions paid                                | –73         | –42         | –42         | –8          | –165          | –166          |
| Curtailements and settlements                | —           | –4          | —           | —           | –4            | –16           |
| Past service cost                            | –30         | –2          | —           | —           | –32           | 31            |
| Actuarial gains (–)/losses                   | –133        | –136        | 122         | –10         | –157          | 123           |
| Translation differences                      | 62          | 55          | 3           | 0           | 120           | 18            |
| Change in provision for SWT/SSC <sup>1</sup> | –15         | 4           | —           | —           | –11           | –5            |
| PBO at 31 Dec                                | 1,477       | 935         | 894         | 117         | 3,423         | 3,484         |

1) Change in provision for special wage tax (SWT) and social security contribution (SSC) in Sweden and Norway, calculated on recognised amounts on the balance sheet.

**Changes in the fair value of plan assets**

| EURm                          | Swe<br>2012 | Nor<br>2012 | Fin<br>2012 | Den<br>2012 | Total<br>2012 | Total<br>2011 |
|-------------------------------|-------------|-------------|-------------|-------------|---------------|---------------|
| Assets at 1 Jan               | 1,249       | 633         | 837         | 129         | 2,848         | 2,766         |
| Expected return on assets     | 53          | 27          | 44          | 4           | 128           | 134           |
| Pensions paid                 | —           | –22         | –42         | –8          | –72           | –97           |
| Curtailements and settlements | —           | –4          | —           | —           | –4            | –10           |
| Contributions                 | 1           | 8           | 9           | —           | 18            | 79            |
| Actuarial gains/losses (–)    | 53          | –4          | 64          | 7           | 120           | –38           |
| Translation differences       | 48          | 35          | 4           | —           | 87            | 14            |
| Plan assets at 31 Dec         | 1,404       | 673         | 916         | 132         | 3,125         | 2,848         |
| Actual return on plan assets  | 106         | 23          | 108         | 11          | 248           | 96            |

## G33

## Retirement benefit obligations, cont.

## Overview of actuarial gains/losses

| EURm                                        | Total<br>2012    | Total<br>2011 | Total<br>2010 | Total<br>2009 | Total<br>2008 |
|---------------------------------------------|------------------|---------------|---------------|---------------|---------------|
| Effects of changes in actuarial assumptions | 187 <sup>1</sup> | -130          | -44           | 51            | -337          |
| Experience adjustments                      | 90               | -31           | 85            | 84            | -268          |
| – of which on plan assets                   | 120              | -38           | 71            | 73            | -225          |
| – of which on plan liabilities              | -30              | 7             | 14            | 11            | -43           |
| Actuarial gains/losses                      | 277              | -161          | 41            | 135           | -605          |

1) Main impact from changed assumptions on discount rate in Norway and inflation in Sweden.

## Defined benefit pension cost

The total net pension cost related to defined benefit plans recognised in the Group's income statement (as staff costs) for the year is EUR 66m (EUR 124m). Total pension costs comprise defined benefit pension costs as well as costs related to defined contribution plans (see specification in Note G7).

| Recognised net defined benefit cost, EURm | Swe<br>2012 | Nor<br>2012 | Fin<br>2012 | Den<br>2012 | Total<br>2012 | Total<br>2011   |
|-------------------------------------------|-------------|-------------|-------------|-------------|---------------|-----------------|
| Service cost                              | 36          | 25          | 3           | 0           | 64            | 63              |
| Interest cost                             | 56          | 30          | 34          | 4           | 124           | 131             |
| Expected return on assets                 | -53         | -27         | -44         | -4          | -128          | -134            |
| Curtailements and settlements             | —           | 0           | —           | —           | 0             | -4 <sup>1</sup> |
| Recognised past service cost <sup>2</sup> | -25         | -2          | —           | —           | -27           | 31              |
| Recognised actuarial gains (-)/losses     | 12          | 11          | 0           | 2           | 25            | 17              |
| SWT/SSC <sup>3</sup>                      | 3           | 5           | —           | —           | 8             | 20              |
| Pension cost on defined benefit plans     | 29          | 42          | -7          | 2           | 66            | 124             |

1) Recognised actuarial losses of EUR 2m related to the curtailment.

2) In 2012 the recognised past service cost is mainly due to a change in the early retirement option in the Swedish collective pension agreement and it includes recognised actuarial losses of EUR 5m. In 2011 EUR 30m related to New Normal.

3) Cost related to special wage tax (SWT) in Sweden and social security contribution (SSC) in Norway.

The pension cost is lower than expected at the beginning of the year, mainly due to the change in the early retirement option in the Swedish collective pension agreement (negative past service cost). Compared with the pension cost 2012, excluding the negative past service cost, the pension cost from defined benefit plans is expected to decrease in 2013, mainly as a consequence of the change of actuarial assumptions at the end of 2012. The amended IAS 19, with effective date 1 January 2013, will not have any significant impact on the pension expense 2013, compared with the expense disclosed in this annual report. Actuarial gains/losses will be recognised directly in other comprehensive income instead of being amortised in the income statement. This positive effect is however largely offset by the fact that the return on plan

assets will be recognised using the discount rate instead of an expected return.

The group expects to contribute EUR 48m to its defined benefit plans in 2013.

## Key management personnel

The Group's total pension obligations relating to key management personnel amounted to EUR 36m (EUR 35m) at the end of the year. These obligations are to a high degree covered by plan assets. Defined benefit pension costs (Service cost, Past service cost and Curtailements and settlements as defined in IAS 19) relating to key management personnel in 2012 were EUR 2m (EUR 3m). Complete information concerning key management personnel is disclosed in Note G7.

## G34

## Subordinated liabilities

| EURm                                 | 31 Dec<br>2012 | 31 Dec<br>2011 |
|--------------------------------------|----------------|----------------|
| Dated subordinated debenture loans   | 5,160          | 3,818          |
| Undated subordinated debenture loans | 666            | 658            |
| Hybrid capital loans                 | 1,971          | 2,027          |
| Total                                | 7,797          | 6,503          |

These debenture loans are subordinated to other liabilities. Dated debenture loans entitle the lender to payment before undated subordinated loans and hybrid capital loans. Within each respective category, the loans entitle lenders to equal payment rights.

## G35

## Assets pledged as security for own liabilities

| EURm                                      | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-------------------------------------------|----------------|----------------|
| <b>Assets pledged for own liabilities</b> |                |                |
| Lease agreements <sup>1</sup>             | 77             | 78             |
| Securities etc <sup>2</sup>               | 33,541         | 23,239         |
| Loans to the public                       | 110,964        | 103,451        |
| Other pledged assets                      | 20,320         | 20,126         |
| <b>Total</b>                              | <b>164,902</b> | <b>146,894</b> |

The above pledges pertain to the following liabilities

|                                         |                |                |
|-----------------------------------------|----------------|----------------|
| Deposits by credit institutions         | 8,416          | 10,263         |
| Deposits and borrowings from the public | 5,377          | 2,379          |
| Derivatives                             | 233            | 639            |
| Debt securities in issue                | 86,653         | 78,208         |
| Other liabilities and commitments       | 37,752         | 36,970         |
| <b>Total</b>                            | <b>138,431</b> | <b>128,459</b> |

1) The agreements are financial lease agreements where Nordea is the lessor.

The associated assets are Loans to the public.

2) Relates only to securities recognised on the balance sheet. Securities borrowed or bought under reverse repurchase agreements are not recognised on the balance sheet and thus not included in the amount. Such transactions are disclosed in Note G43, Transferred assets and obtained collaterals.

Assets pledged for own liabilities contain securities pledged as security in repurchase agreement and in securities lending. The transactions are conducted under standard agreements employed by financial markets participants. Counterparts in those transactions are credit institutions and the public. The transactions are typically short term with maturity within three months.

Securities in the Life operations are also pledged as security for the corresponding insurance liabilities.

Loans to the public have been registered as collateral for issued covered bonds and mortgage bonds in line with local legislation. In the event of the company's insolvency, the holders of these bonds have priority to the assets registered as collateral.

Other relates to certificate of deposits pledged by Nordea to comply with authority requirements and assets funded by finance lease agreements.

## G36

## Other assets pledged

| EURm                                    | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-----------------------------------------|----------------|----------------|
| <b>Other assets pledged<sup>1</sup></b> |                |                |
| Lease agreements                        | 0              | 0              |
| Securities etc                          | 4,324          | 6,063          |
| Other assets pledged                    | 43             | 27             |
| <b>Total</b>                            | <b>4,367</b>   | <b>6,090</b>   |

1) Collaterals pledged on behalf of other items other than the company's own liabilities, eg, on behalf of a third party or on behalf of the company's own contingent liabilities are accounted for under this item.

Securities etc. includes interest-bearing securities pledged as security for payment settlements within the Central bank of Sweden. The terms and conditions require day to day security and relate to liquidity intraday/over night. Other pledged assets relate to pledged deposits.

## G37

## Contingent liabilities

| EURm                         | 31 Dec<br>2012 | 31 Dec<br>2011 |
|------------------------------|----------------|----------------|
| <b>Guarantees</b>            |                |                |
| – Loan guarantees            | 4,016          | 4,897          |
| – Other guarantees           | 14,828         | 16,730         |
| Documentary credits          | 2,231          | 2,626          |
| Other contingent liabilities | 82             | 215            |
| <b>Total</b>                 | <b>21,157</b>  | <b>24,468</b>  |

In the normal business of Nordea, the bank issues various forms of guarantees in favour of the bank's customers. Loan guarantees are given for customers to guarantee obligations in other credit- and pension institutions. Other guarantees consist mainly of commercial guarantees such as bid guarantees, advance payment guarantees, warranty guarantees and export related guarantees. Contingent liabilities also include unutilised irrevocable import documentary credits and confirmed export documentary credits. These transactions are part of the bank services and support the bank's customers. Guarantees and documentary credits are off-balance sheet items, unless there is a need for a provision to cover a probable loan loss that arises from the judgement that reimbursement will not be received.

Nordea Bank AB (publ) has undertaken, in relation to certain individuals and on certain conditions, to be responsible for the potential payment liability against them in their capacity as managing directors or board member in group undertakings to Nordea Bank AB (publ).

A limited number of employees are entitled to severance pay if they are dismissed before reaching their normal retirement age. For further disclosures, see Note G7.

## Legal proceedings

Within the framework of the normal business operations, the Group faces a number of claims in civil lawsuits and disputes, most of which involve relatively limited amounts. Presently, none of the current disputes are considered likely to have any significant adverse effect on the Group or its financial position.

## G38

## Commitments

| EURm                            | 31 Dec<br>2012 | 31 Dec<br>2011 |
|---------------------------------|----------------|----------------|
| Future payment obligations      | 545            | 996            |
| Credit commitments <sup>1</sup> | 84,914         | 85,319         |
| Other commitments               | 749            | 655            |
| <b>Total</b>                    | <b>86,208</b>  | <b>86,970</b>  |

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

Reverse repurchase agreements are recognised on and derecognised from the balance sheet on settlement date. Nordea has as per 31 December 2012 signed reverse repurchase agreements that have not yet been settled and consequently are not recognised on the balance sheet. On settlement date these reverse repurchase agreements will, to the utmost extent, replace existing reverse repurchase agreements not yet derecognised as per 31 December 2012. The net impact on the balance sheet is minor. These instruments have not been disclosed as commitments.

For information about derivatives, see Note G17 and about reverse repos, see Note G43.

## G39

## Insurance activities

## Operating profit, insurance

| EURm                                                                                | 2012        | 2011        |
|-------------------------------------------------------------------------------------|-------------|-------------|
| <b>Operating income<sup>1</sup></b>                                                 |             |             |
| Fee and commission income                                                           | 351         | 340         |
| Fee and commission expense                                                          | -135        | -132        |
| <b>Net fee and commission income</b>                                                | <b>216</b>  | <b>208</b>  |
| Net result on items at fair value                                                   | 282         | 179         |
| <b>Operating income</b>                                                             | <b>498</b>  | <b>387</b>  |
| <b>Operating expenses</b>                                                           |             |             |
| Staff costs                                                                         | -121        | -128        |
| Other expenses                                                                      | -83         | -83         |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -14         | -6          |
| <b>Total operating expenses</b>                                                     | <b>-218</b> | <b>-217</b> |
| <b>Operating profit, insurance</b>                                                  | <b>280</b>  | <b>170</b>  |

1) Before allocations and elimination of intra-group transactions.

## Operating profit, insurance

| EURm                                                 | 2012       | 2011       |
|------------------------------------------------------|------------|------------|
| <b>Technical result</b>                              |            |            |
| Premiums written                                     | 5,494      | 5,576      |
| Investment income, investment contracts              | 1,157      | 782        |
| Investment income, insurance contracts               | 2,487      | -354       |
| Other technical income                               | 132        | 139        |
| Claims paid                                          | -4,614     | -3,823     |
| Change in technical provisions, investment contracts | -1,732     | -910       |
| Change in technical provisions, insurance contracts  | -1,734     | -1,499     |
| Change in collective bonus potential                 | -582       | 575        |
| Operating expenses                                   | -350       | -350       |
| <b>Technical result</b>                              | <b>258</b> | <b>136</b> |
| Non-technical investment income                      | 22         | 34         |
| <b>Operating profit</b>                              | <b>280</b> | <b>170</b> |

## Balance sheet

| EURm                                 | 31 Dec<br>2012 | 31 Dec<br>2011 |
|--------------------------------------|----------------|----------------|
| <b>Assets</b>                        |                |                |
| Cash and balances with central banks | 1              | 1              |
| Loans to the public                  | 571            | 877            |
| Loans to credit institutions         | 1,802          | 1,922          |
| Interest bearing securities          | 25,405         | 25,789         |
| Shares and participations            | 19,096         | 15,559         |
| Derivatives                          | 752            | 463            |
| Participating interests              | 234            | 233            |
| Intangible assets                    | 332            | 335            |
| Tangible assets                      | 27             | 26             |
| Investment property                  | 3,261          | 3,523          |
| Deferred tax assets                  | 16             | —              |
| Retirement benefit assets            | 7              | —              |
| Other assets                         | 559            | 439            |
| Prepaid expenses and accrued income  | 545            | 432            |
| <b>Total assets</b>                  | <b>52,608</b>  | <b>49,599</b>  |
| – of which intra-group transactions  | 4,973          | 4,879          |

## Liabilities

|                                                   |               |               |
|---------------------------------------------------|---------------|---------------|
| Deposits by credit institutions and central banks | 1,999         | 3,941         |
| Deposits and borrowings from the public           | 387           | 630           |
| Liabilities to Life insurance policyholders       | 45,320        | 40,715        |
| Derivatives                                       | 518           | 117           |
| Current tax liabilities                           | 65            | 22            |
| Other liabilities                                 | 1,652         | 1,766         |
| Accrued expenses and deferred income              | 212           | 128           |
| Deferred tax liabilities                          | 294           | 282           |
| Provisions                                        | 6             | —             |
| Retirement benefit obligation                     | 8             | 9             |
| Subordinated liabilities                          | 530           | 523           |
| <b>Total liabilities</b>                          | <b>50,991</b> | <b>48,133</b> |
| <b>Equity</b>                                     | <b>1,617</b>  | <b>1,466</b>  |
| <b>Total liabilities and equity</b>               | <b>52,608</b> | <b>49,599</b> |
| – of which intra-group transactions               | 3,294         | 5,796         |

## G40

## Capital adequacy

Capital adequacy is a measure of the financial strength of a bank, usually expressed as a ratio of capital to assets. There is now a worldwide capital adequacy standard (Basel II) drawn up by the Basel Committee on Banking Supervision (BCBS). Within the EU, the capital adequacy requirements are outlined in the Capital Requirement Directive (CRD).

The CRD contains a detailed set of minimum requirements to assure the conceptual soundness and integrity of the internal assessment. Over the years, amendments have been made to the first version of the CRD regulation. CRD II was implemented at the end of 2010 and strengthened the large exposure regime, increased the quality of the capital base and added stricter securitisation regulation. CRD III, which has been valid since 31 December 2011 includes capital requirements for re-securitisation, disclosure of securitisation positions, capital requirements for trading book positions and remuneration policies (from 1 January 2011). The transition rule, stipulating that the capital is not allowed to be below 80% of the capital requirement calculated under Basel I regulation, has been extended to apply at least until December 2014.

The regulatory capital requirements are calculated using the following formula:

$$\text{Minimum capital requirements} = \text{Capital base/RWA}$$

where Minimum capital requirements  $\geq$  8%

The Basel II framework is built on three Pillars:

- Pillar I – requirements for the calculation of RWA and capital requirements
- Pillar II – rules for the Supervisory Review Process (SRP), including the ICAAP
- Pillar III – rules for the disclosure on risk and capital management, including capital adequacy

Nordea performs an ICAAP with the purpose to review the management, mitigation and measurement of material risks within the business environment in order to assess the adequacy of capitalisation and to determine an internal capital requirements reflecting the risks of the institution.

The ICAAP is a continuous process which increases awareness of capital requirements and exposure to material risks throughout the organisation, both in the business area and legal entity dimensions. Stress tests are important drivers of risk awareness, looking at capital and risk from a firm-wide perspective on a regular basis and on an ad-hoc basis for specific areas or segments. The process includes a regular dialogue with supervisory authorities, rating agencies and other external stakeholders with respect to capital management, measurement and mitigation techniques used.

Nordea's capital levels continue to be adequate to support the risks taken, both from an internal perspective as well as from the perspective of supervisors. Heading into 2013, Nordea will continue to closely follow the development of the new capital requirement regime as well as maintain its open dialogue with various supervisory authorities.

The disclosures in this note cover the Nordea Financial Group as defined on page 150.

## Bridge between IFRS equity and core tier 1 capital

| EURm                                                   | 31 Dec 2012   | 31 Dec 2011   |
|--------------------------------------------------------|---------------|---------------|
| Balance sheet equity                                   | 28,216        | 26,120        |
| Adjustment NLP & AFS                                   | -949          | -757          |
| <b>Subtotal</b>                                        | <b>27,267</b> | <b>25,363</b> |
| Dividend                                               | -1,370        | -1,048        |
| Goodwill                                               | -2,346        | -2,269        |
| Intangible assets                                      | -748          | -717          |
| Deferred taxes                                         | -201          | -169          |
| Cash Flow hedges                                       | 16            | -123          |
| Shortfall deduction (50%)                              | -554          | -243          |
| Deduction for investments in credit institutions (50%) | -103          | -117          |
| <b>Core tier 1 capital</b>                             | <b>21,961</b> | <b>20,677</b> |

## Items included in the capital base

| EURm                                               | 31 Dec 2012   | 31 Dec 2011   |
|----------------------------------------------------|---------------|---------------|
| <b>Tier 1 capital</b>                              |               |               |
| Paid-up capital                                    | 4,050         | 4,047         |
| Share premium                                      | 1,080         | 1,080         |
| <b>Eligible capital</b>                            | <b>5,130</b>  | <b>5,127</b>  |
| Reserves                                           | 19,028        | 17,478        |
| Minority interests                                 | 5             | 8             |
| Income from current year                           | 3,120         | 2,627         |
| <b>Eligible reserves</b>                           | <b>22,153</b> | <b>20,113</b> |
| <b>Core tier 1 capital (before deductions)</b>     | <b>27,283</b> | <b>25,240</b> |
| Subordinated capital loans                         | 1,992         | 1,964         |
| Proposed/actual dividend                           | -1,370        | -1,048        |
| Deferred tax assets                                | -201          | -169          |
| Intangible assets                                  | -3,094        | -2,986        |
| Deductions for investments in credit institutions  | -103          | -117          |
| IRB provisions shortfall (-)                       | -554          | -243          |
| <b>Deductions</b>                                  | <b>-5,322</b> | <b>-4,563</b> |
| <b>Tier 1 capital (net after deductions)</b>       | <b>23,953</b> | <b>22,641</b> |
| – of which hybrid capital                          | 1,992         | 1,964         |
| – of which core tier 1 capital (net of deductions) | 21,961        | 20,677        |
| <b>Tier 2 capital</b>                              |               |               |
| Undated subordinated loans                         | 708           | 723           |
| Dated subordinated loans                           | 4,676         | 3,197         |
| Other additional own funds                         | 56            | 4             |
| <b>Tier 2 capital (before deductions)</b>          | <b>5,440</b>  | <b>3,924</b>  |
| Deductions for investments in credit institutions  | -103          | -117          |
| IRB provisions excess (+)/shortfall (-)            | -554          | -243          |
| <b>Deductions</b>                                  | <b>-657</b>   | <b>-360</b>   |
| <b>Tier 2 capital (net after deductions)</b>       | <b>4,783</b>  | <b>3,564</b>  |
| Holdings in insurance undertakings                 | -1,236        | -1,211        |
| Pension assets in excess of related liabilities    | -226          | -156          |
| <b>Capital base</b>                                | <b>27,274</b> | <b>24,838</b> |



## G40

## Capital adequacy

**Core tier 1 capital and tier 1 capital**

Core tier 1 capital is defined as eligible capital including eligible reserves, net of regulatory required deductions made directly to tier 1 capital. The capital recognised as core tier 1 capital holds the ultimate characteristics for loss absorbance defined from a going concern perspective and represents the most subordinated claim in the event of liquidation. The tier 1 capital is defined as core tier 1 capital and capital of the same or close to the character of eligible capital and eligible reserves. Tier 1 capital can include a limited component of undated subordinated capital loans.

**Eligible capital and eligible reserves**

Paid up capital is the share capital contributed by shareholders, including the share premium paid. Eligible reserves consist primarily of retained earnings, other reserves, minority interests and income from current year. Retained earnings are earnings from previous years reported via the income statement. Other reserves are related to revaluation and translation reserves referred to acquisitions and associated undertakings under the equity method. The equity interests of minority shareholdings in companies that are fully consolidated in the financial group are also included. Positive income from current year is included as eligible capital after verification by the external auditors, however negative income must be deducted. Repurchased own shares or own shares temporary included in trading portfolios are deducted from eligible reserves.

The eligible capital and eligible reserves, considered as the capital of highest quality, constitute the predominant share (92%) of tier 1 capital in Nordea.

**Tier 1 instruments subject to limits**

The requirement for including undated subordinated loans in tier 1 capital is restricted and repurchase can normally not take place until five years after original issuance of the instrument.

Undated subordinated loans may be repaid only upon decision by the Board of Directors in Nordea and with the permission of the Swedish FSA. Further, there are restrictions related to step-up conditions order of priority, interest payments under constraint conditions. Currently, the inclusion of undated subordinated capital as a component of tier 1 capital is limited by regulation to 50% net of relevant deductions. For the tier 1 loans, conditions specify appropriation in order to avoid being obliged to enter into liquidation. To the extent that may be required to avoid liquidation, the principal amounts of tier 1 loans (together with accrued interest) would be written down and converting such amount into a conditional capital contribution.

As of year-end 2012, the undated tier 1 instruments included in the capital base of the Nordea Group constitute only 8% of tier 1 capital.

**Tier 2 capital**

Tier 2 capital must be subordinated to depositors and general creditors of the bank. It cannot be secured or covered by a guarantee of the issuer or related entity or include any other arrangement that legally or economically enhances the seniority of the claim vis-a-vis depositors and other bank creditors.

**Tier 2 subordinated loans**

Tier 2 capital consists mainly of subordinated loans. Tier 2 capital includes two different types of subordinated loan capital; undated loans and dated loans. According to the regulation, tier 2 capital may not exceed tier 1 capital and dated tier 2 loans must not exceed 50% of tier 1 capital. The limits are set net after deductions.

The basic principle for subordinated loans in the capital base is the order of priority in case of a default or bankruptcy situation. Under such conditions, the holder of the subordinated loan would be repaid after other creditors, but before shareholders. The share of outstanding loan amount possible to include in the tier 2 capital related to dated loans is reduced if the remaining maturity is less than five years.

During 2012 Nordea issued two new tier 2 loans of EUR 750m and USD 1,000m respectively. As of year-end, Nordea held EUR 4.7bn in dated subordinated loans and EUR 0.7bn in undated subordinated loans.

The table below shows the carrying outstanding amounts of undated and dated loans included in the capital base. Call date is where the issuer has the legal right to redeem outstanding loan amounts according the terms of agreement. The loans and the principles for time-reductions follow Swedish legislation. The carrying amounts in the table may deviate from capital amounts used in the capital base due to swap arrangements and adjustments for maturities.

**Other tier 2 capital**

Other additional funds consists of adjustment to valuation differences in available for sale equities transferred to core additional own funds. Unrealised gains from equity holdings classified as available for sale securities can according to regulation only be included in tier 2 capital. Nordea has no significant holdings in this category and therefore only has a minor impact on tier 2 capital from such items.

G40

## Capital adequacy

**Dated and undated loans***Dated loans, tier 2*

| Issuer                   | Carrying amount<br>EURm | Capital base<br>31 Dec 2012 | Start | Maturity | Call date | Step-up |
|--------------------------|-------------------------|-----------------------------|-------|----------|-----------|---------|
| Nordea Bank AB           | 939                     | 939                         | 2011  | May 2021 |           | N       |
| Nordea Bank AB           | 500                     | 500                         | 2008  | Sep 2018 | Sep 2013  | Y       |
| Nordea Bank AB           | 746                     | 746                         | 2012  | Feb 2022 | Feb 2017  | N       |
| Nordea Bank AB           | 996                     | 996                         | 2010  | Mar 2020 |           | N       |
| Nordea Bank AB           | 746                     | 746                         | 2010  | Mar 2021 |           | N       |
| Nordea Bank AB           | 749                     | 749                         | 2012  | Sep 2022 |           | N       |
| <b>Total dated loans</b> | <b>4,676</b>            | <b>4,676</b>                |       |          |           |         |

*Undated loans, tier 1*

| Issuer                             | Carrying amount<br>EURm | Capital base<br>31 Dec 2012 | Start | Maturity | Call date | Step-up |
|------------------------------------|-------------------------|-----------------------------|-------|----------|-----------|---------|
| Nordea Bank AB                     | 376                     | 398                         | 2009  | n/a      | Mar 2015  | Y       |
| Nordea Bank AB                     | 376                     | 376                         | 2009  | n/a      | Mar 2015  | Y       |
| Nordea Bank AB                     | 455                     | 500                         | 2005  | n/a      | Apr 2015  | Y       |
| Nordea Bank AB                     | 176                     | 145                         | 2005  | n/a      | Mar 2035  | Y       |
| Nordea Bank AB                     | 88                      | 73                          | 2005  | n/a      | Oct 2035  | Y       |
| Nordea Bank AB                     | 500                     | 500                         | 2004  | n/a      | Mar 2013  | N       |
| <b>Total undated loans, tier 1</b> | <b>1,971</b>            | <b>1,992</b>                |       |          |           |         |

*Undated loans, tier 2*

| Issuer                             | Carrying amount<br>EURm | Capital base<br>31 Dec 2012 | Start | Maturity | Call date | Step-up |
|------------------------------------|-------------------------|-----------------------------|-------|----------|-----------|---------|
| Nordea Bank Norway ASA             | 152                     | 152                         | 1986  | n/a      | May 2013  | N       |
| Nordea Bank Finland Plc            | 367                     | 468                         | 2004  | n/a      | Jul 2014  | Y       |
| Nordea Bank Finland Plc            | 88                      | 88                          | 1999  | n/a      | Feb 2029  | Y       |
| <b>Total undated loans, tier 2</b> | <b>607</b>              | <b>708</b>                  |       |          |           |         |

|              |              |              |  |  |  |  |
|--------------|--------------|--------------|--|--|--|--|
| <b>Total</b> | <b>7,254</b> | <b>7,376</b> |  |  |  |  |
|--------------|--------------|--------------|--|--|--|--|



## G40 Capital adequacy

### Capital requirements and RWA

| EURm                                                         | 31 Dec 2012         |              | 31 Dec 2011         |              |
|--------------------------------------------------------------|---------------------|--------------|---------------------|--------------|
|                                                              | Capital requirement | Basel II RWA | Capital requirement | Basel II RWA |
| Credit risk                                                  | 11,627              | 145,340      | 12,929              | 161,604      |
| IRB foundation                                               | 9,764               | 122,050      | 9,895               | 123,686      |
| – of which corporate                                         | 7,244               | 90,561       | 6,936               | 86,696       |
| – of which institutions                                      | 671                 | 8,384        | 897                 | 11,215       |
| – of which retail SME                                        | 915                 | 11,439       | 1,041               | 13,017       |
| – of which retail mortgage                                   | 721                 | 9,007        | 800                 | 10,005       |
| – of which retail other                                      | 101                 | 1,264        | 108                 | 1,345        |
| – of which other                                             | 112                 | 1,395        | 113                 | 1,408        |
| Standardised                                                 | 1,863               | 23,290       | 3,034               | 37,918       |
| – of which sovereign                                         | 34                  | 426          | 43                  | 536          |
| – of which institution                                       | 47                  | 583          | 90                  | 1,127        |
| – of which corporate                                         | 732                 | 9,160        | 1,885               | 23,557       |
| – of which retail                                            | 860                 | 10,752       | 795                 | 9,934        |
| – of which other                                             | 190                 | 2,369        | 221                 | 2,764        |
| Market risk                                                  | 506                 | 6,323        | 652                 | 8,144        |
| – of which trading book, Internal Approach                   | 312                 | 3,897        | 390                 | 4,875        |
| – of which trading book, Standardised Approach               | 138                 | 1,727        | 206                 | 2,571        |
| – of which banking book, Standardised Approach               | 56                  | 699          | 56                  | 698          |
| Operational risk                                             | 1,298               | 16,229       | 1,236               | 15,452       |
| – of which standardised                                      | 1,298               | 16,229       | 1,236               | 15,452       |
| Sub total                                                    | 13,431              | 167,892      | 14,817              | 185,200      |
| Adjustment for transition rules                              |                     |              |                     |              |
| Additional capital requirement according to transition rules | 3,731               | 46,631       | 3,087               | 38,591       |
| Total                                                        | 17,162              | 214,523      | 17,904              | 223,791      |

### Capital requirements for market risk, 31 December 2012

| EURm                            | Trading book, IA |                     | Trading book, SA |                     | Banking book, SA |                     | Total |                     |
|---------------------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|-------|---------------------|
|                                 | RWA              | Capital requirement | RWA              | Capital requirement | RWA              | Capital requirement | RWA   | Capital requirement |
| Interest rate risk <sup>1</sup> | 1,070            | 85                  | 1,298            | 104                 | —                | —                   | 2,368 | 189                 |
| Equity risk                     | 106              | 9                   | 317              | 25                  | —                | —                   | 423   | 34                  |
| Foreign exchange risk           | 298              | 24                  | —                | —                   | 699              | 56                  | 997   | 80                  |
| Commodity risk                  | —                | —                   | 112              | 9                   | —                | —                   | 112   | 9                   |
| Diversification effect          | –600             | –48                 | —                | —                   | —                | —                   | –600  | –48                 |
| Stressed Value-at-Risk          | 1,770            | 142                 | —                | —                   | —                | —                   | 1,770 | 142                 |
| Incremental Risk Charge         | 764              | 61                  | —                | —                   | —                | —                   | 764   | 61                  |
| Comprehensive Risk Charge       | 489              | 39                  | —                | —                   | —                | —                   | 489   | 39                  |
| Total                           | 3,897            | 312                 | 1,727            | 138                 | 699              | 56                  | 6,323 | 506                 |

1) Interest rate risk column Trading book IA includes both general and specific interest rate risk which is elsewhere referred to as interest rate VaR and credit spread VaR.

The Nordea Group may transfer capital within its legal entities without material restrictions. International transfers of capital between legal entities are normally possible after approval by the local regulator and are of importance in governing the capital position of the Group. The guarantee schemes introduced within the EU in 2008 limit the transferability of capital under certain circumstances, which serves to impact cross-border financial groups. No such restrictions were however directly affecting Nordea as per end of 2012.

More Capital Adequacy information for the Group can be found in the Capital management section page 66 and in the Pillar III report.

## G40

## Capital adequacy

**Specification over group undertakings consolidated/deducted from the Nordea Financial Group, 31 December 2012**

| Group undertakings included in the Nordea Financial Group | Number of shares | Carrying amount EURm | Voting power of holding | Domicile      | Consolidation method |
|-----------------------------------------------------------|------------------|----------------------|-------------------------|---------------|----------------------|
| Nordea Bank Finland Plc                                   | 1,030,800,000    | 5,956                | 100%                    | Helsinki      | Purchase method      |
| Nordea Finance Finland Ltd                                |                  |                      | 100%                    | Espoo         | Purchase method      |
| Nordea Bank Danmark A/S                                   | 50,000,000       | 4,010                | 100%                    | Copenhagen    | Purchase method      |
| Nordea Finans Danmark A/S                                 |                  |                      | 100%                    | Höje Taastrup | Purchase method      |
| Nordea Kredit Realkreditaktieselskab                      |                  |                      | 100%                    | Copenhagen    | Purchase method      |
| Fionia Asset Company A/S                                  |                  |                      | 100%                    | Copenhagen    | Purchase method      |
| Nordea Bank Norge ASA                                     | 551,358, 576     | 2,818                | 100%                    | Oslo          | Purchase method      |
| Nordea Eiendoms kreditt AS                                |                  |                      | 100%                    | Oslo          | Purchase method      |
| Nordea Finans Norge AS                                    |                  |                      | 100%                    | Oslo          | Purchase method      |
| Privatmegleren AS                                         |                  |                      | 100%                    | Oslo          | Purchase method      |
| Nordea Bank Polska S.A.                                   | 55,061,403       | 363                  | 99%                     | Gdynia        | Purchase method      |
| OOO Promyshlennaya Companiya Vestcon                      | 4,601,942,680    | 659                  | 100%                    | Moscow        | Purchase method      |
| OJSC Nordea Bank                                          |                  |                      | 100%                    | Moscow        | Purchase method      |
| Nordea Hypotek AB (publ)                                  | 100,000          | 1,898                | 100%                    | Stockholm     | Purchase method      |
| Nordea Fonder AB                                          | 15,000           | 241                  | 100%                    | Stockholm     | Purchase method      |
| Nordea Bank S.A.                                          | 999,999          | 454                  | 100%                    | Luxembourg    | Purchase method      |
| Nordea Finans Sverige AB (publ)                           | 1,000,000        | 116                  | 100%                    | Stockholm     | Purchase method      |
| Nordea Fondene Norge Holding AS                           | 1,200            | 29                   | 100%                    | Oslo          | Purchase method      |
| Nordea Eijendomsinvestering A/S                           | 1,000            | 29                   | 100%                    | Copenhagen    | Purchase method      |
| Nordea Investment Management AB                           | 12,600           | 232                  | 100%                    | Stockholm     | Purchase method      |
| Nordea Invest Fund Management A/S                         | 25,000           | 8                    | 100%                    | Copenhagen    | Purchase method      |
| Nordea Investment Fund Company Finland Ltd                | 3,350            | 138                  | 100%                    | Helsinki      | Purchase method      |
| Nordea Life Holding AB                                    | 1,000            | 707                  | 100%                    | Stockholm     | Purchase method      |
| Other companies                                           |                  | 1                    |                         |               | Purchase method      |
| <b>Total included in the capital base</b>                 |                  | <b>17,659</b>        |                         |               |                      |

| Group undertakings deducted from the capital base              | Carrying amount EURm | Voting power of holding | Domicile  |
|----------------------------------------------------------------|----------------------|-------------------------|-----------|
| Nordea Life Holding AB, including debt from parent company     | 1,236                | 100%                    | Stockholm |
| <b>Total group undertakings deducted from the capital base</b> | <b>1,236</b>         |                         |           |

**Over 10% investments in credit institutions deducted from the capital base, including debt from group undertakings**

|                                                                                            |            |     |            |
|--------------------------------------------------------------------------------------------|------------|-----|------------|
| Eksportfinans ASA                                                                          | 191        | 23% | Oslo       |
| NF Fleet Oy                                                                                | 2          | 20% | Espoo      |
| LR Realkredit A/S                                                                          | 13         | 39% | Copenhagen |
| Other                                                                                      | 0          |     |            |
| <b>Total investments in credit institutions deducted from the capital base<sup>1</sup></b> | <b>206</b> |     |            |

1) Other associated undertakings are consolidated using the equity method.

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## Classification of financial instruments

|                                                                                 |                       |                  | Financial assets at fair value through profit or loss      |                                                 |                              |                             |                           |         |
|---------------------------------------------------------------------------------|-----------------------|------------------|------------------------------------------------------------|-------------------------------------------------|------------------------------|-----------------------------|---------------------------|---------|
|                                                                                 |                       |                  |                                                            | Designated at fair value through profit or loss | Derivatives used for hedging | Available for sale          | Non-financial assets      | Total   |
| 31 Dec 2012, EURm                                                               | Loans and receivables | Held to maturity | Held for trading                                           |                                                 |                              |                             |                           |         |
| Assets                                                                          |                       |                  |                                                            |                                                 |                              |                             |                           |         |
| Cash and balances with central banks                                            | 36,060                | —                | —                                                          | —                                               | —                            | —                           | —                         | 36,060  |
| Loans to central banks                                                          | 7,207                 | —                | 798                                                        | —                                               | —                            | —                           | —                         | 8,005   |
| Loans to credit institutions                                                    | 2,911                 | —                | 6,683                                                      | 975                                             | —                            | —                           | —                         | 10,569  |
| Loans to the public                                                             | 266,996               | —                | 26,120                                                     | 53,135                                          | —                            | —                           | —                         | 346,251 |
| Interest-bearing securities                                                     | 755                   | 6,497            | 39,561                                                     | 20,762                                          | —                            | 27,364                      | —                         | 94,939  |
| Financial instruments pledged as collateral                                     | —                     | —                | 7,970                                                      | —                                               | —                            | —                           | —                         | 7,970   |
| Shares                                                                          | —                     | —                | 8,950                                                      | 19,168                                          | —                            | 10                          | —                         | 28,128  |
| Derivatives                                                                     | —                     | —                | 115,706                                                    | —                                               | 3,083                        | —                           | —                         | 118,789 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -711                  | —                | —                                                          | —                                               | —                            | —                           | —                         | -711    |
| Investments in associated undertakings                                          | —                     | —                | —                                                          | —                                               | —                            | —                           | 585                       | 585     |
| Intangible assets                                                               | —                     | —                | —                                                          | —                                               | —                            | —                           | 3,425                     | 3,425   |
| Property and equipment                                                          | —                     | —                | —                                                          | —                                               | —                            | —                           | 474                       | 474     |
| Investment property                                                             | —                     | —                | —                                                          | —                                               | —                            | —                           | 3,408                     | 3,408   |
| Deferred tax assets                                                             | —                     | —                | —                                                          | —                                               | —                            | —                           | 218                       | 218     |
| Current tax assets                                                              | —                     | —                | —                                                          | —                                               | —                            | —                           | 78                        | 78      |
| Retirement benefit assets                                                       | —                     | —                | —                                                          | —                                               | —                            | —                           | 301                       | 301     |
| Other assets                                                                    | 7,560                 | —                | —                                                          | 7,810                                           | —                            | —                           | 1,002                     | 16,372  |
| Prepaid expenses and accrued income                                             | 2,083                 | —                | —                                                          | 25                                              | —                            | —                           | 451                       | 2,559   |
| Total                                                                           | 322,861               | 6,497            | 205,788                                                    | 101,875                                         | 3,083                        | 27,374                      | 9,942                     | 677,420 |
|                                                                                 |                       |                  |                                                            |                                                 |                              |                             |                           |         |
|                                                                                 |                       |                  | Financial liabilities at fair value through profit or loss |                                                 |                              |                             |                           |         |
|                                                                                 |                       |                  | Held for trading                                           | Designated at fair value through profit or loss | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities | Total   |
| Liabilities                                                                     |                       |                  |                                                            |                                                 |                              |                             |                           |         |
| Deposits by credit institutions                                                 |                       |                  | 17,320                                                     | 2,538                                           | —                            | 35,568                      | —                         | 55,426  |
| Deposits and borrowings from the public                                         |                       |                  | 16,919                                                     | 7,381                                           | —                            | 176,378                     | —                         | 200,678 |
| Liabilities to policyholders                                                    |                       |                  | —                                                          | 12,106                                          | —                            | —                           | 33,214                    | 45,320  |
| Debt securities in issue                                                        |                       |                  | 7,572                                                      | 31,296                                          | —                            | 145,472                     | —                         | 184,340 |
| Derivatives                                                                     |                       |                  | 113,202                                                    | —                                               | 1,001                        | —                           | —                         | 114,203 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk |                       |                  | —                                                          | —                                               | —                            | 1,940                       | —                         | 1,940   |
| Current tax liabilities                                                         |                       |                  | —                                                          | —                                               | —                            | —                           | 391                       | 391     |
| Other liabilities                                                               |                       |                  | 6,136                                                      | 5,787                                           | —                            | 19,107                      | 2,442                     | 33,472  |
| Accrued expenses and prepaid income                                             |                       |                  | —                                                          | 470                                             | —                            | 2,103                       | 1,330                     | 3,903   |
| Deferred tax liabilities                                                        |                       |                  | —                                                          | —                                               | —                            | —                           | 997                       | 997     |
| Provisions                                                                      |                       |                  | —                                                          | —                                               | —                            | —                           | 389                       | 389     |
| Retirement benefit obligations                                                  |                       |                  | —                                                          | —                                               | —                            | —                           | 348                       | 348     |
| Subordinated liabilities                                                        |                       |                  | —                                                          | —                                               | —                            | 7,797                       | —                         | 7,797   |
| Total                                                                           |                       |                  | 161,149                                                    | 59,578                                          | 1,001                        | 388,365                     | 39,111                    | 649,204 |

## G41

## Classification of financial instruments, cont.

| 31 Dec 2011, EURm                                                               | Loans and receivables | Held to maturity | Held for trading | Financial assets at fair value through profit or loss | Derivatives used for hedging | Available for sale | Non-financial assets | Total          |
|---------------------------------------------------------------------------------|-----------------------|------------------|------------------|-------------------------------------------------------|------------------------------|--------------------|----------------------|----------------|
|                                                                                 |                       |                  |                  | Designated at fair value through profit or loss       |                              |                    |                      |                |
| <b>Assets</b>                                                                   |                       |                  |                  |                                                       |                              |                    |                      |                |
| Cash and balances with central banks                                            | 3,765                 | —                | —                | —                                                     | —                            | —                  | —                    | 3,765          |
| Loans to central banks                                                          | 40,063                | —                | 552              | —                                                     | —                            | —                  | —                    | 40,615         |
| Loans to credit institutions                                                    | 2,963                 | —                | 4,760            | 3,527                                                 | —                            | —                  | —                    | 11,250         |
| Loans to the public                                                             | 264,272               | —                | 23,718           | 49,213                                                | —                            | —                  | —                    | 337,203        |
| Interest-bearing securities                                                     | 400                   | 7,893            | 43,138           | 21,138                                                | —                            | 19,804             | —                    | 92,373         |
| Financial instruments pledged as collateral                                     | —                     | —                | 8,373            | —                                                     | —                            | —                  | —                    | 8,373          |
| Shares                                                                          | —                     | —                | 4,474            | 15,683                                                | —                            | 10                 | —                    | 20,167         |
| Derivatives                                                                     | —                     | —                | 169,402          | —                                                     | 2,541                        | —                  | —                    | 171,943        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -215                  | —                | —                | —                                                     | —                            | —                  | —                    | -215           |
| Investments in associated undertakings                                          | —                     | —                | —                | —                                                     | —                            | —                  | 591                  | 591            |
| Intangible assets                                                               | —                     | —                | —                | —                                                     | —                            | —                  | 3,321                | 3,321          |
| Property and equipment                                                          | —                     | —                | —                | —                                                     | —                            | —                  | 469                  | 469            |
| Investment property                                                             | —                     | —                | —                | —                                                     | —                            | —                  | 3,644                | 3,644          |
| Deferred tax assets                                                             | —                     | —                | —                | —                                                     | —                            | —                  | 169                  | 169            |
| Current tax assets                                                              | —                     | —                | —                | —                                                     | —                            | —                  | 185                  | 185            |
| Retirement benefit assets                                                       | —                     | —                | —                | —                                                     | —                            | —                  | 223                  | 223            |
| Other assets                                                                    | 12,548                | —                | —                | 6,854                                                 | —                            | —                  | 23                   | 19,425         |
| Prepaid expenses and accrued income                                             | 2,124                 | —                | 169              | 36                                                    | —                            | —                  | 374                  | 2,703          |
| <b>Total</b>                                                                    | <b>325,920</b>        | <b>7,893</b>     | <b>254,586</b>   | <b>96,451</b>                                         | <b>2,541</b>                 | <b>19,814</b>      | <b>8,999</b>         | <b>716,204</b> |

| 31 Dec 2011, EURm                                                               | Held for trading | Financial liabilities at fair value through profit or loss | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities | Total          |
|---------------------------------------------------------------------------------|------------------|------------------------------------------------------------|------------------------------|-----------------------------|---------------------------|----------------|
|                                                                                 |                  | Designated at fair value through profit or loss            |                              |                             |                           |                |
| <b>Liabilities</b>                                                              |                  |                                                            |                              |                             |                           |                |
| Deposits by credit institutions                                                 | 12,934           | 7,204                                                      | —                            | 35,178                      | —                         | 55,316         |
| Deposits and borrowings from the public                                         | 14,092           | 6,962                                                      | —                            | 169,038                     | —                         | 190,092        |
| Liabilities to policyholders                                                    | —                | 10,226                                                     | —                            | —                           | 30,489                    | 40,715         |
| Debt securities in issue                                                        | 6,087            | 31,756                                                     | —                            | 142,107                     | —                         | 179,950        |
| Derivatives                                                                     | 166,763          | —                                                          | 627                          | —                           | —                         | 167,390        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | —                | —                                                          | —                            | 1,274                       | —                         | 1,274          |
| Current tax liabilities                                                         | —                | —                                                          | —                            | —                           | 154                       | 154            |
| Other liabilities                                                               | 13,539           | 5,024                                                      | —                            | 24,677                      | 128                       | 43,368         |
| Accrued expenses and prepaid income                                             | —                | 664                                                        | —                            | 1,805                       | 1,027                     | 3,496          |
| Deferred tax liabilities                                                        | —                | —                                                          | —                            | —                           | 1,018                     | 1,018          |
| Provisions                                                                      | —                | —                                                          | —                            | —                           | 483                       | 483            |
| Retirement benefit obligations                                                  | —                | —                                                          | —                            | —                           | 325                       | 325            |
| Subordinated liabilities                                                        | —                | —                                                          | —                            | 6,503                       | —                         | 6,503          |
| <b>Total</b>                                                                    | <b>213,415</b>   | <b>61,836</b>                                              | <b>627</b>                   | <b>380,582</b>              | <b>33,624</b>             | <b>690,084</b> |

## Loans designated at fair value through profit or loss

| EURm <sup>1</sup>                                                      | 31 Dec 2012 | 31 Dec 2011 |
|------------------------------------------------------------------------|-------------|-------------|
| Carrying amount                                                        | 54,110      | 52,740      |
| Maximum exposure to credit risk                                        | 54,110      | 52,740      |
| Carrying amount of credit derivatives used to mitigate the credit risk | —           | —           |

1) Comparative figures have been restated to ensure consistency between periods.

## G41

## Classification of financial instruments, cont.

**Financial assets and liabilities designated at fair value through profit or loss**

Changes in fair values of financial liabilities attributable to changes in credit risk

The financial liabilities designated at fair value through profit or loss exposed to changes in credit risk are issued bonds in the Danish group undertaking Nordea Kredit Realkreditaktieselskab, EUR 31,296m (EUR 31,756m), the funding of the Markets operation, EUR 16,176m (EUR 19,854m) and investment contracts in Life, EUR 12,106m (EUR 10,226m). The funding of Markets is generally of such a short term nature that the effect of changes in own credit risk is not significant. The value of the investment contracts in Life is directly linked to the assets in the contracts and there is consequently no effect from changes in own credit risk in these contracts.

The fair value of bonds issued by Nordea Kredit Realkreditaktieselskab increased by EUR 89m (decreased EUR 210m) in 2012 due to changes in own credit risk. The cumulative change since designation is a decrease of EUR 626m (decrease EUR 718m). The method used to estimate the amount of changes in fair value attributable to changes in market conditions is based on relevant benchmark interest rates, which are the average yields on Danish and German (EUR) government bonds.

For the issued mortgage bonds a change in the liability's credit risk and price will have a corresponding effect on the value of the loans. The reason is that a change in the price of the bonds will be offset by the opposite change in the value of the prepayment option of the loan.

**Changes in fair values of financial assets attributable to changes in credit risk**

Lending designated at fair value through profit or loss exposed to changes in credit risk consist of lending in the Danish group undertaking Nordea Kredit Realkreditaktieselskab, EUR 48,091m (EUR 45,720m) and lending in the Markets operation, EUR 6,019m (EUR 7,020m). The fair value of lending in Nordea Kredit Realkreditaktieselskab decreased by EUR 119m (decreased EUR 51m) in 2012 due to changes in credit risk. The cumulative change since designation is a decrease of EUR 169m (decrease EUR 113m). The method used to estimate the amount of change in the fair value attributable to changes in credit risk is similar to the incurred loss impairment model for amortised cost assets under IAS 39. The lending in Markets is generally of such a short term nature (mainly overnight deposits) that the effect of changes in credit risk is not significant. Also instruments classified as "Other assets" and "Prepaid expenses and accrued income" are of such a short-term nature that the impact from changes in credit risk is not significant.

**Comparison of carrying amount and contractual amount to be paid at maturity**

| 2012, EURm                                                            | Carrying amount | Amount to be paid at maturity |
|-----------------------------------------------------------------------|-----------------|-------------------------------|
| Financial liabilities designated at fair value through profit or loss | 59,578          | 58,338                        |
| 2011, EURm                                                            | Carrying amount | Amount to be paid at maturity |
| Financial liabilities designated at fair value through profit or loss | 61,836          | 60,420                        |

Liabilities to policyholders have no fixed maturities and there is no fixed amount to be paid. The amount disclosed to be paid at maturity has been set to the carrying amount.

## G42

## Assets and liabilities at fair value

| EURm                                                                            | 31 Dec 2012     |                | 31 Dec 2011     |                |
|---------------------------------------------------------------------------------|-----------------|----------------|-----------------|----------------|
|                                                                                 | Carrying amount | Fair value     | Carrying amount | Fair value     |
| <b>Assets</b>                                                                   |                 |                |                 |                |
| Cash and balances with central banks                                            | 36,060          | 36,060         | 3,765           | 3,765          |
| Loans to central banks                                                          | 8,005           | 8,005          | 40,615          | 40,615         |
| Loans to credit institutions                                                    | 10,569          | 10,571         | 11,250          | 11,271         |
| Loans to the public                                                             | 346,251         | 346,505        | 337,203         | 337,354        |
| Interest-bearing securities                                                     | 94,939          | 95,308         | 92,373          | 92,635         |
| Financial instruments pledged as collateral                                     | 7,970           | 7,970          | 8,373           | 8,373          |
| Shares                                                                          | 28,128          | 28,128         | 20,167          | 20,247         |
| Derivatives                                                                     | 118,789         | 118,789        | 171,943         | 171,943        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -711            | -711           | -215            | -215           |
| Investments in associated undertakings                                          | 585             | 585            | 591             | 591            |
| Intangible assets                                                               | 3,425           | 3,425          | 3,321           | 3,321          |
| Property and equipment                                                          | 474             | 474            | 469             | 469            |
| Investment property                                                             | 3,408           | 3,408          | 3,644           | 3,644          |
| Deferred tax assets                                                             | 218             | 218            | 169             | 169            |
| Current tax assets                                                              | 78              | 78             | 185             | 186            |
| Retirement benefit assets                                                       | 301             | 301            | 223             | 223            |
| Other assets                                                                    | 16,372          | 16,372         | 19,425          | 19,425         |
| Prepaid expenses and accrued income                                             | 2,559           | 2,559          | 2,703           | 2,703          |
| <b>Total assets</b>                                                             | <b>677,420</b>  | <b>678,045</b> | <b>716,204</b>  | <b>716,719</b> |
| <b>Liabilities</b>                                                              |                 |                |                 |                |
| Deposits by credit institutions                                                 | 55,426          | 55,396         | 55,316          | 55,302         |
| Deposits and borrowings from the public                                         | 200,678         | 200,605        | 190,092         | 190,047        |
| Liabilities to policyholders                                                    | 45,320          | 45,320         | 40,715          | 40,715         |
| Debt securities in issue                                                        | 184,340         | 183,647        | 179,950         | 179,902        |
| Derivatives                                                                     | 114,203         | 114,203        | 167,390         | 167,390        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 1,940           | 1,940          | 1,274           | 1,274          |
| Current tax liabilities                                                         | 391             | 391            | 154             | 154            |
| Other liabilities                                                               | 33,472          | 33,472         | 43,368          | 43,368         |
| Accrued expenses and prepaid income                                             | 3,903           | 3,903          | 3,496           | 3,496          |
| Deferred tax liabilities                                                        | 997             | 997            | 1,018           | 1,018          |
| Provisions                                                                      | 389             | 389            | 483             | 483            |
| Retirement benefit obligations                                                  | 348             | 348            | 325             | 325            |
| Subordinated liabilities                                                        | 7,797           | 7,798          | 6,503           | 6,502          |
| <b>Total liabilities</b>                                                        | <b>649,204</b>  | <b>648,409</b> | <b>690,084</b>  | <b>689,976</b> |

## G42

## Assets and liabilities at fair value, cont.

**Determination of fair value for assets and liabilities**

Financial assets and financial liabilities on the balance sheet are generally measured at fair value, with the exception of loans, deposits and borrowings and issued securities.

The carrying amounts on loans, deposits and borrowings and issued securities are adjusted for the value of the fixed interest term, unless the interest risk is hedged, in order to estimate the fair values that are presented in the tables above. The value of the fixed interest term is a result of changes in the relevant market interest rates. The discount rates used are based on current market rates for each term. The fair value of the hedged interest rate risk is included in the balance sheet item "Fair value changes of the hedged items in portfolio hedge of interest rate risk".

Fair value is estimated to be equal to the carrying amount for short-term financial assets and financial liabilities. The carrying amount is a reasonable approximation of fair value due to limited credit risk and short time to maturity.

Fair value is set to carrying amount, in the tables above, for assets and liabilities for which no reliable fair value has been possible to estimate. This is valid for the line items investments in associated undertakings, investments in group undertakings, intangible assets, property and equipment and provisions.

Nordea holds very limited amounts of financial instruments with discretionary participating features in the Life business, which are recognised on the balance sheet in the line "Liabilities to policyholders". These instruments can not be reliably measured at fair value and consequently the fair value for these instruments are set to the carrying amount.

Nordea holds very limited amounts of equity instruments measured at cost. Fair value is set to the carrying amount for these instruments as the fair value can not be measured reliably.

For further information about valuation of items normally measured at fair value, see Note G1 and the separate section below.

**Deferred Day 1 profit or loss**

In accordance with the Group's accounting policy as described in Note G1, the financial instrument is recognised at the transaction price and any trade date profit is deferred if there are significant unobservable inputs used in the valuation technique. The table below shows the aggregate difference yet to be recognised in the income statement at the beginning and end of the period and a reconciliation of changes in the carrying amount (movement of deferred Day 1 profit or loss).

| EURm                                               | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------------------------------|----------------|----------------|
| Amount at beginning of year                        | 29             | 42             |
| Deferred profit/loss on new transactions           | 7              | 1              |
| Recognised in the income statement during the year | -12            | -14            |
| Amount at end of year                              | 24             | 29             |

**Determination of fair value from quoted market prices or valuation techniques**

Fair value measurements of financial instruments carried at fair value are categorised under the three levels of the IFRS fair value hierarchy that reflects the significance of unobservable inputs. The categorisation of these instruments is based on the lowest level input that is significant to the fair value measurement in its entirety.

Level 1 in the fair value hierarchy consists of financial assets and financial liabilities valued using unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an on-going basis. This category includes listed derivatives, listed equities, government bonds in developed countries, and most liquid mortgage bonds and corporate bonds where direct tradable price quotes exist.

Level 2 in the fair value hierarchy consists of financial assets and financial liabilities that do not have directly quoted market prices available from active markets. The fair values are estimated using valuation techniques or valuation models based on market prices or rates prevailing at the balance sheet date and any unobservable inputs have had an insignificant impact on the fair values. This is the case for the majority of Nordea's OTC derivatives, securities purchased/sold under reverse repurchase/repurchase agreements, securities borrowed/lent and other instruments where active markets supply the input to the valuation techniques or models.

Level 3 in the fair value hierarchy consists of those types of financial instruments where fair values cannot be obtained directly from quoted market prices or indirectly using valuation techniques or models supported by observable market prices or rates. This is generally the case for investments in unlisted securities, private equity funds and hedge funds. This is generally also the case for more complex OTC derivatives, including OTC derivatives where less active markets supply input to the valuation techniques or models, certain complex or structured financial instruments such as CLNs and CDOs, and illiquid interest bearing securities. Complex valuation models are generally characterised by the use of unobservable and model specific parameters.

All valuation models, both complex and simple models, make use of market parameters. These parameters comprise interest rates, volatilities, correlations etc. Some of these parameters are observable while others are not. For non-exotic currencies the interest rates are all observable, and the volatilities and the correlations of the interest rates and FX rates are observable up to a certain maturity. Volatilities and correlations are also observable for the most liquid equity instruments in the short end. For less liquid equity instruments, and for commodities, the option market is fairly illiquid, and hence the volatilities and correlations are unobservable. For each instrument the sensitivity towards unobservable parameters is measured. If the impact from unobservable parameters on the valuation is significant the instrument is categorised as Level 3 in the fair value hierarchy.

For interest-bearing securities the categorisation into the three levels are based on the internal pricing methodology. These instruments can either be directly quoted in active markets (Level 1) or measured using a methodology giving a quote based on observable inputs (Level 2). Level 3 bonds are characterised by illiquidity.

For OTC derivatives valuation models are used for establishing fair value. For collateralised contracts OIS interest rates are used for discounting. These rates are observable in the market. The valuation is in addition based on several other market parameters, depending on the nature of the contract. Complex valuation models are used for more exotic OTC derivatives. The models are usually in-house developed, and based on assumptions about the behaviour of the underlying asset and statistical scenario analysis. As mentioned above OTC derivatives are generally categorised as Level 2 in the fair value hierarchy.



## G42

## Assets and liabilities at fair value, cont.

archy and all significant model parameters are thus observable in active markets. For vanilla derivatives standard models like e.g. Black-Scholes are used for valuation.

Valuations of Private Equity Funds (PEF) and unlisted equity instruments are by nature more uncertain than valuations of more actively traded equity instruments. Emphasis is put on using a consistent approach across all assets and over time. The methods used are consistent with the guideline "International Private Equity and Venture Capital Valuation Guidelines" issued by EVCA (European Venture Capital Association). The EVCA guidelines are considered as best practice in the PEF industry. For US based funds, similar methods are applied.

Nordea furthermore holds loans and issued debt securities in the group undertaking Nordea Kredit Realkreditaktieselskab at fair value. When Nordea grants mortgage loans to borrowers, in accordance with the Danish mortgage finance law, Nordea at the same time issues debt securities with matching terms, so called "match funding". Fair value of the issued debt securities is based on quoted prices and thus categorised as Level 1 in the fair value hierarchy. As the borrowers have the right to purchase debt securities issued by Nordea in the market and return these as repayment for their loans, the fair value of the loans is the same as the fair value of the issued bonds (due to the revaluation of the repayment option embedded in the loan) adjusted for changes in the credit risk of the borrower. The credit risk adjustment is calculated based on an incurred loss model.

Fair value is generally calculated as the theoretical net present value of the individual instruments, based on independently sourced market parameters as described above, and

assuming no risks and uncertainties. This calculation is supplemented by a portfolio adjustment. The portfolio adjustment covers uncertainties associated with the valuation techniques, model assumptions and unobservable parameters as well as the portfolio's counterparty credit risk and liquidity risk. An important part of the portfolio adjustment serves to adjust the net open market risk exposures from mid-prices to ask or bid prices (depending on the net position). For different risk categories, exposures are aggregated and netted according to internal guidelines and aggregated market price information on bid-ask spreads are applied in the calculation. Spreads are updated on a regular basis

The portfolio adjustment for uncertainties associated with model assumptions comprises two components (The calculation principles are defined as part of the internal approval process for valuation models):

- Benchmarking of the model output (market values) against market information or against results from alternative models, where available.
- Sensitivity calculations where unobservable parameters are changed to other reasonable values.

The portfolio adjustment for counterparty risk in OTC-derivatives is based on the current exposure towards each counterpart, the estimated potential future exposure as well as an estimate of the cost of hedging the counterparty risk. This cost of hedging is either based directly on market prices (where available) or on a theoretical calculation based on the internal credit rating of the counterpart.

The following table presents the categorisation of financial instruments held at fair value into the fair value hierarchy.

|                                         | Quoted prices in<br>active markets for<br>the same instrument<br>(Level 1) | – of<br>which<br>Life | Valuation<br>technique using<br>observable data<br>(Level 2) | – of<br>which<br>Life | Valuation<br>technique using<br>non-observable data<br>(Level 3) | – of<br>which<br>Life | Total   |
|-----------------------------------------|----------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------|-----------------------|------------------------------------------------------------------|-----------------------|---------|
| <b>31 Dec 2012, EURm</b>                |                                                                            |                       |                                                              |                       |                                                                  |                       |         |
| <b>Assets</b>                           |                                                                            |                       |                                                              |                       |                                                                  |                       |         |
| Loans to central banks                  | —                                                                          | —                     | 798                                                          | —                     | —                                                                | —                     | 798     |
| Loans to credit institutions            | 34                                                                         | —                     | 7,624                                                        | —                     | —                                                                | —                     | 7,658   |
| Loans to the public                     | —                                                                          | —                     | 79,255                                                       | —                     | —                                                                | —                     | 79,255  |
| Debt securities <sup>1</sup>            | 60,593                                                                     | 16,768                | 33,940                                                       | 5,558                 | 1,118                                                            | 719                   | 95,651  |
| Shares <sup>2</sup>                     | 24,760                                                                     | 16,886                | —                                                            | —                     | 3,374                                                            | 2,210                 | 28,134  |
| Derivatives                             | 175                                                                        | 156                   | 116,698                                                      | 78                    | 1,916                                                            | —                     | 118,789 |
| Other assets                            | —                                                                          | —                     | 7,810                                                        | —                     | —                                                                | —                     | 7,810   |
| Prepaid expenses and accrued income     | —                                                                          | —                     | 25                                                           | —                     | —                                                                | —                     | 25      |
| <b>Liabilities</b>                      |                                                                            |                       |                                                              |                       |                                                                  |                       |         |
| Deposits by credit institutions         | —                                                                          | —                     | 19,858                                                       | —                     | —                                                                | —                     | 19,858  |
| Deposits and borrowings from the public | —                                                                          | —                     | 24,300                                                       | —                     | —                                                                | —                     | 24,300  |
| Liabilities to policy holders           | —                                                                          | —                     | 12,106                                                       | 12,106                | —                                                                | —                     | 12,106  |
| Debt securities in issue                | 31,296                                                                     | —                     | 7,572                                                        | —                     | —                                                                | —                     | 38,868  |
| Derivatives                             | 53                                                                         | —                     | 112,566                                                      | —                     | 1,584                                                            | —                     | 114,203 |
| Other liabilities                       | 4,873                                                                      | —                     | 7,050                                                        | —                     | —                                                                | —                     | 11,923  |
| Accrued expenses and prepaid income     | —                                                                          | —                     | 470                                                          | —                     | —                                                                | —                     | 470     |

1) Of which EUR 87,687m relates to Interest-bearing securities (the portion held at fair value in Note G41). EUR 7,964m relates to the balance sheet item Financial instruments pledged as collateral.

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

## G42

## Assets and liabilities at fair value, cont

| 31 Dec 2011, EURm                          | Quoted prices in<br>active markets for the<br>same instrument<br>(Level 1) | – of<br>which<br>Life | Valuation<br>technique using<br>observable data<br>(Level 2) | – of<br>which<br>Life | Valuation<br>technique using<br>non-observable data<br>(Level 3) | – of<br>which<br>Life | Total   |
|--------------------------------------------|----------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------|-----------------------|------------------------------------------------------------------|-----------------------|---------|
| <b>Assets</b>                              |                                                                            |                       |                                                              |                       |                                                                  |                       |         |
| Loans to central banks                     | —                                                                          | —                     | 552                                                          | —                     | —                                                                | —                     | 552     |
| Loans to credit institutions               | 48                                                                         | —                     | 8,239                                                        | —                     | —                                                                | —                     | 8,287   |
| Loans to the public                        | —                                                                          | —                     | 72,931                                                       | —                     | —                                                                | —                     | 72,931  |
| Debt securities <sup>1</sup>               | 71,424                                                                     | 14,443                | 19,230                                                       | 5,944                 | 1,149                                                            | 750                   | 91,803  |
| Shares <sup>2</sup>                        | 15,893                                                                     | 12,134                | 3                                                            | —                     | 4,921                                                            | 3,425                 | 20,817  |
| Derivatives                                | 551                                                                        | 3                     | 170,435                                                      | 11                    | 957                                                              | —                     | 171,943 |
| Other assets                               | —                                                                          | —                     | 6,854                                                        | —                     | —                                                                | —                     | 6,854   |
| Prepaid expenses and accrued<br>income     | —                                                                          | —                     | 205                                                          | —                     | —                                                                | —                     | 205     |
| <b>Liabilities</b>                         |                                                                            |                       |                                                              |                       |                                                                  |                       |         |
| Deposits by credit institutions            | —                                                                          | —                     | 20,138                                                       | —                     | —                                                                | —                     | 20,138  |
| Deposits and borrowings from the<br>public | —                                                                          | —                     | 21,054                                                       | —                     | —                                                                | —                     | 21,054  |
| Liabilities to policy holders              | —                                                                          | —                     | 10,226                                                       | 10,226                | —                                                                | —                     | 10,226  |
| Debt securities in issue                   | 31,756                                                                     | —                     | 6,087                                                        | —                     | —                                                                | —                     | 37,843  |
| Derivatives                                | 396                                                                        | 38                    | 165,748                                                      | 17                    | 1,246                                                            | 5                     | 167,390 |
| Other liabilities                          | 8,212                                                                      | —                     | 10,351                                                       | —                     | —                                                                | —                     | 18,563  |
| Accrued expenses and prepaid<br>income     | —                                                                          | —                     | 664                                                          | —                     | —                                                                | —                     | 664     |

1) Of which EUR 84,080m relates to Interest-bearing securities (the portion held at fair value in Note G41). EUR 7,723m relates to the balance sheet item Financial instruments pledged as collateral.

2) EUR 650m relates to the balance sheet item Financial instruments pledged as collateral.

### Transfers between level 1 and 2

During the year, Nordea Group transferred debt securities of EUR 9,558m (EUR 3,057m) from level 1 to level 2 and EUR 1,447m (EUR 496m) from level 2 to level 1 of the fair value hierarchy for financial assets and liabilities at fair value. The reason for transfers from level 1 to level 2 was that the instruments ceased to be actively traded during the year and fair values have now been obtained using valuation techniques with observable market inputs. The reason for transfers from level 2 to level 1 was that the instruments have again been actively traded during the year and reliable quoted prices are obtained in the markets.



## G42

## Assets and liabilities at fair value, cont

## Movements in level 3

The following table shows a reconciliation of the opening and closing carrying amounts of level 3 financial assets and liabilities recognised at fair value.

| 31 Dec 2012, EURm                           | 1 Jan 2012 | Fair value gains/losses recognised in the income statement during the year |                         | Purchases | Sales  | Settlements | Transfers into level 3 | Transfers out from level 3 | Translation differences | 31 Dec 2012 |
|---------------------------------------------|------------|----------------------------------------------------------------------------|-------------------------|-----------|--------|-------------|------------------------|----------------------------|-------------------------|-------------|
|                                             |            | Realised                                                                   | Unrealised <sup>1</sup> |           |        |             |                        |                            |                         |             |
| Debt securities                             | 1,149      | 16                                                                         | 55                      | 156       | -269   | 6           | —                      | —                          | 5                       | 1,118       |
| – of which Life                             | 750        | 22                                                                         | 40                      | 57        | -156   | —           | —                      | —                          | 6                       | 719         |
| Shares                                      | 4,921      | 74                                                                         | 84                      | 1,435     | -3,202 | -4          | 25                     | -10                        | 51                      | 3,374       |
| – of which life                             | 3,425      | 91                                                                         | 38                      | 1,223     | -2,593 | —           | 25                     | -9                         | 10                      | 2,210       |
| Derivatives (net of assets and liabilities) | -289       | -264                                                                       | 621                     | —         | —      | 264         | —                      | 0                          | —                       | 332         |

1) Relates to those assets and liabilities held at the end of the reporting period.

| 31 Dec 2011, EURm                           | 1 Jan 2011 | Realised | Unrealised <sup>1</sup> | Purchases | Sales  | Settlements | Transfers into level 3 | Transfers out from level 3 | Translation differences | 31 Dec 2011 |
|---------------------------------------------|------------|----------|-------------------------|-----------|--------|-------------|------------------------|----------------------------|-------------------------|-------------|
|                                             |            |          |                         |           |        |             |                        |                            |                         |             |
| Debt securities                             | 1,848      | -13      | 149                     | 417       | -671   | —           | 68                     | -655                       | 6                       | 1,149       |
| – of which Life                             | 1,787      | -13      | -16                     | 110       | -536   | —           | 68                     | -655                       | 5                       | 750         |
| Shares                                      | 4,237      | 65       | -79                     | 1,819     | -1,533 | —           | 655                    | -56                        | -187                    | 4,921       |
| – of which life                             | 2,425      | 43       | 2                       | 1,434     | -1,084 | —           | 655                    | -56                        | 6                       | 3,425       |
| Derivatives (net of assets and liabilities) | -65        | 485      | -228                    | —         | —      | -485        | 4                      | —                          | 0                       | -289        |

1) Relates to those assets and liabilities held at the end of the reporting period.

Fair value gains/losses recognised in the income statement during the year are included in “Net result from items at fair value” (see Note G5).

## Sensitivity analysis of level 3 financial instruments

Included in the fair value of financial instruments carried at fair value on the balance sheet are those estimated in full or in part using valuation techniques based on assumptions that are not supported by market observable prices or rates. There may be uncertainty about a valuation, resulting from the choice of valuation technique or model used, the assumptions embedded in those models, the extent to which inputs are not market observable, or as a result of other elements affecting the valuation technique. Portfolio adjustments are applied to reflect such uncertainties and are deducted from the fair values produced by the models or other valuation techniques (for further information see Note G1 section 11 “Determination of fair value of financial instruments” and the separate section above).

This disclosure shows the potential impact from the relative uncertainty in the fair value of financial instruments for which the valuation is dependent on unobservable input parameters. The estimates disclosed below are likely to be greater than the true uncertainty in fair value of these instruments, as it is unlikely in practice that all unobservable parameters would be simultaneously at the extremes of their ranges of reasonably possible alternatives. The disclosure is neither predictive nor indicative of future movements in fair value.

The following table shows the sensitivity of the fair value of level 3 instruments to changes in key assumptions, by class of instruments. Where the exposure to an unobservable parameter is offset across different instruments only the net impact is disclosed in the table.

| 31 Dec 2012, EURm | Carrying amount | Effect of reasonably possible alternative assumptions |              |
|-------------------|-----------------|-------------------------------------------------------|--------------|
|                   |                 | Favourable                                            | Unfavourable |
| Debt securities   | 1,118           | 60                                                    | -60          |
| – of which Life   | 719             | 36                                                    | -36          |
| Shares            | 3,374           | 315                                                   | -315         |
| – of which Life   | 2,210           | 221                                                   | -221         |
| Derivatives (net) | 332             | 20                                                    | -24          |

| 31 Dec 2011, EURm | Carrying amount | Favourable | Unfavourable |
|-------------------|-----------------|------------|--------------|
|                   |                 |            |              |
| Debt securities   | 1,149           | 58         | -58          |
| – of which Life   | 750             | 28         | -28          |
| Shares            | 4,921           | 444        | -444         |
| – of which Life   | 3,425           | 342        | -342         |
| Derivatives (net) | -289            | 20         | -43          |

In order to calculate the effect on level 3 fair values, from altering the assumptions of the valuation technique or model, the sensitivity to unobservable input data is assessed. Derivatives portfolio key inputs, that are based on pricing model assumptions or unobservability of market data inputs, are replaced by alternative estimates or assumptions and the impact on the valuation computed. The majority of the effect on the derivatives is related to various types of correlations or correlation related inputs in credit derivatives, in interest rate OTC derivatives or OTC structured equity derivatives. For the level 3 portfolios of shares and debt securities the fair value was increased and decreased within a range of 3–10 percentage units, which are assessed to be reasonable changes in market movements.

## G43

## Transferred assets and obtained collaterals

**Transferred assets that are not derecognised in their entirety and associated liabilities**

All assets transferred continue to be recognised on the balance sheet if Nordea is still exposed to changes in the fair value of the assets. This is the case for repurchase agreements and securities lending transactions.

Repurchase agreements are a form of collateralised borrowing where Nordea sells securities with an agreement to repurchase them at a later date at a fixed price. The cash received is recognised as a deposit (liability). Securities delivered under repurchase agreements are not derecognised from the balance sheet.

Securities lending transactions are transactions where Nordea lends securities it holds to a counterpart and receives a fee.

As both repurchase agreements and securities lending transactions results in that securities are returned to Nordea, all risks and rewards of the instruments transferred is retained by Nordea, although they are not available for Nordea during the period during which they are transferred. The counterpart in the transactions holds the securities as collateral, but has no recourse to other assets in Nordea.

The securities still reported on the balance sheet and the corresponding liabilities are measured at fair value.

| EURm                          | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-------------------------------|----------------|----------------|
| Repurchase agreements         |                |                |
| Interest-bearing securities   | 7,964          | 7,723          |
| Securities lending agreements |                |                |
| Shares                        | 6              | 650            |
| <b>Total</b>                  | <b>7,970</b>   | <b>8,373</b>   |

**Liabilities associated with the assets**

| EURm                                    | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-----------------------------------------|----------------|----------------|
| Repurchase agreements                   |                |                |
| Deposits by credit institutions         | 3,082          | 3,821          |
| Deposits and borrowings from the public | 5,103          | 3,368          |
| Securities lending agreements           |                |                |
| Deposits by credit institutions         | 46             | —              |
| Other                                   | —              | 1              |
| <b>Total</b>                            | <b>8,231</b>   | <b>7,190</b>   |
| <b>Net</b>                              | <b>-261</b>    | <b>1,183</b>   |

**Obtained collaterals which are permitted to be sold or repledged**

Nordea obtains collaterals under reverse repurchase and securities borrowing agreements which, under the terms of the agreements, can be sold or repledged. The transactions are conducted under standard agreements employed by financial markets participants. Generally, the agreements require additional collateral to be provided if the value of the securities falls below a predetermined level. Under standard terms for most repurchase transactions, the recipient of collateral has an unrestricted right to sell or repledge it, subject to returning equivalent securities on settlement of the transactions. The fair value of the securities obtained as collateral under reverse repurchase and securities borrowing agreements are disclosed below.

| EURm                                                | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-----------------------------------------------------|----------------|----------------|
| Reverse repurchase agreements                       |                |                |
| Received collaterals which can be repledged or sold | 33,092         | 32,700         |
| – of which repledged or sold                        | 14,498         | 10,499         |
| Securities borrowing agreements                     |                |                |
| Received collaterals which can be repledged or sold | 4,064          | 2,261          |
| – of which repledged or sold                        | 4,053          | 2,206          |
| <b>Total</b>                                        | <b>37,156</b>  | <b>34,961</b>  |

## G44

## Investments, customer bearing the risk

Life Group and Nordea Bank Danmark A/S have assets and liabilities included on their balance sheet where customers are bearing the risk. Since the assets and liabilities legally belong to the entities, these assets and liabilities are included on the Group's balance sheet.

| EURm                                    | 31 Dec 2012   | 31 Dec 2011   |
|-----------------------------------------|---------------|---------------|
| <b>Assets</b>                           |               |               |
| Interest-bearing securities             | 1,837         | 2,262         |
| Shares                                  | 18,288        | 13,649        |
| Other assets                            | 236           | 259           |
| <b>Total assets</b>                     | <b>20,361</b> | <b>16,170</b> |
| <b>Liabilities</b>                      |               |               |
| Deposits and borrowings from the public | 3,891         | 3,932         |
| Insurance contracts                     | 7,168         | 4,900         |
| Investment contracts                    | 8,911         | 7,338         |
| Other liabilities                       | 391           | —             |
| <b>Total liabilities</b>                | <b>20,361</b> | <b>16,170</b> |

## G45

## Maturity analysis for assets and liabilities

## Remaining maturity

| 31 Dec 2012, EURm                                                               | Note | Payable on demand | Maximum 3 months | 3–12 months   | 1–5 years      | More than 5 years | Without fixed maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------|------------------|---------------|----------------|-------------------|------------------------|----------------|
| Cash and balances with central banks                                            |      | 36,060            | —                | —             | —              | —                 | —                      | 36,060         |
| Loans to central banks                                                          | G13  | 6,764             | 1,241            | 0             | 0              | 0                 | —                      | 8,005          |
| Loans to credit institutions                                                    | G13  | 1,375             | 7,347            | 611           | 880            | 356               | —                      | 10,569         |
| Loans to the public                                                             | G13  | 17,014            | 84,921           | 29,064        | 82,954         | 132,298           | —                      | 346,251        |
| Interest-bearing securities                                                     | G14  | 848               | 15,775           | 12,588        | 48,526         | 17,202            | —                      | 94,939         |
| Financial instruments pledged as collateral                                     | G15  | —                 | 691              | 3,972         | 2,929          | 378               | —                      | 7,970          |
| Derivatives                                                                     | G17  | —                 | 5,459            | 5,399         | 33,220         | 74,711            | —                      | 118,789        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | G18  | —                 | 0                | 85            | –238           | –558              | —                      | –711           |
| <b>Total assets with fixed maturities</b>                                       |      | <b>62,061</b>     | <b>115,434</b>   | <b>51,719</b> | <b>168,271</b> | <b>224,387</b>    | <b>—</b>               | <b>621,872</b> |
| Other assets                                                                    |      | —                 | —                | —             | —              | —                 | 55,548                 | 55,548         |
| <b>Total assets</b>                                                             |      | <b>62,061</b>     | <b>115,434</b>   | <b>51,719</b> | <b>168,271</b> | <b>224,387</b>    | <b>55,548</b>          | <b>677,420</b> |
| Deposits by credit institutions                                                 | G26  | 7,636             | 39,181           | 4,103         | 3,627          | 879               | —                      | 55,426         |
| Deposits and borrowings from the public                                         | G27  | 149,613           | 36,887           | 6,360         | 868            | 6,950             | —                      | 200,678        |
| – of which Deposits                                                             |      | 148,010           | 21,517           | 4,716         | 868            | 6,950             | —                      | 182,061        |
| – of which Borrowings                                                           |      | 1,603             | 15,370           | 1,644         | 0              | 0                 | —                      | 18,617         |
| Liabilities to policyholders                                                    | G28  | 877               | 379              | 1,219         | 7,629          | 35,216            | —                      | 45,320         |
| Debt securities in issue                                                        | G29  | 0                 | 46,309           | 33,979        | 74,059         | 29,993            | —                      | 184,340        |
| – of which Debt securities in issue                                             |      | —                 | 46,205           | 33,978        | 74,056         | 29,993            | —                      | 184,232        |
| – of which Other                                                                |      | 0                 | 104              | 1             | 3              | —                 | —                      | 108            |
| Derivatives                                                                     | G17  | —                 | 6,256            | 5,673         | 34,403         | 67,871            | —                      | 114,203        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | G18  | —                 | 0                | –183          | 382            | 1,741             | —                      | 1,940          |
| Subordinated liabilities                                                        | G34  | —                 | 0                | 4             | 584            | 7,209             | —                      | 7,797          |
| <b>Total liabilities with fixed maturities</b>                                  |      | <b>158,126</b>    | <b>129,012</b>   | <b>51,155</b> | <b>121,552</b> | <b>149,859</b>    | <b>—</b>               | <b>609,704</b> |
| Other liabilities                                                               |      | —                 | —                | —             | —              | —                 | 39,500                 | 39,500         |
| Equity                                                                          |      | —                 | —                | —             | —              | —                 | 28,216                 | 28,216         |
| <b>Total liabilities and equity</b>                                             |      | <b>158,126</b>    | <b>129,012</b>   | <b>51,155</b> | <b>121,552</b> | <b>149,859</b>    | <b>67,716</b>          | <b>677,420</b> |

## G45

## Maturity analysis for assets and liabilities, cont.

| 31 Dec 2011, EURm                                                               | Note | Payable on demand | Maximum 3 months | 3–12 months   | 1–5 years      | More than 5 years | Without fixed maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------|------------------|---------------|----------------|-------------------|------------------------|----------------|
| Cash and balances with central banks                                            |      | 3,765             | —                | —             | —              | —                 | —                      | 3,765          |
| Loans to central banks                                                          | G13  | 17,575            | 23,040           | —             | —              | —                 | —                      | 40,615         |
| Loans to credit institutions                                                    | G13  | 1,266             | 5,266            | 271           | 4,070          | 377               | —                      | 11,250         |
| Loans to the public                                                             | G13  | 25,293            | 78,608           | 17,138        | 74,826         | 141,338           | —                      | 337,203        |
| Interest-bearing securities                                                     | G14  | 3,713             | 17,190           | 18,768        | 38,477         | 14,225            | —                      | 92,373         |
| Financial instruments pledged as collateral                                     | G15  | —                 | 1,013            | 3,632         | 2,240          | 1,488             | —                      | 8,373          |
| Derivatives                                                                     | G17  | —                 | 9,659            | 7,452         | 39,854         | 114,978           | —                      | 171,943        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | G18  | 55                | –644             | 93            | 298            | –17               | —                      | –215           |
| <b>Total assets with fixed maturities</b>                                       |      | <b>51,667</b>     | <b>134,132</b>   | <b>47,354</b> | <b>159,765</b> | <b>272,389</b>    | <b>—</b>               | <b>665,307</b> |
| Other assets                                                                    |      | —                 | —                | —             | —              | —                 | 50,897                 | 50,897         |
| <b>Total assets</b>                                                             |      | <b>51,667</b>     | <b>134,132</b>   | <b>47,354</b> | <b>159,765</b> | <b>272,389</b>    | <b>50,897</b>          | <b>716,204</b> |

| 31 Dec 2011, EURm                                                               | Note | Payable on demand | Maximum 3 months | 3–12 months   | 1–5 years      | More than 5 years | Without fixed maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------|------------------|---------------|----------------|-------------------|------------------------|----------------|
| Deposits by credit institutions                                                 | G26  | 7,025             | 42,675           | 1,800         | 3,153          | 663               | —                      | 55,316         |
| Deposits and borrowings from the public                                         | G27  | 131,019           | 42,054           | 9,200         | 966            | 6,853             | —                      | 190,092        |
| – of which Deposits                                                             |      | 129,845           | 28,126           | 8,935         | 932            | 6,771             | —                      | 174,609        |
| – of which Borrowings                                                           |      | 1,174             | 13,928           | 265           | 34             | 82                | —                      | 15,483         |
| Liabilities to policyholders                                                    | G28  | 656               | 446              | 1,100         | 7,010          | 31,503            | —                      | 40,715         |
| Debt securities in issue                                                        | G29  | 0                 | 61,467           | 26,019        | 63,791         | 28,673            | —                      | 179,950        |
| – of which Debt securities in issue                                             |      | —                 | 61,311           | 26,019        | 63,791         | 28,673            | —                      | 179,794        |
| – of which Other                                                                |      | 0                 | 156              | —             | —              | —                 | —                      | 156            |
| Derivatives                                                                     | G17  | —                 | 8,157            | 7,535         | 41,420         | 110,278           | —                      | 167,390        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | G18  | 80                | –12              | 166           | 1,782          | –742              | —                      | 1,274          |
| Subordinated liabilities                                                        | G34  | —                 | —                | —             | 903            | 5,600             | —                      | 6,503          |
| <b>Total liabilities with fixed maturities</b>                                  |      | <b>138,780</b>    | <b>154,787</b>   | <b>45,820</b> | <b>119,025</b> | <b>182,828</b>    | <b>—</b>               | <b>641,240</b> |
| Other liabilities                                                               |      | —                 | —                | —             | —              | —                 | 48,844                 | 48,844         |
| Equity                                                                          |      | —                 | —                | —             | —              | —                 | 26,120                 | 26,120         |
| <b>Total liabilities and equity</b>                                             |      | <b>138,780</b>    | <b>154,787</b>   | <b>45,820</b> | <b>119,025</b> | <b>182,828</b>    | <b>74,964</b>          | <b>716,204</b> |

## Cash flow analysis

| 31 Dec 2012, EURm                          | Payable on demand | Maximum 3 months | 3–12 months     | 1–5 years      | More than 5 years | Total          |
|--------------------------------------------|-------------------|------------------|-----------------|----------------|-------------------|----------------|
| Interest-bearing financial assets          | 64,731            | 96,711           | 52,205          | 178,597        | 252,197           | 644,441        |
| Non interest-bearing financial assets      | —                 | —                | —               | —              | 174,644           | 174,644        |
| <b>Total financial assets</b>              | <b>64,731</b>     | <b>96,711</b>    | <b>52,205</b>   | <b>178,597</b> | <b>426,841</b>    | <b>819,085</b> |
| Interest-bearing financial liabilities     | 131,671           | 154,611          | 52,562          | 94,468         | 44,617            | 477,929        |
| Non interest-bearing financial liabilities | 879               | 634              | 1,219           | 7,629          | 264,394           | 274,755        |
| <b>Total financial liabilities</b>         | <b>132,550</b>    | <b>155,245</b>   | <b>53,781</b>   | <b>102,097</b> | <b>309,011</b>    | <b>752,684</b> |
| Derivatives, cash inflow                   | —                 | 502,724          | 185,363         | 373,691        | 167,094           | 1,228,872      |
| Derivatives, cash outflow                  | —                 | 522,850          | 184,338         | 365,760        | 166,886           | 1,239,834      |
| <b>Net exposure</b>                        | <b>—</b>          | <b>–20,126</b>   | <b>1,025</b>    | <b>7,931</b>   | <b>208</b>        | <b>–10,962</b> |
| <b>Exposure</b>                            | <b>–67,819</b>    | <b>–78,660</b>   | <b>–551</b>     | <b>84,431</b>  | <b>118,038</b>    | <b>55,439</b>  |
| <b>Cumulative exposure</b>                 | <b>–67,819</b>    | <b>–146,479</b>  | <b>–147,030</b> | <b>–62,599</b> | <b>55,439</b>     | <b>—</b>       |

## G45

## Maturity analysis for assets and liabilities, cont.

| 31 Dec 2011, EURm <sup>1</sup>             | Payable<br>on demand | Maximum<br>3 months | 3–12 months     | 1–5 years      | More than<br>5 years | Total          |
|--------------------------------------------|----------------------|---------------------|-----------------|----------------|----------------------|----------------|
| Interest-bearing financial assets          | 40,862               | 118,224             | 50,660          | 180,789        | 234,269              | 624,804        |
| Non interest-bearing financial assets      | —                    | —                   | —               | —              | 227,040              | 227,040        |
| <b>Total financial assets</b>              | <b>40,862</b>        | <b>118,224</b>      | <b>50,660</b>   | <b>180,789</b> | <b>461,309</b>       | <b>851,844</b> |
| Interest-bearing financial liabilities     | 125,697              | 172,991             | 37,260          | 83,343         | 46,046               | 465,337        |
| Non interest-bearing financial liabilities | 573                  | 571                 | 1,102           | 6,946          | 315,793              | 324,985        |
| <b>Total financial liabilities</b>         | <b>126,270</b>       | <b>173,562</b>      | <b>38,362</b>   | <b>90,289</b>  | <b>361,839</b>       | <b>790,322</b> |
| Derivatives, cash inflow                   | —                    | 472,043             | 237,136         | 258,547        | 80,731               | 1,048,457      |
| Derivatives, cash outflow                  | —                    | 498,215             | 232,090         | 241,188        | 75,374               | 1,046,867      |
| <b>Net exposure</b>                        | <b>—</b>             | <b>-26,172</b>      | <b>5,046</b>    | <b>17,359</b>  | <b>5,357</b>         | <b>1,590</b>   |
| <b>Exposure</b>                            | <b>-85,408</b>       | <b>-81,510</b>      | <b>17,344</b>   | <b>107,859</b> | <b>104,827</b>       | <b>63,112</b>  |
| <b>Cumulative exposure</b>                 | <b>-85,408</b>       | <b>-166,918</b>     | <b>-149,574</b> | <b>-41,715</b> | <b>63,112</b>        | <b>—</b>       |

1) The figures have been restated to ensure consistency between the periods.

The table is based on contractual maturities for on balance sheet financial instruments. For derivatives, the expected cash inflows and outflows are combined for both derivative assets and derivative liabilities, as derivatives are managed on a net basis. In addition to the on balance sheet and derivative instruments, Nordea has credit commitments amounting

to EUR 84,914m (EUR 85,319m), which could be drawn on at any time. Nordea has also issued guarantees of EUR 18,844m (EUR 21,627m) which may lead to future cash outflows if certain events occur. For further information about remaining maturity, see also the section of Risk, Liquidity and Capital management.

## G46

## Related-party transactions

The information below is presented from a Nordea perspective, meaning that the information shows the effect from related party transactions on the Nordea figures.

| EURm                                   | Associated undertakings |               | Other related parties <sup>1</sup> |             |
|----------------------------------------|-------------------------|---------------|------------------------------------|-------------|
|                                        | 31 Dec 2012             | 31 Dec 2011   | 31 Dec 2012                        | 31 Dec 2011 |
| <b>Assets</b>                          |                         |               |                                    |             |
| Loans                                  | 342                     | 275           | 0                                  | 12          |
| Interest-bearing securities            | 11                      | 14            | —                                  | —           |
| Derivatives                            | 304                     | 246           | —                                  | —           |
| Investments in associated undertakings | 585                     | 591           | —                                  | —           |
| <b>Total assets</b>                    | <b>1,242</b>            | <b>1,126</b>  | <b>0</b>                           | <b>12</b>   |
| <b>Liabilities</b>                     |                         |               |                                    |             |
| Deposits                               | 165                     | 71            | 47                                 | 44          |
| Debt securities in issue               | 39                      | 30            | —                                  | —           |
| Derivatives                            | 4                       | 93            | —                                  | —           |
| <b>Total liabilities</b>               | <b>208</b>              | <b>194</b>    | <b>47</b>                          | <b>44</b>   |
| <b>Off balance<sup>2</sup></b>         | <b>9,997</b>            | <b>10,519</b> | <b>—</b>                           | <b>—</b>    |
| EURm                                   | Associated undertakings |               | Other related parties <sup>1</sup> |             |
|                                        | 2012                    | 2011          | 2012                               | 2011        |
| Net interest income                    | 6                       | 7             | 0                                  | 0           |
| Net fee and commission income          | 4                       | 1             | 1                                  | 1           |
| Net result from items at fair value    | 121                     | 31            | —                                  | —           |
| Other operating income                 | 0                       | 0             | —                                  | —           |
| Total operating expenses               | -11                     | -9            | —                                  | —           |
| <b>Profit before loan losses</b>       | <b>120</b>              | <b>30</b>     | <b>1</b>                           | <b>1</b>    |

### Compensation and loans to key management personnel

Compensation and loans to key management personnel are specified in Note G7.

### Other related-party transactions

Starting in March 2008 Nordea takes part in a guarantee consortium to support Norwegian Eksportfinans ASA in relation to its securities portfolio. Nordea owns 23% of the company with other owners being the Norwegian state and other Nordic banks. Nordea's share of the negative fair value of the contract as of the balance sheet date amounts to approx. EUR 7m. The agreement's expiring date corresponds with the maturity dates of the bonds included in the guarantee. The latest maturity is on 31 December 2023.

In 2009 Nordea entered into one transaction with a company under significant influence by a member of key management personnel, which is disclosed separately in this note due to the transaction's significance for the related company. The related company has a credit limit of EUR 26m, of which EUR 14m was utilised as of 31 December 2012. The latest maturity is 31 December 2013, with the possibility of yearly prolongation after a new credit review. Nordea has collateral in securities (shares) corresponding to 200 percent of the utilised credit limit. The transaction is made on the same criteria and terms as those for comparable transactions with companies of similar standing.

1) Shareholders with significant influence and close family members to key management personnel in Nordea Group as well as companies significantly influenced by key management personnel or by close family members to key management personnel in Nordea Group are considered to be related parties to Nordea. Included in this group of related parties are Sampo Oyj and Aegon Asset Management. If transactions with related companies are made in Nordea's and the related companies' ordinary course of business and on the same criteria and terms as those for comparable transactions with companies of similar standing, and if they did not involve more than normal risktaking, the transactions are not included in the table.

2) Including nominal values on derivatives.

## G47

## Credit risk disclosures

Credit risk management and credit risk analysis is described in the Risk, Liquidity and Capital management section of the Board of Directors' Report. Additional information on credit risk is also disclosed in the Capital and Risk management Report (Pillar III) 2012, which is available on [www.nordea.com](http://www.nordea.com). Much of the information in this note is collected from the Pillar III report in order to fulfil the disclosure requirement regarding credit risk in the Annual report.

The Pillar III report contains the disclosures required by the Capital Requirements Directive (CRD), which is based on the Basel II framework. The Pillar III disclosure is aligned to how Nordea manages credit risk and is believed to be the best way to explain the credit risk exposures in Nordea. Credit risk exposures occur in different forms and are divided into the following types:

| Exposure types, EURm             | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------------|----------------|----------------|
| On-balance sheet items           | 428,192        | 419,603        |
| Off-balance sheet items          | 47,966         | 51,719         |
| Securities financing             | 2,170          | 2,084          |
| Derivatives                      | 34,263         | 42,959         |
| <b>Exposure At Default (EAD)</b> | <b>512,591</b> | <b>516,365</b> |

Tables presented in this note, containing exposure, are presented as Exposure At Default (EAD). EAD is the exposure after applying credit conversion factors (CCF).

#### Link between credit risk exposure and the balance sheet

This section discloses the link between the loan portfolio as defined by accounting standards and exposure as defined the CRD. The main differences are outlined in this section to illustrate the link between the different reporting methods. Original exposure is the exposure before taking into account substitution effects stemming from credit risk mitigation, credit conversion factors (CCFs) for off-balance sheet exposure and allowances within the standardised approach. In this note, however, exposure is defined as exposure at default (EAD) for IRB exposure and exposure value for standardised exposure, unless otherwise stated. In accordance with the CRD, credit risk exposure presented in this note is divided between exposure classes where each exposure class is divided into exposure types as follows:

- On-balance sheet items
- Off-balance sheet items (e.g. guarantees and unutilised amounts of credit facilities)
- Securities financing (e.g. reversed repurchase agreements and securities lending)
- Derivatives

Items presented in other parts of the Annual Report, are divided as follows (in accordance with the accounting standards):

- On-balance sheet items (e.g. loans to central banks and credit institutions, loans to the public, reversed repurchase agreements, positive fair value for derivatives and interest-bearing securities)
- Off-balance sheet items (e.g. guarantees and unutilised lines of credit)

The table below shows the link between the CRD credit risk exposure and items presented in the Annual Report.

#### On-balance sheet items

The following items have been excluded from the balance sheet, when calculating on-balance exposure in accordance with the CRD:

- Market risk related items in the trading book, such as certain interest-bearing securities and pledged instruments.
- Repos, derivatives and securities lending. These transactions are either included in the calculation of market risk in the trading book or reported as separate exposure types (derivatives or securities financing).
- Life insurance operations, (due to solvency regulation).
- Other, mainly allowances, intangible assets and deferred tax assets.

#### Off-balance sheet items

The following off-balance sheet items specified in the Annual Report are excluded when off-balance exposure is calculated in accordance with the CRD:

- Life insurance operations (due to solvency regulation).
- Assets pledged as security for own liabilities and Other assets pledged (apart from leasing). These transactions are reported as, securities financing. (i.e. a separate exposure type)
- Derivatives

#### Derivatives and securities financing

Derivatives can be both on-balance sheet (i.e. positive fair value) and off-balance (i.e. nominal amounts) in accordance with accounting standards. However, in the CRD, the derivatives and securities financing are reported as separate exposure types. Also, repurchase agreements and securities lending/borrowing transactions are on the balance sheet calculated based on nominal value. In the CRD calculations these exposure types are determined net of the collateral value.



## G47

## Credit risk disclosures, cont.

## On-balance sheet items

| 31 Dec 2012, EURm                                   | Original exposure | Items related to market risk | Repos, derivatives, securities lending | Life insurance operations | Other      | Balance sheet  |
|-----------------------------------------------------|-------------------|------------------------------|----------------------------------------|---------------------------|------------|----------------|
| Cash and balances with central banks                | 36,059            | —                            | —                                      | 1                         | —          | 36,060         |
| Interest-bearing securities and pledged instruments | 57,109            | 22,680                       | —                                      | 23,120                    | —          | 102,909        |
| Loans to credit institutions and central banks      | 10,431            | —                            | 8,146                                  | 2                         | –5         | 18,574         |
| Loans to the public                                 | 318,029           | 4,502                        | 26,178                                 | 571                       | –3,029     | 346,251        |
| Derivatives <sup>1</sup>                            | —                 | —                            | 118,660                                | 129                       | —          | 118,789        |
| Intangible assets                                   | —                 | —                            | —                                      | 332                       | 3,093      | 3,425          |
| Other assets and prepaid expenses                   | 7,185             | 20,067                       | 55                                     | 23,480                    | 625        | 51,412         |
| <b>Total assets</b>                                 | <b>428,813</b>    | <b>47,249</b>                | <b>153,039</b>                         | <b>47,635</b>             | <b>684</b> | <b>677,420</b> |
| <b>Exposure at default<sup>2</sup></b>              | <b>428,192</b>    |                              |                                        |                           |            |                |

1) Derivatives are included in banking and trading books, but not at book values. Counterparty risk in trading derivatives are included in the credit risk.

2) The on-balance exposure have a CCF of 100% but can still have a lower EAD due to provisions in the standardised approach, that are deducted from the original exposure when calculating EAD.

| 31 Dec 2011, EURm                                   | Original exposure | Items related to market risk | Repos, derivatives, securities lending | Life insurance operations | Other        | Balance sheet  |
|-----------------------------------------------------|-------------------|------------------------------|----------------------------------------|---------------------------|--------------|----------------|
| Cash and balances with central banks                | 3,764             | —                            | —                                      | 1                         | —            | 3,765          |
| Interest-bearing securities and pledged instruments | 51,308            | 26,019                       | —                                      | 23,419                    | —            | 100,746        |
| Loans to credit institutions and central banks      | 45,789            | —                            | 5,513                                  | —                         | 563          | 51,865         |
| Loans to the public                                 | 312,288           | —                            | 26,784                                 | 878                       | –2,747       | 337,203        |
| Derivatives <sup>1</sup>                            | —                 | —                            | 171,929                                | 14                        | —            | 171,943        |
| Intangible assets                                   | —                 | —                            | —                                      | 335                       | 2,986        | 3,321          |
| Other assets and prepaid expenses                   | 6,693             | 20,122                       | 30                                     | 20,073                    | 443          | 47,361         |
| <b>Total assets</b>                                 | <b>419,842</b>    | <b>46,141</b>                | <b>204,256</b>                         | <b>44,720</b>             | <b>1,245</b> | <b>716,204</b> |
| <b>Exposure at default<sup>2</sup></b>              | <b>419,603</b>    |                              |                                        |                           |              |                |

1) Derivatives are included in banking and trading books, but not at book values. Counterparty risk in trading derivatives are included in the credit risk.

2) The on-balance exposure have a CCF of 100% but can still have a lower EAD due to provisions in the standardised approach, that are deducted from the original exposure when calculating EAD.

## Off-balance sheet items

| 31 Dec 2012, EURm      | Credit risk in Basel II calculation | Life insurance operations | Included in derivatives and securities financing | Off-balance sheet |
|------------------------|-------------------------------------|---------------------------|--------------------------------------------------|-------------------|
| Contingent liabilities | 21,106                              | 51                        | 0                                                | 21,157            |
| Commitments            | 85,507                              | 661                       | 40                                               | 86,208            |
| <b>Total</b>           | <b>106,613</b>                      | <b>712</b>                | <b>40</b>                                        | <b>107,365</b>    |

| 31 Dec 2012, EURm | Credit risk in Basel II calculation | Items not included in accounts | Original exposure | Average conversion factor | Exposure at default EAD |
|-------------------|-------------------------------------|--------------------------------|-------------------|---------------------------|-------------------------|
| Credit facilities | 52,925                              | 85                             | 53,009            | 48%                       | 25,525                  |
| Checking accounts | 20,540                              | 4,198                          | 24,738            | 22%                       | 5,540                   |
| Loan commitments  | 11,704                              | 2,722                          | 14,426            | 32%                       | 4,589                   |
| Guarantees        | 20,024                              | 1                              | 20,025            | 60%                       | 11,925                  |
| Other             | 1,420                               | 20                             | 1,440             | 27%                       | 387                     |
| <b>Total</b>      | <b>106,613</b>                      | <b>7,026</b>                   | <b>113,638</b>    |                           | <b>47,966</b>           |

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## Credit risk disclosures, cont.

| 31 Dec 2011, EURm      | Credit risk in Basel II calculation | Life insurance operations | Included in derivatives and securities financing | Off-balance sheet |
|------------------------|-------------------------------------|---------------------------|--------------------------------------------------|-------------------|
| Contingent liabilities | 24,292                              | 176                       | —                                                | 24,468            |
| Commitments            | 85,773                              | 201                       | 996                                              | 86,970            |
| <b>Total</b>           | <b>110,065</b>                      | <b>377</b>                | <b>996</b>                                       | <b>111,438</b>    |

| 31 Dec 2011, EURm | Credit risk in Basel II calculation | Items not included in accounts | Original exposure | Average conversion factor | Exposure at default EAD |
|-------------------|-------------------------------------|--------------------------------|-------------------|---------------------------|-------------------------|
| Credit facilities | 47,600                              | 5,557                          | 53,157            | 48%                       | 25,343                  |
| Checking accounts | 25,038                              | —                              | 25,038            | 23%                       | 5,636                   |
| Loan commitments  | 13,112                              | 1,674                          | 14,786            | 41%                       | 6,085                   |
| Guarantees        | 23,114                              | 1                              | 23,115            | 62%                       | 14,315                  |
| Other             | 1,201                               | —                              | 1,201             | 28%                       | 340                     |
| <b>Total</b>      | <b>110,065</b>                      | <b>7,232</b>                   | <b>117,297</b>    |                           | <b>51,719</b>           |

As of year-end 2012, 78% of the total credit risk exposure was calculated using the IRB approach. The main part of the exposure is within the IRB corporate and IRB retail portfolios. During 2012, a slight decrease was seen on total exposure level primarily due to decrease of the corporate and institutions portfolios. The largest shift in total exposures is related

to on-balance sheet exposures in the corporate portfolio, which carried a risk weight of 100% before the rollout to the IRB approach. Therefore the largest decrease in RWA is related to the corporate portfolio in the standardise portfolio. Derivative exposures, especially within the institutions portfolio, significantly decreased during the year.

## Exposure classes split by exposure type

| 31 Dec 2012, EURm                               | On-balance sheet items | Off-balance sheet items | Securities financing | Derivatives   | Total exposure |
|-------------------------------------------------|------------------------|-------------------------|----------------------|---------------|----------------|
| Government, local authorities and central banks | 73,757                 | 2,041                   | 108                  | 3,851         | 79,757         |
| Institutions                                    | 42,084                 | 1,748                   | 1,388                | 20,417        | 65,637         |
| Corporate                                       | 138,959                | 35,088                  | 672                  | 9,639         | 184,358        |
| Retail                                          | 159,032                | 9,052                   | 2                    | 77            | 168,163        |
| Other                                           | 14,360                 | 37                      | 0                    | 279           | 14,676         |
| <b>Total exposure</b>                           | <b>428,192</b>         | <b>47,966</b>           | <b>2,170</b>         | <b>34,263</b> | <b>512,591</b> |

| 31 Dec 2011, EURm                               | On-balance sheet items | Off-balance sheet items | Securities financing | Derivatives   | Total exposure |
|-------------------------------------------------|------------------------|-------------------------|----------------------|---------------|----------------|
| Government, local authorities and central banks | 72,815                 | 1,866                   | 227                  | 2,727         | 77,635         |
| Institutions                                    | 42,209                 | 1,990                   | 1,159                | 28,338        | 73,696         |
| Corporate                                       | 138,686                | 37,005                  | 688                  | 11,531        | 187,910        |
| Retail                                          | 155,261                | 10,841                  | —                    | 121           | 166,223        |
| Other                                           | 10,632                 | 17                      | 10                   | 242           | 10,901         |
| <b>Total exposure</b>                           | <b>419,603</b>         | <b>51,719</b>           | <b>2,084</b>         | <b>42,959</b> | <b>516,365</b> |

Nordea is geographically well diversified as no market accounts for more than 26% of the total exposure. The exposure in Sweden and Finland represents 25% and 26% of the total exposure in the Group respectively, while Denmark accounts for 22% and Norway 16%.

The increase in corporate IRB exposures is mainly referable to International Units and the Baltic countries where some exposures moved from the standardised approach to the IRB approach. The increase in the IRB retail portfolio was largely due to increased lending to the Nordic countries.

In Finland, the decrease in the IRB portfolio is attributable to lower institution and corporate exposures. For institutions the decrease is a result of decreased derivative exposures. In all other countries the total IRB exposures increased compared to previous year.

In the table below, exposure is split by geography areas, based on where the exposure is booked and does not take the internal guarantees between the parent company and its group undertakings into account.



## G47

## Credit risk disclosures, cont.

## Exposure split by geography and exposure classes

| 31 Dec 2012, EURm                               | Nordic countries | – of which Denmark | – of which Finland | – of which Norway | – of which Sweden | Baltic countries | Poland       | Russia       | Other         | Total          |
|-------------------------------------------------|------------------|--------------------|--------------------|-------------------|-------------------|------------------|--------------|--------------|---------------|----------------|
| Government, local authorities and central banks | 59,147           | 13,304             | 27,483             | 5,245             | 13,115            | 986              | 1,816        | 464          | 17,344        | 79,757         |
| Institutions                                    | 61,529           | 6,382              | 30,282             | 7,899             | 16,966            | 83               | 1,152        | 200          | 2,673         | 65,637         |
| Corporate                                       | 160,002          | 38,579             | 39,148             | 36,926            | 45,349            | 5,814            | 2,040        | 4,614        | 11,888        | 184,358        |
| Retail                                          | 167,088          | 52,103             | 35,219             | 32,094            | 47,672            | 766              | 179          | 46           | 84            | 168,163        |
| Other                                           | 6,971            | 1,853              | 1,636              | 525               | 2,957             | 2,227            | 4,272        | 716          | 490           | 14,676         |
| <b>Total exposure</b>                           | <b>454,737</b>   | <b>112,221</b>     | <b>133,768</b>     | <b>82,689</b>     | <b>126,059</b>    | <b>9,876</b>     | <b>9,459</b> | <b>6,040</b> | <b>32,479</b> | <b>512,591</b> |

| 31 Dec 2011, EURm                               | Nordic countries | – of which Denmark | – of which Finland | – of which Norway | – of which Sweden | Baltic countries | Poland       | Russia       | Other         | Total          |
|-------------------------------------------------|------------------|--------------------|--------------------|-------------------|-------------------|------------------|--------------|--------------|---------------|----------------|
| Government, local authorities and central banks | 62,874           | 12,094             | 32,515             | 5,693             | 12,572            | 833              | 1,798        | 607          | 11,523        | 77,635         |
| Institutions                                    | 69,297           | 5,890              | 36,979             | 6,698             | 19,730            | 240              | 924          | 117          | 3,118         | 73,696         |
| Corporate                                       | 165,040          | 39,378             | 44,263             | 36,182            | 45,217            | 4,466            | 1,831        | 4,603        | 11,970        | 187,910        |
| Retail                                          | 161,018          | 51,231             | 34,541             | 30,783            | 44,463            | 1,025            | 4,060        | 49           | 71            | 166,223        |
| Other                                           | 6,326            | 1,690              | 1,551              | 379               | 2,706             | 2,470            | 298          | 1,174        | 633           | 10,901         |
| <b>Total exposure</b>                           | <b>464,555</b>   | <b>110,283</b>     | <b>149,849</b>     | <b>79,735</b>     | <b>124,688</b>    | <b>9,034</b>     | <b>8,911</b> | <b>6,550</b> | <b>27,315</b> | <b>516,365</b> |

In the table below, the total exposure is split by industry. The industry breakdown follows the Global Industries Classification Standard (GICS) and is based on NACE codes (i.e. statistical classification of economic activities in the European community).

The IRB corporate portfolio is well diversified between industries. The real estate management and investment sector is the largest sector which together with other financial institutions

are the only sectors that account for more than 5% of the total exposure of EUR 513bn. During the year, the exposure class IRB institution increased exposures to other financial institutions and decreased exposures to banks. The largest relative decrease is found within the industry telecommunication equipment while the highest relative increase showed up within IT software, hardware and services. The largest nominal increase and decrease appeared in retail mortgage and banks respectively.

## Exposure split by industry group

| EURm                                               | 31 Dec 2012    | 31 Dec 2011    |
|----------------------------------------------------|----------------|----------------|
| Retail mortgage                                    | 137,828        | 127,488        |
| Other retail                                       | 34,671         | 39,111         |
| Central and local governments                      | 37,312         | 36,141         |
| Banks                                              | 85,062         | 94,411         |
| Construction and engineering                       | 5,863          | 5,893          |
| Consumer durables (cars, appliances etc)           | 5,385          | 5,651          |
| Consumer staples (food, agriculture etc)           | 14,124         | 12,621         |
| Energy (oil, gas etc)                              | 4,754          | 4,433          |
| Health care and pharmaceuticals                    | 2,412          | 2,635          |
| Industrial capital goods                           | 5,344          | 5,840          |
| Industrial commercial services                     | 16,692         | 19,636         |
| IT software, hardware and services                 | 1,944          | 1,598          |
| Media and leisure                                  | 3,059          | 2,973          |
| Metals and mining materials                        | 1,111          | 1,289          |
| Paper and forest materials                         | 3,168          | 3,529          |
| Real estate management and investment              | 46,461         | 45,036         |
| Retail trade                                       | 13,308         | 13,617         |
| Shipping and offshore                              | 14,083         | 13,441         |
| Telecommunication equipment                        | 453            | 622            |
| Telecommunication operators                        | 2,002          | 2,080          |
| Transportation                                     | 4,859          | 4,711          |
| Utilities (distribution and production)            | 8,716          | 8,685          |
| Other financial companies                          | 35,927         | 35,804         |
| Other materials (chemical, building materials etc) | 7,150          | 7,613          |
| Other                                              | 20,903         | 21,507         |
| <b>Total exposure</b>                              | <b>512,591</b> | <b>516,365</b> |

## G47

## Credit risk disclosures, cont.

The guarantees used as credit risk mitigation are to a large extent issued by central and regional governments in the Nordic countries. Banks and insurance companies are also important guarantors of credit risk. Only eligible providers of guarantees and credit derivatives can be recognised in the standardised and IRB approach for credit risk. All central governments, regional governments and institutions are eligible as well as some multinational development banks and international organisations. Guarantees issued by corporate entities can only be taken into account if their rating corre-

sponds to A– (S&P's rating scale) or better.

Central governments and municipalities guarantee approximately 83% of the total guaranteed exposure. Exposure guarantee by these guarantors has an average risk weight of 0%. 6% of the guarantors are IRB institutions, of which 100% have a rating of 5 or higher. IRB corporate accounts for 11% of the guarantors, where 100% have a guarantor with a rating of 5 or higher. Credit derivatives are only used as credit risk protection to a very limited extent since the credit portfolio is considered to be well diversified.

## Exposure secured by collaterals, guarantees and credit derivatives

| 31 Dec 2012, EURm                               | Original exposure | EAD            | – of which secured by guarantees and credit derivatives | – of which secured by collateral |
|-------------------------------------------------|-------------------|----------------|---------------------------------------------------------|----------------------------------|
| Government, local authorities and central banks | 77,423            | 79,757         | 437                                                     | 1                                |
| Institutions                                    | 67,552            | 65,637         | 427                                                     | 7,642                            |
| Corporate                                       | 238,863           | 184,358        | 8,471                                                   | 64,608                           |
| Retail                                          | 179,828           | 168,163        | 3,017                                                   | 130,955                          |
| Other                                           | 15,410            | 14,676         | 2                                                       | 7,353                            |
| <b>Total exposure</b>                           | <b>579,076</b>    | <b>512,591</b> | <b>12,354</b>                                           | <b>210,559</b>                   |

| 31 Dec 2011, EURm                               | Original exposure | EAD            | – of which secured by guarantees and credit derivatives | – of which secured by collateral |
|-------------------------------------------------|-------------------|----------------|---------------------------------------------------------|----------------------------------|
| Government, local authorities and central banks | 74,474            | 77,635         | 290                                                     | 2                                |
| Institutions                                    | 76,428            | 73,696         | 532                                                     | 6,387                            |
| Corporate                                       | 242,455           | 187,910        | 7,812                                                   | 58,473                           |
| Retail                                          | 177,118           | 166,223        | 3,062                                                   | 124,971                          |
| Other                                           | 11,709            | 10,901         | 2                                                       | 3,473                            |
| <b>Total exposure</b>                           | <b>582,184</b>    | <b>516,365</b> | <b>11,698</b>                                           | <b>193,306</b>                   |

The table below presents the distribution of collateral used in the capital adequacy calculation process. The table shows real estate to be the major part of the eligible collateral items in relative terms. Financial collateral saw the largest relative increase. Commercial real estate and other physical collateral also increased during the year while residential real estate and receivables

decreased somewhat in relative terms. Real estate is commonly used as collateral for credit risk mitigation purposes. There is no certain concentration of real estate collateral to any region within the Nordic and Baltic countries. Other physical collateral consist mainly of ships.

## Collateral distribution

|                           | 31 Dec 2012 | 31 Dec 2011 |
|---------------------------|-------------|-------------|
| Financial Collateral      | 4.7%        | 4.1%        |
| Receivables               | 1.2%        | 1.2%        |
| Residential Real Estate   | 70.7%       | 71.5%       |
| Commercial Real Estate    | 17.5%       | 17.3%       |
| Other Physical Collateral | 6.0%        | 5.9%        |

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## Credit risk disclosures, cont.

A common way to analyse the value of the collateral is to measure the loan to value (LTV) ratio, i.e. the credit extended divided by the market value of the collateral pledged. In the table below, the retail mortgage exposures are distributed by

LTV range up to the top LTV bucket based on the LTV ratio. In 2012, the retail mortgage exposure increased in the LTV buckets representing LTV below 50%.

## Loan-to-value distribution

| Retail mortgage exposure | 31 Dec 2012  |            | 31 Dec 2011 <sup>1</sup> |            |
|--------------------------|--------------|------------|--------------------------|------------|
|                          | EURbn        | %          | EURbn                    | %          |
| <50%                     | 97.4         | 77         | 92.0                     | 77         |
| 50–70%                   | 20.7         | 16         | 19.5                     | 16         |
| 70–80%                   | 5.6          | 4          | 5.3                      | 4          |
| 80–90%                   | 2.3          | 2          | 2.2                      | 2          |
| >90%                     | 1.2          | 1          | 1.2                      | 1          |
| <b>Total</b>             | <b>127.2</b> | <b>100</b> | <b>120.1</b>             | <b>100</b> |

1) During 2012, Nordea changed method for calculation LTV. This was done in order to obtain a consistent method across the group. As a result, figures for 2011 above has been restated.

Nordea acts as an intermediary in the credit derivatives market, especially in Nordic names. Nordea also uses credit derivatives to hedge positions in corporate bonds and synthetic CDOs. When Nordea sells protection in a CDO transaction, it carries the risk of losses in the reference portfolio if a credit event occurs. When Nordea buys protection in a CDO transaction, any losses in the reference portfolio triggered by a credit event are carried by the seller of protection.

Credit derivatives transactions create risk in similar manner to other derivative transactions. Counterparties in these transactions are typically subject to a financial collateral agreement, where the exposure is covered daily by collateral placements. CDO valuations are subject to fair value adjustments for model risk. These fair value adjustments are recognised in the income statement.

Collateralised Debt Obligations (CDO) – Exposure<sup>1</sup>

| Nominal, EURm                | 31 Dec 2012            |                          | 31 Dec 2011            |                          |
|------------------------------|------------------------|--------------------------|------------------------|--------------------------|
|                              | Bought protection      | Sold protection          | Bought protection      | Sold protection          |
| CDOs, gross                  | 1,833                  | 2,816                    | 1,575                  | 2,792                    |
| Hedged exposures             | 1,442                  | 1,444                    | 1,394                  | 1,394                    |
| <b>CDOs, net<sup>2</sup></b> | <b>391<sup>3</sup></b> | <b>1,372<sup>3</sup></b> | <b>181<sup>3</sup></b> | <b>1,398<sup>4</sup></b> |
| – of which Equity            | 53                     | 361                      | 114                    | 385                      |
| – of which Mezzanine         | 80                     | 386                      | 65                     | 400                      |
| – of which Senior            | 258                    | 625                      | 2                      | 613                      |

1) First-to-Default swaps are not classified as CDOs and are therefore not included in the table. Net bought protection amounts to EUR 214m (EUR 218m) and net sold protection to EUR 50m (EUR 53m). Both bought and sold protection are, to the predominant part, investment grade.

2) Net exposure disregards exposure where tranches are completely identical in terms of reference pool attachment, detachment, maturity and currency.

3) Of which investment grade EUR 207m (EUR 181m) and sub investment grade EUR 183m (EUR 0m).

4) Of which investment grade EUR 1,024m (EUR 1,279m) and sub investment grade EUR 150m (EUR 22m) and not rated EUR 220m (EUR 167m).

Restructured loans and receivables current year<sup>1</sup>

| EURm                                        | 31 Dec 2012 | 31 Dec 2011 |
|---------------------------------------------|-------------|-------------|
| Loans before restructuring, carrying amount | 13          | 81          |
| Loans after restructuring, carrying amount  | 6           | 37          |

1) Loans classified as impaired that subsequently have improved and are not classified as impaired at the reporting date.

Assets taken over for protection of claims<sup>1</sup>

| EURm                             | 31 Dec 2012 | 31 Dec 2011 |
|----------------------------------|-------------|-------------|
| Current assets, carrying amount: |             |             |
| Land and buildings               | 142         | 105         |
| Shares and other participations  | 18          | 26          |
| Other assets                     | 5           | 6           |
| <b>Total</b>                     | <b>165</b>  | <b>137</b>  |

1) In accordance with Nordea's policy for taking over assets for protection of claims, which is in compliance with the local Banking Business Acts, wherever Nordea is located. Assets, used as collateral for the loan, are generally taken over when the customer is not able to fulfil its obligations to Nordea. The assets taken over are, at the latest, disposed when full recovery is reached.

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## Credit risk disclosures, cont.

The table below shows loans past due 6 days or more that are not considered impaired split by corporate and household customers. Past due loans to corporate customers that are not considered impaired were at end of 2012 EUR 1,929 up from

EUR 1,443m one year ago, while past due loans for household customers stayed largely unchanged at EUR 1,773m (EUR 1,754m).

## Past due loans, excl. impaired loans

| EURm                                                                           | 31 Dec 2012         |                     | 31 Dec 2011         |                     |
|--------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                                | Corporate customers | Household customers | Corporate customers | Household customers |
| 6–30 days                                                                      | 1,157               | 1,168               | 920                 | 991                 |
| 31–60 days                                                                     | 358                 | 315                 | 186                 | 329                 |
| 61–90 days                                                                     | 80                  | 137                 | 114                 | 127                 |
| >90 days                                                                       | 334                 | 153                 | 222                 | 306                 |
| <b>Total</b>                                                                   | <b>1,929</b>        | <b>1,773</b>        | <b>1,442</b>        | <b>1,753</b>        |
| Past due not impaired loans divided by loans to the public after allowances, % | 1.06                | 1.12                | 0.85                | 1.25                |

The distribution of loans to corporate by size of loans, seen in the table below, shows a high degree of diversification where

approximately 69% (67%) of the corporate volume represents loans up to EUR 50m per customer.

## Loans to corporate customers, by size of loan

| Size in EURm | 31 Dec 2012  |            | 31 Dec 2011  |            |
|--------------|--------------|------------|--------------|------------|
|              | Loans EURbn  | %          | Loans EURbn  | %          |
| 0–10         | 78.9         | 43         | 75.6         | 42         |
| 10–50        | 46.2         | 25         | 44.9         | 25         |
| 50–100       | 21.8         | 12         | 21.6         | 12         |
| 100–250      | 25.1         | 14         | 24.0         | 13         |
| 250–500      | 8.8          | 5          | 13.2         | 7          |
| 500–         | 2.0          | 1          | 1.9          | 1          |
| <b>Total</b> | <b>182.8</b> | <b>100</b> | <b>181.2</b> | <b>100</b> |

## Interest-bearing securities and Treasury bills

| EURm                                   | 31 Dec 2012   |                   |               | 31 Dec 2011   |                   |               |
|----------------------------------------|---------------|-------------------|---------------|---------------|-------------------|---------------|
|                                        | At fair value | At amortised cost | Total         | At fair value | At amortised cost | Total         |
| State and sovereigns                   | 20,547        | 280               | 20,827        | 22,165        | 343               | 22,508        |
| Municipalities and other public bodies | 5,192         | 802               | 5,994         | 5,217         | 431               | 5,648         |
| Mortgage institutions                  | 33,061        | 1,815             | 34,876        | 27,362        | 2,669             | 30,031        |
| Other credit institutions              | 21,719        | 3,815             | 25,534        | 20,110        | 4,458             | 24,568        |
| Corporates                             | 4,280         | 540               | 4,820         | 5,350         | 392               | 5,742         |
| Corporates, sub-investment grade       | 794           | —                 | 794           | 784           | —                 | 784           |
| Other                                  | 2,094         | —                 | 2,094         | 3,092         | —                 | 3,092         |
| <b>Total</b>                           | <b>87,687</b> | <b>7,252</b>      | <b>94,939</b> | <b>84,080</b> | <b>8,293</b>      | <b>92,373</b> |

# Income statement, Parent company

| EURm                                                                                | Note          | 2012   | 2011   |
|-------------------------------------------------------------------------------------|---------------|--------|--------|
| Operating income                                                                    |               |        |        |
| Interest income                                                                     |               | 2,656  | 2,626  |
| Interest expense                                                                    |               | -1,932 | -1,946 |
| Net interest income                                                                 | P3            | 724    | 680    |
| Fee and commission income                                                           |               | 853    | 777    |
| Fee and commission expense                                                          |               | -230   | -217   |
| Net fee and commission income                                                       | P4            | 623    | 560    |
| Net result from items at fair value                                                 | P5            | 189    | 234    |
| Dividends                                                                           | P6            | 3,554  | 1,534  |
| Other operating income                                                              | P7            | 501    | 122    |
| Total operating income                                                              |               | 5,591  | 3,130  |
| Operating expenses                                                                  |               |        |        |
| General administrative expenses:                                                    |               |        |        |
| Staff costs                                                                         | P8            | -938   | -823   |
| Other expenses                                                                      | P9            | -842   | -561   |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | P10, P23, P24 | -105   | -112   |
| Total operating expenses                                                            |               | -1,885 | -1,496 |
| Profit before loan losses                                                           |               | 3,706  | 1,634  |
| Net loan losses                                                                     | P11           | -19    | -20    |
| Impairment of securities held as financial non-current assets                       | P21           | -15    | -9     |
| Operating profit                                                                    |               | 3,672  | 1,605  |
| Appropriations                                                                      | P12           | -103   | 1      |
| Income tax expense                                                                  | P13           | -95    | -114   |
| Net profit for the year                                                             |               | 3,474  | 1,492  |

# Statement of comprehensive income, Parent company

| EURm                                                                | 2012  | 2011  |
|---------------------------------------------------------------------|-------|-------|
| Net profit for the year                                             | 3,474 | 1,492 |
| Items that may be reclassified subsequently to the income statement |       |       |
| Available-for-sale investments: <sup>1</sup>                        |       |       |
| Valuation gains/losses during the year                              | 30    | 8     |
| Tax on valuation gains/losses during the year                       | -6    | -2    |
| Cash flow hedges:                                                   |       |       |
| Valuation gains/losses during the year                              | 179   | -27   |
| Tax on valuation gains/losses during the year                       | -48   | 7     |
| Transferred to profit or loss for the year                          | -176  | —     |
| Tax on transfers to profit or loss for the year                     | 46    | —     |
| Other comprehensive income, net of tax                              | 25    | -14   |
| Total comprehensive income                                          | 3,499 | 1,478 |

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

# Balance sheet, Parent company

| EURm                                                                            | Note | 31 Dec<br>2012 | 31 Dec<br>2011 |
|---------------------------------------------------------------------------------|------|----------------|----------------|
| <b>Assets</b>                                                                   |      |                |                |
| Cash and balances with central banks                                            |      | 180            | 152            |
| Treasury bills                                                                  | P14  | 5,092          | 3,730          |
| Loans to credit institutions                                                    | P15  | 68,006         | 59,379         |
| Loans to the public                                                             | P15  | 36,214         | 36,421         |
| Interest-bearing securities                                                     | P16  | 11,594         | 14,584         |
| Financial instruments pledged as collateral                                     | P17  | 104            | 1,237          |
| Shares                                                                          | P18  | 4,742          | 1,135          |
| Derivatives                                                                     | P19  | 5,852          | 4,339          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | P20  | -1,157         | -632           |
| Investments in group undertakings                                               | P21  | 17,659         | 16,713         |
| Investments in associated undertakings                                          | P22  | 8              | 5              |
| Intangible assets                                                               | P23  | 670            | 658            |
| Property and equipment                                                          | P24  | 121            | 81             |
| Deferred tax assets                                                             | P13  | 19             | 26             |
| Current tax assets                                                              | P13  | 41             | 12             |
| Other assets                                                                    | P25  | 1,713          | 2,262          |
| Prepaid expenses and accrued income                                             | P26  | 1,272          | 1,279          |
| <b>Total assets</b>                                                             |      | <b>152,130</b> | <b>141,381</b> |
| <b>Liabilities</b>                                                              |      |                |                |
| Deposits by credit institutions                                                 | P27  | 19,342         | 22,441         |
| Deposits and borrowings from the public                                         | P28  | 50,263         | 44,389         |
| Debt securities in issue                                                        | P29  | 48,285         | 45,367         |
| Derivatives                                                                     | P19  | 4,166          | 3,014          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | P20  | 16             | 147            |
| Current tax liabilities                                                         | P13  | 3              | 71             |
| Other liabilities                                                               | P30  | 1,635          | 1,776          |
| Accrued expenses and prepaid income                                             | P31  | 1,468          | 851            |
| Deferred tax liabilities                                                        | P13  | 8              | 2              |
| Provisions                                                                      | P32  | 148            | 90             |
| Retirement benefit obligations                                                  | P33  | 182            | 153            |
| Subordinated liabilities                                                        | P34  | 7,131          | 6,154          |
| <b>Total liabilities</b>                                                        |      | <b>132,647</b> | <b>124,455</b> |
| Untaxed reserves                                                                | P35  | 108            | 5              |
| <b>Equity</b>                                                                   |      |                |                |
| Share capital                                                                   |      | 4,050          | 4,047          |
| Share premium reserve                                                           |      | 1,080          | 1,080          |
| Other reserves                                                                  |      | 12             | -13            |
| Retained earnings                                                               |      | 14,233         | 11,807         |
| <b>Total equity</b>                                                             |      | <b>19,375</b>  | <b>16,921</b>  |
| <b>Total liabilities and equity</b>                                             |      | <b>152,130</b> | <b>141,381</b> |
| Assets pledged as security for own liabilities                                  | P36  | 4,230          | 3,530          |
| Other assets pledged                                                            | P37  | 6,225          | 7,264          |
| Contingent liabilities                                                          | P38  | 86,292         | 24,720         |
| Commitments                                                                     | P39  | 26,270         | 25,098         |

# Statement of changes in equity, Parent company

| EURm                                            | Restricted equity | Unrestricted equity <sup>1</sup> |                  |                                |                   |              |
|-------------------------------------------------|-------------------|----------------------------------|------------------|--------------------------------|-------------------|--------------|
|                                                 | Share capital     | Share premium reserve            | Other reserves:  |                                |                   | Total equity |
|                                                 |                   |                                  | Cash flow hedges | Available-for-sale investments | Retained earnings |              |
| Balance at 1 Jan 2012                           | 4,047             | 1,080                            | -20              | 7                              | 11,807            | 16,921       |
| Net profit for the year                         | —                 | —                                | —                | —                              | 3,474             | 3,474        |
| Available-for-sale investments:                 |                   |                                  |                  |                                |                   |              |
| Valuation gains/losses during the year          | —                 | —                                | —                | 30                             | —                 | 30           |
| Tax on valuation gains/losses during the year   | —                 | —                                | —                | -6                             | —                 | -6           |
| Cash flow hedges:                               |                   |                                  |                  |                                |                   |              |
| Valuation gains/losses during the year          | —                 | —                                | 179              | —                              | —                 | 179          |
| Tax on valuation gains/losses during the year   | —                 | —                                | -48              | —                              | —                 | -48          |
| Transferred to profit or loss for the year      | —                 | —                                | -176             | —                              | —                 | -176         |
| Tax on transfers to profit or loss for the year | —                 | —                                | 46               | —                              | —                 | 46           |
| Other comprehensive income, net of tax          | —                 | —                                | 1                | 24                             | —                 | 25           |
| Total comprehensive income                      | —                 | —                                | 1                | 24                             | 3,474             | 3,499        |
| Issued C-shares <sup>2</sup>                    | 3                 | —                                | —                | —                              | —                 | 3            |
| Repurchase of C-shares <sup>2</sup>             | —                 | —                                | —                | —                              | -3                | -3           |
| Share-based payments                            | —                 | —                                | —                | —                              | 13                | 13           |
| Dividend for 2011                               | —                 | —                                | —                | —                              | -1,048            | -1,048       |
| Repurchases of own shares                       | —                 | —                                | —                | —                              | -10               | -10          |
| Balance at 31 Dec 2012                          | 4,050             | 1,080                            | -19              | 31                             | 14,233            | 19,375       |
| Balance at 1 Jan 2011                           | 4,043             | 1,065                            | —                | 1                              | 11,471            | 16,580       |
| Net profit for the year                         | —                 | —                                | —                | —                              | 1,492             | 1,492        |
| Available-for-sale investments:                 |                   |                                  |                  |                                |                   |              |
| Valuation gains/losses during the year          | —                 | —                                | —                | 8                              | —                 | 8            |
| Tax on valuation gains/losses during the year   | —                 | —                                | —                | -2                             | —                 | -2           |
| Cash flow hedges:                               |                   |                                  |                  |                                |                   |              |
| Valuation gains/losses during the year          | —                 | —                                | -27              | —                              | —                 | -27          |
| Tax on valuation gains/losses during the year   | —                 | —                                | 7                | —                              | —                 | 7            |
| Other comprehensive income, net of tax          | —                 | —                                | -20              | 6                              | —                 | -14          |
| Total comprehensive income                      | —                 | —                                | -20              | 6                              | 1,492             | 1,478        |
| Issued C-shares <sup>2</sup>                    | 4                 | —                                | —                | —                              | —                 | 4            |
| Repurchase of C-shares <sup>2</sup>             | —                 | —                                | —                | —                              | -4                | -4           |
| Share-based payments                            | —                 | —                                | —                | —                              | 11                | 11           |
| Dividend for 2010                               | —                 | —                                | —                | —                              | -1,168            | -1,168       |
| Divestment of own shares                        | —                 | —                                | —                | —                              | 5                 | 5            |
| Other changes                                   | —                 | 15 <sup>3</sup>                  | —                | —                              | —                 | 15           |
| Balance at 31 Dec 2011                          | 4,047             | 1,080                            | -20              | 7                              | 11,807            | 16,921       |

1) Apart from retained earnings, unrestricted equity consists of a free fund to the amount of EUR 2,762m (31 Dec 2011 EUR 2,762m).

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

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

Description of items in equity is included in Note G1 Accounting policies.



**Share capital**

|                        | Quota value per share, EUR | Total number of shares | Share capital, EUR |
|------------------------|----------------------------|------------------------|--------------------|
| Balance at 1 Jan 2011  | 1.0                        | 4,042,542,751          | 4,042,542,751      |
| New issue <sup>1</sup> | 1.0                        | 4,730,000              | 4,730,000          |
| Balance at 31 Dec 2011 | 1.0                        | 4,047,272,751          | 4,047,272,751      |
| New issue <sup>1</sup> | 1.0                        | 2,679,168              | 2,679,168          |
| Balance at 31 Dec 2012 | 1.0                        | 4,049,951,919          | 4,049,951,919      |

1) Refers to the Long Term Incentive Programme (LTIP).

**Dividends per share**

Final dividends are not accounted for until they have been ratified at the Annual General Meeting (AGM). At the AGM on 14 March 2013, a dividend in respect of 2012 of EUR 0.34 per share (2011 actual dividend EUR 0.26 per share) amount-

ing to a total of EUR 1,370,092,365 (2011 actual: EUR 1,047,546,038) is to be proposed. The financial statements for the year ended 31 December 2012 do not reflect this resolution, which will be accounted for in equity as an appropriation of retained earnings in the year ending 31 December 2013.

# Cash flow statement, Parent company

| EURm                                                                                          | 2012         | 2011          |
|-----------------------------------------------------------------------------------------------|--------------|---------------|
| <b>Operating activities</b>                                                                   |              |               |
| Operating profit                                                                              | 3,672        | 1,605         |
| Adjustment for items not included in cash flow                                                | 48           | -1,109        |
| Income taxes paid                                                                             | -180         | -166          |
| <b>Cash flow from operating activities before changes in operating assets and liabilities</b> | <b>3,540</b> | <b>330</b>    |
| <b>Changes in operating assets</b>                                                            |              |               |
| Change in treasury bills                                                                      | -1,377       | 1,401         |
| Change in loans to credit institutions                                                        | -9,001       | -8,644        |
| Change in loans to the public                                                                 | 164          | -2,663        |
| Change in interest-bearing securities                                                         | 2,207        | -1,301        |
| Change in financial assets pledged as collateral                                              | 1,133        | 4,923         |
| Change in shares                                                                              | -3,615       | -876          |
| Change in derivatives, net                                                                    | 249          | -283          |
| Change in other assets                                                                        | 1,320        | 1,732         |
| <b>Changes in operating liabilities</b>                                                       |              |               |
| Change in deposits by credit institutions                                                     | -3,100       | -6,202        |
| Change in deposits and borrowings from the public                                             | 5,874        | 4,768         |
| Change in debt securities in issue                                                            | 2,918        | 11,943        |
| Change in other liabilities                                                                   | -165         | -2,682        |
| <b>Cash flow from operating activities</b>                                                    | <b>147</b>   | <b>2,446</b>  |
| <b>Investing activities</b>                                                                   |              |               |
| Shareholder's contributions to group undertakings                                             | -935         | —             |
| Sale of business operations                                                                   | —            | 2             |
| Acquisition of associated undertakings                                                        | -3           | -1            |
| Acquisition of property and equipment                                                         | -64          | -32           |
| Sale of property and equipment                                                                | 0            | 1             |
| Acquisition of intangible assets                                                              | -95          | -74           |
| Sale of intangible assets                                                                     | 1            | —             |
| Net investments in debt securities, held to maturity                                          | 1,119        | 2,841         |
| Purchase of other financial fixed assets                                                      | -335         | -279          |
| <b>Cash flow from investing activities</b>                                                    | <b>-312</b>  | <b>2,458</b>  |
| <b>Financing activities</b>                                                                   |              |               |
| Issued subordinated liabilities                                                               | 1,495        | 957           |
| Amortised subordinated liabilities                                                            | -618         | -2,160        |
| New share issue                                                                               | 3            | 19            |
| Repurchase/divestment of own shares incl change in trading portfolio                          | -13          | 1             |
| Dividend paid                                                                                 | -1,048       | -1,168        |
| <b>Cash flow from financing activities</b>                                                    | <b>-181</b>  | <b>-2,351</b> |
| <b>Cash flow for the year</b>                                                                 | <b>-346</b>  | <b>2,553</b>  |
| Cash and cash equivalents at the beginning of year                                            | 8,052        | 5,499         |
| Translation difference                                                                        | 0            | 0             |
| Cash and cash equivalents at the end of year                                                  | 7,706        | 8,052         |
| <b>Change</b>                                                                                 | <b>-346</b>  | <b>2,553</b>  |

**Comments on the cash flow statement**

The cash flow statement has been prepared in accordance with IAS 7. The cash flow statement shows inflows and outflows of cash and cash equivalents during the year. Nordea's cash flow has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. The cash flows are classified by operating, investing and financing activities.

**Operating activities**

Operating activities are the principal revenue-producing activities and cash flows are mainly derived from the operating profit for the year with adjustment for items not included in cash flow and income taxes paid. Adjustment for non-cash items includes:

| EURm                                                               | 2012      | 2011          |
|--------------------------------------------------------------------|-----------|---------------|
| Depreciation                                                       | 95        | 110           |
| Impairment charges                                                 | 25        | 11            |
| Loan losses                                                        | 42        | 41            |
| Unrealised gains/losses                                            | -563      | -832          |
| Capital gains/losses (net)                                         | 0         | 0             |
| Change in accruals and provisions                                  | 690       | -89           |
| Anticipated dividends                                              | -468      | -1,055        |
| Group contributions                                                | -303      | -355          |
| Translation differences                                            | -72       | 86            |
| Change in fair value of the hedged items, assets/liabilities (net) | 566       | 962           |
| Other                                                              | 36        | 12            |
| <b>Total</b>                                                       | <b>48</b> | <b>-1,109</b> |

Changes in operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans, deposits and debt securities in issue. Changes in derivatives are reported net.

Cash flow from operating activities includes interest payments received and interest expenses paid with the following amounts:

| EURm                       | 2012  | 2011  |
|----------------------------|-------|-------|
| Interest payments received | 2,823 | 2,502 |
| Interest expenses paid     | 1,852 | 1,820 |

**Investing activities**

Investing activities include acquisitions and disposals of non-current assets, like property and equipment, intangible and financial assets.

**Financing activities**

Financing activities are activities that result in changes in equity and subordinated liabilities, such as new issues of shares, dividends and issued/amortised subordinated liabilities.

**Cash and cash equivalents**

The following items are included in Cash and cash equivalents:

| EURm                                            | 31 Dec 2012  | 31 Dec 2011  |
|-------------------------------------------------|--------------|--------------|
| Cash and balances with central banks            | 180          | 152          |
| Loans to credit institutions, payable on demand | 7,526        | 7,900        |
| <b>Total</b>                                    | <b>7,706</b> | <b>8,052</b> |

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

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

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

# 5 year overview, Parent company

## Income statement

| EURm                                                                                | 2012          | 2011          | 2010          | 2009          | 2008          |
|-------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Net interest income                                                                 | 724           | 680           | 584           | 666           | 523           |
| Net fee and commission income                                                       | 623           | 560           | 571           | 456           | 468           |
| Net result from items at fair value                                                 | 189           | 234           | 157           | 152           | -13           |
| Dividends                                                                           | 3,554         | 1,534         | 2,203         | 973           | 2,063         |
| Other income                                                                        | 501           | 122           | 123           | 123           | 190           |
| <b>Total operating income</b>                                                       | <b>5,591</b>  | <b>3,130</b>  | <b>3,638</b>  | <b>2,370</b>  | <b>3,231</b>  |
| General administrative expenses:                                                    |               |               |               |               |               |
| Staff costs                                                                         | -938          | -823          | -745          | -644          | -676          |
| Other expenses                                                                      | -842          | -561          | -526          | -443          | -473          |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -105          | -112          | -112          | -106          | -103          |
| <b>Total operating expenses</b>                                                     | <b>-1,885</b> | <b>-1,496</b> | <b>-1,383</b> | <b>-1,193</b> | <b>-1,252</b> |
| <b>Profit before loan losses</b>                                                    | <b>3,706</b>  | <b>1,634</b>  | <b>2,255</b>  | <b>1,177</b>  | <b>1,979</b>  |
| Net loan losses                                                                     | -19           | -20           | -33           | -165          | -80           |
| Impairment of securities held as financial non-current assets                       | -15           | -9            | -105          | —             | -26           |
| <b>Operating profit</b>                                                             | <b>3,672</b>  | <b>1,605</b>  | <b>2,117</b>  | <b>1,012</b>  | <b>1,873</b>  |
| Appropriations                                                                      | -103          | 1             | 0             | -3            | 4             |
| Income tax expense                                                                  | -95           | -114          | -115          | -24           | 11            |
| <b>Net profit for the year</b>                                                      | <b>3,474</b>  | <b>1,492</b>  | <b>2,002</b>  | <b>985</b>    | <b>1,888</b>  |

## Balance sheet

| EURm                                           | 31 Dec 2012    | 31 Dec 2011    | 31 Dec 2010    | 31 Dec 2009    | 31 Dec 2008    |
|------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Treasury bills and interest-bearing securities | 16,686         | 18,314         | 20,706         | 20,675         | 12,178         |
| Loans to credit institutions                   | 68,006         | 59,379         | 48,151         | 43,501         | 43,855         |
| Loans to the public                            | 36,214         | 36,421         | 33,800         | 28,860         | 29,240         |
| Investments in group undertakings              | 17,659         | 16,713         | 16,690         | 16,165         | 15,866         |
| Other assets                                   | 13,565         | 10,554         | 14,458         | 9,125          | 11,895         |
| <b>Total assets</b>                            | <b>152,130</b> | <b>141,381</b> | <b>133,805</b> | <b>118,326</b> | <b>113,034</b> |
| Deposits by credit institutions                | 19,342         | 22,441         | 28,644         | 30,187         | 34,713         |
| Deposits and borrowings from the public        | 50,263         | 44,389         | 39,620         | 34,617         | 33,457         |
| Debt securities in issue                       | 48,285         | 45,367         | 33,424         | 22,119         | 17,949         |
| Subordinated liabilities                       | 7,131          | 6,154          | 7,135          | 6,605          | 6,829          |
| Other liabilities/untaxed reserves             | 7,734          | 6,109          | 8,402          | 9,298          | 7,615          |
| Equity                                         | 19,375         | 16,921         | 16,580         | 15,500         | 12,471         |
| <b>Total liabilities and equity</b>            | <b>152,130</b> | <b>141,381</b> | <b>133,805</b> | <b>118,326</b> | <b>113,034</b> |

## P1

## Accounting policies

**Basis for presentation**

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

The Group's accounting policies described in Note G1 "Accounting policies" are applicable also for the parent company, considering also the information provided below.

**Changed accounting policies and presentation**

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2011 Annual Report, mainly apart from the categorisation of commissions within Note P4 "Net fee and commission income" and the definition of impaired loans in Note P15 "Loans and impairment". These changes are further described below.

More information on changes in IFRSs implemented in 2012, which have not had any significant impact on the parent company, as well as on forthcoming changes in IFRSs not yet implemented by Nordea, can be found in section 2 "Changed accounting policies and presentation" and section 3 "Changes in IFRSs not yet applied by Nordea" in Note G1 "Accounting policies". The conclusions within these sections are, where applicable, relevant also for the parent company.

**Definition of impaired loans**

The definition of impaired loans has been changed and the disclosure includes all loans that have, as a consequence of identified loss event, been written down either individually, for individually significant loans, or as part of a portfolio, for individually insignificant loans.

This definition of impaired loans provides more granular information of the loans actually impaired.

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

| EURm             | 31 Dec 2011 |            |
|------------------|-------------|------------|
|                  | New policy  | Old policy |
| Impaired loans   | 366         | 315        |
| – Performing     | 245         | 254        |
| – Non-performing | 121         | 61         |

**Categorisation of commissions**

The categorisation of commission within "Net fee and commission income" has been improved by merging similar types of commissions. Commissions received for securities issues, corporate financial activities and issuer services were reclassified from "Payments" and "Other commission income" to the renamed lines "Brokerage, securities issues and corporate finance" and "Custody and issue services". This categorisation

better describes the types of commission recognised in the income statement. The comparable figures have been restated accordingly and are disclosed in the below table.

| EURm                                               | Jan–Dec 2011 |            |
|----------------------------------------------------|--------------|------------|
|                                                    | New policy   | Old policy |
| Brokerage, securities issues and corporate finance | 116          | 104        |
| Custody and issuer services                        | 17           | 11         |
| Payments                                           | 106          | 121        |
| Other commissions income                           | 42           | 45         |

**Accounting policies applicable for the parent company only****Investments in group undertakings and associated undertakings**

The parent company's investments in group undertakings and associated undertakings are recognised under the cost model. Impairment tests are performed according to IAS 36 "Impairment of Assets". At each balance sheet date, all shares in group undertakings and associated undertakings are reviewed for indications of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of each holding of shares is fully recoverable. The recoverable amount is the higher of fair value less costs to sell and the value in use. Any impairment charge is calculated as the difference between the carrying amount and the recoverable amount and is classified as "Impairment of securities held as financial non-current assets" in the income statement.

**Dividends**

Dividends paid to the shareholders of Nordea Bank AB (publ) are recorded as a liability following the approval of the Annual General Meeting.

Dividends paid by group undertakings to the parent company are anticipated if the parent alone can decide on the size of the dividend and if the formal decision has been made before the financial report is published. Dividends from group- and associated undertakings are recognised on the separate income line "Dividends".

**Differences compared to IFRS**

The accounting principles applied differ from IFRS mainly in the following aspects:

**Amortisation of goodwill**

Under IAS 38, goodwill and other intangible assets with indefinite useful lives are not amortised in the consolidated financial statements. In the parent company financial statements goodwill is amortised as any other intangible asset in accordance with the rules set out in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), i.e. normally over a period of five years unless, under exceptional circumstances, a longer amortisation period is justified.

**Functional currency**

The functional and presentation currency of Nordea Bank AB (publ) is EUR. All transactions in other currencies are converted to EUR in accordance with the policies disclosed in section 9 "Translation of assets and liabilities denominated in foreign currencies" in Note G1 "Accounting policies".

## P1

## Accounting policies, cont.

## Pensions

The accounting principle for defined benefit obligations follows the Swedish rules ("Tryggandelagen") and the regulations of the Swedish Financial Supervisory Authority as this is the condition for tax deductibility. The significant differences compared with IAS 19 consist of how the discount rate is determined, that the calculation of the defined benefit obligation is based on current salary level without assumptions about future salary increases and that all actuarial gains and losses are recognised in the income statement when they occur.

In Sweden, actuarial pension commitments are guaranteed by a pension foundation or recognised as a liability. No net defined benefit assets are recognised. The pension cost in the parent company, classified as "Staff cost" in the income statement, consists of changes in recognised pension provisions (including special wage tax) for active employees, pension

benefits paid, contributions made to or received from the pension foundation and related special wage tax.

## Group contributions

Group contributions paid to group undertakings are recognised as an increase in the value of investments in group undertakings, net of tax. Group contributions received from group undertakings are recognised as dividends. The possible tax effects on group contributions received are classified as "Income tax expense" in the income statement.

## Untaxed reserves

The parent company reports untaxed reserves, related to accelerated depreciation and tax allocation reserve under tax regulations. In the consolidated financial statements, untaxed reserves are split on the items "Retained earnings" and "Deferred tax liabilities" on the balance sheet.

## P2

## Segment reporting

## Geographical information

|                                     | Sweden       |              | Finland <sup>1</sup> |              | Norway <sup>1</sup> |           | Denmark <sup>1</sup> |          | Others <sup>1</sup> |           | Total        |              |
|-------------------------------------|--------------|--------------|----------------------|--------------|---------------------|-----------|----------------------|----------|---------------------|-----------|--------------|--------------|
|                                     | 2012         | 2011         | 2012                 | 2011         | 2012                | 2011      | 2012                 | 2011     | 2012                | 2011      | 2012         | 2011         |
| EURm                                |              |              |                      |              |                     |           |                      |          |                     |           |              |              |
| Net interest income                 | 724          | 680          | —                    | —            | —                   | —         | —                    | —        | —                   | —         | 724          | 680          |
| Net fee and commission income       | 623          | 560          | —                    | —            | —                   | —         | —                    | —        | —                   | —         | 623          | 560          |
| Net result from items at fair value | 189          | 234          | —                    | —            | —                   | —         | —                    | —        | —                   | —         | 189          | 234          |
| Dividends                           | 368          | 421          | 3,142                | 1,018        | 8                   | 29        | 7                    | 7        | 29                  | 59        | 3,554        | 1,534        |
| Other Operating income              | 501          | 122          | —                    | —            | —                   | —         | —                    | —        | —                   | —         | 501          | 122          |
| <b>Total operating income</b>       | <b>2,405</b> | <b>2,017</b> | <b>3,142</b>         | <b>1,018</b> | <b>8</b>            | <b>29</b> | <b>7</b>             | <b>7</b> | <b>29</b>           | <b>59</b> | <b>5,591</b> | <b>3,130</b> |

1) Regards dividends from group undertakings.

## P3

## Net interest income

| EURm                                    | 2012          | 2011          |
|-----------------------------------------|---------------|---------------|
| Interest income                         |               |               |
| Loans to credit institutions            | 990           | 950           |
| Loans to the public                     | 1,203         | 1,164         |
| Interest-bearing securities             | 405           | 460           |
| Other interest income                   | 58            | 52            |
| <b>Interest income</b>                  | <b>2,656</b>  | <b>2,626</b>  |
| Interest expense                        |               |               |
| Deposits by credit institutions         | -172          | -275          |
| Deposits and borrowings from the public | -536          | -549          |
| Debt securities in issue                | -1,027        | -888          |
| Subordinated liabilities                | -328          | -294          |
| Other interest expenses <sup>1</sup>    | 131           | 60            |
| <b>Interest expense</b>                 | <b>-1,932</b> | <b>-1,946</b> |
| <b>Net interest income</b>              | <b>724</b>    | <b>680</b>    |

1) The net interest income from derivatives, measured at fair value and related to Nordea's funding. This can have both a positive and negative impact on other interest expense, for further information see Note G1.

Interest income from financial instruments not measured at fair value through profit and loss amounts to EUR 2,314m (EUR 2,260m). Interest expenses from financial instruments not measured at fair value through profit and loss amounts to EUR -2,089m (EUR -1,990m). Interest on impaired loans amounted to an insignificant portion of interest income.

**P4****Net fee and commission income**

| EURm                                               | 2012        | 2011        |
|----------------------------------------------------|-------------|-------------|
| Asset management commissions                       | 90          | 90          |
| Life insurance                                     | 8           | 10          |
| Brokerage, securities issues and corporate finance | 147         | 116         |
| Custody and issuers services                       | 14          | 17          |
| Deposits                                           | 29          | 25          |
| <b>Total savings related commissions</b>           | <b>288</b>  | <b>258</b>  |
| Payments                                           | 111         | 106         |
| Cards                                              | 224         | 202         |
| <b>Total payment commissions</b>                   | <b>335</b>  | <b>308</b>  |
| Lending                                            | 137         | 133         |
| Guarantees and documentary payment                 | 68          | 36          |
| <b>Total lending related commissions</b>           | <b>205</b>  | <b>169</b>  |
| Other commission income                            | 25          | 42          |
| <b>Fee and commission income</b>                   | <b>853</b>  | <b>777</b>  |
| Savings and investments                            | -37         | -32         |
| Payments                                           | -27         | -35         |
| Cards                                              | -116        | -102        |
| State guarantee fees                               | -43         | -42         |
| Other commission expenses                          | -7          | -6          |
| <b>Fee and commission expense</b>                  | <b>-230</b> | <b>-217</b> |
| <b>Net fee and commission income</b>               | <b>623</b>  | <b>560</b>  |

Fee income, not included in determining the effective interest rate, from financial assets and liabilities not measured at fair value through profit or loss amounts to EUR 167m (EUR 158m).

Fee income, not included in determining the effective interest rate, from fiduciary activities that result in the holding or investing of assets on behalf of customers amount to EUR 245m (EUR 217m). The corresponding amount for fee expenses is EUR -37m (EUR -32m).

**P5****Net result from items at fair value**

| EURm                                                               | 2012       | 2011       |
|--------------------------------------------------------------------|------------|------------|
| Shares/participations and other share-related instruments          | 30         | 45         |
| Interest-bearing securities and other interest-related instruments | 87         | 98         |
| Other financial instruments                                        | 41         | -6         |
| Foreign exchange gains/losses                                      | 31         | 97         |
| <b>Total</b>                                                       | <b>189</b> | <b>234</b> |

**Net result from categories of financial instruments**

| EURm                                                                  | 2012       | 2011       |
|-----------------------------------------------------------------------|------------|------------|
| Financial instruments designated at fair value through profit or loss | 17         | 40         |
| Financial instruments held for trading <sup>1</sup>                   | 144        | 140        |
| Financial instruments under fair value hedge accounting               | -13        | 7          |
| – of which net losses on hedging instruments                          | 506        | 901        |
| – of which net gains on hedged items                                  | -519       | -894       |
| Financial assets measured at amortised cost                           | 0          | —          |
| Financial liabilities measured at amortised cost                      | 0          | -8         |
| Foreign exchange gains/losses excluding currency hedges               | 41         | 55         |
| Other                                                                 | 0          | —          |
| <b>Total</b>                                                          | <b>189</b> | <b>234</b> |

1) Of which amortised deferred day one profits amounts to EUR 0m (EUR 0m).

**P6****Dividends**

| EURm                                        | 2012  | 2011  |
|---------------------------------------------|-------|-------|
| <b>Dividends</b>                            |       |       |
| Nordea Bank Finland Plc                     | 3,125 | 1,000 |
| Nordea Bank Norge ASA                       | —     | 29    |
| Nordea Life Holding AB                      | 18    | 26    |
| Nordea Investment Management AB             | 47    | 40    |
| Nordea Bank S.A Luxembourg                  | 10    | 40    |
| Nordea Investment Funds Company I SA        | 19    | 19    |
| Nordea Investment Funds Company Finland Ltd | 17    | 18    |
| Nordea Ejendomsinvestering A/S              | 7     | 7     |
| Nordea Fondene Norge AS                     | 8     | 0     |

**Group Contributions**

|                          |              |              |
|--------------------------|--------------|--------------|
| Nordea Hypotek AB        | 208          | 302          |
| Nordea Fonder AB         | 2            | 28           |
| Nordea Finans AB         | 93           | 25           |
| Nordic Baltic Holding AB | 0            | 0            |
| <b>Total</b>             | <b>3,554</b> | <b>1,534</b> |

**P7****Other operating income**

| EURm                                 | 2012       | 2011       |
|--------------------------------------|------------|------------|
| Divestment of shares                 | —          | 3          |
| Remuneration from group undertakings | 439        | 52         |
| Other                                | 62         | 67         |
| <b>Total</b>                         | <b>501</b> | <b>122</b> |



## P8

## Staff costs

| EURm                                                         | 2012        | 2011        |
|--------------------------------------------------------------|-------------|-------------|
| Salaries and remuneration (specification below) <sup>1</sup> | -590        | -498        |
| Pension costs (specification below)                          | -144        | -110        |
| Social security contributions                                | -194        | -186        |
| Other staff costs                                            | -10         | -29         |
| <b>Total</b>                                                 | <b>-938</b> | <b>-823</b> |

## Salaries and remuneration

To executives<sup>2</sup>

|                                    |             |             |
|------------------------------------|-------------|-------------|
| – Fixed compensation and benefits  | -6          | -6          |
| – Performance-related compensation | -3          | -2          |
| – Allocation to profitsharing      | 0           | 0           |
| <b>Total</b>                       | <b>-9</b>   | <b>-8</b>   |
| To other employees                 | -581        | -490        |
| <b>Total</b>                       | <b>-590</b> | <b>-498</b> |

- 1) Allocation to profit-sharing foundation 2012 EUR 20m (EUR 4m) consists of a new allocation of EUR 18m (EUR 7m) and an allocation related to prior year of EUR 2m (EUR -3m).
- 2) Executives include the Board of Directors (including deputies), CEO, deputy CEO, executive vice presidents and Group Executive Management in the parent company. Former board members (including deputies), CEOs, deputy CEOs, managing directors and executive vice presidents, are included. Executives amounts to 17 (19) positions.

| EURm                             | 2012        | 2011        |
|----------------------------------|-------------|-------------|
| <b>Pension costs<sup>1</sup></b> |             |             |
| Defined benefit plans            | -90         | -67         |
| Defined contribution plans       | -54         | -43         |
| <b>Total</b>                     | <b>-144</b> | <b>-110</b> |

1) Pension costs for executives, see Note G7.

### Additional disclosures on remuneration under Swedish FSA regulations and general guidelines

The qualitative disclosures under these regulations can be found in the separate section on remuneration in the Board of Directors' Report, while the quantitative disclosures will be published in a separate report on Nordea's homepage ([www.nordea.com](http://www.nordea.com)) one week before the Annual General Meeting on 14 March 2013.

### Compensation to key management personnel

Salaries and remuneration to the Board of Directors, CEO and Group Executive Management, see Note G7.

### Loans to key management personnel

Loans to key management personnel amounts to EUR 0m (EUR 0m). Interest income on these loans amounts to EUR 0m (EUR 0m). For information about loan conditions, see Note G7.

### Long Term Incentive Programmes

Participation in the Long Term Incentive Programmes (LTIPs) requires that the participants take direct ownership by investing in Nordea shares. For more information about conditions and requirements, see Note G7.

For information on number of outstanding conditional rights in the LTIPs, see Note G7. All rights in the LTIPs, both to employees in the parent company as well as to employees in group undertakings, are issued by Nordea Bank AB (publ).

The expenses in below table regards only employees in Nordea Bank AB (publ).

### Expenses for equity-settled share-based payment programmes<sup>1</sup>

| EURm                                     | LTIP 2012 | LTIP 2011 | LTIP 2010 | LTIP 2009 | LTIP 2008 |
|------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Expected expense for the whole programme | -8        | -8        | -4        | -4        | -3        |
| Maximum expense for the whole programme  | -13       | -10       | -7        | -4        | -3        |
| Total expense during 2012                | -2        | -3        | -1        | —         | —         |
| Total expense during 2011                | —         | -1        | -1        | -1        | —         |

1) All amounts excluding social security contribution.

When calculating the expected expense an expected annual employee turnover of 5% has been used in LTIP 2010, LTIP 2011 and LTIP 2012. The expected expense is recognised over the vesting period of 36 months (LTIP 2010, 2011 and 2012) and 24 months (LTIP 2009 and 2008).

### Cash-settled share-based payment transaction

Nordea operates share-linked deferrals on parts of variable compensation for certain employee categories, indexed with Nordea Total Shareholder Returns (TSR) and either vesting after three years or vesting in equal instalments over a three to five year period. Since 2011 Nordea also operates TSR-linked retention on part of variable compensation for certain employee categories. The below table only includes deferred amounts indexed with Nordea TSR. Nordea also operates deferrals not being TSR-linked, which are not included in the table below. Further information regarding all deferred amounts can be found in the separate report on remuneration published on Nordea's homepage ([www.nordea.com](http://www.nordea.com)).

| EURm                                                               | 2012     | 2011     |
|--------------------------------------------------------------------|----------|----------|
| Deferred TSR-linked compensation at beginning of the year          | 1        | 2        |
| Accrued deferred/retained TSR-linked compensation during the year  | 1        | 0        |
| TSR indexation during the year                                     | 0        | 0        |
| Payments during the year <sup>1</sup>                              | 0        | -1       |
| Translation differences                                            | 0        | 0        |
| <b>Deferred TSR-linked compensation at end of year<sup>2</sup></b> | <b>2</b> | <b>1</b> |

1) There have been no adjustments due to forfeitures in 2012.

2) Of which EUR 1m is available for disposal by the employees in 2013. Due to that the allocation of variable compensation is not finally decided during the current year, the deferred amount during the year relates to variable compensation earned the previous year.

### Average number of employees

|                              | Total        |              | Men          |              | Women        |              |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                              | 2012         | 2011         | 2012         | 2011         | 2012         | 2011         |
| <b>Full-time equivalents</b> |              |              |              |              |              |              |
| Sweden                       | 6,601        | 7,023        | 2,910        | 3,071        | 3,691        | 3,952        |
| Other countries              | 1,203        | 202          | 737          | 92           | 466          | 110          |
| <b>Total average</b>         | <b>7,804</b> | <b>7,225</b> | <b>3,647</b> | <b>3,163</b> | <b>4,157</b> | <b>4,062</b> |

### Gender distribution, executives

| Per cent                     | 31 Dec 2012 | 31 Dec 2011 |
|------------------------------|-------------|-------------|
| <b>Nordea Bank AB (publ)</b> |             |             |
| Board of Directors – Men     | 67          | 62          |
| Board of Directors – Women   | 33          | 38          |
| Other executives – Men       | 88          | 88          |
| Other executives – Women     | 12          | 12          |



## P9

## Other expenses

| EURm                                                   | 2012        | 2011        |
|--------------------------------------------------------|-------------|-------------|
| Information technology                                 | -500        | -220        |
| Marketing and representaion                            | -33         | -33         |
| Postage, transportation, telephone and office expenses | -69         | -70         |
| Rents, premises and real estate                        | -114        | -116        |
| Other <sup>1</sup>                                     | -126        | -122        |
| <b>Total</b>                                           | <b>-842</b> | <b>-561</b> |

1) Including fees and remuneration to auditors distributed as follows.

## Auditors' fee

| EURm                   | 2012      | 2011      |
|------------------------|-----------|-----------|
| <b>KPMG</b>            |           |           |
| Auditing assignments   | -2        | -2        |
| Audit-related services | -1        | 0         |
| Tax advisory services  | 0         | 0         |
| Other assignments      | -1        | -4        |
| <b>Total</b>           | <b>-4</b> | <b>-6</b> |

## P10

## Depreciation, amortisation and impairment charges of tangible and intangible assets

| EURm                              | 2012       | 2011        |
|-----------------------------------|------------|-------------|
| <b>Depreciation/amortisation</b>  |            |             |
| Property and equipment (Note P24) |            |             |
| Equipment                         | -22        | -24         |
| Buildings                         | 0          | 0           |
| Intangible assets (Note P23)      |            |             |
| Goodwill                          | -49        | -69         |
| Computer software                 | -20        | -12         |
| Other intangible assets           | -4         | -5          |
| <b>Total</b>                      | <b>-95</b> | <b>-110</b> |

## Impairment charges

|                              |             |             |
|------------------------------|-------------|-------------|
| Intangible assets (Note P23) |             |             |
| Computer software            | -10         | -2          |
| <b>Total</b>                 | <b>-10</b>  | <b>-2</b>   |
| <b>Total</b>                 | <b>-105</b> | <b>-112</b> |

## P11

## Net loan losses

| EURm                                               | 2012       | 2011       |
|----------------------------------------------------|------------|------------|
| <b>Divided by class</b>                            |            |            |
| Loans to credit institutions                       | -1         | 1          |
| – of which provisions                              | -5         | —          |
| – of which write-offs                              | 0          | -4         |
| – of which allowances used for covering write-offs | 0          | 4          |
| – of which reversals                               | 4          | 1          |
| Loans to the public                                | -15        | -26        |
| – of which provisions                              | -69        | -75        |
| – of which write-offs                              | -65        | -63        |
| – of which allowances used for covering write-offs | 27         | 35         |
| – of which reversals                               | 69         | 56         |
| – of which recoveries                              | 23         | 21         |
| Off-balance sheet items <sup>1</sup>               | -3         | 5          |
| – of which provisions                              | -5         | -1         |
| – of which reversals                               | 2          | 6          |
| <b>Total</b>                                       | <b>-19</b> | <b>-20</b> |

## Specification

|                                                                        |            |            |
|------------------------------------------------------------------------|------------|------------|
| Changes of allowance accounts on the balance sheet                     | -4         | -13        |
| – of which Loans, individually assessed <sup>2</sup>                   | -14        | -27        |
| – of which Loans, collectively assessed <sup>2</sup>                   | 13         | 9          |
| – of which Off-balance sheet items, individually assessed <sup>1</sup> | 0          | 1          |
| – of which Off-balance sheet items, collectively assessed <sup>1</sup> | -3         | 4          |
| Changes directly recognised in the income statement                    | -15        | -7         |
| – of which realised loan losses, individually assessed                 | -38        | -28        |
| – of which realised recoveries, individually assessed                  | 23         | 21         |
| <b>Total</b>                                                           | <b>-19</b> | <b>-20</b> |

1) Included in Note P32 Provisions as "Transfer risk, off-balance", "Guarantees".

2) Included in Note P15 Loans and impairment.

## Key ratios

|                               | 2012 | 2011 |
|-------------------------------|------|------|
| Loan loss ratio, basis points | 5    | 6    |
| – of which individual         | 8    | 10   |
| – of which collective         | -3   | -4   |

## P12

## Appropriations

| EURm                                                | 2012        | 2011     |
|-----------------------------------------------------|-------------|----------|
| Change in tax allocation reserve                    | -103        | —        |
| Change in depreciation in excess of plan, equipment | 0           | 1        |
| <b>Total</b>                                        | <b>-103</b> | <b>1</b> |

## P13

## Taxes

## Income tax expense

| EURm                     | 2012       | 2011        |
|--------------------------|------------|-------------|
| Current tax <sup>1</sup> | -88        | -125        |
| Deferred tax             | -7         | 11          |
| <b>Total</b>             | <b>-95</b> | <b>-114</b> |

1) Of which relating to prior years — 16

The tax on the operating profit differs from the theoretical amount that would arise using the tax rate in Sweden as follows:

| EURm                                  | 2012       | 2011        |
|---------------------------------------|------------|-------------|
| Profit before tax                     | 3,569      | 1,606       |
| Tax calculated at a tax rate of 26.3% | -939       | -422        |
| Tax-exempt income                     | 872        | 314         |
| Non-deductible expenses               | -26        | -22         |
| Adjustments relating to prior years   | —          | 16          |
| Change of tax rate <sup>1</sup>       | -2         | —           |
| <b>Tax charge</b>                     | <b>-95</b> | <b>-114</b> |
| Average effective tax rate            | 3%         | 7%          |

1) Due to change of corporate tax rate from 26.3% to 22.0%.

## Deferred tax

| EURm                            | Deferred tax assets |           | Deferred tax liabilities |          |
|---------------------------------|---------------------|-----------|--------------------------|----------|
|                                 | 2012                | 2011      | 2012                     | 2011     |
| <b>Deferred tax related to:</b> |                     |           |                          |          |
| Derivatives                     | 5                   | 7         | 8                        | 2        |
| Retirement benefit obligations  | 8                   | 7         | —                        | —        |
| Liabilities/provisions          | 6                   | 12        | 0                        | 0        |
| <b>Total</b>                    | <b>19</b>           | <b>26</b> | <b>8</b>                 | <b>2</b> |

– of which expected to be settled after more than 1 year 14 8 0 0

| EURm                                                                    | 2012      | 2011      |
|-------------------------------------------------------------------------|-----------|-----------|
| <b>Movements in deferred tax assets/liabilities, net:</b>               |           |           |
| Amount at beginning of year (net)                                       | 24        | 8         |
| Deferred tax relating to items recognised in Other comprehensive income | -8        | 5         |
| Acquisitions and others                                                 | 2         | —         |
| Deferred tax in the income statement                                    | -7        | 11        |
| <b>Amount at end of year (net)</b>                                      | <b>11</b> | <b>24</b> |

## Current and deferred tax recognised in Other comprehensive income

|                                                         |           |          |
|---------------------------------------------------------|-----------|----------|
| Deferred tax relating to available-for-sale investments | -6        | -2       |
| Deferred tax relating to cash flow hedges               | -2        | 7        |
| <b>Total</b>                                            | <b>-8</b> | <b>5</b> |

|                                                          |    |    |
|----------------------------------------------------------|----|----|
| Current tax assets                                       | 41 | 12 |
| – of which expected to be settled after more than 1 year | —  | —  |
| Current tax liabilities                                  | 3  | 71 |
| – of which expected to be settled after more than 1 year | —  | —  |

**P14****Treasury bills**

| EURm                                                              | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-------------------------------------------------------------------|----------------|----------------|
| State and sovereigns <sup>1</sup>                                 | 4,907          | 4,868          |
| Municipalities and other public bodies                            | 289            | 99             |
| <b>Total</b>                                                      | <b>5,196</b>   | <b>4,967</b>   |
| – of which Financial instruments pledged as collateral (Note P17) | 104            | 1,237          |
| <b>Total</b>                                                      | <b>5,092</b>   | <b>3,730</b>   |

1) Of which EUR 17m (EUR 353m) held at amortised cost with a nominal amount of EUR 17m (EUR 353m).

**P15****Loans and impairment**

| EURm                                                | Credit institutions |               | The public    |               | Total          |               |
|-----------------------------------------------------|---------------------|---------------|---------------|---------------|----------------|---------------|
|                                                     | 31 Dec 2012         | 31 Dec 2011   | 31 Dec 2012   | 31 Dec 2011   | 31 Dec 2012    | 31 Dec 2011   |
| Loans, not impaired <sup>1</sup>                    | 68,011              | 59,374        | 36,111        | 36,274        | 104,122        | 95,648        |
| Impaired loans <sup>1</sup>                         | —                   | 9             | 296           | 357           | 296            | 366           |
| – of which performing                               | —                   | 9             | 118           | 236           | 118            | 245           |
| – of which non-performing                           | —                   | —             | 178           | 121           | 178            | 121           |
| <b>Loans before allowances</b>                      | <b>68,011</b>       | <b>59,383</b> | <b>36,407</b> | <b>36,631</b> | <b>104,418</b> | <b>96,014</b> |
| Allowances for individually assessed impaired loans | –1                  | –2            | –132          | –130          | –133           | –132          |
| – of which performing                               | —                   | —             | –61           | –93           | –61            | –93           |
| – of which non-performing                           | –1                  | –2            | –71           | –37           | –72            | –39           |
| Allowances for collectively assessed impaired loans | –4                  | –2            | –61           | –80           | –65            | –82           |
| <b>Allowances</b>                                   | <b>–5</b>           | <b>–4</b>     | <b>–193</b>   | <b>–210</b>   | <b>–198</b>    | <b>–214</b>   |
| <b>Loans, carrying amount</b>                       | <b>68,006</b>       | <b>59,379</b> | <b>36,214</b> | <b>36,421</b> | <b>104,220</b> | <b>95,800</b> |

1) Comparative figures have been restated to ensure consistency between periods, see Note P1 for more information.

**Reconciliation of allowance accounts for impaired loans<sup>1</sup>**

| EURm                                        | Credit institutions           |                               |           | The public                    |                               |             | Total                         |                               |             |
|---------------------------------------------|-------------------------------|-------------------------------|-----------|-------------------------------|-------------------------------|-------------|-------------------------------|-------------------------------|-------------|
|                                             | Indi-<br>vidually<br>assessed | Collec-<br>tively<br>assessed | Total     | Indi-<br>vidually<br>assessed | Collec-<br>tively<br>assessed | Total       | Indi-<br>vidually<br>assessed | Collec-<br>tively<br>assessed | Total       |
| Opening balance at 1 Jan 2012               | –2                            | –2                            | –4        | –130                          | –80                           | –210        | –132                          | –82                           | –214        |
| Provisions                                  | —                             | –5                            | –5        | –63                           | –5                            | –68         | –63                           | –10                           | –73         |
| Reversals                                   | 1                             | 3                             | 4         | 48                            | 20                            | 68          | 49                            | 23                            | 72          |
| <b>Changes through the income statement</b> | <b>1</b>                      | <b>–2</b>                     | <b>–1</b> | <b>–15</b>                    | <b>15</b>                     | <b>0</b>    | <b>–14</b>                    | <b>13</b>                     | <b>–1</b>   |
| Allowances used to cover write-offs         | —                             | —                             | —         | 27                            | —                             | 27          | 27                            | —                             | 27          |
| Reclassifications                           | —                             | —                             | —         | –8                            | 7                             | –1          | –8                            | 7                             | –1          |
| Translation differences                     | —                             | —                             | —         | –6                            | –3                            | –9          | –6                            | –3                            | –9          |
| <b>Closing balance at 31 Dec 2012</b>       | <b>–1</b>                     | <b>–4</b>                     | <b>–5</b> | <b>–132</b>                   | <b>–61</b>                    | <b>–193</b> | <b>–133</b>                   | <b>–65</b>                    | <b>–198</b> |
| Opening balance at 1 Jan 2011               | –6                            | –2                            | –8        | –136                          | –88                           | –224        | –142                          | –90                           | –232        |
| Provisions                                  | —                             | 0                             | 0         | –66                           | –8                            | –74         | –66                           | –8                            | –74         |
| Reversals                                   | —                             | —                             | —         | 39                            | 17                            | 56          | 39                            | 17                            | 56          |
| <b>Changes through the income statement</b> | <b>—</b>                      | <b>0</b>                      | <b>0</b>  | <b>–27</b>                    | <b>9</b>                      | <b>–18</b>  | <b>–27</b>                    | <b>9</b>                      | <b>–18</b>  |
| Allowances used to cover write-offs         | 4                             | —                             | 4         | 35                            | —                             | 35          | 39                            | —                             | 39          |
| Translation differences                     | —                             | —                             | —         | –2                            | –1                            | –3          | –2                            | –1                            | –3          |
| <b>Closing balance at 31 Dec 2011</b>       | <b>–2</b>                     | <b>–2</b>                     | <b>–4</b> | <b>–130</b>                   | <b>–80</b>                    | <b>–210</b> | <b>–132</b>                   | <b>–82</b>                    | <b>–214</b> |

1) See Note P11 Net loan losses.

**P15****Loans and impairment, cont.****Allowances and provisions**

| EURm                                      | Credit institutions |             | The public  |             | Total       |             |
|-------------------------------------------|---------------------|-------------|-------------|-------------|-------------|-------------|
|                                           | 31 Dec 2012         | 31 Dec 2011 | 31 Dec 2012 | 31 Dec 2011 | 31 Dec 2012 | 31 Dec 2011 |
| Allowances for items on the balance sheet | -5                  | -4          | -193        | -210        | -198        | -214        |
| Provisions for off balance sheet items    | -117                | -2          | -2          | -1          | -119        | -3          |
| <b>Total allowances and provisions</b>    | <b>-122</b>         | <b>-6</b>   | <b>-195</b> | <b>-211</b> | <b>-317</b> | <b>-217</b> |

**Key ratios<sup>1</sup>**

|                                                                | 31 Dec 2012 | 31 Dec 2011 |
|----------------------------------------------------------------|-------------|-------------|
| Impairment rate, gross, basis points <sup>1</sup>              | 28          | 38          |
| Impairment rate, net, basis points <sup>1</sup>                | 16          | 24          |
| Total allowance rate, basis points                             | 19          | 22          |
| Allowances in relation to impaired loans, % <sup>1</sup>       | 45          | 36          |
| Total allowances in relation to impaired loans, % <sup>1</sup> | 67          | 58          |

1) Comparative figures have been restated to ensure consistency between periods, see Note P1 for more information.

**P16****Interest-bearing securities**

| EURm                                                              | 31 Dec 2012   | 31 Dec 2011   |
|-------------------------------------------------------------------|---------------|---------------|
| Issued by other borrowers <sup>1</sup>                            | 11,594        | 14,584        |
| <b>Total</b>                                                      | <b>11,594</b> | <b>14,584</b> |
| – of which Financial instruments pledged as collateral (Note P17) | —             | —             |
| <b>Total</b>                                                      | <b>11,594</b> | <b>14,584</b> |
| Listed securities                                                 | 11,530        | 14,064        |
| Unlisted securities                                               | 64            | 520           |
| <b>Total</b>                                                      | <b>11,594</b> | <b>14,584</b> |

1) Of which EUR 864m (EUR 1,648m) held at amortised cost with a nominal amount of EUR 863m (EUR 1,634m).

**P18****Shares**

| EURm                                                     | 31 Dec 2012  | 31 Dec 2011  |
|----------------------------------------------------------|--------------|--------------|
| Shares                                                   | 4,741        | 1,131        |
| Shares taken over for protection of claims               | 1            | 4            |
| <b>Total</b>                                             | <b>4,742</b> | <b>1,135</b> |
| Listed shares                                            | 4,713        | 1,100        |
| Unlisted shares                                          | 29           | 35           |
| <b>Total</b>                                             | <b>4,742</b> | <b>1,135</b> |
| – of which expected to be settled after more than 1 year | 30           | 38           |

**P17****Financial instruments pledged as collateral****Financial instruments pledged as collateral**

In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral. When the counterpart receiving the collateral has the right to sell or repledge the assets, the assets are reclassified on the balance sheet to the item Financial instruments pledged as collateral.

| EURm           | 31 Dec 2012 | 31 Dec 2011  |
|----------------|-------------|--------------|
| Treasury bills | 104         | 1,237        |
| <b>Total</b>   | <b>104</b>  | <b>1,237</b> |

For more information on transferred assets and reverse repos, see Note P44.

## P19

## Derivatives and Hedge accounting

| 31 Dec 2012, EURm                                  | Fair value   |              | Total nom amount |
|----------------------------------------------------|--------------|--------------|------------------|
|                                                    | Positive     | Negative     |                  |
| Derivatives held for trading                       |              |              |                  |
| Interest rate derivatives                          |              |              |                  |
| Interest rate swaps                                | 2,469        | 2,683        | 127,698          |
| FRAs                                               | 22           | 21           | 25,052           |
| Futures and forwards                               | —            | 6            | 1,839            |
| Options                                            | 0            | 0            | 379              |
| Other                                              | 0            | —            | 1,165            |
| <b>Total</b>                                       | <b>2,491</b> | <b>2,710</b> | <b>156,133</b>   |
| Equity derivatives                                 |              |              |                  |
| Equity swaps                                       | 83           | 149          | 350              |
| Futures and forwards                               | 1            | 0            | 21               |
| Options                                            | 61           | 67           | 1,987            |
| <b>Total</b>                                       | <b>145</b>   | <b>216</b>   | <b>2,358</b>     |
| Foreign exchange derivatives                       |              |              |                  |
| Currency and interest rate swaps                   | 629          | 609          | 13,541           |
| Currency forwards                                  | 63           | 124          | 23,979           |
| <b>Total</b>                                       | <b>692</b>   | <b>733</b>   | <b>37,520</b>    |
| Credit derivatives                                 |              |              |                  |
| Credit default swaps                               | —            | 0            | 1                |
| <b>Total</b>                                       | <b>—</b>     | <b>0</b>     | <b>1</b>         |
| Other derivatives                                  |              |              |                  |
| Other                                              | 26           | 0            | 1,867            |
| <b>Total</b>                                       | <b>26</b>    | <b>0</b>     | <b>1,867</b>     |
| <b>Total derivatives held for trading</b>          | <b>3,354</b> | <b>3,659</b> | <b>197,879</b>   |
| Derivatives used for hedge accounting              |              |              |                  |
| Interest rate derivatives                          |              |              |                  |
| Interest rate swaps                                | 2,058        | 263          | 32,653           |
| Options                                            | 0            | 0            | 642              |
| <b>Total</b>                                       | <b>2,058</b> | <b>263</b>   | <b>33,295</b>    |
| Foreign exchange derivatives                       |              |              |                  |
| Currency and interest rate swaps                   | 440          | 244          | 7,475            |
| <b>Total</b>                                       | <b>440</b>   | <b>244</b>   | <b>7,475</b>     |
| <b>Total derivatives used for hedge accounting</b> | <b>2,498</b> | <b>507</b>   | <b>40,770</b>    |
| – of which fair value hedges                       | 2,396        | 382          | 19,886           |
| – of which cash flow hedges                        | 102          | 125          | 20,884           |
| <b>Total derivatives</b>                           | <b>5,852</b> | <b>4,166</b> | <b>238,649</b>   |

**P19****Derivatives and Hedge accounting, cont.**

| 31 Dec 2011, EURm                                  | Fair value   |              | Total nominal amount |
|----------------------------------------------------|--------------|--------------|----------------------|
|                                                    | Positive     | Negative     |                      |
| <b>Derivatives held for trading</b>                |              |              |                      |
| Interest rate derivatives                          |              |              |                      |
| Interest rate swaps                                | 1,783        | 2,029        | 130,296              |
| FRAs                                               | 83           | 109          | 109,281              |
| Futures and forwards                               | 2            | 16           | 1,553                |
| Options                                            | 5            | 6            | 21,133               |
| Other                                              | 0            | 0            | 11,221               |
| <b>Total</b>                                       | <b>1,873</b> | <b>2,160</b> | <b>273,484</b>       |
| <b>Equity derivatives</b>                          |              |              |                      |
| Equity swaps                                       | 124          | 14           | 131                  |
| Futures and forwards                               | 7            | 0            | 22                   |
| Options                                            | 51           | 28           | 1,421                |
| <b>Total</b>                                       | <b>182</b>   | <b>42</b>    | <b>1,574</b>         |
| <b>Foreign exchange derivatives</b>                |              |              |                      |
| Currency and interest rate swaps                   | 398          | 375          | 16,109               |
| Currency forwards                                  | 24           | 215          | 16,397               |
| Options                                            | 0            | 0            | 0                    |
| <b>Total</b>                                       | <b>422</b>   | <b>590</b>   | <b>32,506</b>        |
| <b>Credit derivatives</b>                          |              |              |                      |
| Credit default swaps                               | —            | 4            | 110                  |
| <b>Total</b>                                       | <b>—</b>     | <b>4</b>     | <b>110</b>           |
| <b>Other derivatives</b>                           |              |              |                      |
| Other                                              | 0            | 8            | 2,066                |
| <b>Total</b>                                       | <b>0</b>     | <b>8</b>     | <b>2,066</b>         |
| <b>Total derivatives held for trading</b>          | <b>2,477</b> | <b>2,804</b> | <b>309,740</b>       |
| <b>Derivatives used for hedge accounting</b>       |              |              |                      |
| Interest rate derivatives                          |              |              |                      |
| Interest rate swaps                                | 1,411        | 189          | 22,025               |
| Options                                            | 0            | 0            | 37                   |
| <b>Total</b>                                       | <b>1,411</b> | <b>189</b>   | <b>22,062</b>        |
| <b>Foreign exchange derivatives</b>                |              |              |                      |
| Currency and interest rate swaps                   | 451          | 21           | 3,565                |
| <b>Total</b>                                       | <b>451</b>   | <b>21</b>    | <b>3,565</b>         |
| <b>Total derivatives used for hedge accounting</b> | <b>1,862</b> | <b>210</b>   | <b>25,627</b>        |
| <b>Total derivatives</b>                           | <b>4,339</b> | <b>3,014</b> | <b>335,367</b>       |

**P20****Fair value changes of the hedged items in portfolio hedge of interest rate risk**

| Assets<br>EURm                       | 31 Dec<br>2012 | 31 Dec<br>2011 |
|--------------------------------------|----------------|----------------|
| Carrying amount at beginning of year | -632           | 795            |
| Changes during the year              |                |                |
| Revaluation of hedged items          | -525           | -1,427         |
| Carrying amount at end of year       | -1,157         | -632           |
| Liabilities<br>EURm                  |                |                |
| Carrying amount at beginning of year | 147            | 749            |
| Changes during the year              |                |                |
| Revaluation of hedged items          | -131           | -602           |
| Carrying amount at end of year       | 16             | 147            |

The carrying amount at end of year represents accumulated changes in the fair value for those repricing time periods in which the hedged item is an asset respectively a liability. When the hedged item is an asset, the change in the fair value of the hedged item is presented within assets and when the hedged item is a liability, the change is presented as a liability.

**P21****Investments in group undertakings**

| EURm                                                | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-----------------------------------------------------|----------------|----------------|
| Acquisition value at beginning of year              | 17,318         | 17,286         |
| Acquisitions/capital contributions during the year  | 958            | 26             |
| IFRS 2 expenses <sup>1</sup>                        | 3              | 6              |
| Acquisition value at end of year                    | 18,279         | 17,318         |
| Accumulated impairment charges at beginning of year | -605           | -596           |
| Impairment charges during the year                  | -15            | -9             |
| Reclassification                                    | —              | —              |
| Accumulated impairment charges at end of year       | -620           | -605           |
| Total                                               | 17,659         | 16,713         |

1) Allocation of IFRS 2 expenses for LTIP 2007–2012 related to the group undertakings. For more information, see Note P8.

– of which, listed shares

The total amount is expected to be settled after more than 1 year.

**P21****Investments in group undertakings, cont.****Specification**

This specification includes all directly owned group undertakings and major group undertakings to the directly owned companies.

| 31 Dec 2012                                     | Number of<br>shares        | Carrying<br>amount<br>2012,<br>EURm | Carrying<br>amount<br>2011,<br>EURm | Voting<br>power of<br>holding % | Domicile      | Registration number |
|-------------------------------------------------|----------------------------|-------------------------------------|-------------------------------------|---------------------------------|---------------|---------------------|
| Nordea Bank Finland Plc                         | 1,030,800,000              | 5,956                               | 5,955                               | 100.0                           | Helsinki      | 1680235–8           |
| Nordea Finance Finland Ltd                      |                            |                                     |                                     | 100.0                           | Espoo         | 0112305–3           |
| Nordea Bank Danmark A/S                         | 50,000,000                 | 4,010                               | 3,509                               | 100.0                           | Copenhagen    | 13522197            |
| Nordea Finans Danmark A/S                       |                            |                                     |                                     | 100.0                           | Høje Taastrup | 89805910            |
| Nordea Kredit Realkreditatieselskab             |                            |                                     |                                     | 100.0                           | Copenhagen    | 15134275            |
| Fionia Asset Company A/S <sup>1</sup>           |                            |                                     |                                     | 100.0                           | Copenhagen    | 31934745            |
| Nordea Bank Norge ASA                           | 551,358,576                | 2,818                               | 2,406                               | 100.0                           | Oslo          | 911044110           |
| Nordea Eiendomskreditt AS                       |                            |                                     |                                     | 100.0                           | Oslo          | 971227222           |
| Nordea Finans Norge AS                          |                            |                                     |                                     | 100.0                           | Oslo          | 924507500           |
| Privatmegleren AS                               |                            |                                     |                                     | 100.0                           | Oslo          | 986386661           |
| Nordea Bank Polska S.A.                         | 55,061,403                 | 363                                 | 362                                 | 99.2                            | Gdynia        | KRS0000021828       |
| OOO Promyshlennaya Companiya Vestkon            | 4,601,942,680 <sup>1</sup> | 659                                 | 659                                 | 100.0                           | Moscow        | 1027700034185       |
| OJSC Nordea Bank                                |                            |                                     |                                     | 100.0 <sup>3</sup>              | Moscow        | 1027739436955       |
| Nordea Life Holding AB                          | 1,000                      | 707                                 | 690                                 | 100.0                           | Stockholm     | 556742–3305         |
| Nordea Liv & Pension, Livförsikringsselskab A/S |                            |                                     |                                     | 100.0                           | Ballerup      | 24260577            |
| Nordea Liv Holding Norge AS                     |                            |                                     |                                     | 100.0                           | Bergen        | 984739303           |
| Livförsikringsselskapet Nordea Liv Norge AS     |                            |                                     |                                     | 100.0                           | Bergen        | 959922659           |
| Nordea Livförsäkring Sverige AB (publ)          |                            |                                     |                                     | 100.0                           | Stockholm     | 516401–8508         |
| Nordea Life Assurance Finland Ltd               |                            |                                     |                                     | 100.0                           | Helsinki      | 0927072–8           |

## P21

## Investments in group undertakings, cont.

|                                             |           |               |               |       |                   |                    |
|---------------------------------------------|-----------|---------------|---------------|-------|-------------------|--------------------|
| Nordea Hypotek AB (publ)                    | 100,000   | 1,898         | 1,898         | 100.0 | Stockholm         | 556091–5448        |
| Nordea Fonder AB                            | 15,000    | 241           | 229           | 100.0 | Stockholm         | 556020–4694        |
| Nordea Bank S.A.                            | 999,999   | 454           | 454           | 100.0 | Luxembourg        | B–14157            |
| Nordea Finans Sverige AB (publ)             | 1,000,000 | 116           | 116           | 100.0 | Stockholm         | 556021–1475        |
| Nordea Fondene Norge AS                     | 1,200     | 29            | 29            | 100.0 | Oslo              | 930954616          |
| Nordea Investment Management AB             | 12,600    | 232           | 230           | 100.0 | Stockholm         | 556060–2301        |
| Nordea Investment Fund Company Finland Ltd  | 3,350     | 138           | 138           | 100.0 | Helsinki          | 1737785–9          |
| Nordea Ejendomsinvestering A/S              | 1,000     | 29            | 29            | 100.0 | Copenhagen        | 26640172           |
| Nordea Investment Fund Management A/S       | 25,000    | 8             | 8             | 100.0 | Copenhagen        | 13917396           |
| Nordea Investment Funds Company I S.A.      | 39,996    | 0             | 0             | 100.0 | Luxembourg        | B–30550            |
| PK Properties Int'l Corp                    | 100,000   | 0             | 0             | 100.0 | Atlanta, USA      | 601624718          |
| Nordea Hästen Fastighetsförvaltning AB      | 1,000     | 0             | 0             | 100.0 | Stockholm         | 556653–6800        |
| Nordea Putten Fastighetsförvaltning AB      | 1,000     | 0             | 0             | 100.0 | Stockholm         | 556653–5257        |
| Nordea North America Inc.                   | 1,000     | 0             | 0             | 100.0 | Delaware, USA     | 51–0276195         |
| Nordea do Brasil Representações Ltda        | 1,162,149 | 0             | 0             | 100.0 | Sao Paulo, Brasil | 51–696.268/0001–40 |
| Nordic Baltic Holding (NBH) AB <sup>2</sup> | 1,000     | 0             | 0             | 100.0 | Stockholm         | 556592–7950        |
| Nordea Fastigheter AB <sup>2</sup>          | 3,380,000 | 1             | 1             | 100.0 | Stockholm         | 556021–4917        |
| <b>Total</b>                                |           | <b>17,659</b> | <b>16,713</b> |       |                   |                    |

1) Nominal value expressed in RUB, representing Nordea's participation in Vestkon.

2) Dormant.

3) Combined ownership, Nordea Bank AB (publ) directly 7.2% and indirectly 92.8% through OOO Promyshlennaya Kompaniya Vestkon.

## Special Purpose Entities (SPEs) – Consolidated

SPEs that have been set up for enabling investments in structured credit products and for acquiring assets from customers.

| EURm                                       | Purpose            | Duration | Nordea's investment | Total assets |
|--------------------------------------------|--------------------|----------|---------------------|--------------|
| Viking ABCP Conduit <sup>1</sup>           | Factoring          | <5 years | 1,230               | 1,326        |
| Kalmar Structured Finance A/S <sup>2</sup> | Credit Linked Note | <1 years | 1                   | 23           |
| <b>Total</b>                               |                    |          | <b>1,231</b>        | <b>1,349</b> |

1) The Viking ABCP Conduit (Viking) has been established with the purpose of supporting trade receivable or accounts payable securitisations to core Nordic customers. The SPEs purchase trade receivables from the approved sellers and fund the purchases either by issuing Commercial Papers (CP) via the established Asset Backed Commercial Papers programme or by drawing funds on the liquidity facilities available. Nordea has provided liquidity facilities of maximum EUR 1,691m and at year end 2012 EUR 1,230m were utilised. There is no outstanding CP issue at year end 2012. These SPEs are consolidated as they are closely linked to the activities within Nordea. Also, Nordea is exposed to credit risk through the liquidity facility. There are no significant restriction on repayment of loans from Viking apart from that the payments are dependant on the pace in which Viking realises its assets.

2) Kalmar Structured Finance A/S was established to allow customers to invest in structured products in the global credit markets. The SPE enters into Credit Default Swaps (CDS) and hereby acquires a credit risk on an underlying portfolio of names (like corporate names) and at the same time the SPE issues Credit Linked Notes (CLN) with a similar credit risk that reflects the terms in the CDSs. Nordea is the counterpart in the derivative transactions. The total notional of outstanding CLNs in this category was EUR 24m at year end 2012. Nordea holds CLNs issued by the SPE as part of offering a secondary market for the notes. The investment amounted to EUR 1m at year end 2012.

## P22

## Investments in associated undertakings

| EURm                                   |  | 31 Dec 2012 | 31 Dec 2011 |
|----------------------------------------|--|-------------|-------------|
| Acquisition value at beginning of year |  | 5           | 4           |
| Acquisitions during the year           |  | 3           | 1           |
| Acquisition value at end of year       |  | 8           | 5           |
| <b>Total</b>                           |  | <b>8</b>    | <b>5</b>    |
| – of which, listed shares              |  | —           | —           |

| 31 Dec 2012            | Registration number | Domicile  | Carrying amount 2012, EURm | Carrying amount 2011, EURm | Voting power of holding % |
|------------------------|---------------------|-----------|----------------------------|----------------------------|---------------------------|
| BDB Bankernas Depå AB  | 556695–3567         | Stockholm | 1                          | 1                          | 20                        |
| Bankpension Sverige AB | 556695–8194         | Stockholm | 1                          | 1                          | 40                        |
| Bankomat AB            | 556817–9716         | Stockholm | 6                          | 3                          | 20                        |
| Other                  |                     |           | 0                          | 0                          |                           |
| <b>Total</b>           |                     |           | <b>8</b>                   | <b>5</b>                   |                           |



**P23****Intangible assets**

| EURm                                                        | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-------------------------------------------------------------|----------------|----------------|
| Goodwill allocated to cash generating units <sup>1</sup>    |                |                |
| Retail Banking                                              | 403            | 452            |
| Goodwill, total                                             | 403            | 452            |
| Computer software                                           | 264            | 198            |
| Other intangible assets                                     | 3              | 8              |
| Other intangible assets, total                              | 267            | 206            |
| Intangible assets, total                                    | 670            | 658            |
| <b>Goodwill</b>                                             |                |                |
| Acquisition value at beginning of year                      | 1,059          | 1,059          |
| Acquisition value at end of year                            | 1,059          | 1,059          |
| Accumulated amortisation at beginning of year               | -607           | -538           |
| Amortisation according to plan for the year                 | -49            | -69            |
| Accumulated amortisation at end of year                     | -656           | -607           |
| Total                                                       | 403            | 452            |
| 1) Excluding goodwill in associated undertakings            |                |                |
| <b>Computer software</b>                                    |                |                |
| Acquisition value at beginning of year                      | 249            | 175            |
| Acquisitions during the year                                | 93             | 74             |
| Reclassifications                                           | -2             | —              |
| Translation differences                                     | 0              | 0              |
| Acquisition value at end of year                            | 340            | 249            |
| Accumulated amortisation at beginning of year               | -49            | -37            |
| Amortisation according to plan for the year                 | -20            | -12            |
| Translation differences                                     | 1              | —              |
| Accumulated amortisation at end of year                     | -68            | -49            |
| Accumulated impairment charges at beginning of year         | -2             | 0              |
| Impairment charges during the year                          | -10            | -2             |
| Reclassifications                                           | 2              | —              |
| Translation differences                                     | 2              | —              |
| Accumulated impairment charges at end of year               | -8             | -2             |
| Total                                                       | 264            | 198            |
| <b>Other intangible assets</b>                              |                |                |
| Acquisition value at beginning of year                      | 49             | 48             |
| Acquisitions during the year                                | 1              | 1              |
| Sales/disposals during the year                             | -8             | —              |
| Acquisition value at end of year                            | 42             | 49             |
| Accumulated amortisation at beginning of year               | -41            | -36            |
| Amortisation according to plan for the year                 | -4             | -5             |
| Accumulated amortisation on sales/disposals during the year | 6              | 0              |
| Accumulated amortisation at end of year                     | -39            | -41            |
| Total                                                       | 3              | 8              |

The total amount is expected to be settled after more than 1 year.

**Impairment test**

A cash generating unit, defined as the operating segment, is the basis for the goodwill impairment test. See Note G20 and Note G1 section 4 for more information.

## P24

## Property and equipment

| EURm                                                        | 31 Dec 2012 | 31 Dec 2011 |
|-------------------------------------------------------------|-------------|-------------|
| Property and equipment                                      | 121         | 81          |
| – of which buildings for own use                            | 0           | 0           |
| <b>Total</b>                                                | <b>121</b>  | <b>81</b>   |
| <b>Equipment</b>                                            |             |             |
| Acquisition value at beginning of year                      | 214         | 193         |
| Acquisitions during the year                                | 64          | 32          |
| Sales/disposals during the year                             | –8          | –11         |
| Translation differences                                     | 0           | 0           |
| <b>Acquisition value at end of year</b>                     | <b>270</b>  | <b>214</b>  |
| Accumulated depreciation at beginning of year               | –133        | –116        |
| Accumulated depreciation on sales/disposals during the year | 6           | 7           |
| Depreciations according to plan for the year                | –22         | –24         |
| Translation differences                                     | 0           | 0           |
| <b>Accumulated depreciation at end of year</b>              | <b>–149</b> | <b>–133</b> |
| <b>Total</b>                                                | <b>121</b>  | <b>81</b>   |
| <b>Land and buildings</b>                                   |             |             |
| Acquisition value at beginning of year                      | 0           | 0           |
| Acquisition value at end of year                            | 0           | 0           |
| Accumulated depreciation at beginning of year               | 0           | 0           |
| Depreciation according to plan for the year                 | 0           | 0           |
| <b>Accumulated depreciation at end of year</b>              | <b>0</b>    | <b>0</b>    |
| <b>Total</b>                                                | <b>0</b>    | <b>0</b>    |

The total amount is expected to be settled after more than 1 year.

## Operating leases

Nordea has entered into operating lease agreements for premises and office equipment. See also Note G1, section 15.

| Leasing expenses during the year, EURm                            | 31 Dec 2012 | 31 Dec 2011 |
|-------------------------------------------------------------------|-------------|-------------|
| Leasing expenses during the year                                  | –97         | –95         |
| – of which minimum lease payments                                 | –97         | –95         |
| <b>Leasing income during the year regarding sublease payments</b> | <b>39</b>   | <b>37</b>   |

Future minimum lease payments under non-cancellable operating leases amounted to and are distributed as follows:

| EURm         | 31 Dec 2012 |
|--------------|-------------|
| 2013         | 66          |
| 2014         | 62          |
| 2015         | 35          |
| 2016         | 26          |
| 2017         | 16          |
| Later years  | 141         |
| <b>Total</b> | <b>346</b>  |

Total sublease payments expected to be received under non-cancellable subleases amounts to EUR 272m. EUR 250m of the subleases are towards group undertakings.

## P25

## Other assets

| EURm                                                     | 31 Dec 2012  | 31 Dec 2011  |
|----------------------------------------------------------|--------------|--------------|
| Claims on securities settlement proceeds                 | 273          | 500          |
| Anticipated dividends from group undertakings            | 468          | 1,055        |
| Group Contributions                                      | 303          | 355          |
| Other                                                    | 669          | 352          |
| <b>Total</b>                                             | <b>1,713</b> | <b>2,262</b> |
| – of which expected to be settled after more than 1 year | —            | —            |

**P26 Prepaid expenses and accrued income**

| EURm                                                     | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------------------------------------|----------------|----------------|
| Accrued interest income                                  | 458            | 614            |
| Other accrued income                                     | 138            | 21             |
| Prepaid expenses                                         | 676            | 644            |
| <b>Total</b>                                             | <b>1,272</b>   | <b>1,279</b>   |
| – of which expected to be settled after more than 1 year | 560            | 543            |

**P27 Deposits by credit institutions**

| EURm                      | 31 Dec<br>2012 | 31 Dec<br>2011 |
|---------------------------|----------------|----------------|
| Central banks             | 3,224          | 4,331          |
| Other banks               | 15,553         | 13,720         |
| Other credit institutions | 565            | 4,390          |
| <b>Total</b>              | <b>19,342</b>  | <b>22,441</b>  |

**P28 Deposits and borrowings from the public**

| EURm                       | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------|----------------|----------------|
| Deposits from the public   | 48,822         | 43,219         |
| Borrowings from the public | 1,441          | 1,170          |
| <b>Total</b>               | <b>50,263</b>  | <b>44,389</b>  |

Deposits are defined as funds in deposit accounts covered by the government deposit guarantee but also including amounts in excess of the individual amount limits. Individual pension savings (IPS) are also included.

**P32 Provisions**

| EURm                              | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-----------------------------------|----------------|----------------|
| Provision for restructuring costs | 28             | 44             |
| Transfer risk, off-balance        | 5              | 2              |
| Guarantees                        | 114            | 1              |
| Other                             | 1              | 43             |
| <b>Total</b>                      | <b>148</b>     | <b>90</b>      |

|                                                          | Restructuring | Transfer risk | Guarantees | Other    | Total      |
|----------------------------------------------------------|---------------|---------------|------------|----------|------------|
| At beginning of year                                     | 44            | 2             | 1          | 43       | 90         |
| New provisions made                                      | 12            | 5             | 113        | 1        | 131        |
| Provisions utilised                                      | -16           | —             | —          | —        | -16        |
| Reversals                                                | -14           | -2            | 0          | —        | -16        |
| Reclassifications                                        | —             | —             | —          | -43      | -43        |
| Translation differences                                  | 2             | 0             | 0          | 0        | 2          |
| <b>At end of year</b>                                    | <b>28</b>     | <b>5</b>      | <b>114</b> | <b>1</b> | <b>148</b> |
| – of which expected to be settled after more than 1 year | —             | 5             | 114        | —        | 119        |

Provision for restructuring costs amounts to EUR 28m and covers termination benefits (EUR 24m) and other provisions mainly related to redundant premises (EUR 4m). Provision for transfer risk is related to off-balance sheet items. Transfer risk relating to loans is included in the item Allowances for collectively assessed impaired loans in Note P15. Provision for transfer risk is

**P29 Debt securities in issue**

| EURm                    | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-------------------------|----------------|----------------|
| Certificates of deposit | —              | 0              |
| Commercial papers       | 15,219         | 16,800         |
| Bond loans              | 32,962         | 28,469         |
| Other                   | 104            | 98             |
| <b>Total</b>            | <b>48,285</b>  | <b>45,367</b>  |

**P30 Other liabilities**

| EURm                                                     | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------------------------------------|----------------|----------------|
| Liabilities on securities settlement proceeds            | 173            | 130            |
| Sold, not held, securities                               | 559            | 454            |
| Accounts payable                                         | 29             | 15             |
| Cash/margin payable                                      | —              | 0              |
| Other                                                    | 874            | 1,177          |
| <b>Total</b>                                             | <b>1,635</b>   | <b>1,776</b>   |
| – of which expected to be settled after more than 1 year | —              | —              |

**P31 Accrued expenses and prepaid income**

| EURm                                                     | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------------------------------------|----------------|----------------|
| Accrued interest                                         | 561            | 484            |
| Other accrued expenses                                   | 296            | 163            |
| Prepaid income                                           | 611            | 204            |
| <b>Total</b>                                             | <b>1,468</b>   | <b>851</b>     |
| – of which expected to be settled after more than 1 year | 6              | 0              |

depending on the volume of business with different countries. Loan loss provisions for guarantees amounts to EUR 114m of which EUR 110m covers the guarantee in favour of Nordea Bank Finland Plc and EUR 3m covers the guarantee in favour of Nordea Bank Polska S.A. Loan loss provisions for other guarantees amounts to EUR 1m. Provisions related to state guarantees in Other provisions are reclassified to Accrued expenses.

## P33

## Retirement benefit obligations

**Pension provisions**

The pension liabilities of Nordea Bank AB (publ) are mainly covered by allocations to its pension foundation.

The provisions on the balance sheet pertain almost exclusively to former employees of Postgirot Bank. EUR 148m (EUR 127m) of the provisions are covered by "Tryggandelagen".

A small percentage of the pension obligations are covered by insurance policies.

The following figures are based on calculations in accordance with Swedish rules ("Tryggandelagen").

**Specification of amounts recognised on the balance sheet**

|                                                                                   | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-----------------------------------------------------------------------------------|----------------|----------------|
| Present value of commitments relating to in whole or in part funded pension plans | -1,304         | -1,040         |
| Fair value at the end of the period relating to specifically separated assets     | 1,322          | 1,197          |
| Surplus in the pension foundation                                                 | 18             | 157            |
| Present value of commitments relating to unfunded pension plans                   | -182           | -153           |
| Unrecognised surplus in the pension foundation                                    | -18            | -157           |
| <b>Reported liability net on the balance sheet</b>                                | <b>-182</b>    | <b>-153</b>    |

**Specification of changes in the liability recognised on balance sheet as pension**

|                                                             | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-------------------------------------------------------------|----------------|----------------|
| Balance at 1 Jan recognised as pension commitments          | 153            | 149            |
| Pensions paid related to former employees of Postgirot Bank | -7             | -6             |
| Actuarial pension calculations                              | 26             | 9              |
| Effect of exchange rate changes                             | 10             | 1              |
| <b>Balance at 31 Dec</b>                                    | <b>182</b>     | <b>153</b>     |

**Specification of cost and income in respect of pensions**

|                                                             | 2012        | 2011        |
|-------------------------------------------------------------|-------------|-------------|
| Pensions paid related to former employees of Postgirot Bank | -7          | -6          |
| Pensions paid covered by the pension foundation             | -64         | -58         |
| Actuarial pension calculation                               | -19         | -3          |
| <b>Defined benefit plans</b>                                | <b>-90</b>  | <b>-67</b>  |
| Defined contribution plan                                   | -54         | -43         |
| <b>Pension costs<sup>1</sup></b>                            | <b>-144</b> | <b>-110</b> |
| Return on specifically separated assets, %                  | 8.2         | 7.3         |

1) See Note P8 Staff costs.

**Actual value of holdings in pension foundations**

| EURm                        | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-----------------------------|----------------|----------------|
| Shares                      | 274            | 197            |
| Interest-bearing securities | 1,009          | 980            |
| Other assets                | 39             | 20             |
| <b>Total</b>                | <b>1,322</b>   | <b>1,197</b>   |

**Assumptions for benefit-determined obligations**

|                                                                           | 2012 | 2011 |
|---------------------------------------------------------------------------|------|------|
| Discount rate                                                             | 1.9% | 3.0% |
| The calculation is based on pay and pension levels on the accounting date | Yes  | Yes  |

Next year's expected payment regarding defined benefit plans amounts to EUR 69m.

## P34

## Subordinated liabilities

| EURm                               | 31 Dec<br>2012 | 31 Dec<br>2011 |
|------------------------------------|----------------|----------------|
| Dated subordinated debenture loans | 5,160          | 4,127          |
| Hybrid capital loans               | 1,971          | 2,027          |
| <b>Total</b>                       | <b>7,131</b>   | <b>6,154</b>   |

These debenture loans are subordinated to other liabilities. Dated debenture loans entitle the lender to payment before undated subordinated loans and hybrid capital loans. Within each respective category, the loans entitle lenders to equal payment rights.

At 31 December four loans – with terms specified below – exceeded 10% of the total outstanding volume.

| Year of maturity,<br>EURm | Nominal<br>value | Carrying<br>amount | Interest rate<br>(coupon) |
|---------------------------|------------------|--------------------|---------------------------|
| Dated loan <sup>1</sup>   | 1,000            | 995                | Fixed                     |
| Dated loan <sup>2</sup>   | 750              | 746                | Fixed                     |
| Dated loan <sup>3</sup>   | 750              | 746                | Fixed                     |
| Dated loan <sup>4</sup>   | 947              | 939                | Fixed                     |

1) Maturity date 26 March 2020.

2) Maturity date 29 March 2021.

3) Maturity date 15 February 2022.

4) Maturity date 13 May 2021.

## P35

## Untaxed reserves

| EURm                                       | 31 Dec<br>2012 | 31 Dec<br>2011 |
|--------------------------------------------|----------------|----------------|
| Tax allocation reserve                     | 103            | —              |
| Accumulated excess depreciation, equipment | 5              | 5              |
| <b>Total</b>                               | <b>108</b>     | <b>5</b>       |

**P36****Assets pledged as security for own liabilities**

| EURm                                                   | 31 Dec<br>2012 | 31 Dec<br>2011 |
|--------------------------------------------------------|----------------|----------------|
| Assets pledged for own liabilities                     |                |                |
| Securities etc <sup>1</sup>                            | 4,230          | 3,530          |
| <b>Total</b>                                           | <b>4,230</b>   | <b>3,530</b>   |
| The above pledges pertain to the following liabilities |                |                |
| Deposits by credit institutions                        | 1,977          | 3,432          |
| Deposits and borrowings from the public                | 2,480          | 489            |
| <b>Total</b>                                           | <b>4,457</b>   | <b>3,921</b>   |

1) Relates only to securities recognised on the balance sheet. Securities borrowed or bought under reverse repurchase agreements are not recognised on the balance sheet and thus not included in the amount. Such transactions are disclosed in Note P44. Obtained collaterals which are permitted to be sold or repledged.

Assets pledged for own liabilities contain securities pledged as security in repurchase agreement and in securities lending. The transactions are conducted under standard agreements employed by financial markets participants. Counterparts in those transactions are credit institutions and the public. The transactions are typically short term with maturity within three months.

**P37****Other assets pledged**

| EURm                              | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-----------------------------------|----------------|----------------|
| Other assets pledged <sup>1</sup> |                |                |
| Securities etc                    | 6,225          | 7,264          |
| <b>Total</b>                      | <b>6,225</b>   | <b>7,264</b>   |

1) Collaterals pledged on behalf of other items other than the company's own liabilities, eg, on behalf of a third party or on behalf of the company's own contingent liabilities are accounted for under this item.

Securities etc. includes interest-bearing securities pledged as security for payment settlements within the Central bank of Sweden. The terms and conditions require day to day security and relate to liquidity intraday/over night.

**P38****Contingent liabilities**

| EURm                         | 31 Dec<br>2012 | 31 Dec<br>2011 |
|------------------------------|----------------|----------------|
| Guarantees                   |                |                |
| – Loan guarantees            | 70,514         | 8,614          |
| – Other guarantees           | 15,774         | 16,102         |
| Other contingent liabilities | 4              | 4              |
| <b>Total</b>                 | <b>86,292</b>  | <b>24,720</b>  |

In the normal business of Nordea, the bank issues various forms of guarantees in favour of the bank's customers. Loan guarantees are given for customers to guarantee obligations in other credit- and pension institutions. Other guarantees consist mainly of commercial guarantees such as bid guarantees, advance payment guarantees, warranty guarantees and export related guarantees.

Nordea Bank AB (publ) has issued guarantees covering all commitments in Nordea Investment Management AB, org no 556060–2301 and Nordea Fastigheter AB, org no 556021–4917. The guarantee to Nordea Investment Management AB was withdrawn on 31 January 2013.

Nordea Bank AB (publ) has in December 2012 issued a guarantee of maximum EUR 60bn in favour of Nordea Bank Finland Plc where Nordea Bank AB (publ) guarantees the majority of the exposures in the exposure class IRB corporate in Nordea Bank Finland Plc. The guarantee covers EUR 41bn of corporate loans, guarantees, documentary credits and loan commitments. In addition, EUR 6bn of derivatives are covered by the guarantee as of 31 December 2012. The maximum amount of derivatives guaranteed is EUR 10bn. The guarantee increased the RWA by EUR 34bn, which was mitigated by and extraordinary dividend from Nordea Bank Finland Plc. The guarantee will generate commission income, while the losses recognized on the guaranteed exposures will be transferred to Nordea Bank AB. The guarantee is priced at arm's length, including expected credit losses and the cost of capital required by the guarantee. All internal transactions in the guarantee are eliminated in the consolidated accounts.

Nordea Bank AB (publ) has issued a guarantee of EUR 1,326m in favour of Nordea Bank Polska S.A. The guarantee covers a mortgage loan portfolio with real estate as collateral.

Nordea Bank AB (publ) has undertaken, in relation to certain individuals and on certain conditions, to be responsible for the potential payment liability against them in their capacity as managing directors or board member in group undertakings to Nordea Bank AB (publ).

A limited number of employees are entitled to severance pay if they are dismissed before reaching their normal retirement age.

**Legal proceedings**

Within the framework of the normal business operations, the company faces a number of claims in civil lawsuits and disputes, most of which involve relatively limited amounts. Presently, none of the current disputes are considered likely to have any significant adverse effect on the company or its financial position.

## P39

## Commitments

| EURm                            | 31 Dec<br>2012 | 31 Dec<br>2011 |
|---------------------------------|----------------|----------------|
| Credit commitments <sup>1</sup> | 26,270         | 25,098         |
| <b>Total</b>                    | <b>26,270</b>  | <b>25,098</b>  |

1) Including unutilised portion of approved overdraft facilities of EUR 12,952m (EUR 12,259m).

For information about derivatives see Note P19.

## P40

## Capital adequacy

## Calculation of total capital base

| EURm                                        | 31 Dec 2012   | 31 Dec 2011   |
|---------------------------------------------|---------------|---------------|
| Equity                                      | 19,375        | 16,921        |
| Proposed/actual dividend                    | -1,370        | -1,048        |
| Hybrid capital loans                        | 1,992         | 1,964         |
| Deferred tax assets                         | -19           | -26           |
| Intangible assets                           | -670          | -658          |
| IRB provisions excess (+)/shortfall (-)     | -52           | -32           |
| Other items, net                            | -12           | 13            |
| <b>Tier 1 capital (net after deduction)</b> | <b>19,244</b> | <b>17,134</b> |
| – of which hybrid capital                   | 1,992         | 1,964         |
| <b>Tier 2 capital</b>                       | <b>4,706</b>  | <b>3,203</b>  |
| IRB provisions excess (+)/shortfall (-)     | -52           | -33           |
| Other deduction                             | 0             | 0             |
| <b>Total</b>                                | <b>23,898</b> | <b>20,304</b> |

## Capital requirements and RWA

| EURm                                           | 31 Dec 2012         |               | 31 Dec 2011         |               |
|------------------------------------------------|---------------------|---------------|---------------------|---------------|
|                                                | Capital requirement | Basel II RWA  | Capital requirement | Basel II RWA  |
| Credit risk                                    | 7,494               | 93,670        | 4,595               | 57,441        |
| IRB foundation                                 | 4,752               | 59,394        | 2,186               | 27,328        |
| – of which corporate                           | 4,404               | 55,051        | 1,764               | 22,051        |
| – of which institutions                        | 140                 | 1,751         | 198                 | 2,477         |
| – of which retail                              | 188                 | 2,345         | 201                 | 2,518         |
| – of which other                               | 20                  | 247           | 23                  | 282           |
| Standardised                                   | 2,742               | 34,276        | 2,409               | 30,113        |
| – of which sovereign                           | 2                   | 21            | —                   | —             |
| – of which retail                              | 106                 | 1,327         | 0                   | 0             |
| – of which other                               | 2,634               | 32,928        | 2,409               | 30,113        |
| Market risk                                    | 123                 | 1,539         | 92                  | 1,158         |
| – of which trading book, Internal Approach     | 39                  | 484           | 30                  | 376           |
| – of which trading book, Standardised Approach | 20                  | 246           | 11                  | 143           |
| – of which banking book, Standardised Approach | 64                  | 809           | 51                  | 639           |
| Operational risk                               | 219                 | 2,739         | 190                 | 2,375         |
| – of which standardised                        | 219                 | 2,739         | 190                 | 2,375         |
| <b>Sub total</b>                               | <b>7,836</b>        | <b>97,948</b> | <b>4,877</b>        | <b>60,974</b> |

## Adjustment for transition rules

|                                                              |              |               |              |               |
|--------------------------------------------------------------|--------------|---------------|--------------|---------------|
| Additional capital requirement according to transition rules | —            | —             | —            | —             |
| <b>Total</b>                                                 | <b>7,836</b> | <b>97,948</b> | <b>4,877</b> | <b>60,974</b> |

On 21 December 2012 Nordea Bank AB (publ) entered into a guarantee agreement with Nordea Bank Finland Plc. From a capital adequacy perspective the agreement implies that Nordea Bank AB (publ) guarantees the majority of the credit risk exposures in the exposure class IRB corporate in Nordea Bank Finland Plc. The RWA effect of the guarantee in Nordea Bank AB (publ) at 31 December 2012

equals approx. EUR 34bn. To reduce the impact of the increased RWA in Nordea Bank AB (publ), an extraordinary dividend payment of EUR 2.5bn was performed in December 2012 from Nordea Bank Finland Plc to Nordea Bank AB (publ). See Note P38 for more information.

More Capital Adequacy information can be found in the Risk, Liquidity and Capital Management section page 66.

## P41

## Classification of financial instruments

|                                                                                 |                          |                     |                     | Financial assets<br>at fair value<br>through profit or loss |                                    |                       |                         |         |
|---------------------------------------------------------------------------------|--------------------------|---------------------|---------------------|-------------------------------------------------------------|------------------------------------|-----------------------|-------------------------|---------|
|                                                                                 | Loans and<br>receivables | Held to<br>maturity | Held for<br>trading | Designated at<br>fair value<br>through<br>profit or loss    | Derivatives<br>used for<br>hedging | Available<br>for sale | Non-financial<br>assets | Total   |
| 31 Dec 2012, EURm                                                               |                          |                     |                     |                                                             |                                    |                       |                         |         |
| Assets                                                                          |                          |                     |                     |                                                             |                                    |                       |                         |         |
| Cash and balances with central banks                                            | 180                      | —                   | —                   | —                                                           | —                                  | —                     | —                       | 180     |
| Treasury bills                                                                  | —                        | 17                  | 5,075               | —                                                           | —                                  | —                     | —                       | 5,092   |
| Loans to credit institutions                                                    | 66,960                   | —                   | 312                 | 734                                                         | —                                  | —                     | —                       | 68,006  |
| Loans to the public                                                             | 31,712                   | —                   | —                   | 4,502                                                       | —                                  | —                     | —                       | 36,214  |
| Interest-bearing securities                                                     | —                        | 865                 | 4,510               | —                                                           | —                                  | 6,219                 | —                       | 11,594  |
| Financial instruments pledged as collateral                                     | —                        | —                   | 104                 | —                                                           | —                                  | —                     | —                       | 104     |
| Shares                                                                          | —                        | —                   | 4,712               | 30                                                          | —                                  | —                     | —                       | 4,742   |
| Derivatives                                                                     | —                        | —                   | 3,354               | —                                                           | 2,498                              | —                     | —                       | 5,852   |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -1,157                   | —                   | —                   | —                                                           | —                                  | —                     | —                       | -1,157  |
| Investments in group undertakings                                               | —                        | —                   | —                   | —                                                           | —                                  | —                     | 17,659                  | 17,659  |
| Investments in associated undertakings                                          | —                        | —                   | —                   | —                                                           | —                                  | —                     | 8                       | 8       |
| Intangible assets                                                               | —                        | —                   | —                   | —                                                           | —                                  | —                     | 670                     | 670     |
| Property and equipment                                                          | —                        | —                   | —                   | —                                                           | —                                  | —                     | 121                     | 121     |
| Deferred tax assets                                                             | —                        | —                   | —                   | —                                                           | —                                  | —                     | 19                      | 19      |
| Current tax assets                                                              | —                        | —                   | —                   | —                                                           | —                                  | —                     | 41                      | 41      |
| Other assets                                                                    | 560                      | —                   | —                   | —                                                           | —                                  | —                     | 1,153                   | 1,713   |
| Prepaid expenses and accrued income                                             | 1,134                    | —                   | —                   | —                                                           | —                                  | —                     | 138                     | 1,272   |
| Total                                                                           | 99,389                   | 882                 | 18,067              | 5,266                                                       | 2,498                              | 6,219                 | 19,809                  | 152,130 |

|                                                                                       | Financial liabilities<br>at fair value<br>through profit or loss |                                                          |                                    |                                   |                              |         |
|---------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------|------------------------------------|-----------------------------------|------------------------------|---------|
|                                                                                       | Held for<br>trading                                              | Designated at<br>fair value<br>through profit<br>or loss | Derivatives<br>used for<br>hedging | Other<br>financial<br>liabilities | Non-financial<br>liabilities | Total   |
| 31 Dec 2012, EURm                                                                     |                                                                  |                                                          |                                    |                                   |                              |         |
| Liabilities                                                                           |                                                                  |                                                          |                                    |                                   |                              |         |
| Deposits by credit institutions                                                       | 104                                                              | 1,855                                                    | —                                  | 17,383                            | —                            | 19,342  |
| Deposits and borrowings from<br>the public                                            | —                                                                | 2,498                                                    | —                                  | 47,765                            | —                            | 50,263  |
| Debt securities in issue                                                              | —                                                                | —                                                        | —                                  | 48,285                            | —                            | 48,285  |
| Derivatives                                                                           | 3,659                                                            | —                                                        | 507                                | —                                 | —                            | 4,166   |
| Fair value changes of the<br>hedged items in portfolio<br>hedge of interest rate risk | —                                                                | —                                                        | —                                  | 16                                | —                            | 16      |
| Current tax liabilities                                                               | —                                                                | —                                                        | —                                  | —                                 | 3                            | 3       |
| Other liabilities                                                                     | 560                                                              | —                                                        | —                                  | 560                               | 515                          | 1,635   |
| Accrued expenses and prepaid<br>income                                                | —                                                                | —                                                        | —                                  | 1,172                             | 296                          | 1,468   |
| Deferred tax liabilities                                                              | —                                                                | —                                                        | —                                  | —                                 | 8                            | 8       |
| Provisions                                                                            | —                                                                | —                                                        | —                                  | —                                 | 148                          | 148     |
| Retirement benefit obligations                                                        | —                                                                | —                                                        | —                                  | —                                 | 182                          | 182     |
| Subordinated liabilities                                                              | —                                                                | —                                                        | —                                  | 7,131                             | —                            | 7,131   |
| Total                                                                                 | 4,323                                                            | 4,353                                                    | 507                                | 122,312                           | 1,152                        | 132,647 |

## P41

## Classification of financial instruments, cont.

|                                                                                 |                          |                     |                     | Financial assets<br>at fair value<br>through profit or loss |                                    |                       |                         |                |
|---------------------------------------------------------------------------------|--------------------------|---------------------|---------------------|-------------------------------------------------------------|------------------------------------|-----------------------|-------------------------|----------------|
| 31 Dec 2011, EURm                                                               | Loans and<br>receivables | Held to<br>maturity | Held for<br>trading | Designated at<br>fair value<br>through<br>profit or loss    | Derivatives<br>used for<br>hedging | Available<br>for sale | Non-financial<br>assets | Total          |
| Assets                                                                          |                          |                     |                     |                                                             |                                    |                       |                         |                |
| Cash and balances with central banks                                            | 152                      | —                   | —                   | —                                                           | —                                  | —                     | —                       | 152            |
| Treasury bills                                                                  | —                        | 353                 | 3,377               | —                                                           | —                                  | —                     | —                       | 3,730          |
| Loans to credit institutions                                                    | 55,839                   | —                   | 234                 | 3,306                                                       | —                                  | —                     | —                       | 59,379         |
| Loans to the public                                                             | 33,743                   | —                   | —                   | 2,678                                                       | —                                  | —                     | —                       | 36,421         |
| Interest-bearing securities                                                     | —                        | 1,648               | 7,642               | —                                                           | —                                  | 5,294                 | —                       | 14,584         |
| Financial instruments pledged as collateral                                     | —                        | —                   | 1,237               | —                                                           | —                                  | —                     | —                       | 1,237          |
| Shares                                                                          | —                        | —                   | 1,097               | 38                                                          | —                                  | —                     | —                       | 1,135          |
| Derivatives                                                                     | —                        | —                   | 2,477               | —                                                           | 1,862                              | —                     | —                       | 4,339          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | –632                     | —                   | —                   | —                                                           | —                                  | —                     | —                       | –632           |
| Investments in group undertakings                                               | —                        | —                   | —                   | —                                                           | —                                  | —                     | 16,713                  | 16,713         |
| Investments in associated undertakings                                          | —                        | —                   | —                   | —                                                           | —                                  | —                     | 5                       | 5              |
| Intangible assets                                                               | —                        | —                   | —                   | —                                                           | —                                  | —                     | 658                     | 658            |
| Property and equipment                                                          | —                        | —                   | —                   | —                                                           | —                                  | —                     | 81                      | 81             |
| Deferred tax assets                                                             | —                        | —                   | —                   | —                                                           | —                                  | —                     | 26                      | 26             |
| Current tax assets                                                              | —                        | —                   | —                   | —                                                           | —                                  | —                     | 12                      | 12             |
| Other assets                                                                    | 2,096                    | —                   | —                   | 166                                                         | —                                  | —                     | —                       | 2,262          |
| Prepaid expenses and accrued income                                             | 1,248                    | —                   | 10                  | —                                                           | —                                  | —                     | 21                      | 1,279          |
| <b>Total</b>                                                                    | <b>92,446</b>            | <b>2,001</b>        | <b>16,074</b>       | <b>6,188</b>                                                | <b>1,862</b>                       | <b>5,294</b>          | <b>17,516</b>           | <b>141,381</b> |

|                                                                                 | Financial liabilities<br>at fair value<br>through profit or loss |                                                          |                                    |                                   |                              |         |
|---------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------|------------------------------------|-----------------------------------|------------------------------|---------|
|                                                                                 | Held for<br>trading                                              | Designated at<br>fair value<br>through profit<br>or loss | Derivatives<br>used for<br>hedging | Other<br>financial<br>liabilities | Non-financial<br>liabilities | Total   |
| 31 Dec 2011, EURm                                                               |                                                                  |                                                          |                                    |                                   |                              |         |
| Liabilities                                                                     |                                                                  |                                                          |                                    |                                   |                              |         |
| Deposits by credit institutions                                                 | 1,254                                                            | 2,135                                                    | —                                  | 19,052                            | —                            | 22,441  |
| Deposits and borrowings from the public                                         | 3                                                                | 506                                                      | —                                  | 43,880                            | —                            | 44,389  |
| Debt securities in issue                                                        | —                                                                | —                                                        | —                                  | 45,367                            | —                            | 45,367  |
| Derivatives                                                                     | 2,804                                                            | —                                                        | 210                                | —                                 | —                            | 3,014   |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | —                                                                | —                                                        | —                                  | 147                               | —                            | 147     |
| Current tax liabilities                                                         | —                                                                | —                                                        | —                                  | —                                 | 71                           | 71      |
| Other liabilities                                                               | 455                                                              | 209                                                      | —                                  | 1,029                             | 83                           | 1,776   |
| Accrued expenses and prepaid income                                             | 2                                                                | 117                                                      | —                                  | 570                               | 162                          | 851     |
| Deferred tax liabilities                                                        | —                                                                | —                                                        | —                                  | —                                 | 2                            | 2       |
| Provisions                                                                      | —                                                                | —                                                        | —                                  | —                                 | 90                           | 90      |
| Retirement benefit obligations                                                  | —                                                                | —                                                        | —                                  | —                                 | 153                          | 153     |
| Subordinated liabilities                                                        | —                                                                | —                                                        | —                                  | 6,154                             | —                            | 6,154   |
| Total                                                                           | 4,518                                                            | 2,967                                                    | 210                                | 116,199                           | 561                          | 124,455 |



## P41

## Classification of financial instruments, cont.

## Loans designated at fair value through profit or loss

| EURm                            | 31 Dec 2012 | 31 Dec 2011 |
|---------------------------------|-------------|-------------|
| Carrying amount                 | 5,236       | 5,984       |
| Maximum exposure to credit risk | 5,236       | 5,984       |

## Financial assets and liabilities designated at fair value through profit or loss

Changes in fair values of financial liabilities attributable to changes in credit risk

The funding of Markets operations are measured at fair value and classified into the category "Fair value through profit or loss". The funding of Markets is generally of such a short term nature that the effect of changes in own credit risk is not significant.

## Changes in fair values of financial assets attributable to changes in credit risk

The lending in Markets is generally of such a short term nature (mainly overnight deposits) that the effect of changes in credit risk is not significant.

## Comparison of carrying amount and contractual amount to be paid at maturity

|                                                                       | Carrying amount | Amount to be paid at maturity |
|-----------------------------------------------------------------------|-----------------|-------------------------------|
| 2012, EURm                                                            |                 |                               |
| Financial liabilities designated at fair value through profit or loss | 4,353           | 4,353                         |

|                                                                       | Carrying amount | Amount to be paid at maturity |
|-----------------------------------------------------------------------|-----------------|-------------------------------|
| 2011, EURm                                                            |                 |                               |
| Financial liabilities designated at fair value through profit or loss | 2,967           | 2,967                         |

## P42

## Assets and liabilities at fair value

|                                                                                 | 31 Dec 2012     |                | 31 Dec 2011     |                |
|---------------------------------------------------------------------------------|-----------------|----------------|-----------------|----------------|
| EURm                                                                            | Carrying amount | Fair value     | Carrying amount | Fair value     |
| <b>Assets</b>                                                                   |                 |                |                 |                |
| Cash and balances with central banks                                            | 180             | 180            | 152             | 152            |
| Treasury bills                                                                  | 5,092           | 5,092          | 3,730           | 3,730          |
| Loans to credit institutions                                                    | 68,006          | 68,713         | 59,379          | 59,401         |
| Loans to the public                                                             | 36,214          | 36,224         | 36,421          | 36,430         |
| Interest-bearing securities                                                     | 11,594          | 11,970         | 14,584          | 14,849         |
| Financial instruments pledged as collateral                                     | 104             | 104            | 1,237           | 1,237          |
| Shares                                                                          | 4,742           | 4,742          | 1,135           | 1,135          |
| Derivatives                                                                     | 5,852           | 5,852          | 4,339           | 4,339          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -1,157          | -1,157         | -632            | -632           |
| Investments in group undertakings                                               | 17,659          | 17,659         | 16,713          | 16,713         |
| Investments in associated undertakings                                          | 8               | 8              | 5               | 5              |
| Intangible assets                                                               | 670             | 670            | 658             | 658            |
| Property and equipment                                                          | 121             | 121            | 81              | 81             |
| Deferred tax assets                                                             | 19              | 19             | 26              | 26             |
| Current tax assets                                                              | 41              | 41             | 12              | 12             |
| Other assets                                                                    | 1,713           | 1,713          | 2,262           | 2,262          |
| Prepaid expenses and accrued income                                             | 1,272           | 1,272          | 1,279           | 1,279          |
| <b>Total assets</b>                                                             | <b>152,130</b>  | <b>153,223</b> | <b>141,381</b>  | <b>141,677</b> |
| <b>Liabilities</b>                                                              |                 |                |                 |                |
| Deposits by credit institutions                                                 | 19,342          | 19,252         | 22,441          | 22,433         |
| Deposits and borrowings from the public                                         | 50,263          | 50,229         | 44,389          | 44,444         |
| Debt securities in issue                                                        | 48,285          | 47,382         | 45,367          | 45,080         |
| Derivatives                                                                     | 4,166           | 4,166          | 3,014           | 3,014          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 16              | 16             | 147             | 147            |
| Current tax liabilities                                                         | 3               | 3              | 71              | 71             |
| Other liabilities                                                               | 1,635           | 1,635          | 1,776           | 1,776          |
| Accrued expenses and prepaid income                                             | 1,468           | 1,468          | 851             | 851            |
| Deferred tax liabilities                                                        | 8               | 8              | 2               | 2              |
| Provisions                                                                      | 148             | 148            | 90              | 90             |
| Retirement benefit obligations                                                  | 182             | 182            | 153             | 153            |
| Subordinated liabilities                                                        | 7,131           | 6,833          | 6,154           | 6,154          |
| <b>Total liabilities</b>                                                        | <b>132,647</b>  | <b>131,322</b> | <b>124,455</b>  | <b>124,215</b> |

## Determination of fair value for assets and liabilities

For information on how fair values are determined, see Note G42 Assets and liabilities at fair value. The parent company has not deferred any day 1 gains and losses in accordance with the accounting policy in Note G1.

## P42

## Assets and liabilities at fair value, cont

| 31 Dec 2012, EURm                       | Quoted prices in active markets for the same instrument (Level 1) | Valuation technique using observable data (Level 2) | Valuation technique using non-observable data (Level 3) | Total  |
|-----------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------|--------|
| <b>Assets</b>                           |                                                                   |                                                     |                                                         |        |
| Loans to credit institutions            | —                                                                 | 1,045                                               | —                                                       | 1,045  |
| Loans to the public                     | —                                                                 | 4,502                                               | —                                                       | 4,502  |
| Debt securities <sup>1</sup>            | 10,875                                                            | 4,870                                               | 163                                                     | 15,908 |
| Shares                                  | 4,712                                                             | —                                                   | 30                                                      | 4,742  |
| Derivatives                             | 13                                                                | 5,839                                               | —                                                       | 5,852  |
| <b>Liabilities</b>                      |                                                                   |                                                     |                                                         |        |
| Deposits by credit institutions         | —                                                                 | 1,959                                               | —                                                       | 1,959  |
| Deposits and borrowings from the public | —                                                                 | 2,498                                               | —                                                       | 2,498  |
| Derivatives                             | 17                                                                | 4,148                                               | 0                                                       | 4,165  |
| Other liabilities                       | —                                                                 | 560                                                 | —                                                       | 560    |

1) Of which EUR 5,418m Treasury bills and EUR 10,386m Interest-bearing securities (the portion held at fair value in Note P41). EUR 104m relates to the balance sheet item Financial instruments pledged as collateral.

| 31 Dec 2011, EURm                       | Quoted prices in active markets for the same instrument (Level 1) | Valuation technique using observable data (Level 2) | Valuation technique using non-observable data (Level 3) | Total  |
|-----------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------|--------|
| <b>Assets</b>                           |                                                                   |                                                     |                                                         |        |
| Loans to credit institutions            | —                                                                 | 3,540                                               | —                                                       | 3,540  |
| Loans to the public                     | —                                                                 | 2,678                                               | —                                                       | 2,678  |
| Debt securities <sup>1</sup>            | 14,067                                                            | 3,320                                               | 163                                                     | 17,550 |
| Shares                                  | 1,097                                                             | 4                                                   | 34                                                      | 1,135  |
| Derivatives                             | 69                                                                | 4,270                                               | —                                                       | 4,339  |
| Other assets                            | —                                                                 | 166                                                 | —                                                       | 166    |
| Prepaid expenses and accrued income     | —                                                                 | 10                                                  | —                                                       | 10     |
| <b>Liabilities</b>                      |                                                                   |                                                     |                                                         |        |
| Deposits by credit institutions         | —                                                                 | 3,389                                               | —                                                       | 3,389  |
| Deposits and borrowings from the public | —                                                                 | 509                                                 | —                                                       | 509    |
| Derivatives                             | 99                                                                | 2,915                                               | 0                                                       | 3,014  |
| Other liabilities                       | —                                                                 | 664                                                 | —                                                       | 664    |
| Accrued expenses and prepaid income     | 2                                                                 | 117                                                 | —                                                       | 119    |

1) Of which EUR 3,377m Treasury bills and EUR 12,936m Interest-bearing securities (the portion held at fair value in Note P41). EUR 1,237m relates to the balance sheet item Financial instruments pledged as collateral.

## Movements in level 3

The following table shows a reconciliation of the opening and closing carrying amounts of level 3 financial assets and liabilities

| 31 Dec 2012, EURm                           | 1 Jan 2012 | Fair value gains/losses recognised in the income statement during the year |                         |           |       |             | Net transfers into/out of level 3 | Translation differences | 31 Dec 2012 |
|---------------------------------------------|------------|----------------------------------------------------------------------------|-------------------------|-----------|-------|-------------|-----------------------------------|-------------------------|-------------|
|                                             |            | Realised                                                                   | Unrealised <sup>1</sup> | Purchases | Sales | Settlements |                                   |                         |             |
| Debt securities                             | 163        | —                                                                          | —                       | —         | —     | —           | —                                 | —                       | 163         |
| Shares                                      | 34         | —                                                                          | —                       | —         | —     | —4          | —                                 | —                       | 30          |
| Derivatives (net of assets and liabilities) | 0          | —                                                                          | —                       | —         | —     | —           | —                                 | —                       | 0           |

1) Relates to those assets and liabilities held at the end of the reporting period.

| 31 Dec 2011, EURm                           | 1 Jan 2011 | Fair value gains/losses recognised in the income statement during the year |                         |           |       |             | Net transfers into/out of level 3 | Translation differences | 31 Dec 2011 |
|---------------------------------------------|------------|----------------------------------------------------------------------------|-------------------------|-----------|-------|-------------|-----------------------------------|-------------------------|-------------|
|                                             |            | Realised                                                                   | Unrealised <sup>1</sup> | Purchases | Sales | Settlements |                                   |                         |             |
| Debt securities                             | 7          | —                                                                          | —1                      | 157       | —     | —           | —                                 | —                       | 163         |
| Shares                                      | 43         | —11                                                                        | —                       | 2         | —     | —           | —                                 | —                       | 34          |
| Derivatives (net of assets and liabilities) | —1         | —                                                                          | —                       | 1         | —     | —           | —                                 | —                       | 0           |

1) Relates to those assets and liabilities held at the end of the reporting period.

## P42

## Assets and liabilities at fair value, cont

**Transfers between level 1 and 2**

During the year, the parent company has transferred debt securities of EUR 871m (EUR 671m) from level 1 to level 2 and EUR 453m (EUR 15m) from level 2 to level 1 of the fair value hierarchy for financial assets and liabilities at fair value. The reason for transfers from level 1 to level 2 was

that the instruments ceased to be actively traded during the year and fair values have now been obtained using valuation techniques with observable market inputs. The reason for transfers from level 2 to level 1 was that the instruments have again been actively traded during the year and reliable quoted prices are obtained in the markets.

## P43

## Assets and liabilities in foreign currencies

| 31 Dec 2012, EURbn                      | EUR         | SEK         | DKK         | NOK        | USD         | Other        | Total        |
|-----------------------------------------|-------------|-------------|-------------|------------|-------------|--------------|--------------|
| <b>Assets</b>                           |             |             |             |            |             |              |              |
| Treasury bills                          | 1.5         | 2.1         | —           | 0.2        | 1.3         | —            | 5.1          |
| Loans to credit institutions            | 19.9        | 21.1        | 6.3         | 1.4        | 11.6        | 7.7          | 68.0         |
| Loans to the public                     | 7.1         | 20.6        | 1.4         | 0.6        | 5.1         | 1.4          | 36.2         |
| Interest-bearing securities             | 0.7         | 10.0        | 0.4         | 0.3        | 0.2         | —            | 11.6         |
| Other assets                            | 13.9        | 5.9         | 1.9         | 2.5        | 2.0         | 5.0          | 31.2         |
| <b>Total assets</b>                     | <b>43.1</b> | <b>59.7</b> | <b>10.0</b> | <b>5.0</b> | <b>20.2</b> | <b>14.1</b>  | <b>152.1</b> |
| <b>Liabilities and equity</b>           |             |             |             |            |             |              |              |
| Deposits by credit institutions         | 8.5         | 3.1         | 1.1         | —          | 4.0         | 2.6          | 19.3         |
| Deposits and borrowings from the public | 6.6         | 40.1        | 0.9         | 0.3        | 1.3         | 1.1          | 50.3         |
| Debt securities in issue                | 22.0        | 2.6         | 4.3         | —          | 9.5         | 9.9          | 48.3         |
| Provisions                              | —           | 0.1         | —           | —          | —           | —            | 0.1          |
| Subordinated liabilities                | 3.5         | 0.4         | —           | —          | 2.9         | 0.3          | 7.1          |
| Other liabilities and equity            | 8.6         | 14.0        | 0.2         | 1.6        | 2.1         | 0.5          | 27.0         |
| <b>Total liabilities and equity</b>     | <b>49.2</b> | <b>60.3</b> | <b>6.5</b>  | <b>1.9</b> | <b>19.8</b> | <b>14.4</b>  | <b>152.1</b> |
| <b>31 Dec 2011, EURbn</b>               | <b>EUR</b>  | <b>SEK</b>  | <b>DKK</b>  | <b>NOK</b> | <b>USD</b>  | <b>Other</b> | <b>Total</b> |
| <b>Assets</b>                           |             |             |             |            |             |              |              |
| Treasury bills                          | 1.0         | 2.4         | —           | —          | 0.3         | —            | 3.7          |
| Loans to credit institutions            | 24.8        | 18.6        | 0.1         | 0.7        | 12.4        | 2.8          | 59.4         |
| Loans to the public                     | 5.6         | 21.9        | 2.3         | 0.7        | 4.8         | 1.2          | 36.5         |
| Interest-bearing securities             | 3.6         | 9.4         | 1.5         | —          | 0.1         | —            | 14.6         |
| Other assets                            | 17.3        | 1.7         | 0.0         | 2.6        | 2.8         | 2.8          | 27.2         |
| <b>Total assets</b>                     | <b>52.3</b> | <b>54.0</b> | <b>3.9</b>  | <b>4.0</b> | <b>20.4</b> | <b>6.8</b>   | <b>141.4</b> |
| <b>Liabilities and equity</b>           |             |             |             |            |             |              |              |
| Deposits by credit institutions         | 10.5        | 3.2         | 0.1         | 0.4        | 6.5         | 1.7          | 22.4         |
| Deposits and borrowings from the public | 5.4         | 37.5        | 0.1         | 0.3        | 0.8         | 0.2          | 44.3         |
| Debt securities in issue                | 28.6        | 2.7         | 0.0         | 0.3        | 9.3         | 4.5          | 45.4         |
| Provisions                              | —           | 0.1         | —           | —          | —           | —            | 0.1          |
| Subordinated liabilities                | 2.7         | 0.0         | —           | —          | 3.2         | 0.2          | 6.1          |
| Other liabilities and equity            | 5.3         | 10.5        | 3.7         | 3.0        | 0.4         | 0.2          | 23.1         |
| <b>Total liabilities and equity</b>     | <b>52.5</b> | <b>54.0</b> | <b>3.9</b>  | <b>4.0</b> | <b>20.2</b> | <b>6.8</b>   | <b>141.4</b> |

## P44

## Transferred assets and obtained collaterals

**Transferred assets that are still recognised on the balance sheet and associated liabilities**

All assets transferred and the liabilities associated with these transactions are specified in the following tables. The assets continue to be recognised on the balance sheet since Nordea is still exposed to changes in the fair value of the assets. Therefore, these assets and its associated liabilities are included in the tables below.

| EURm                  | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-----------------------|----------------|----------------|
| Repurchase agreements |                |                |
| Treasury bills        | 104            | 1,237          |
| <b>Total</b>          | <b>104</b>     | <b>1,237</b>   |

**Liabilities associated with the assets**

| EURm                            | 31 Dec<br>2012 | 31 Dec<br>2011 |
|---------------------------------|----------------|----------------|
| Repurchase agreements           |                |                |
| Deposits by credit institutions | 104            | 1,258          |
| <b>Total</b>                    | <b>104</b>     | <b>1,258</b>   |

**Obtained collaterals which are permitted to be sold or repledged**

Nordea obtains collaterals under reverse repurchase and securities borrowing agreements which, under the terms of the agreements, can be sold or repledged. The transactions are conducted under standard agreements employed by financial markets participants. Generally, the agreements require additional collateral to be provided if the value of the securities falls below a predetermined level. Under standard terms for most repurchase transactions, the recipient of collateral has an unrestricted right to sell or repledge it, subject to returning equivalent securities on settlement of the transactions. The fair value of the securities obtained as collateral under reverse repurchase and securities borrowing agreements are disclosed below.

| EURm                                                | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-----------------------------------------------------|----------------|----------------|
| Reverse repurchase agreements                       |                |                |
| Received collaterals which can be repledged or sold | 309            | 233            |
| – of which repledged or sold                        | —              | —              |
| Securities borrowing agreements                     |                |                |
| Received collaterals which can be repledged or sold | 4,052          | 2,180          |
| – of which repledged or sold                        | 4,052          | 2,180          |
| <b>Total</b>                                        | <b>4,361</b>   | <b>2,413</b>   |

## P45

## Maturity analysis for assets and liabilities

## Remaining maturity

| 31 Dec 2012, EURm                                                               | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3–12 months   | 1–5<br>years  | More than<br>5 years | Without fixed<br>maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------------|---------------------|---------------|---------------|----------------------|---------------------------|----------------|
| Cash and balances with central banks                                            |      | 180                     | —                   | —             | —             | —                    | —                         | 180            |
| Treasury bills                                                                  | P14  | —                       | 217                 | 0             | 4,134         | 741                  | —                         | 5,092          |
| Loans to credit institutions                                                    | P15  | 8,943                   | 28,767              | 9,222         | 15,702        | 5,372                | —                         | 68,006         |
| Loans to the public                                                             | P15  | 4,613                   | 11,541              | 4,165         | 15,207        | 688                  | —                         | 36,214         |
| Interest-bearing securities                                                     | P16  | 0                       | 456                 | 1,600         | 9,183         | 355                  | —                         | 11,594         |
| Financial instruments pledged as collateral                                     | P17  | —                       | —                   | 104           | —             | —                    | —                         | 104            |
| Derivatives                                                                     | P19  | —                       | 169                 | 255           | 3,302         | 2,126                | —                         | 5,852          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | P20  | —                       | —                   | –11           | –457          | –689                 | —                         | –1,157         |
| <b>Total assets with fixed maturities</b>                                       |      | <b>13,736</b>           | <b>41,150</b>       | <b>15,335</b> | <b>47,071</b> | <b>8,593</b>         | <b>—</b>                  | <b>125,885</b> |
| Other assets                                                                    |      | —                       | —                   | —             | —             | —                    | 26,245                    | 26,245         |
| <b>Total assets</b>                                                             |      | <b>13,736</b>           | <b>41,150</b>       | <b>15,335</b> | <b>47,071</b> | <b>8,593</b>         | <b>26,245</b>             | <b>152,130</b> |

## P45

## Maturity analysis for assets and liabilities, cont.

|                                                                                 |     |               |               |               |               |               |               |                |
|---------------------------------------------------------------------------------|-----|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Deposits by credit institutions                                                 | P27 | 2,682         | 9,323         | 3,316         | 3,444         | 577           | —             | 19,342         |
| Deposits and borrowings from the public                                         | P28 | 36,868        | 10,142        | 3,244         | 9             | 0             | —             | 50,263         |
| – of which Deposits                                                             |     | 35,427        | 10,142        | 3,244         | 9             | 0             | —             | 48,822         |
| – of which Borrowings                                                           |     | 1,441         | 0             | 0             | 0             | 0             | —             | 1,441          |
| Debt securities in issue                                                        | P29 | —             | 13,968        | 6,647         | 20,455        | 7,215         | —             | 48,285         |
| – of which Debt securities in issue                                             |     | —             | 13,864        | 6,647         | 20,455        | 7,215         | —             | 48,181         |
| – of which Other                                                                |     | —             | 104           | —             | —             | —             | —             | 104            |
| Derivatives                                                                     | P19 | —             | 308           | 224           | 2,788         | 846           | —             | 4,166          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | P20 | —             | —             | —             | 6             | 10            | —             | 16             |
| Subordinated liabilities                                                        | P24 | —             | —             | 5             | 191           | 6,935         | —             | 7,131          |
| <b>Total liabilities with fixed maturities</b>                                  |     | <b>39,550</b> | <b>33,741</b> | <b>13,436</b> | <b>26,893</b> | <b>15,583</b> | <b>—</b>      | <b>129,203</b> |
| Other liabilities                                                               |     | —             | —             | —             | —             | —             | 3,552         | 3,552          |
| Equity                                                                          |     | —             | —             | —             | —             | —             | 19,375        | 19,375         |
| <b>Total liabilities and equity</b>                                             |     | <b>39,550</b> | <b>33,741</b> | <b>13,436</b> | <b>26,893</b> | <b>15,583</b> | <b>22,927</b> | <b>152,130</b> |

## Remaining maturity

| 31 Dec 2011, EURm                                                               | Note | Payable on demand | Maximum 3 months | 3–12 months   | 1–5 years     | More than 5 years | Without fixed maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------|------------------|---------------|---------------|-------------------|------------------------|----------------|
| Cash and balances with central banks                                            |      | 152               | —                | —             | —             | —                 | —                      | 152            |
| Treasury bills                                                                  | P14  | —                 | 181              | 353           | 2,783         | 413               | —                      | 3,730          |
| Loans to credit institutions                                                    | P15  | 7,900             | 27,567           | 13,781        | 7,030         | 3,101             | —                      | 59,379         |
| Loans to the public                                                             | P15  | 4,669             | 12,572           | 4,125         | 14,481        | 574               | —                      | 36,421         |
| Interest-bearing securities                                                     | P16  | —                 | 4,389            | 3,894         | 6,212         | 89                | —                      | 14,584         |
| Financial instruments pledged as collateral                                     | P17  | —                 | 50               | 405           | 769           | 13                | —                      | 1,237          |
| Derivatives                                                                     | P19  | —                 | 121              | 297           | 2,359         | 1,562             | —                      | 4,339          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | P20  | —                 | –657             | 49            | 56            | –80               | —                      | –632           |
| <b>Total assets with fixed maturities</b>                                       |      | <b>12,721</b>     | <b>44,223</b>    | <b>22,904</b> | <b>33,690</b> | <b>5,672</b>      | <b>—</b>               | <b>119,210</b> |
| Other assets                                                                    |      | —                 | —                | —             | —             | —                 | 22,171                 | 22,171         |
| <b>Total assets</b>                                                             |      | <b>12,721</b>     | <b>44,223</b>    | <b>22,904</b> | <b>33,690</b> | <b>5,672</b>      | <b>22,171</b>          | <b>141,381</b> |
| Deposits by credit institutions                                                 | P27  | 1,166             | 19,242           | 938           | 752           | 343               | —                      | 22,441         |
| Deposits and borrowings from the public                                         | P28  | 34,440            | 8,645            | 1,151         | 153           | —                 | —                      | 44,389         |
| – of which Deposits                                                             |      | 33,270            | 8,645            | 1,151         | 153           | —                 | —                      | 43,219         |
| – of which Borrowings                                                           |      | 1,170             | —                | —             | —             | —                 | —                      | 1,170          |
| Debt securities in issue                                                        | P29  | 0                 | 16,117           | 7,657         | 16,168        | 5,425             | —                      | 45,367         |
| – of which Debt securities in issue                                             |      | 0                 | 16,018           | 7,657         | 16,168        | 5,425             | —                      | 45,268         |
| – of which Other                                                                |      | —                 | 99               | —             | —             | —                 | —                      | 99             |
| Derivatives                                                                     | P19  | —                 | 247              | 266           | 1,920         | 581               | —                      | 3,014          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | P20  | —                 | 430              | 152           | 1,198         | –1,633            | —                      | 147            |
| Subordinated liabilities                                                        | P34  | —                 | —                | —             | 499           | 5,655             | —                      | 6,154          |
| <b>Total liabilities with fixed maturities</b>                                  |      | <b>35,606</b>     | <b>44,681</b>    | <b>10,164</b> | <b>20,690</b> | <b>10,371</b>     | <b>—</b>               | <b>121,512</b> |
| Other liabilities                                                               |      | —                 | —                | —             | —             | —                 | 2,948                  | 2,948          |
| Equity                                                                          |      | —                 | —                | —             | —             | —                 | 16,921                 | 16,921         |
| <b>Total liabilities and equity</b>                                             |      | <b>35,606</b>     | <b>44,681</b>    | <b>10,164</b> | <b>20,690</b> | <b>10,371</b>     | <b>19,869</b>          | <b>141,381</b> |

In addition to the on balance sheet and derivative instruments, Nordea has credit commitments amounting to EUR 26,270m (EUR 25,098m), which could be drawn on at any time. Nordea has also issued guarantees of EUR 86,288m (EUR 24,716m) which may lead to future cash outflows if certain events occur.

## P46

## Related-party transactions

The information below is presented from a Nordea perspective, meaning that the information shows the effect from related party transactions on the Nordea figures. For more information on definitions, see Note G1, section 26 and Note G47.

| EURm                                   | Group undertakings |               | Associated undertakings |             | Other related parties |             |
|----------------------------------------|--------------------|---------------|-------------------------|-------------|-----------------------|-------------|
|                                        | 31 Dec 2012        | 31 Dec 2011   | 31 Dec 2012             | 31 Dec 2011 | 31 Dec 2012           | 31 Dec 2011 |
| <b>Assets</b>                          |                    |               |                         |             |                       |             |
| Loans and receivables                  | 66,608             | 57,981        | 44                      | 52          | —                     | —           |
| Interest-bearing securities            | 231                | 1,258         | —                       | —           | —                     | —           |
| Derivatives                            | 2,062              | 1,297         | 26                      | —           | —                     | —           |
| Investments in associated undertakings | —                  | —             | 8                       | 5           | —                     | —           |
| Investments in group undertakings      | 17,659             | 16,713        | —                       | —           | —                     | —           |
| Other assets                           | 442                | 431           | —                       | —           | —                     | —           |
| Prepaid expenses and accrued income    | 725                | 716           | —                       | —           | —                     | —           |
| <b>Total assets</b>                    | <b>87,727</b>      | <b>78,396</b> | <b>78</b>               | <b>57</b>   | <b>—</b>              | <b>—</b>    |

| EURm                                 | Group undertakings |               | Associated undertakings |              | Other related parties |             |
|--------------------------------------|--------------------|---------------|-------------------------|--------------|-----------------------|-------------|
|                                      | 31 Dec 2012        | 31 Dec 2011   | 31 Dec 2012             | 31 Dec 2011  | 31 Dec 2012           | 31 Dec 2011 |
| <b>Liabilities</b>                   |                    |               |                         |              |                       |             |
| Deposits                             | 8,652              | 11,852        | 1                       | 1            | 27                    | 20          |
| Debt securities in issue             | 156                | 54            | —                       | —            | —                     | —           |
| Derivatives                          | 3,138              | 2,265         | —                       | 8            | —                     | —           |
| Other liabilities                    | 223                | 207           | —                       | —            | —                     | —           |
| Accrued expenses and deferred income | 378                | 25            | —                       | —            | —                     | —           |
| Subordinated loans                   | —                  | 309           | —                       | —            | —                     | —           |
| <b>Total liabilities</b>             | <b>12,547</b>      | <b>14,712</b> | <b>1</b>                | <b>9</b>     | <b>27</b>             | <b>20</b>   |
| <b>Off balance<sup>1</sup></b>       | <b>90,565</b>      | <b>29,599</b> | <b>1,910</b>            | <b>2,068</b> | <b>—</b>              | <b>—</b>    |

1) Including guarantees to Nordea Bank Finland Plc and Nordea Bank Polska S.A., see Note P38 as well as nominal values on derivatives in associated undertakings.

| EURm                                | Group undertakings |            | Associated undertakings |           | Other related parties |          |
|-------------------------------------|--------------------|------------|-------------------------|-----------|-----------------------|----------|
|                                     | 2012               | 2011       | 2012                    | 2011      | 2012                  | 2011     |
| Net interest income and expenses    | 601                | 623        | 1                       | 1         | —                     | —        |
| Net fee and commission income       | 230                | 172        | —                       | —         | —                     | —        |
| Net result from items at fair value | –351               | –556       | 40                      | –4        | 0                     | 0        |
| Other operating income              | 473                | 103        | —                       | —         | —                     | —        |
| Total operating expenses            | –158               | –46        | —                       | —         | —                     | —        |
| <b>Profit before loan losses</b>    | <b>795</b>         | <b>296</b> | <b>41</b>               | <b>–3</b> | <b>0</b>              | <b>0</b> |

#### Compensation and loans to key management personnel

Compensation and loans to key management personnel are specified in Note G7.

#### Other related-party transactions

Nordea Bank AB (publ) takes part in a guarantee consortium to support Norwegian Eksportfinans ASA. For further information, see Note G46.

# Auditor's report

To the annual meeting of the shareholders of Nordea Bank AB (publ)  
Corporate identity number 516406-0120

## **Report on the annual accounts and the consolidated accounts**

We have audited the annual accounts and the consolidated accounts of Nordea Bank AB (publ) for the year 2012. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 47–205.

*Responsibilities of the Board of Directors and the Managing Director for the annual accounts and the consolidated accounts*  
The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the annual accounts in accordance with the Annual Accounts Act of Credit Institutions and Security Companies and for the fair presentation of the consolidated accounts in accordance with the International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act of Credit Institutions and Securities Companies, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and the consolidated accounts that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and the consolidated accounts are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and the consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and the consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and the consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and the consolidated accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2012 and of its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies, and present fairly, in all material respects, the financial position of the group as of 31 December 2012 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act of Credit Institutions and Securities Companies. A Corporate Governance Report has been prepared. The Board of Director's report and the Corporate Governance Report are consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet of the parent company and the group.

## **Report on other legal and regulatory requirements**

In addition to our audit of the annual accounts and the consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Nordea Bank AB (publ) for the year 2012.

### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and the Banking and Financing Business Act.

### *Auditor's responsibility*

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and the consolidated accounts, we examined significant decisions, actions taken and circumstances of the com-

pany in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act of Credit Institutions and Securities Companies, or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the Board of Director's report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, 7 February 2013

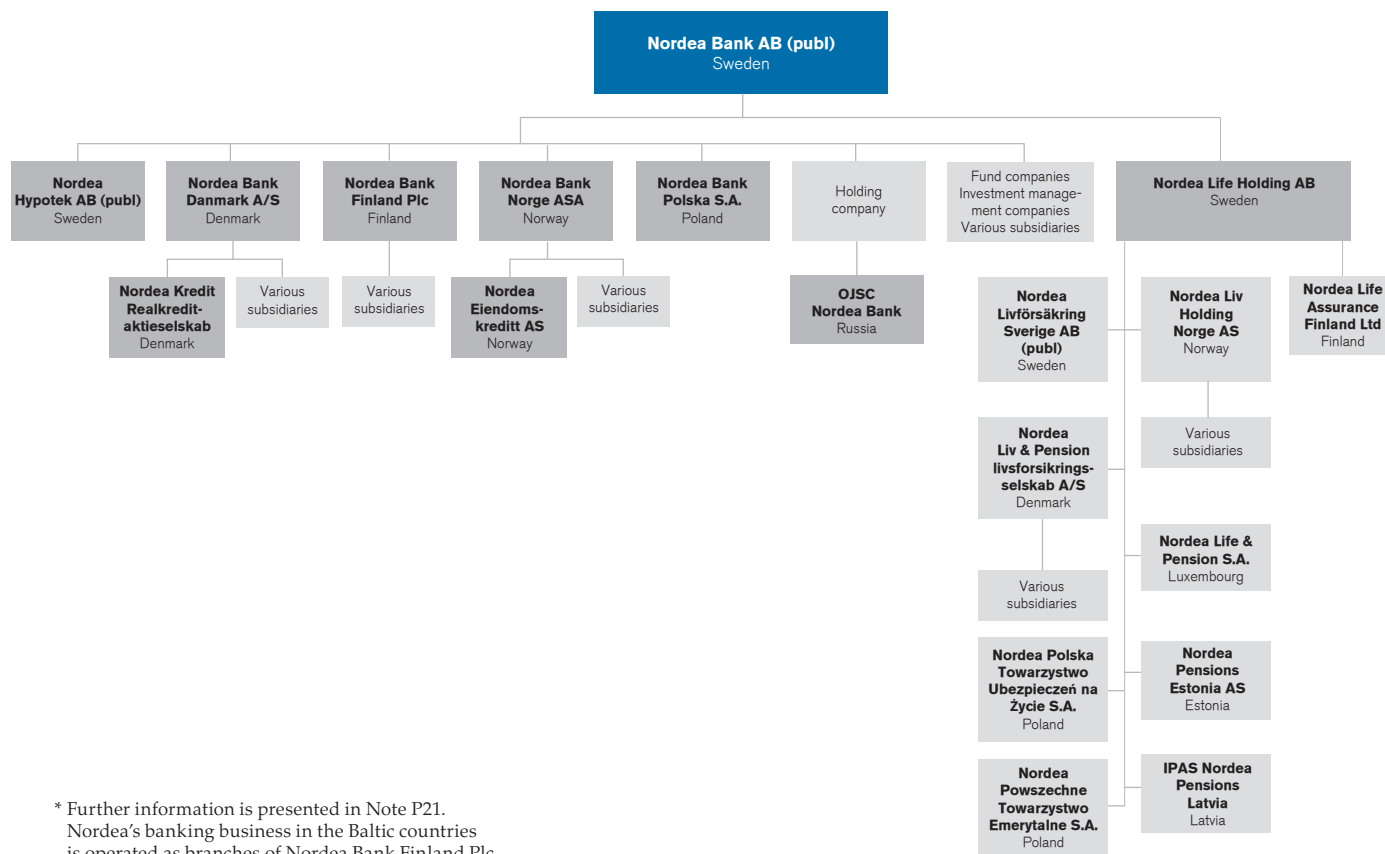
KPMG AB

Carl Lindgren

*Authorised Public Accountant*

## Legal structure

Main legal structure\*, as of 31 December 2012



\* Further information is presented in Note P21. Nordea's banking business in the Baltic countries is operated as branches of Nordea Bank Finland Plc.



**ANNEX 2 - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF NBF FOR THE  
YEAR ENDED 31 DECEMBER 2012, INCLUDING THE AUDITOR'S REPORT AND NOTES  
RELATING THERETO**

# Nordea Bank Finland Group and Nordea Bank Finland Plc

## Income statement

| EURm                                                                                | Note       | Group         |               | Parent company |               |
|-------------------------------------------------------------------------------------|------------|---------------|---------------|----------------|---------------|
|                                                                                     |            | 2012          | 2011          | 2012           | 2011          |
| <b>Operating income</b>                                                             |            |               |               |                |               |
| Interest income                                                                     | 3          | 2,337         | 2,647         | 2,110          | 2,427         |
| Interest expense                                                                    | 3          | -1,079        | -1,292        | -1,076         | -1,289        |
| <b>Net interest income</b>                                                          | <b>3</b>   | <b>1,258</b>  | <b>1,355</b>  | <b>1,034</b>   | <b>1,138</b>  |
| Fee and commission income                                                           | 4          | 741           | 703           | 700            | 662           |
| Fee and commission expense                                                          | 4          | -446          | -394          | -439           | -387          |
| <b>Net fee and commission income</b>                                                | <b>4</b>   | <b>295</b>    | <b>309</b>    | <b>261</b>     | <b>275</b>    |
| Net result from items at fair value                                                 | 5          | 1,217         | 937           | 1,208          | 939           |
| Profit from companies accounted for under the equity method                         | 20         | 18            | 9             | -              | -             |
| Dividends                                                                           | 6          | -             | -             | 99             | 62            |
| Other operating income                                                              | 7          | 36            | 34            | 32             | 38            |
| <b>Total operating income</b>                                                       |            | <b>2,824</b>  | <b>2,644</b>  | <b>2,634</b>   | <b>2,452</b>  |
| <b>Operating expenses</b>                                                           |            |               |               |                |               |
| General administrative expenses:                                                    |            |               |               |                |               |
| Staff costs                                                                         | 8          | -567          | -592          | -520           | -546          |
| Other expenses                                                                      | 9          | -447          | -457          | -444           | -458          |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | 10, 21, 22 | -50           | -43           | -38            | -25           |
| <b>Total operating expenses</b>                                                     |            | <b>-1,064</b> | <b>-1,092</b> | <b>-1,002</b>  | <b>-1,029</b> |
| <b>Profit before loan losses</b>                                                    |            | <b>1,760</b>  | <b>1,552</b>  | <b>1,632</b>   | <b>1,423</b>  |
| Net loan losses                                                                     | 11         | -144          | -70           | -125           | -46           |
| Impairment of securities held as financial non-current assets                       |            | -             | -             | -              | 4             |
| <b>Operating profit</b>                                                             |            | <b>1,616</b>  | <b>1,482</b>  | <b>1,507</b>   | <b>1,381</b>  |
| Income tax expense                                                                  | 12         | -430          | -381          | -385           | -341          |
| <b>Net profit for the year</b>                                                      |            | <b>1,186</b>  | <b>1,101</b>  | <b>1,122</b>   | <b>1,040</b>  |
| <b>Attributable to:</b>                                                             |            |               |               |                |               |
| Shareholders of Nordea Bank Finland Plc                                             |            | 1,184         | 1,099         | 1,122          | 1,040         |
| Non-controlling interests                                                           |            | 2             | 2             | -              | -             |
| <b>Total</b>                                                                        |            | <b>1,186</b>  | <b>1,101</b>  | <b>1,122</b>   | <b>1,040</b>  |

## Statement of comprehensive income

| EURm                                                                | Group        |              | Parent company |              |
|---------------------------------------------------------------------|--------------|--------------|----------------|--------------|
|                                                                     | 2012         | 2011         | 2012           | 2011         |
| <b>Net profit for the year</b>                                      | <b>1,186</b> | <b>1,101</b> | <b>1,122</b>   | <b>1,040</b> |
| Items that may be reclassified subsequently to the income statement |              |              |                |              |
| Currency translation differences during the year                    | -6           | 6            | -              | -            |
| Available-for-sale investments <sup>1</sup> :                       |              |              |                |              |
| - Valuation gains/losses during the year                            | 24           | -7           | 24             | -7           |
| - Tax on valuation gains/losses during the year                     | -7           | 2            | -7             | 2            |
| Cash flow hedges:                                                   |              |              |                |              |
| - Valuation gains/losses during the year                            | -46          | -            | -46            | -            |
| - Tax on valuation gains/losses during the year                     | 11           | -            | 11             | -            |
| <b>Other comprehensive income, net of tax</b>                       | <b>-24</b>   | <b>1</b>     | <b>-18</b>     | <b>-5</b>    |
| <b>Total comprehensive income</b>                                   | <b>1,162</b> | <b>1,102</b> | <b>1,104</b>   | <b>1,035</b> |
| <b>Attributable to:</b>                                             |              |              |                |              |
| Shareholders of Nordea Bank Finland Plc                             | 1,160        | 1,100        | 1,104          | 1,035        |
| Non-controlling interests                                           | 2            | 2            | -              | -            |
| <b>Total</b>                                                        | <b>1,162</b> | <b>1,102</b> | <b>1,104</b>   | <b>1,035</b> |

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

## Balance sheet

| EURm                                                                            | Note                                                      | Group          |                | Parent company |                |
|---------------------------------------------------------------------------------|-----------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                 |                                                           | 31 Dec 2012    | 31 Dec 2011    | 31 Dec 2012    | 31 Dec 2011    |
| <b>Assets</b>                                                                   |                                                           |                |                |                |                |
| Cash and balances with central banks                                            |                                                           | 30,004         | 286            | 30,004         | 286            |
| Loans to central banks                                                          | 13                                                        | 809            | 31,276         | 809            | 31,276         |
| Loans to credit institutions                                                    | 13                                                        | 36,018         | 48,074         | 41,463         | 53,421         |
| Loans to the public                                                             | 13                                                        | 100,765        | 99,331         | 94,313         | 93,097         |
| Interest-bearing securities                                                     | 14                                                        | 36,269         | 30,866         | 36,269         | 30,866         |
| Financial instruments pledged as collateral                                     | 15                                                        | 8,078          | 8,346          | 8,078          | 8,346          |
| Shares                                                                          | 16                                                        | 838            | 1,312          | 835            | 1,309          |
| Derivatives                                                                     | 17                                                        | 117,213        | 170,228        | 117,213        | 170,228        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 18                                                        | 124            | 138            | 124            | 138            |
| Investments in group undertakings                                               | 19                                                        | 0              | -              | 373            | 370            |
| Investments in associated undertakings                                          | 20                                                        | 79             | 79             | 34             | 34             |
| Intangible assets                                                               | 21                                                        | 108            | 106            | 106            | 103            |
| Property and equipment                                                          | 22, 23                                                    | 96             | 124            | 59             | 69             |
| Investment property                                                             | 24                                                        | 104            | 71             | 10             | 10             |
| Deferred tax assets                                                             | 12                                                        | 16             | 16             | 13             | 12             |
| Current tax assets                                                              | 12                                                        | 1              | 132            | -              | 131            |
| Retirement benefit assets                                                       | 33                                                        | 136            | 120            | 130            | 113            |
| Other assets                                                                    | 25                                                        | 10,320         | 8,078          | 10,278         | 8,056          |
| Prepaid expenses and accrued income                                             | 26                                                        | 969            | 704            | 777            | 524            |
| <b>Total assets</b>                                                             |                                                           | <b>341,947</b> | <b>399,287</b> | <b>340,888</b> | <b>398,389</b> |
| <b>Liabilities</b>                                                              |                                                           |                |                |                |                |
| Deposits by credit institutions                                                 | 27                                                        | 74,666         | 76,007         | 74,553         | 75,919         |
| Deposits and borrowings from the public                                         | 28                                                        | 70,212         | 68,260         | 70,224         | 68,265         |
| Debt securities in issue                                                        | 29                                                        | 48,999         | 49,153         | 48,999         | 49,153         |
| Derivatives                                                                     | 17                                                        | 115,836        | 168,436        | 115,836        | 168,436        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 18                                                        | 637            | 195            | 637            | 195            |
| Current tax liabilities                                                         | 12                                                        | 4              | 0              | 4              | 0              |
| Other liabilities                                                               | 30                                                        | 20,690         | 24,128         | 20,475         | 23,990         |
| Accrued expenses and prepaid income                                             | 31                                                        | 946            | 810            | 744            | 615            |
| Deferred tax liabilities                                                        | 12                                                        | 58             | 53             | -              | -              |
| Provisions                                                                      | 32                                                        | 83             | 97             | 79             | 94             |
| Retirement benefit obligations                                                  | 33                                                        | 23             | 25             | 23             | 25             |
| Subordinated liabilities                                                        | 34                                                        | 514            | 503            | 514            | 503            |
| <b>Total liabilities</b>                                                        |                                                           | <b>332,668</b> | <b>387,667</b> | <b>332,088</b> | <b>387,195</b> |
| <b>Equity</b>                                                                   |                                                           |                |                |                |                |
| Non-controlling interests                                                       |                                                           | 4              | 5              | -              | -              |
| Share capital                                                                   |                                                           | 2,319          | 2,319          | 2,319          | 2,319          |
| Share premium reserve                                                           |                                                           | 599            | 599            | 599            | 599            |
| Other reserves                                                                  |                                                           | 2,826          | 2,844          | 2,826          | 2,844          |
| Retained earnings                                                               |                                                           | 3,531          | 5,853          | 3,056          | 5,432          |
| <b>Total equity</b>                                                             |                                                           | <b>9,279</b>   | <b>11,620</b>  | <b>8,800</b>   | <b>11,194</b>  |
| <b>Total liabilities and equity</b>                                             |                                                           | <b>341,947</b> | <b>399,287</b> | <b>340,888</b> | <b>398,389</b> |
| Assets pledged as security for own liabilities                                  | 35                                                        | 39,244         | 35,016         | 39,244         | 35,016         |
| Other assets pledged                                                            | 36                                                        | -              | -              | -              | -              |
| Contingent liabilities                                                          | 37                                                        | 16,419         | 19,041         | 16,723         | 19,348         |
| Credit commitments                                                              | 38                                                        | 15,956         | 17,949         | 13,275         | 15,006         |
| Other commitments                                                               | 38                                                        | 633            | 776            | 260            | 492            |
| <b>Other notes</b>                                                              |                                                           |                |                |                |                |
| Note 1 Accounting policies                                                      | Note 43 Maturity analysis for assets and liabilities      |                |                |                |                |
| Note 2 Segment reporting                                                        | Note 44 Related-party transactions                        |                |                |                |                |
| Note 39 Capital adequacy                                                        | Note 45 Mergers, acquisitions, disposals and dissolutions |                |                |                |                |
| Note 40 Classification of financial instruments                                 | Note 46 Credit risk disclosures                           |                |                |                |                |
| Note 41 Assets and liabilities at fair value                                    | Note 47 Nordea shares                                     |                |                |                |                |
| Note 42 Transferred assets and obtained collaterals                             |                                                           |                |                |                |                |

## Statement of changes in equity

### Group

|                                                               | Attributable to the shareholders of Nordea Bank Finland Plc |                       |                  |                                |                |                   |        |                           |              |
|---------------------------------------------------------------|-------------------------------------------------------------|-----------------------|------------------|--------------------------------|----------------|-------------------|--------|---------------------------|--------------|
|                                                               | Other reserves                                              |                       |                  |                                |                |                   |        |                           |              |
| EURm                                                          | Share capital <sup>1</sup>                                  | Share premium reserve | Cash flow hedges | Available-for-sale investments | Other reserves | Retained earnings | Total  | Non-controlling interests | Total equity |
| Balance at 1 Jan 2012                                         | 2,319                                                       | 599                   | -                | -4                             | 2,848          | 5,853             | 11,615 | 5                         | 11,620       |
| Net profit for the year                                       | -                                                           | -                     | -                | -                              | -              | 1,184             | 1,184  | 2                         | 1,186        |
| Currency translation differences during the year <sup>2</sup> | -                                                           | -                     | -                | -                              | -              | -6                | -6     | -                         | -6           |
| Available-for-sale investments:                               |                                                             |                       |                  |                                |                |                   |        | -                         |              |
| - Valuation gains/losses during the year                      | -                                                           | -                     | -                | 24                             | -              | -                 | 24     | -                         | 24           |
| - Tax on valuation gains/losses during the year               | -                                                           | -                     | -                | -7                             | -              | -                 | -7     | -                         | -7           |
| Cash flow hedges:                                             |                                                             |                       |                  |                                |                |                   |        |                           |              |
| - Valuation gains/losses during the year                      | -                                                           | -                     | -46              | -                              | -              | -                 | -46    | -                         | -46          |
| - Tax on valuation gains/losses during the year               | -                                                           | -                     | 11               | -                              | -              | -                 | 11     | -                         | 11           |
| Other comprehensive income, net of tax                        | -                                                           | -                     | -35              | 17                             | -              | -6                | -24    | -                         | -24          |
| Total comprehensive income                                    | -                                                           | -                     | -35              | 17                             | -              | 1,178             | 1,160  | 2                         | 1,162        |
| Share-based payments <sup>3</sup>                             | -                                                           | -                     | -                | -                              | -              | 2                 | 2      | -                         | 2            |
| Dividend for 2011                                             | -                                                           | -                     | -                | -                              | -              | -3,500            | -3,500 | -                         | -3,500       |
| Other changes                                                 | -                                                           | -                     | -                | -                              | 0              | -2                | -2     | -3                        | -5           |
| Balance at 31 Dec 2012                                        | 2,319                                                       | 599                   | -35              | 13                             | 2,848          | 3,531             | 9,275  | 4                         | 9,279        |
|                                                               |                                                             |                       |                  |                                |                |                   |        |                           |              |
| Balance at 1 Jan 2011                                         | 2,319                                                       | 599                   | -                | 1                              | 2,848          | 5,451             | 11,218 | 6                         | 11,224       |
| Net profit for the year                                       | -                                                           | -                     | -                | -                              | -              | 1,099             | 1,099  | 2                         | 1,101        |
| Currency translation differences during the year              | -                                                           | -                     | -                | -                              | 0              | 6                 | 6      | -                         | 6            |
| Available-for-sale investments:                               |                                                             |                       | -                |                                |                |                   |        |                           |              |
| - Valuation gains/losses during the year                      | -                                                           | -                     | -                | -7                             | -              | -                 | -7     | -                         | -7           |
| - Tax on valuation gains/losses during the year               | -                                                           | -                     | -                | 2                              | -              | -                 | 2      | -                         | 2            |
| Other comprehensive income, net of tax                        | -                                                           | -                     | -                | -5                             | -              | 6                 | 1      | -                         | 1            |
| Total comprehensive income                                    | -                                                           | -                     | -                | -5                             | -              | 1,105             | 1,100  | 2                         | 1,102        |
| Share-based payments <sup>4</sup>                             | -                                                           | -                     | -                | -                              | -              | 2                 | 2      | -                         | 2            |
| Dividend for 2010                                             | -                                                           | -                     | -                | -                              | -              | -700              | -700   | -                         | -700         |
| Other changes                                                 | -                                                           | -                     | -                | -                              | 0              | -5                | -5     | -3                        | -8           |
| Balance at 31 Dec 2011                                        | 2,319                                                       | 599                   | -                | -4                             | 2,848          | 5,853             | 11,615 | 5                         | 11,620       |

<sup>1</sup> Total shares registered were 1,030.8 million (31 Dec 2011: 1,030.8 million). All the shares in Nordea Bank Finland Plc are held by Nordea Bank AB (publ). The carrying amount of the shares corresponds to EUR 2.25 per share. Pursuant to the Articles of Association the Bank's minimum share capital is EUR 850m and maximum share capital EUR 3,400m.

<sup>2</sup> Mainly related to foreign branches of Nordea Bank Finland Plc.

<sup>3</sup> Refers to the Long-Term Incentive Programmes (LTIP 2007, LTIP 2008, LTIP 2009, LTIP 2010, LTIP 2011 and LTIP 2012), see also note 8.

<sup>4</sup> Refers to the Long-Term Incentive Programmes (LTIP 2007, LTIP 2008, LTIP 2009, LTIP 2010 and LTIP 2011), see also note 8.

## Statement of changes in equity *cont.*

### Parent company

|                                                 | Attributable to the shareholders of Nordea Bank Finland Plc |                       |                  |                                |                |                   |               |
|-------------------------------------------------|-------------------------------------------------------------|-----------------------|------------------|--------------------------------|----------------|-------------------|---------------|
|                                                 |                                                             |                       | Other reserves   |                                |                |                   |               |
| EURm                                            | Share capital <sup>1</sup>                                  | Share premium reserve | Cash flow hedges | Available-for-sale investments | Other reserves | Retained earnings | Total equity  |
| <b>Balance at 1 Jan 2012</b>                    | <b>2,319</b>                                                | <b>599</b>            | <b>-</b>         | <b>-4</b>                      | <b>2,848</b>   | <b>5,432</b>      | <b>11,194</b> |
| Net profit for the year                         | -                                                           | -                     | -                | -                              | -              | 1,122             | 1,122         |
| Available-for-sale investments:                 |                                                             |                       |                  |                                |                |                   |               |
| - Valuation gains/losses during the year        | -                                                           | -                     | -                | 24                             | -              | -                 | 24            |
| - Tax on valuation gains/losses during the year | -                                                           | -                     | -                | -7                             | -              | -                 | -7            |
| Cash flow hedges:                               |                                                             |                       |                  |                                |                |                   |               |
| - Valuation gains/losses during the year        | -                                                           | -                     | -46              | -                              | -              | -                 | -46           |
| - Tax on valuation gains/losses during the year | -                                                           | -                     | 11               | -                              | -              | -                 | 11            |
| Other comprehensive income, net of tax          | -                                                           | -                     | -35              | 17                             | -              | -                 | -18           |
| Total comprehensive income                      | -                                                           | -                     | -35              | 17                             | -              | 1,122             | 1,104         |
| Share-based payments <sup>2</sup>               | -                                                           | -                     | -                | -                              | -              | 2                 | 2             |
| Dividend for 2011                               | -                                                           | -                     | -                | -                              | -              | -3,500            | -3,500        |
| Other changes                                   | -                                                           | -                     | -                | -                              | -              | -                 | -             |
| <b>Balance at 31 Dec 2012</b>                   | <b>2,319</b>                                                | <b>599</b>            | <b>-35</b>       | <b>13</b>                      | <b>2,848</b>   | <b>3,056</b>      | <b>8,800</b>  |
|                                                 |                                                             |                       |                  |                                |                |                   |               |
| <b>Balance at 1 Jan 2011</b>                    | <b>2,319</b>                                                | <b>599</b>            | <b>-</b>         | <b>1</b>                       | <b>2,848</b>   | <b>5,091</b>      | <b>10,858</b> |
| Net profit for the year                         | -                                                           | -                     | -                | -                              | -              | 1,040             | 1,040         |
| Available-for-sale investments:                 |                                                             |                       |                  |                                |                |                   |               |
| - Valuation gains/losses during the year        | -                                                           | -                     | -                | -7                             | -              | -                 | -7            |
| - Tax on valuation gains/losses during the year | -                                                           | -                     | -                | 2                              | -              | -                 | 2             |
| Other comprehensive income, net of tax          | -                                                           | -                     | -                | -5                             | -              | -                 | -5            |
| Total comprehensive income                      | -                                                           | -                     | -                | -5                             | -              | 1,040             | 1,035         |
| Share-based payments <sup>3</sup>               | -                                                           | -                     | -                | -                              | -              | 1                 | 1             |
| Dividend for 2010                               | -                                                           | -                     | -                | -                              | -              | -700              | -700          |
| <b>Balance at 31 Dec 2011</b>                   | <b>2,319</b>                                                | <b>599</b>            | <b>-</b>         | <b>-4</b>                      | <b>2,848</b>   | <b>5,432</b>      | <b>11,194</b> |

<sup>1</sup> Total shares registered were 1,030.8 million (31 Dec 2011: 1,030.8 million). All the shares in Nordea Bank Finland Plc are held by Nordea Bank AB (publ). The carrying amount of the shares corresponds to EUR 2.25 per share. Pursuant to the Articles of Association the Bank's minimum share capital is EUR 850m and maximum share capital EUR 3,400m.

<sup>2</sup> Refers to the Long-Term Incentive Programmes (LTIP 2007, LTIP 2008, LTIP 2009, LTIP 2010, LTIP 2011 and LTIP 2012), see also note 8.

<sup>3</sup> Refers to the Long-Term Incentive Programmes (LTIP 2007, LTIP 2008, LTIP 2009, LTIP 2010 and LTIP 2011), see also note 8.

Description of items in equity is included in Note 1 Accounting policies.

No decision was made during the financial year to issue equity warrants or convertible bonds entitling to subscription of shares in the NBF. At the end of 2012, the NBF held no authorisations given by the General Meeting for issuance or buybacks of shares, equity warrants or convertible bonds.

## Cash flow statement

| EURm                                                                                          | Group         |              | Parent company |               |
|-----------------------------------------------------------------------------------------------|---------------|--------------|----------------|---------------|
|                                                                                               | 2012          | 2011         | 2012           | 2011          |
| <b>Operating activities</b>                                                                   |               |              |                |               |
| Operating profit                                                                              | 1,616         | 1,482        | 1,507          | 1,381         |
| Adjustments for items not included in cash flow                                               | -1,771        | -386         | -1,789         | -424          |
| Income taxes paid                                                                             | -286          | -422         | -247           | -387          |
| <b>Cash flow from operating activities before changes in operating assets and liabilities</b> | <b>-441</b>   | <b>674</b>   | <b>-529</b>    | <b>570</b>    |
| <b>Changes in operating assets</b>                                                            |               |              |                |               |
| Change in loans to credit institutions                                                        | 27,468        | -1,402       | 27,587         | -1,809        |
| Change in loans to the public                                                                 | -1,507        | -25,736      | -1,350         | -25,271       |
| Change in interest-bearing securities                                                         | -5,741        | -9,339       | -5,741         | -9,339        |
| Change in financial assets pledged as collateral                                              | 267           | -3,042       | 268            | -3,042        |
| Change in shares                                                                              | 469           | -237         | 468            | -233          |
| Change in derivatives, net                                                                    | 2,644         | -240         | 2,644          | -243          |
| Change in investment properties                                                               | -33           | -40          | 0              | -8            |
| Change in other assets                                                                        | -2,242        | 483          | -2,223         | 485           |
| <b>Changes in operating liabilities</b>                                                       |               |              |                |               |
| Change in deposits by credit institutions                                                     | -757          | 15,397       | -1,366         | 15,426        |
| Change in deposits and borrowings from the public                                             | 1,859         | 12,625       | 1,959          | 12,713        |
| Change in debt securities in issue                                                            | 172           | 9,307        | -155           | 9,307         |
| Change in other liabilities                                                                   | -3,438        | 2,019        | -3,514         | 2,014         |
| <b>Cash flow from operating activities</b>                                                    | <b>18,720</b> | <b>469</b>   | <b>18,048</b>  | <b>570</b>    |
| <b>Investing activities</b>                                                                   |               |              |                |               |
| Acquisition of business operations                                                            | 0             | 0            | -2             | -17           |
| Sale of business operations                                                                   | -             | -            | -              | 0             |
| Dividends from associated companies                                                           | 19            | 2            | -              | 0             |
| Acquisition of associated undertakings                                                        | -             | -10          | -              | -15           |
| Sale of associated undertakings                                                               | -             | 0            | -              | 0             |
| Acquisition of property and equipment                                                         | -34           | -45          | -29            | -33           |
| Sale of property and equipment                                                                | 15            | 21           | 2              | 0             |
| Acquisition of intangible assets                                                              | -28           | -33          | -27            | -32           |
| Sale of intangible assets                                                                     | 0             | 0            | -1             | 0             |
| Divestments of/investments in debt securities, held to maturity                               | 344           | 3,226        | 391            | 3,227         |
| Purchase/sale of other financial fixed assets                                                 | 17            | 19           | 17             | 19            |
| <b>Cash flow from investing activities</b>                                                    | <b>333</b>    | <b>3,180</b> | <b>351</b>     | <b>3,149</b>  |
| <b>Financing activities</b>                                                                   |               |              |                |               |
| Issued subordinated liabilities                                                               | -             | 19           | -              | 19            |
| Amortised subordinated liabilities                                                            | -3            | -            | -3             | -             |
| Dividend paid                                                                                 | -3,500        | -700         | -3,500         | -700          |
| Other changes                                                                                 | -23           | -11          | -15            | -4            |
| <b>Cash flow from financing activities</b>                                                    | <b>-3,526</b> | <b>-692</b>  | <b>-3,518</b>  | <b>-685</b>   |
| <b>Cash flow for the year</b>                                                                 | <b>15,527</b> | <b>2,957</b> | <b>14,881</b>  | <b>3,034</b>  |
| Cash and cash equivalents at the beginning of year                                            | 17,981        | 14,947       | 17,966         | 14,932        |
| Translation differences                                                                       | 649           | -77          | -              | -             |
| Cash and cash equivalents at the end of year                                                  | 32,859        | 17,981       | 32,847         | 17,966        |
| <b>Change</b>                                                                                 | <b>15,527</b> | <b>2,957</b> | <b>14,881</b>  | <b>-3,034</b> |

## Cash flow statement *cont.*

### Comments on the cash flow statement

The cash flow statement has been prepared in accordance with IAS 7. The cash flow statement shows inflows and outflows of cash and cash equivalents during the year. Nordea Bank Finland's cash flow statement has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. The cash flows are classified into operating, investing and financing activities.

### Operating activities

Operating activities are the principal revenue-producing activities and cash flows are mainly derived from the operating profit for the year with adjustment for items not included in cash flow and income taxes paid. Adjustment for non-cash items includes:

| EURm                              | Group         |             | Parent company |             |
|-----------------------------------|---------------|-------------|----------------|-------------|
|                                   | 2012          | 2011        | 2012           | 2011        |
| Depreciation                      | 43            | 43          | 31             | 25          |
| Impairment charges                | 7             | -           | 7              | -4          |
| Loan losses                       | 171           | 97          | 134            | 60          |
| Unrealised gains/losses           | -2,293        | -689        | -2,293         | -691        |
| Capital gains/losses (net)        | -3            | -1          | 0              | 2           |
| Change in accruals and provisions | -148          | -23         | -144           | -23         |
| Translation differences           | -6            | 5           | -              | 6           |
| Other                             | 458           | 182         | 476            | 201         |
| <b>Total</b>                      | <b>-1,771</b> | <b>-386</b> | <b>-1,789</b>  | <b>-424</b> |

Changes in operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans, deposits and debt securities in issue. Changes in derivatives are reported net.

Cash flow from operating activities includes interest payments received and interest expenses paid with the following amounts:

| EURm                       | Group  |        | Parent company |        |
|----------------------------|--------|--------|----------------|--------|
|                            | 2012   | 2011   | 2012           | 2011   |
| Interest payments received | 2,486  | 2,483  | 2,266          | 2,262  |
| Interest expenses paid     | -1,090 | -1,137 | -1,087         | -1,134 |

### Cash and cash equivalents

The following items are included in cash and cash equivalents:

| EURm                                            | Group         |               | Parent company |               |
|-------------------------------------------------|---------------|---------------|----------------|---------------|
|                                                 | 31 Dec 2012   | 31 Dec 2011   | 31 Dec 2012    | 31 Dec 2011   |
| Cash and balances with central banks            | 30,004        | 286           | 30,004         | 286           |
| Loans to credit institutions, payable on demand | 2,855         | 17,695        | 2,843          | 17,680        |
|                                                 | <b>32,859</b> | <b>17,981</b> | <b>32,847</b>  | <b>17,966</b> |

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

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

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

# Notes to the financial statements

## Note 1 Accounting policies

### Contents for Note 1

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### 1. Basis for presentation

NBF's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of such standards by the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the EU Commission. In addition, certain complementary rules in the Finnish Accounting Act, the Finnish Credit Institutions Act, the Financial Supervision Authority's Regulations and Guidelines and the Decision of the Ministry of Finance on the financial statements and consolidated statements of credit institutions have also been applied.

The disclosures, required in the standards, recommendations and legislation above, have been included in the notes, the Risk, Liquidity and Capital management section or in other parts of the "Financial statements".

On 28 February 2013 the Board of Directors approved the financial statements, subject to final approval of the Annual General Meeting on 11 March 2013.

### 2. Changed accounting policies and presentation

The accounting policies and presentation are, in all material aspects, unchanged in comparison with the 2011 Annual Report, mainly apart from the categorisation of commissions within Note 4 "Net fee and commission income" and the definition of impaired loans in Note 13 "Loans and impairment".

These changes are further described below.

In addition, to provide more relevant information of the nature and the characteristics of the assets on the balance sheet, loans to central banks have been separated from loans to credit institutions and are reported on a new line on the balance sheet. The comparative figures have been restated accordingly.

Further, the balance sheet lines "Treasury bills" and "Interest-bearing securities" have been merged and are now reported as "Interest-bearing securities". The comparative figures have been restated accordingly. Below follows also a section covering other changes in IFRSs implemented in 2012, which have not had any significant impact on Nordea.

#### Definition of impaired loans

The definition of impaired loans has been changed and the disclosure includes all loans that have, as a consequence of identified loss event, been written down either individually, for individually significant loans or as part of a portfolio, for individually insignificant loans.

This definition of impaired loans provides more granular information of the loans actually impaired.

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

| EURm             | 31 Dec 2011<br>Group |            | 31 Dec 2011<br>Parent company |            |
|------------------|----------------------|------------|-------------------------------|------------|
|                  | New policy           | Old policy | New policy                    | Old policy |
| Impaired loans   | 1,498                | 1,922      | 1,280                         | 1,751      |
| - Performing     | 729                  | 1,075      | 611                           | 1,018      |
| - Non-performing | 769                  | 847        | 669                           | 733        |



### Categorisation of commissions

The categorisation of commissions within “Net fee and commission income” has been improved by merging similar types of commissions. Commissions received for securities issues, corporate financial activities and issuer services were reclassified from “Payments” and “Other commission income” to the renamed lines “Brokerage, securities issues and corporate finance” and “Custody and issue services”. This categorisation better describes the types of commission recognised in the income statement. The comparable figures have been restated accordingly and are disclosed in the table below.

| Group                                              | 2011       |            |
|----------------------------------------------------|------------|------------|
|                                                    | New policy | Old policy |
| EURm                                               |            |            |
| Brokerage, securities issues and corporate finance | 73         | 25         |
| Custody and issuer services                        | 26         | 21         |
| Other commission income                            | 31         | 84         |

| Parent company                                     | 2011       |            |
|----------------------------------------------------|------------|------------|
|                                                    | New policy | Old policy |
| EURm                                               |            |            |
| Brokerage, securities issues and corporate finance | 73         | 25         |
| Custody and issuer services                        | 26         | 21         |
| Other commission income                            | 29         | 82         |

### Changes in IFRSs implemented in 2012

IASB has amended IAS 1 “Presentation of Financial Statements” (Presentation of Items of Other Comprehensive Income), IFRS 7 “Financial instruments: Disclosures” (Transfers of Financial Assets) and IAS 12 “Income taxes” (Recovery of Underlying Assets) and the amendments have been implemented in Nordea as from 1 January 2012.

The amendments to IAS 1 have changed Nordea’s presentation of other comprehensive income so that items that can later be reclassified to profit or loss are separated from the items that will not. The amendments to IFRS 7 have not added any new disclosures as Nordea has not transferred assets where there is a continuing involvement. The amended IAS 12 has not had any significant impact on the financial statements or on the capital adequacy in Nordea.

### 3. Changes in IFRS not yet applied by Nordea

#### IFRS 9 “Financial instruments” (Phase 1)

In 2009 the IASB published a new standard on financial instruments containing requirements for financial assets. Requirements for financial liabilities were added to this standard in 2010. The standard is the first step in the replacement of IAS 39 “Financial instruments: Recognition and Measurement” and this first phase covers the classification and measurement of financial assets and liabilities. The effective date is

1 January 2015, but earlier application is permitted. The EU commission has not yet endorsed this standard.

The tentative assessment is that there will be an impact on the financial statements as the new standard will decrease the number of measurement categories and therefore have an impact on the presentation and disclosures covering financial instruments. The new standard is, on the other hand, not expected to have a significant impact on Nordea’s income statement and balance sheet as the mixed measurement model will be maintained. No significant reclassifications between fair value and amortised cost or impact on the capital adequacy are expected, but this is naturally dependent on the financial instruments in Nordea’s balance sheet at transition. It is furthermore expected that changes will be made to the standard before the standard becomes effective.

Nordea has, due to the fact that the standard is not yet endorsed by the EU commission and as changes before the effective date are likely, not finalised the investigation of the impact on the financial statements in the period of initial application or in subsequent periods.

#### IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosures of Interests in Other entities”, IAS 27 “Separate Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”

The IASB has published three new standards relating to consolidation, IFRS 10, IFRS 11 and IFRS 12, as well as amended IAS 27 and IAS 28. The effective date for these standards and amendments is 1 January 2013, but earlier application is permitted. The EU commission has endorsed these standards and amendments during 2012. In contrast to IFRS, the EU commission requires the standards to be applied for financial statements starting on or after 1 January 2014. Nordea will apply these standards as from 1 January 2014.

A potential impact from the new definition of control is that Nordea will have to consolidate additional entities (including so called Structured Entities or Special Purpose Entities, SPEs). Nordea’s current assessment is that no additional entities that significantly affect Nordea’s income statement, balance sheet or equity will have to be consolidated, although some uncertainty still remains around some mutual funds. If the funds have to be consolidated it will not affect the income statement, but it will have an impact on Nordea’s balance sheet and if those entities hold Nordea shares that will have to be eliminated in the Nordea Group there will be an impact on the equity. The new standards furthermore include more extensive disclosure requirements which will have an impact on Nordea’s disclosures covering consolidated and

unconsolidated entities. Otherwise, the new standards and amendments are not expected to have a significant impact on Nordea's income statement or balance sheet. It is not expected that the new standards and amendments will have a significant impact on the capital adequacy.

Nordea has not finalised the investigation of the impact on the financial statements in the period of initial application or in subsequent periods.

#### **IFRS 13 "Fair Value Measurement"**

The IASB has published IFRS 13 "Fair Value Measurement". The effective date is 1 January 2013, but earlier application is permitted. The EU commission endorsed this standard during 2012. Nordea will apply this standard as from 1 January 2013.

IFRS 13 clarifies how to measure fair value but does not change the requirements regarding which items should be measured at fair value. In addition IFRS 13 requires additional disclosures about fair value measurements.

The assessment is that the new standard will not have any significant impact on the income statement or balance sheet. There will, on the other hand, be an impact on the disclosures as the new standard requires more extensive disclosures regarding fair value measurements, especially for fair value measurements in level 3 of the fair value hierarchy.

The assessment is that the new standard will not have a significant impact on the capital adequacy.

#### **IAS 19 "Employee Benefits"**

IASB has amended IAS 19. The effective date is 1 January 2013, but earlier application is permitted. The EU commission has endorsed this amendment during 2012. Nordea will apply this amendment as from 1 January 2013.

The amended standard will have an impact on the financial statements in the period of initial application, as well as in subsequent periods. This is mainly related to defined benefit plans. The amended IAS 19 states that actuarial gains/losses shall be recognised immediately in equity through other comprehensive income, which will lead to higher volatility in equity compared to the current corridor approach. Consequently no actuarial gains/losses will be recognised in the income statement. Under current IAS 19, actuarial gain/losses outside the corridor are amortised through the income statement.

The amended IAS 19 furthermore states that the expected return on plan assets shall be recognised using the same interest rate as the discount rate used when measuring the pension obligation. This will lead to higher pension expenses in the income statement as Nordea currently expects a higher return than the discount rate. Any difference between the actual return and the expected return will be a part of the actuarial gains/losses recognised immediately in equity through other comprehensive income without recycling to the income statement.

The unrecognised actuarial losses at 31 December 2012 amounted to EUR 82m in NBF before income tax. This will at transition have a negative impact on equity of EUR 62m after income tax. If implemented on 31 December 2012, NBF's core tier 1 capital would have been reduced by EUR 41m, including impact from changes in deferred tax assets. The impact on the income statement is not expected to be significant. See note 33 "Retirement benefit obligations" for more information.

#### **IAS 32 Financial Instrument: Presentation**

IAS 32 "Financial Instruments: Presentation" has been amended. The change relates to offsetting of financial assets and financial liabilities. The amendment is not intended to change the criteria for offsetting, but to give additional guidance on how to apply the existing criteria.

The effective date is 1 January 2014 but earlier application is permitted. The EU commission endorsed these amendments during 2012. Nordea will apply this amendment as from 1 January 2013. The assessment is that the amended standard will not have any significant impact on the financial statements or on the capital adequacy.

#### **IFRS 7 Financial instruments: Disclosures**

IFRS 7 "Financial instruments: Disclosures" has furthermore been amended and will lead to additional disclosures around offsetting of financial assets and financial liabilities.

The effective date is 1 January 2013, but earlier application is permitted. The EU commission has endorsed these amendments during 2012. Nordea will apply this amendment as from 1 January 2013.

The amended standard will not have any impact on the financial statements, apart from disclosures, or on the capital adequacy.

#### 4. Critical judgements and estimation uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires, in some cases, the use of judgements and estimates by management. Actual outcome can later, to some extent, differ from the estimates and the assumptions made. In this section Nordea describes:

- the sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year and
- the judgements made when applying accounting policies (apart from those involving estimations) that have the most significant effect on the amounts recognised in the financial statements.

Critical judgements and estimates are in particular associated with:

- the fair value measurement of certain financial instruments
- the impairment testing of:
  - goodwill and
  - loans to the public/credit institutions
- the effectiveness testing of cash flow hedges
- the actuarial calculations of pension liabilities and plan assets related to employees
- the valuation of investment properties
- the classification of leases
- the translations of assets and liabilities denominated in foreign currencies
- the valuation of deferred tax assets
- claims in civil lawsuits.

##### **Fair value measurement of certain financial instruments**

Nordea's accounting policy for determining the fair value of financial instruments is described in section 11 "Determination of fair value of financial instruments" and Note 41 "Assets and liabilities at fair value".

Critical judgements that have a significant impact on the recognised amounts for financial instruments are exercised when determining fair value of OTC derivatives and other financial instruments that lack quoted prices or recently observed market prices.

Those judgements relate to the following areas:

- The choice of valuation techniques
- The determination of when quoted prices fail to represent fair value (including the judgement of whether markets are active)
- The construction of fair value adjustments in order to incorporate relevant risk factors such as credit risk, model risk and liquidity risk
- The judgement of which market parameters are observable.

When determining fair value of financial instruments that lack quoted prices or recently observed market prices there is also a high degree of estimation uncertainty. That estimation uncertainty is mainly a result of the judgement management exercises when:

- selecting an appropriate discount rate for the instrument and
- determining expected timing of future cash flows from the instruments.

In all of these instances, decisions are based upon professional judgement in accordance with Nordea's accounting and valuation policies. In order to ensure proper governance, Nordea has a Group Valuation Committee that on an on-going basis reviews critical judgements that are deemed to have a significant impact on fair value measurements.

Sensitivity analysis disclosures covering fair values of financial instruments with significant unobservable inputs can be found in Note 41 "Assets and liabilities at fair value".

##### **Impairment testing of goodwill**

Nordea's accounting policy for goodwill is described in section 15 "Intangible assets". Note 21 "Intangible assets" lists the cash generating units to which goodwill has been allocated.

The rates used to discount future expected cash flows are based on the long-term risk free interest rate plus a risk premium (post tax). The risk premium is based on external information of overall risk premiums in relevant countries.

For information on the sensitivity to changes in relevant parameters, see Note 21 "Intangible assets".

##### **Impairment testing of loans to the public/credit institutions**

Nordea's accounting policy for impairment testing of loans is described in section 13 "Loans to the public/credit institutions".

Management is required to exercise critical judgements and estimates when calculating loan impairment allowances on both individually assessed and collectively assessed loans. NBF's total lending before impairment allowances was EUR 102bn (100) at the end of the year. For more information, see Note 13 "Loans and impairment".

The most judgemental area is the calculation of collective impairment allowances. When testing a group of loans collectively for impairment, judgement has to be exercised when identifying the events and/or the observable data that indicate that losses have been incurred in the group of loans. Nordea monitors its portfolio through rating migrations and a loss event is an event resulting in a negative rating migration. Assessing the net present value of the cash flows generated by the customers in the group of loans also includes estimation uncertainty. This includes the use of historical data on probability of default and loss given default supplemented by acquired experience when adjusting the assumptions based on historical data to reflect the current situation.

#### **Effectiveness testing of cash flow hedges**

Nordea's accounting policies for cash flow hedges are described in section 9 "Hedge accounting".

One important judgement in connection to cash flow hedge accounting is the choice of method used for effectiveness testing.

Where Nordea applies cash flow hedge accounting the hedging instruments used are predominantly cross currency interest rate swaps, which are always held at fair value. The currency component is designated as a cash flow hedge of currency risk and the interest component as a fair value hedge of interest rate risk. The hypothetical derivative method is used when measuring the effectiveness of these cash flow hedges, meaning that the change in a perfect hypothetical swap is used as proxy for the present value of the cumulative change in expected future cash flows on the hedged transaction (the currency component). Critical judgement has to be exercised when defining the characteristics of the perfect hypothetical swap.

#### **Actuarial calculations of pension liabilities and plan assets related to employees**

Nordea's accounting policy for post-employment benefits is described in section 19 "Employee benefits".

The Projected Benefit Obligation (PBO) for major pension plans is calculated by external actuaries using demographic assumptions based on the current population. As a basis for these calculations a number of actuarial and financial parameters are used.

The estimation of the discount rate is subject to uncertainty around whether corporate bond markets are deep enough, of high quality and also in connection to the extrapolation of yield curves to relevant maturities. In Finland the discount rate is determined with reference to corporate bonds. Other parameters like assumptions about salary increases and inflation are based on the expected long-term development of these parameters and are also subject to estimation uncertainty. The fixing of these parameters at year-end

is disclosed in Note 33 "Retirement benefit obligations" together with a description of the discount rate sensitivity.

The expected return on plan assets is estimated taking into account the asset composition and based on long-term expectations on the return on the different asset classes. On bonds this is linked to the discount rate while equities and real estate have an added risk premium, both are subject to estimation uncertainty. The expected return is disclosed in Note 33 "Retirement benefit obligations".

#### **Valuation of investment properties**

Nordea's accounting policies for investment properties are described in section 17 "Investment property".

Investment properties are measured at fair value. As there normally are no active markets for investment properties, the fair values are estimated based on discounted cash flow models. These models are based on assumptions on future rents, vacancy levels, operating and maintenance costs, yield requirements and interest rates.

The carrying amounts of investment property were EUR 104m (71) at the end of the year. See Note 24 "Investment property" for more information on amounts and parameters used in these models.

#### **Classification of leases**

Nordea's accounting policies for leases are described in section 14 "Leasing".

Critical judgement has to be exercised when classifying lease contracts. A lease is classified as a finance lease if it transfers substantially all the risks and rewards related to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards related to ownership.

The central district properties in Finland, Norway and Sweden that Nordea has divested are leased back. The duration of the lease agreement was initially 3-25 years with renewal options. The lease agreements include no transfers of ownerships of the asset by the end of the lease term, nor any economic benefit from appreciation in value of the leased property. In addition, the lease term is not for the major part of the assets' economic life. As a result, Nordea has classified these leases as operating leases. This judgement is a critical judgement that has a significant impact on the carrying amounts in the financial statement.

More information on lease contracts can be found in Note 14 "Leasing".

#### **Translation of assets and liabilities denominated in foreign currencies**

Nordea's accounting policies covering the translation of assets and liabilities denominated in foreign currencies is described in section 8 "Translation of

assets and liabilities denominated in foreign currencies”.

#### **Valuation of deferred tax assets**

Nordea’s accounting policy for the recognition of deferred tax assets is described in section 18 “Taxes” and Note 12 “Taxes”.

The valuation of deferred tax assets is influenced by management’s assessment of Nordea’s future profitability and sufficiency of future taxable profits and future reversals of existing taxable temporary differences. These assessments are updated and reviewed at each balance sheet date, and are, if necessary, revised to reflect the current situation.

The carrying amount of deferred tax assets was EUR 16m (16) at the end of the year.

#### **Claims in civil lawsuits**

Within the framework of the normal business operations, Nordea faces a number of claims in civil lawsuits and disputes, most of which involve relatively limited amounts. Presently none of the current disputes are considered likely to have any significant adverse effect on Nordea or its financial position. See also Note 32 “Provisions” and Note 37 “Contingent liabilities”.

## **5. Principles of consolidation**

#### **Consolidated entities**

The consolidated financial statements include the accounts of the parent company Nordea Bank Finland Plc, and those entities that the parent company controls. Control is generally achieved when the parent company owns, directly or indirectly through group undertakings, more than 50 per cent of the voting rights or otherwise has the power to govern the financial and operating policies of the entity.

All Group undertakings are consolidated using the acquisition method. Under the acquisition method, the acquisition is regarded as a transaction whereby the parent company indirectly acquires the group undertaking’s assets and assumes its liabilities and contingent liabilities. The Group’s acquisition cost is established in a purchase price allocation analysis. In such analysis, the cost of the business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for the identifiable net assets acquired. Costs directly attributable to the business combination are expensed.

As at the acquisition date NBF recognises the identifiable assets acquired and the liabilities assumed at their acquisition date fair values.

For each business combination NBF measures the non-controlling interest in the acquired business either at fair value or at their proportionate share of the acquired identifiable net assets.

When the aggregate of the consideration transferred in a business combination and the amount recognised for non-controlling interest exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities, the excess is reported as goodwill. If the difference is negative, such difference is recognised immediately in the income statement.

Equity and net income attributable to non-controlling interests are separately disclosed on the balance sheet, income statement and statement of comprehensive income.

Intra-group transactions and balances between the consolidated group undertakings are eliminated.

The Group undertakings are included in the consolidated accounts as from the date on which control is transferred to NBF and are no longer consolidated as from the date on which control ceases.

In the consolidation process the reporting from the group undertakings is adjusted to ensure consistency with the IFRS principles applied by Nordea.

#### *Investments in associated undertakings*

The equity method of accounting is used for associated undertakings where the share of voting rights is between 20 and 50 per cent and/or where NBF has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control over those policies. Investments within Nordea’s investment activities, which are classified as a venture capital organisation within Nordea, are measured at fair value in accordance with the rules set out in IAS 28 and IAS 39. Further information on the equity method is disclosed in section 6 “Recognition of operating income and impairment”.

Profits from companies accounted for under the equity method are reported post-taxes in the income statement. Consequently, the tax expense related to these profits is not included in the income tax expense for Nordea.

Internal transactions, in the income statement, between Nordea and its associated undertakings are not eliminated. Nordea does not have any sales of assets to or from associated undertakings.



### *Special Purpose Entities (SPE)*

A SPE is an entity created to accomplish a narrow and well defined objective. Often legal arrangements impose strict limits on the decision making powers of the management over the on-going activities of the SPE.

Nordea does not consolidate SPEs' assets and liabilities beyond its control. In order to determine whether Nordea controls a SPE or not, Nordea has to make judgements about risks and rewards and assess the ability to make operational decisions for the SPE in question. When assessing whether NBF shall consolidate a SPE, a range of factors are evaluated. These factors include whether the activities of the SPE are being in substance conducted on NBF's behalf or if NBF has in substance the decision making powers, the rights to obtain the majority of the benefits or the majority of the residual- or ownership risks. NBF consolidates all SPEs, where NBF has retained the majority of the risks and rewards. For the SPEs that are not consolidated the rationale is that NBF does not have significant risks or rewards in connection to these assets and liabilities.

Nordea has created a number of SPEs to allow clients to invest in assets invested in by the SPEs. Some SPEs invest in tradable financial instruments, such as shares and bonds (mutual funds). Other SPEs invest in structured credit products or acquire assets from customers of Nordea. Nordea is generally the investment manager and has sole discretion about investments and other administrative decisions. Typically, Nordea will receive service and commission fees in connection to the creation of the SPEs, or because it acts as investment manager, custodian or in some other function. This in itself does not constitute a beneficial interest triggering consolidation. In some SPEs Nordea has also supplied substantial parts of the funding in the form of fund units, loans or credit commitments. In these SPEs Nordea has a beneficial interest and retains the majority of the risks and rewards, which is why these SPEs are consolidated. Note 19 "Investments in group undertakings" lists the major group undertakings in the NBF Group, including consolidated SPEs.

### **Currency translation of foreign entities**

The consolidated financial statements are prepared in euro (EUR), the presentation currency of the parent company Nordea Bank Finland Plc. The current method is used when translating the financial statements of foreign entities into EUR from their functional currency. The assets and liabilities of foreign entities have been translated at the closing rates, while items in the income statements and statements of comprehensive income are translated at the average exchange rate for the year. Translation

differences are accounted for in other comprehensive income and are accumulated in the translation reserve in equity.

Goodwill and fair value adjustments arising from the acquisition of group undertakings are treated as items in the same functional currency as the cash generating unit to which they belong and are also translated at the closing rate.

## **6. Recognition of operating income and impairment**

### **Net interest income**

Interest income and expense are calculated and recognised based on the effective interest rate method or, if considered appropriate, based on a method that results in an interest income or interest expense that is a reasonable approximation of using the effective interest rate method as basis for the calculation. The effective interest includes fees considered to be an integral part of the effective interest rate of a financial instrument (generally fees received as compensation for risk). The effective interest rate equals the rate that discounts the contractual future cash flows to the carrying amount of the financial asset or financial liability.

Interest income and expenses from financial instruments are, with the exceptions described below, classified as "Net interest income".

Interest income and interest expense related to all balance sheet items held at fair value in Markets are classified as "Net result from items at fair value" in the income statement. Also the interest on the net funding of the operations in Markets is recognised on this line.

The interest component in FX swaps, and the interest paid and received in interest rate swaps plus changes in accrued interest, is classified as "Net result from items at fair value", apart for derivatives used for hedging, including economical hedges of Nordea's funding, where such components are classified as "Net interest income".

### **Net fee and commission income**

Nordea earns commission income from different services provided to its customers. The recognition of commission income depends on the purpose for which the fees are received. Fees are either recognised as revenue when services are provided or in connection to the execution of a significant act. Fees received in connection to performed services are recognised as income in the period these services are provided. A loan syndication fee received as payment for arranging a loan, as well as other fees received as payments for certain acts, are recognised as revenue when the act has been completed, i.e. when the syndication has been finalised.

Commission expenses are normally transaction based and recognised in the period when the services are received.

Income from issued financial guarantees and expenses from bought financial guarantees, including fees paid to state guarantees, are amortised over the duration of the instruments and classified as “Fee and commission income” and “Fee and commission expense” respectively.

#### **Net result from items at fair value**

Realised and unrealised gains and losses on financial instruments measured at fair value through profit or loss are recognised in the item “Net result from items at fair value”.

Realised and unrealised gains and losses derive from:

- Shares/participations and other share-related instruments
- Interest-bearing securities and other interest-related instruments
- Other financial instruments, including credit derivatives as well as commodity instruments/derivatives
- Foreign exchange gains/losses
- Investment properties, which include realised and unrealised income, for instance revaluation gains and losses. This line also includes realised results from disposals as well as the running property yield stemming from the holding of investment properties.

Interest income and interest expense related to all balance sheet items in Markets and , including the net funding of the operations in Markets, are classified as “Net result from items at fair value”.

Also the ineffective portion of cash flow hedges and net investment hedges as well as recycled gains and losses on financial instruments classified into the category Available for sale are recognised in “Net result from items at fair value”.

This item also includes realised gains and losses from financial instruments measured at amortised cost, such as interest compensation received and realised gains/losses on buy-backs of issued own debt.

“Net result from items at fair value” also includes losses from counterparty risk on instruments classified into the category Financial assets at fair value through profit or loss as well as impairment on instruments classified into the category Available for sale. Impairment losses from instruments within other categories are recognised in the items “Net loan losses” or “Impairment of securities held as financial non-current assets” (see also the sub-sections “Net loan losses” and “Impairment of securities held as financial non-current assets” below).

Dividends received are recognised in the income statement as “Net result from items at fair value” and classified as “Shares/participations and other share-related instruments” in the note. Income is recognised in the period in which the right to receive payment is established.

#### **Profit from companies accounted for under the equity method**

The profit from companies accounted for under the equity method is defined as the post-acquisition change in NBF’s share of net assets in the associated undertakings. NBF’s share of items accounted for in other comprehensive income in the associated undertakings is accounted for in other comprehensive income in NBF. Profits from companies accounted for under the equity method are, as stated in section 5 “Principles of consolidation”, reported in the income statement post-taxes. Consequently the tax expense related to these profits is excluded from the income tax expense for NBF.

Fair values are, at acquisition, allocated to the associated undertaking’s identifiable assets, liabilities and contingent liabilities. Any difference between NBF’s share of the fair values of the acquired identifiable net assets and the purchase price is goodwill or negative goodwill. Goodwill is included in the carrying amount of the associated undertaking. Subsequently the investment in the associated undertaking increases/decreases with NBF’s share of the post-acquisition change in net assets in the associated undertaking and decreases through received dividends and impairment. An impairment charge can be reversed in a subsequent period.

The change in Nordea’s share of the net assets is generally based on monthly reporting from the associated undertakings. For some associated undertakings that are not individually significant, the change in Nordea’s share of the net assets is based on the external reporting of the associated undertakings and affects the financial statements of Nordea in the period in which the information is available. The reporting from the associated undertakings is, if applicable, adjusted to comply with Nordea’s accounting policies.

#### **Other operating income**

Net gains from divestments of shares in group undertakings and associated undertakings and net gains on sale of tangible assets as well as other operating income, not related to any other income line, are generally recognised when it is probable that the benefits associated with the transaction will flow to Nordea and if the significant risks and rewards have been transferred to the buyer (generally when the transactions are finalised).

#### **Net loan losses**

Impairment losses from financial assets classified into the category Loans and receivables (see section 12 "Financial instruments"), in the items "Loans to central banks", "Loans to credit institutions" and "Loans to the public" on the balance sheet, are reported as "Net loan losses" together with losses from financial guarantees. Losses are reported net of any collateral and other credit enhancements. Nordea's accounting policies for the calculation of impairment losses on loans can be found in section 13 "Loans to the public/credit institutions".

Counterparty losses on instruments classified into the category Financial assets at fair value through profit or loss, including credit derivatives but apart from loans held at fair value as described above, as well as impairment on financial assets classified into the category Available for sale are reported under "Net result from items at fair value".

#### **Impairment of securities held as financial non-current assets**

Impairment on investments in interest-bearing securities, classified into the categories Loans and receivables or Held to maturity, and on investments in associated undertakings are classified as "Impairment of securities held as financial non-current assets" in the income statement. The policies covering impairment of financial assets classified into the categories Loans and receivables and Held to maturity are disclosed in section 12 "Financial instruments" and section 13 "Loans to the public/credit institutions".

Investments in associated undertakings are assessed for impairment annually. If observable indicators (loss events) indicate that an associated undertaking is impaired, an impairment test is performed to assess whether there is objective evidence of impairment. The carrying amount of the investment in the associate is compared with the recoverable amount (higher of value in use and fair value less cost to sell) and the carrying amount is written down to the recoverable amount if required.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount, but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

#### **7. Recognition and derecognition of financial instruments on the balance sheet**

Derivative instruments, quoted securities and foreign exchange spot transactions are recognised on and derecognised (reclassified to the items "Other assets" or "Other liabilities" on the balance sheet between trade date and settlement date) from the balance sheet

on the trade date. Other financial instruments are recognised on the balance sheet on the settlement date.

Financial assets, other than those for which trade date accounting is applied, are derecognised from the balance sheet when the contractual rights to the cash flows from the financial asset expire or are transferred to another party. The rights to the cash flows normally expire or are transferred when the counterpart has performed by e.g. repaying a loan to Nordea, i.e. on the settlement date.

In some cases, Nordea enters into transactions where it transfers assets that are recognised on the balance sheet, but retains either all or a portion of risks and rewards from the transferred assets. If all or substantially all risks and rewards are retained, the transferred assets are not derecognised from the balance sheet. If Nordea's counterpart can sell or repledge the transferred assets, the assets are reclassified to the item "Financial instruments pledged as collateral" on the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include e.g. security lending agreements and repurchase agreements.

Financial liabilities are derecognised from the balance sheet when the liability is extinguished. Normally this occurs when Nordea performs, for example when Nordea repays a deposit to the counterpart, i.e. on the settlement date. Financial liabilities under trade date accounting are generally reclassified to "Other liabilities" on the balance sheet on the trade date.

For further information see sections "Securities borrowing and lending agreements" and "Repurchase and reverse repurchase agreements" within 12 "Financial instruments", as well as Note 42 "Transferred assets and obtained collaterals".

#### **8. Translation of assets and liabilities denominated in foreign currencies**

The functional currency of each entity is decided based upon the primary economic environment in which the entity operates. Foreign currency is defined as any currency other than the functional currency of the entity. Foreign currency transactions are recorded at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealised translation differences on unsettled foreign currency monetary assets and liabilities, are recognised in the income statement in the item "Net result from items at fair value".



## 9. Hedge accounting

Nordea applies the EU carve out version of IAS 39 for portfolio hedges of both assets and liabilities. The EU carve out macro hedging enables a group of derivatives (or proportions thereof) to be viewed in combination and designated as the hedging instrument and removes some of the limitations in fair value hedge accounting relating to hedging core deposits and under-hedging strategies.

Nordea uses hedge accounting in order to have a symmetrical accounting treatment of the changes in fair value of the hedged item and changes in fair value of the hedging instruments as well as to hedge the exposure to variability in future cash flows and the exposure to net investments in foreign operations.

There are three forms of hedge accounting:

- Fair value hedge accounting
- Cash flow hedge accounting
- Hedges of net investments in foreign operations.

NBF currently applies fair value hedge accounting and cash flow hedge accounting.

### **Fair value hedge accounting**

Fair value hedge accounting is used when derivatives are hedging changes in fair value of a recognised asset or liability attributable to a specific risk. The risk of changes in fair value of assets and liabilities in Nordea's financial statements originates mainly from loans, securities and deposits with a fixed interest rate, causing interest rate risk. Changes in fair value from derivatives as well as changes in fair value of the hedged item attributable to the risks being hedged are recognised separately in the income statement in the item "Net result from items at fair value". Given an effective hedge, the two changes in fair value will more or less balance, meaning the net result is close to zero. The changes in fair value of the hedged item attributable to the risks hedged with the derivative instrument are reflected in an adjustment to the carrying amount of the hedged item, which is also recognised in the income statement. The fair value change of the hedged items held at amortised cost in a portfolio hedge of interest rate risks is reported separately from the portfolio in the item "Fair value changes of the hedged items in portfolio hedge of interest rate risk" on the balance sheet.

Fair value hedge accounting in Nordea is performed mainly on a portfolio basis. Any ineffectiveness is recognised in the income statement under the item "Net result from items at fair value".

### *Hedged items*

A hedged item in a fair value hedge can be a recognised single asset or liability, an unrecognised firm commitment, or a portion thereof. The hedged item can also be a group of assets, liabilities or firm

commitments with similar risk characteristics. Hedged items in Nordea consist of both individual assets or liabilities and portfolios of assets and/or liabilities.

### *Hedging instruments*

The hedging instruments used in Nordea are predominantly interest rate swaps and cross currency interest rate swaps, which are always held at fair value. Cash instruments are only used in a few transactions as hedging instruments when hedging currency risk.

### **Cash flow hedge accounting**

Cash flow hedge accounting can be used for the hedging of exposure to variations in future interest payments on instruments with variable interest rates and for the hedging of currency exposures. The portion of the gain or loss on the hedging instrument, that is determined to be an effective hedge, is recognised in other comprehensive income and accumulated in the cash flow hedge reserve in equity. The ineffective portion of the gain or loss on the hedging instrument is recycled to the item "Net result from items at fair value" in the income statement.

Gains or losses on hedging instruments recognised in the cash flow hedge reserve in equity through other comprehensive income are recycled and recognised in the income statement in the same period as the hedged item affects profit or loss, normally in the period that interest income and interest expense is recognised.

### *Hedged items*

A hedged item in a cash flow hedge can be highly probable floating interest rate cash flows from recognised assets or liabilities or from future assets or liabilities. Nordea uses cash flow hedges when hedging currency risk in future payments of interest and principal in foreign currency.

### *Hedging instruments*

The hedging instruments used in Nordea are predominantly cross currency interest rate swaps, which are always held at fair value, where the currency component is designated as a cash flow hedge of currency risk and the interest component as a fair value hedge of interest rate risk.

### **Hedge effectiveness**

The application of hedge accounting requires the hedge to be highly effective. A hedge is regarded as highly effective if at inception and throughout its life it can be expected that changes in fair value of the hedged item as regards the hedged risk can be essentially offset by changes in fair value of the hedging instrument. The result should be within a range of 80–125 per cent. When assessing hedge effectiveness retrospectively Nordea measures the fair value of the hedging instruments and compares the change in fair value of the hedging instrument to the change in fair value of the hedged item. The effectiveness measurement is made on a cumulative basis. The hypothetical

derivative method is used when measuring the effectiveness of cash flow hedges, meaning that the change in a perfect hypothetical swap is used as proxy for the present value of the cumulative change in expected future cash flows from the hedged transaction (the currency component).

If the hedge relationship does not fulfil the requirements, hedge accounting is terminated. For fair value hedges the hedging instrument is reclassified to a trading derivative and the change in the fair value of the hedged item, up to the point when the hedge relationship is terminated, is amortised to the income statement on a straight-line basis over the remaining maturity of the hedged item.

In cash flow hedges, changes in the unrealised value of the hedging instrument will be accounted for in the income statement prospectively from the last time it was proven effective. The cumulative gain or loss on the hedging instrument that has been recognised in the cash flow hedge reserve in equity through other comprehensive income from the period when the hedge was effective is reclassified from equity to "Net result from items at fair value" in the income statement if the expected transaction no longer is expected to occur. If the expected transaction no longer is highly probable, but is still expected to occur, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective remains in other comprehensive income until the transaction occurs or is no longer expected to occur.

#### **10. Determination of fair value of financial instruments**

Financial assets and liabilities classified into the categories Financial assets/liabilities at fair value through profit or loss (including derivative instruments) are recorded at fair value on the balance sheet with changes in fair value recognised in the income statement in the item "Net result from items at fair value".

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The existence of published price quotations in an active market is the best evidence of fair value and when they exist they are used to measure financial assets and financial liabilities. An active market for the asset or

liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an on-going basis. The absolute level for liquidity and volume required for a market to be considered active vary with the instrument classes. For some classes low price volatility is seen, also for those instruments within the class where the trade frequency is high. For instruments in such a class the liquidity requirements are lower and correspondingly the age limit for the prices used for establishing fair value is higher.

Whether markets are active or non-active is assessed regularly. The trade frequency and volume are monitored daily.

Nordea is predominantly using published price quotations to establish fair value for items disclosed under the following balance sheet items:

- Interest-bearing securities
- Shares (listed)
- Derivatives (listed)

If quoted prices for a financial instrument fail to represent actual and regularly occurring market transactions or if quoted prices are not available, fair value is established by using an appropriate valuation technique. The adequacy of the valuation technique, including an assessment of whether to use quoted prices or theoretical prices, is monitored on a regular basis.

Valuation techniques can range from simple discounted cash flow analysis to complex option pricing models. Valuation models are designed to apply observable market prices and rates as input whenever possible, but can also make use of unobservable model parameters. The adequacy of the valuation model is assessed by measuring its capability to hit market prices. This is done by comparison of calculated prices to relevant benchmark data, e.g. quoted prices from exchange, the counterparty's valuations, price data from consensus services etc.

Nordea is predominantly using valuation techniques to establish fair value for items disclosed under the following balance sheet items:

- Interest-bearing securities (when quoted prices in an active market are not available)
- Shares (when quoted prices in an active market are not available)
- Derivatives (OTC derivatives)

For financial instruments, where fair value is estimated by a valuation technique, it is investigated whether the variables used in the valuation model are predominantly based on data from observable markets. By data from observable markets, Nordea refers to data that can be collected from generally available external sources and where this data is judged to represent realistic market prices. If non-observable data has a significant impact on the valuation, the instrument cannot be recognised initially at the fair value estimated by the valuation technique and any upfront gains are thereby deferred and amortised through the income statement over the contractual life of the instrument. The deferred upfront gains are subsequently released to income if the non-observable data becomes observable.

Note 41 “Assets and liabilities at fair value” provides a breakdown of fair values of financial instruments measured on the basis of:

- quoted prices in active markets for the same instrument (level 1),
- valuation technique using observable data (level 2), and
- valuation technique using non-observable data (level 3).

The valuation models applied by Nordea are consistent with accepted economic methodologies for pricing financial instruments and incorporate the factors that market participants consider when setting a price.

New valuation models are subject to approval by the Model Risk Management Committee and all models are reviewed on a regular basis.

For further information, see Note 41 “Assets and liabilities at fair value”.

## 11. Cash and cash equivalents

Cash and cash equivalents consist of cash and balances with central banks where the following conditions are fulfilled:

- The central bank is domiciled in a country where Nordea is operating under a banking licence.
- The balance is readily available at any time.

Cash and cash equivalents are financial instruments classified into the category Loans and receivables, see section 12 “Financial instruments”.

Loans to credit institutions payable on demand are also recognised as “Cash and cash equivalents” in the cash flow statement together with instruments with central banks that can be resold immediately.

## 12. Financial instruments

### Classification of financial instruments

Each financial instrument has been classified into one of the following categories:

Financial assets:

- Financial assets at fair value through profit or loss:
  - Held for trading
  - Designated at fair value through profit or loss (Fair Value Option)
- Loans and receivables
- Held to maturity
- Available for sale

Financial liabilities:

- Financial liabilities at fair value through profit or loss:
  - Held for trading
  - Designated at fair value through profit or loss (Fair Value Option)
- Other financial liabilities.

All financial assets and liabilities are initially measured at fair value. The classification of financial instruments into different categories forms the basis for how each instrument is subsequently measured on the balance sheet and how changes in its value are recognised. The classification of the financial instruments on Nordea’s balance sheet into different categories is presented in Note 40 “Classification of financial instruments”.

### *Financial assets and financial liabilities at fair value through profit or loss*

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value, excluding transaction costs. All changes in fair values are recognised directly in the income statement in the item “Net result from items at fair value”.

The category consists of two sub-categories; Held for trading and Designated at fair value through profit or loss (Fair value option).

The sub-category Held for trading mainly contains derivative instruments that are held for trading purposes, interest-bearing securities and shares within Markets and Treasury. It also contains trading liabilities such as short-selling positions.

The major parts of the financial assets/liabilities classified into the category Designated at fair value through profit or loss are certain other assets/liabilities, interest-bearing securities and shares. Nordea also applies the Fair value option on certain financial assets and financial liabilities related to Markets. The classification stems from the fact that Markets is managing and measuring its financial assets and liabilities at fair value. Consequently, the majority of

financial assets and financial liabilities in Markets are classified into the categories Financial assets/Financial liabilities at fair value through profit or loss.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets, with fixed or determinable payments, that are not quoted in an active market. These assets and their impairment are further described in the separate section 13 “Loans to the public/credit institutions”.

#### *Held to maturity*

Financial assets that Nordea has chosen to classify into the category Held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity that Nordea has the positive intent and ability to hold to maturity. Financial assets classified into the category Held-to-maturity are initially recognised on the balance sheet at the acquisition price, including transaction costs. Subsequent to initial recognition, the instruments within this category are measured at amortised cost. In an amortised cost measurement, the difference between acquisition cost and redemption value is amortised in the income statement over the remaining term using the effective interest rate method.

If more than an insignificant amount of the Held to maturity portfolio is sold or transferred, the Held to maturity category is tainted, except if the sale or transfer either occur close to maturity, after substantially all of the original principal is already collected, or due to an isolated non-recurring event beyond the control of Nordea.

Nordea assesses at each reporting date whether there is any objective evidence that the asset is impaired. If there is such evidence, an impairment loss is recorded. The loss is calculated as the difference between the carrying amount and the present value of estimated future cash flows and is recognised as “Impairment of securities held as financial non-current assets” in the income statement. See section 13 “Loans to the public/credit institutions” for more information on the identification and measurement of objective evidence of impairment, which is applicable also for interest-bearing securities classified into the category Held to maturity.

#### *Available for sale*

Financial instruments classified into the category Available for sale are measured at fair value. Changes in fair values, except for interest, foreign exchange effects and impairment losses, are recognised in the fair value reserve in equity through other comprehensive income. Interest is recognised in the item “Interest income” and foreign exchange effects and impairment losses in the item “Net result from items at fair value” in the income statement.

When an instrument classified into the category Available for sale is disposed of, the fair value changes that previously have been accumulated in the fair value reserve (related to Available for sale investments) in other comprehensive income are removed from equity and recognised in the income statement in the item “Net result from items at fair value”.

Financial assets classified into the category Available for sale are assessed at least annually in order to determine any need for impairment losses. If there is objective evidence of impairment, the accumulated loss that has been recognised in other comprehensive income is removed from equity and recognised as “Net result from items at fair value” in the income statement. The amount of the accumulated loss that is recycled from equity is the difference between the asset’s acquisition cost and current fair value. For equity investments a prolonged or significant decline in the fair value, compared to the acquisition cost, is considered to be objective evidence of impairment. Objective evidence of impairment for a debt instrument is rather connected to a loss event, such as an issuer’s financial difficulty.

#### *Other financial liabilities*

Financial liabilities, other than those classified into the category Financial liabilities at fair value through profit or loss, are measured at amortised cost. Interest from Other financial liabilities is recognised in the item “Interest expense” in the income statement.

#### **Hybrid (combined) financial instruments**

Hybrid (combined) financial instruments are contracts containing a host contract and an embedded derivative instrument. Such combinations arise predominantly from the issuance of structured debt instruments, such as issued index-linked bonds.

Index-linked bonds issued by Group Treasury are considered to be part of the funding activities. The zero coupon bond is measured at amortised cost. The embedded derivatives in those instruments are separated from the host contract and accounted for as stand-alone derivatives at fair value if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, and the embedded derivative meets the definition of a derivative instrument. Changes in fair values of the embedded derivatives are recognised in the income statement in the item “Net result from items at fair value”.

Index-linked bonds issued by Markets as part of the trading portfolio are classified into the category Held for trading, and the entire combined instrument, host contract together with the embedded derivative, is measured at fair value through profit or loss. Changes in fair values are recognised in the income statement in the item “Net result from items at fair value”.

### **Securities borrowing and lending agreements**

Generally, securities borrowing and securities lending transactions are entered into on a collateralised basis. Unless the risks and rewards of ownership are transferred, the securities are not recognised on or derecognised from the balance sheet. In the cases where the counterpart is entitled to resell or repledge the securities, the securities are reclassified to the balance sheet item "Financial instruments pledged as collateral".

Securities in securities lending transactions are also disclosed in the item "Assets pledged as security for own liabilities".

Cash collateral advanced (securities borrowing) to the counterparts is recognised on the balance sheet as "Loans to central banks", "Loans to credit institutions" or as "Loans to the public". Cash collateral received (securities lending) from the counterparts is recognised on the balance sheet as "Deposits by credit institutions" or as "Deposits and borrowings from the public".

### **Repurchase and reverse repurchase agreements**

Securities delivered under repurchase agreements and securities received under reverse repurchase agreements are not derecognised from or recognised on the balance sheet. In the cases where the counterpart has the right to resell or repledge the securities, the securities are reclassified to the balance sheet line "Financial instruments pledged as collateral".

Securities delivered under repurchase agreements are also disclosed in the item "Assets pledged as security for own liabilities".

Cash received under repurchase agreements is recognised on the balance sheet as "Deposits by credit institutions" or as "Deposits and borrowings from the public". Cash delivered under reverse repurchase agreements is recognised on the balance sheet as "Loans to central banks", "Loans to credit institutions" or as "Loans to the public".

Additionally, the sale of securities received in reverse repurchase agreements trigger the recognition of a trading liability (short sale).

### **Derivatives**

All derivatives are recognised on the balance sheet and measured at fair value. Derivatives with total positive fair values, including any accrued interest, are recognised as assets in the item "Derivatives" on the asset side. Derivatives with total negative fair values, including any accrued interest, are recognised as liabilities in the item "Derivatives" on the liability side.

Realised and unrealised gains and losses from derivatives are recognised in the income statement in the item "Net result from items at fair value".

### **Offsetting of financial assets and liabilities**

Nordea offsets financial assets and liabilities on the balance sheet if there is a legal right to offset, in the ordinary course of business and in case of bankruptcy, and if the intent is to settle the items net or realise the asset and settle the liability simultaneously. This is generally achieved through the central counterparty clearing houses with which Nordea has agreements.

## **13. Loans to the public/credit institutions**

Financial instruments classified as "Loans to the public/credit institutions" (including loans to central banks) on the balance sheet and into the category Loans and receivables are measured at amortised cost (see also the separate section 7 "Recognition and derecognition of financial instruments on the balance sheet" as well as Note 40 "Classification of financial instruments").

Nordea monitors loans as described in the separate section on Risk, Liquidity and Capital management. Loans attached to individual customers or groups of customers are identified as impaired if the impairment tests indicate an objective evidence of impairment.

Interest-bearing securities classified into the categories Loans and receivables and Held to maturity are also held at amortised cost and the description below is valid also for the identification and measurement of impairment on these assets. Possible impairment losses on interest-bearing securities classified into the categories Loans and receivables and Held to maturity are recognised as "Impairment of securities held as non-current financial assets" in the income statement.

### **Impairment test of individually assessed loans**

Nordea tests all loans for impairment on an individual basis. The purpose of the impairment tests is to find out if the loans have become impaired. As a first step in the identification process for impaired loans, Nordea monitors whether there are indicators of impairment (loss event) and whether these loss events represent objective evidence of impairment. More information on the identification of loss events can be found in the Risk, Liquidity and Capital management section.

Loans that are not individually impaired will be transferred to a group of loans with similar risk characteristics for a collective impairment test.

### **Impairment test of collectively assessed loans**

Loans not impaired on an individual basis are collectively tested for impairment.

These loans are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due according to the contractual terms. Nordea monitors its portfolio through rating migrations and the credit decision and annual review process supplemented by quarterly risk reviews. Through these processes Nordea identifies



loss events indicating incurred losses in a group. A loss event is an event resulting in a deterioration of the expected future cash flows. Only loss events incurred up to the reporting date are included when performing the assessment of the group.

The objective for the group assessment process is to evaluate if there is a need to make a provision due to the fact that a loss event has occurred, which has not yet been identified on an individual basis. This period between the date when the loss event occurred and the date when it is identified on an individual basis is called "Emergence period". The impairment remains related to the group of loans until the losses have been identified on an individual basis. The identification of the loss is made through a default of the engagement or by other indicators.

For corporate customers and bank counterparts, Nordea uses the existing rating system as a basis when assessing the credit risk. Nordea uses historical data on probability of default to estimate the risk for a default in a rating class. These loans are rated and grouped mostly based on type of industry and/or sensitivity to certain macro parameters, e.g. dependency on oil prices etc.

Personal customers and small corporate customers are monitored through scoring models. These are based mostly on historical data, as default rates and loss rates given a default, and experienced judgement performed by management. Rating and scoring models are described in more detail in the separate section on Risk, Liquidity and Capital management.

The collective assessment is performed through a netting principle, i.e. when rated engagements are up-rated due to estimated increases in cash flows, this improvement will be netted against losses on loans that are down-rated due to estimated decreases in cash-flows. Netting is only performed within groups with similar risk characteristics where Nordea assesses that the customers' future cash flows are insufficient to serve the loans in full.

#### **Impairment loss**

If the carrying amount of the loans is higher than the sum of the net present value of estimated cash flows (discounted with original effective interest rate), including the fair value of the collaterals and other credit enhancements, the difference is the impairment loss.

For significant loans that have been individually identified as impaired, the measurement of the impairment loss is made on an individual basis.

For insignificant loans that have been individually identified as impaired and for loans not identified as impaired on an individual basis, the measurement of

the impairment loss is measured using portfolio based expectation of the future cash flows.

If the impairment loss is not regarded as final, the impairment loss is accounted for on an allowance account representing the accumulated impairment losses. Changes in the credit risk and accumulated impairment losses are accounted for as changes in the allowance account and as "Net loan losses" in the income statement (see also section 6 "Recognition of operating income and impairment").

If the impairment loss is regarded as final, it is reported as a realised loss and the value of the loan and the related allowance for impairment loss are derecognised. An impairment loss is regarded as final when the obligor is filed for bankruptcy and the administrator has declared the economic outcome of the bankruptcy procedure, or when Nordea forgives its claims either through a legal based or voluntary reconstruction or when Nordea, for other reasons, deems it unlikely that the claim will be recovered.

#### **Discount rate**

The discount rate used to measure impairment is the original effective interest rate for loans attached to an individual customer or, if applicable, to a group of loans. If considered appropriate, the discount rate can be based on a method that results in an impairment that is a reasonable approximation of using the effective interest rate method as basis for the calculation.

#### **Restructured loans**

In this context a restructured loan is defined as a loan where Nordea has granted concessions to the obligor due to its deteriorated financial situation and where this concession has resulted in an impairment loss for Nordea. After a reconstruction the loan is normally regarded as not impaired if it performs according to the new conditions. Concessions made in reconstructions are regarded as loan losses unless Nordea retains the possibility to regain the loan losses incurred. In the event of a recovery the payment is reported as a recovery of loan losses.

#### **Assets taken over for protection of claims**

In a financial reconstruction the creditor may concede loans to the obligor and in exchange for this concession acquire an asset pledged for the conceded loans, shares issued by the obligor or other assets. Assets taken over for protection of claims are reported on the same balance sheet line as similar assets already held by Nordea. For example a property taken over, not held for Nordea's own use, is reported together with other investment properties.

At initial recognition, all assets taken over for protection of claims are recognised at fair value and the possible difference between the carrying amount of the loan and the fair value of the assets taken over is recognised as "Net loan losses". The fair value of the

asset on the date of recognition becomes its cost or amortised cost value, as applicable. In subsequent periods, assets taken over for protection of claims are valued in accordance with the valuation principles for the appropriate type of asset. Investment properties are then measured at fair value. Financial assets that are foreclosed are generally classified into the categories Available for sale or Designated at fair value through profit or loss (Fair Value Option) (see section 12 "Financial instruments") and measured at fair value. Changes in fair values are recognised in other comprehensive income for assets classified into the category Available for sale. For assets classified into the category Designated at fair value through profit or loss, changes in fair value are recognised in the income statement under the line "Net result from items at fair value".

Any change in value, after the initial recognition of the asset taken over, is presented in the income statement in line with the Group's presentation policies for the appropriate asset. "Net loan losses" in the income statement is, after the initial recognition of the asset taken over, consequently not affected by any subsequent remeasurement of the asset.

#### **14. Leasing**

##### **NBF as lessor**

###### *Finance leases*

Nordea's leasing operations mainly comprise finance leases. A finance lease is reported as a receivable from the lessee on the balance sheet item "Loans to the public" at an amount equal to the net investment in the lease. The lease payment, excluding cost of services, is recorded as repayment of principal and interest income. The income allocation is based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of the finance lease.

###### *Operating leases*

Assets subject to operating leases on the balance sheet are reported in accordance with the nature of the assets, in general as property and equipment. Leasing income is recognised as income on a straight-line basis over the lease term and classified as "Net interest income". The depreciation of the leased assets is calculated on the basis of Nordea's depreciation policy for similar assets and reported as "Depreciation, amortisation and impairment charges of tangible and intangible assets" in the income statement.

##### **NBF as lessee**

###### *Finance leases*

No leases in NBF have been classified as finance leases.

###### *Operating leases*

Operating leases are not recognised on NBF's balance sheet. For operating leases the lease payments are recognised as expenses in the income statement on a

straight-line basis over the lease term unless another systematic way better reflects the time pattern of NBF's benefit. The original lease terms normally range between 3 to 25 years.

Operating leasing is mainly related to office premises contracts and office equipment contracts normal to the business.

The central district properties in Finland, Norway and Sweden that Nordea has divested are leased back. The duration of the lease agreements was initially 3-25 years with renewal options. The lease agreements include no transfers of ownerships of the asset by the end of the lease term, nor any economic benefits from appreciation in value of the leased property. In addition, the lease term is not for the major part of the assets' economic life. These leases are thus classified as operating leases. The rental expense for these premises is recognised on the basis of the time-pattern of Nordea's economic benefit which differs from the straight-line basis and better resembles an ordinary rental arrangement.

###### *Embedded leases*

Agreements can contain a right to use an asset in return for a payment, or a series of payments, although the agreement is not in the legal form of a leasing contract. If applicable, these assets are separated from the contract and accounted for as leased assets.

#### **15. Intangible assets**

Intangible assets are identifiable, non-monetary assets without physical substance. The assets are under NBF's control, which means that NBF has the power and rights to obtain the future economic benefits flowing from the underlying resource. The intangible assets in NBF mainly consist of goodwill, IT development/computer software and customer related intangible assets.

##### **Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of Nordea's share of net identifiable assets of the acquired group undertaking/associated undertaking at the date of acquisition. Goodwill on acquisition of group undertakings is included in "Intangible assets". Goodwill on acquisitions of associates is not recognised as a separate asset, but included in "Investments in associated undertakings". Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill cannot be reversed in subsequent periods. Goodwill related to associated undertakings is not tested for impairment separately, but included in the total carrying amount of the associated undertaking. The policies covering impairment testing of associated

undertakings is disclosed in section 6 “Recognition of operating income and impairment”.

#### **IT development/computer software**

Costs associated with maintaining computer software programs are expensed as incurred. Costs directly associated with major software development investments, with a useful life of three years or more and the ability to generate future economic benefits, are recognised as intangible assets. These costs include software development staff costs and overhead expenditures directly attributable to preparing the asset for use. Computer software includes also acquired software licenses not related to the function of a tangible asset.

Amortisation is calculated on a straight-line basis over the useful life of the software, generally a period of 3 to 10 years.

#### **Customer related intangible assets**

In business combinations a portion of the purchase price is normally allocated to a customer related intangible asset, if the asset is identifiable and under Nordea's control. An intangible asset is identifiable if it arises from contractual or legal rights, or could be separated from the entity and sold, transferred, licenced, rented or exchanged. The asset is amortised over its useful life, generally over 10 years.

#### **Impairment**

Goodwill is not amortised but tested for impairment annually irrespective of any indications of impairment. Impairment testing is also performed more frequently if required due to any indication of impairment. The impairment charge is calculated as the difference between the carrying amount and the recoverable amount.

At each balance sheet date, all intangible assets with definite useful lives are reviewed for indications of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the intangible asset is fully recoverable.

The recoverable amount is the higher of fair value less costs to sell and the value in use of the asset or the cash-generating unit, which is defined as the smallest identifiable group of assets that generates largely independent cash inflows in relation to other assets. For goodwill, the cash generating units are defined as the operating segments. The value in use is the present value of the cash flows expected to be realised from the asset or the cash-generating unit. The cash flows are assessed based on the asset or cash-generating unit in its current condition and discounted at a rate based on the long-term risk free interest rate plus a risk premium (post tax). If the recoverable amount is less than the carrying amount, an impairment loss is recognised. See note 21 “Intangible assets” for more information on the impairment testing.

## **16. Property and equipment**

Property and equipment includes own-used properties, leasehold improvements, IT equipment, furniture and other equipment. Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment comprises its purchase price, as well as any directly attributable costs of bringing the asset to the working condition for its intended use. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items.

Property and equipment is depreciated on a straight-line basis over the estimated useful life of the assets. The estimates of the useful life of different assets are reassessed on a yearly basis. Below follows the current estimates:

- Buildings: 30-75 years
- Equipment: 3-5 years
- Leasehold improvements: Changes within buildings the shorter of 10 years and the remaining leasing term. New construction the shorter of the principles used for owned buildings and the remaining leasing term. Fixtures installed in leased properties are depreciated over the shorter of 10–20 years and the remaining leasing term.

At each balance sheet date, Nordea assesses whether there is any indication that an item of property and equipment may be impaired. If any such indication exists, the recoverable amount of the asset is estimated and any impairment loss is recognised.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount, but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

## **17. Investment property**

Investment properties are primarily properties held to earn rent and/or capital appreciation. Nordea applies the fair value model for subsequent measurement of investment properties. The best evidence of a fair value is normally given by quoted prices in an active market for similar property in the same location and condition. As these prices are rarely available, discounted cash flow projection models based on reliable estimates of future cash flows are also used.

Net rental income, gains and losses as well as fair value adjustments are recognised directly in the income statement as “Net result from items at fair value”.



## 18. Taxes

The item "Income tax expense" in the income statement comprises current and deferred income tax. The income tax expense is recognised in the income statement, except to the extent the tax effect relates to items recognised in other comprehensive income or directly in equity, in which case the tax effect is recognised in other comprehensive income or in equity respectively.

Current tax is the expected tax expense on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised, using the balance sheet method, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits. Deferred tax is not recognised for temporary differences arising on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, nor for differences relating to investments in group undertakings and associated undertakings to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, tax losses carry forward and unused tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when the legal right to offset exists. Deferred tax assets and deferred tax liabilities are generally offset if there is a legally enforceable right to offset current tax assets and current tax liabilities.

## 19. Employee benefits

All forms of consideration given by Nordea to its employees as compensation for services performed are employee benefits. Short-term benefits are to be settled within twelve months after the reporting period when the services have been performed. Post-employment benefits are benefits payable after the termination of the employment. Post-employment benefits in Nordea consist only of pensions. Termination benefits normally arise if an employment is terminated before the normal retirement date, or if an employee accepts an offer of voluntary redundancy.

### Short-term benefits

Short term benefits consist mainly of fixed and variable salary. Both fixed and variable salaries are expensed in the period when the employees have performed services to Nordea. Nordea has also issued share-based payment programmes, which are further described in section 22 "Share-based payment".

More information can be found in Note 8 "Staff costs".

### Post-employment benefits

#### *Pension plans*

The companies within Nordea have various pension plans, consisting of both defined benefit plans and defined contribution plans, reflecting national practices and conditions in the countries where Nordea operates. Defined benefit plans are predominantly sponsored in Sweden, Norway and Finland. The major defined benefit plans are funded schemes covered by assets in pension funds/foundations. If the fair value of plan assets, associated with a specific pension plan, is lower than the gross present value of the defined benefit obligation, the net amount is, after adjusting for unrecognised actuarial gains/losses, recognised as a liability (defined benefit obligation). If not, the net amount is recognised as an asset (defined benefit asset). Non-funded pension plans are recognised as defined benefit obligations.

Certain Finnish plans are based on defined contribution arrangements that hold no pension liability for NBF. Nordea also contributes to public pension systems.

#### *Pension costs*

Obligations for defined contribution pension plans are recognised as an expense as the employee renders services to the entity and the contribution payable in exchange for that service becomes due. Nordea's net obligation for defined benefit pension plans is

calculated separately for each plan by estimating the amount of future benefit that employees have earned for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of any plan assets are deducted and unrecognised actuarial gains/losses adjusted. Actuarial calculations, performed annually, are applied to assess the present value of defined benefit obligations and related costs, based on several actuarial and financial assumptions (as disclosed in Note 33 "Retirement benefit obligations").

When establishing the present value of the obligation and the fair value of any plan assets, actuarial gains and losses may arise as a result of changes in actuarial assumptions and experience effects (actual outcome compared to assumptions). The actuarial gains and losses are not recognised immediately in the income statement. Rather, only when the net cumulative unrecognised actuarial gain or loss exceeds a "corridor" equal to 10 percent of the greater of either the present value of the defined benefit obligation or the fair value of the plan assets, the excess is recognised in the income statement over the expected average remaining service period of the employees participating in the plan. Otherwise, actuarial gains and losses are not recognised.

When the calculation results in a benefit to the Nordea entity, the recognised asset is limited to the net total of any unrecognised actuarial losses, unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Social security contribution is calculated and accounted for based on the net recognised surplus or deficit by plan and is included in the "Retirement benefit obligation" or in the "Retirement benefit asset".

#### *Discount rate in Defined Benefit Plans*

The discount rate is determined by reference to high quality corporate bonds, where a deep enough market for such bonds exists. Covered bonds are in this context considered to be corporate bonds. In countries where no such market exists the discount rate is determined by reference to government bond yields. In Finland the discount rate is determined with reference to corporate bonds.

#### **Termination benefits**

As mentioned above, termination benefits normally arise if an employment is terminated before the normal retirement date, or if an employee accepts an offer of

voluntary redundancy. Termination benefits do not arise if the employees have to continue performing services and the termination benefits can be considered to be normal compensation for those services.

Termination benefits are expensed when Nordea has an obligation to make the payment. An obligation arises when there is a formal plan committed to on the appropriate organisational level and when Nordea is without realistic possibility of withdrawal, which normally occurs when the plan has been communicated to the group affected or to their representatives.

Termination benefits can include both short-term benefits, such as the salary of a number of months, and post-employment benefits, normally in the form of early retirement. Short-term benefits are classified as "Salaries and remuneration" and post-employment benefits as "Pension costs" in Note 8 "Staff costs".

## **20. Equity**

### **Non-controlling interests**

Non-controlling interests comprise the portion of net assets of group undertakings not owned directly or indirectly by Nordea Bank Finland Plc.

For each business combination, NBF measures the non-controlling interests in the acquiree either at fair value or at their proportionate share of the acquiree's identifiable net assets.

### **Share premium reserve**

The share premium reserve consists of the difference between the subscription price and the quota value of the shares in NBF's rights issue. Transaction costs in connection to the rights issue have been deducted.

### **Other reserves**

Other reserves comprise income and expenses, net after tax effects, which are reported in equity through other comprehensive income. These reserves include fair value reserves for cash flow hedges and financial assets classified into the category Available for sale as well as a reserve for translation differences.

### **Retained earnings**

Apart from undistributed profits from previous years, retained earnings include the equity portion of untaxed reserves. Untaxed reserves according to national rules are accounted for as equity net of deferred tax at prevailing tax rates in the respective country.

In addition, NBF's share of the earnings in associated undertakings, after the acquisition date, that have not been distributed is included in retained earnings.

#### **Treasury shares**

NBF does not hold Treasury shares.

### **21. Financial guarantee contracts and credit commitments**

Upon initial recognition, premiums received in issued financial guarantee contracts and credit commitments are recognised as prepaid income on the balance sheet. The guarantees and irrevocable credit commitments are subsequently measured, and recognised as a provision on the balance sheet, at the higher of either the received fee less amortisation, or an amount calculated as the discounted best estimate of the expenditure required to settle the present obligation. Changes in provisions are recognised in the income statement in the item "Net loan losses".

Premiums received for financial guarantees are, as stated in section 6 "Recognition of operating income and impairment", amortised over the guarantee period and recognised as "Fee and commission income" in the income statement. Premiums received on credit commitments are generally amortised over the loan commitment period. The contractual amounts are recognised off-balance sheet, financial guarantees in the item "Contingent liabilities" and irrevocable credit commitments in the item "Credit commitments".

### **22. Share-based payments**

#### **Equity-settled programmes**

Nordea has annually issued Long Term Incentive Programmes from 2007 through 2012. Employees participating in these programmes are granted share-based equity-settled rights, i.e. rights to receive shares for free or to acquire shares in Nordea at a significant discount compared to the share price at grant date. The value of such rights is expensed. The expense is based on the estimated fair value of each right at grant date. The total fair value of these rights is determined based on the group's estimate of the number of rights that will eventually vest, which is reassessed at each reporting date. The fair value is expensed on a straight-line basis over the vesting period. The vesting period is the period that the employees have to remain in service in Nordea in order for their rights to vest. Market performance conditions in D rights/Performance Share II are reflected as a probability adjustment to the initial estimate of fair value at grant date. There is no adjustment (true-up) for differences between estimated and actual vesting due to market conditions.

For more information see Note 8 "Staff costs".

#### **Cash-settled programmes**

Nordea has to defer payment of variable salaries under Nordic FSA's regulations and general guidelines. The deferred amounts are to some extent indexed using Nordea's TSR (Total Shareholders' Return) and these "programmes" are cash-settled share-based programmes. These programmes are fully vested when the payments of variable salaries are initially deferred and the fair value of the obligation is remeasured on a continuous basis. The remeasurements are, together with the related social charges, recognised in the income statement in the item "Net result from items at fair value".

For more information see Note 8 "Staff costs".

### **23. Related party transactions**

NBF defines related parties as:

- Shareholders with significant influence
- Group undertakings
- Associated undertakings
- Key management personnel
- Other related parties

All transactions with related parties are made on an arm's length basis.

#### **Shareholders with significant influence**

Shareholders with significant influence are shareholders that have the power to participate in the financial and operating decisions of NBF but do not control those policies. Nordea and its group companies are considered as having such a power.

#### **Group undertakings**

For the definition of group undertakings see section 5 "Principles of consolidation". Further information on the undertakings included in the NBF Group is found in Note 19 "Investments in group undertakings".

Group internal transactions between legal entities are performed according to arm's length principles in conformity with OECD requirements on transfer pricing. These transactions are eliminated in the consolidated accounts.

#### **Associated undertakings**

For the definition of Associated undertakings see section 5 "Principles of consolidation".

Further information on the associated undertakings included in the NBF Group is found in Note 20 "Investments in associated undertakings".

**Key management personnel**

Key management personnel include the following positions:

- The Board of Directors of NBF and Nordea Bank AB (publ)
- The Chief Executive Officer (CEO)
- The Group Executive Management (GEM).

For information about compensation, pensions and other transactions with key management personnel, see Note 8 “Staff costs”.

**Other related parties**

Other related parties comprise close family members to individuals in key management personnel. Other related parties also include companies significantly influenced by key management personnel in Nordea Group as well as companies significantly influenced by close family members to these key management personnel. Other related parties also include NBF’s pension foundations.

Information concerning transactions between NBF and other related parties is found in Note 44 “Related-party transactions”.

## Note 2 Segment reporting

### Operating segments

#### Group

#### Measurement of operating segments' performance

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

#### Changes in basis of segmentation

Nordea's organisation is developed around the three main business areas Retail Banking, Wholesale Banking and Wealth Management and around the business unit Group Operations & Other Lines of Business. The separate divisions within these main business areas and business unit have been identified as operating segments. Also Group Corporate Centre has been identified as an operating segment.

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

#### Reportable operating segments

Retail Banking conducts a full service banking operation and offers a wide range of products. It is Nordea's largest business area and serves household customers and corporate customers in the Nordic markets (Retail Banking Nordic) as well as in Poland and the Baltic countries (Retail Banking Poland & Baltic countries). Wholesale Banking provides banking and other financial solutions to large Nordic and international corporations, institutions and public companies. The division Corporate & Institutional Banking is a customer-oriented organisation serving the largest globally operating corporate customers. This division is also responsible for Nordea's customers within the financial sector, and offers single products, such as funds, equity products etc. as well as consulting services within asset allocation and fund sales. The division Shipping, Offshore & Oil Services is responsible for Nordea's customers within the shipping, offshore and oil services industries and provides tailor-made solutions and syndicated loan transactions. Capital Markets unallocated includes the result in Capital Markets which is not allocated to the main business areas. Group Corporate Centre's main objective is to manage the Group's funding and to support the management and control of the NBF Group. The main income in Group Corporate Centre originates from Group Treasury.

|                                                                                     | Retail Banking |              | Wholesale Banking |              | Group Corporate Centre |            |
|-------------------------------------------------------------------------------------|----------------|--------------|-------------------|--------------|------------------------|------------|
| <b>Income statement, EURm</b>                                                       | 2012           | 2011         | 2012              | 2011         | 2012                   | 2011       |
| Net interest income                                                                 | 790            | 849          | 338               | 323          | 106                    | 166        |
| Net fee and commission income                                                       | 579            | 514          | -93               | -68          | -7                     | -4         |
| Net result from items at fair value                                                 | 92             | 99           | 1,163             | 864          | 12                     | 3          |
| Profit from companies accounted for under the equity method                         | 16             | 8            | -                 | -            | -                      | -          |
| Other income                                                                        | 10             | 10           | 1                 | 2            | 2                      | 2          |
| <b>Total operating income</b>                                                       | <b>1,487</b>   | <b>1,480</b> | <b>1,409</b>      | <b>1,121</b> | <b>113</b>             | <b>167</b> |
| Staff costs                                                                         | -314           | -326         | -143              | -135         | -28                    | -52        |
| Other expenses                                                                      | -509           | -521         | -40               | -45          | 0                      | 2          |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -15            | -12          | -9                | -5           | 0                      | 0          |
| <b>Total operating expenses</b>                                                     | <b>-838</b>    | <b>-859</b>  | <b>-192</b>       | <b>-185</b>  | <b>-28</b>             | <b>-50</b> |
| Net loan losses                                                                     | -75            | -111         | -88               | -10          | 26                     | 44         |
| <b>Operating profit</b>                                                             | <b>574</b>     | <b>510</b>   | <b>1,129</b>      | <b>926</b>   | <b>111</b>             | <b>161</b> |
| Income tax expense                                                                  | -              | -            | -                 | -            | -                      | -          |
| <b>Net profit for the year</b>                                                      | <b>574</b>     | <b>510</b>   | <b>1,129</b>      | <b>926</b>   | <b>111</b>             | <b>161</b> |
| <b>Balance sheet, EURm</b>                                                          |                |              |                   |              |                        |            |
| Loans to the public                                                                 | 51,238         | 50,679       | 42,978            | 42,456       | -13                    | -72        |
| Deposits and borrowings from the public                                             | 38,418         | 37,408       | 31,535            | 29,315       | 270                    | 1,139      |

**Note 2 Segment reporting, cont.**
**Operating segments**
**Group**

| Income statement, EURm                                      | Total operating segments |               | Reconciliation |             | Total Group   |               |
|-------------------------------------------------------------|--------------------------|---------------|----------------|-------------|---------------|---------------|
|                                                             | 2012                     | 2011          | 2012           | 2011        | 2012          | 2011          |
| Net interest income                                         | 1,234                    | 1,338         | 24             | 17          | 1,258         | 1,355         |
| Net fee and commission income                               | 479                      | 442           | -184           | -133        | 295           | 309           |
| Net result from items at fair value                         | 1,267                    | 966           | -50            | -29         | 1,217         | 937           |
| Profit from companies accounted for under the equity method | 16                       | 8             | 2              | 1           | 18            | 9             |
| Other income                                                | 13                       | 14            | 23             | 20          | 36            | 34            |
| <b>Total operating income</b>                               | <b>3,009</b>             | <b>2,768</b>  | <b>-185</b>    | <b>-124</b> | <b>2,824</b>  | <b>2,644</b>  |
| Staff costs                                                 | -485                     | -513          | -82            | -79         | -567          | -592          |
| Other expenses                                              | -549                     | -564          | 102            | 107         | -447          | -457          |
| Depreciation of tangible and intangible assets              | -24                      | -17           | -26            | -26         | -50           | -43           |
| <b>Total operating expenses</b>                             | <b>-1,058</b>            | <b>-1,094</b> | <b>-6</b>      | <b>2</b>    | <b>-1,064</b> | <b>-1,092</b> |
| Net loan losses                                             | -137                     | -77           | -7             | 7           | -144          | -70           |
| <b>Operating profit</b>                                     | <b>1,814</b>             | <b>1,597</b>  | <b>-198</b>    | <b>-115</b> | <b>1,616</b>  | <b>1,482</b>  |
| Income tax expense                                          | -                        | -             | -430           | -381        | -430          | -381          |
| <b>Net profit for the year</b>                              | <b>1,814</b>             | <b>1,597</b>  | <b>-628</b>    | <b>-496</b> | <b>1,186</b>  | <b>1,101</b>  |
| <b>Balance sheet, EURm</b>                                  |                          |               |                |             |               |               |
| Loans to the public                                         | 94,203                   | 93,063        | 6,562          | 6,267       | 100,765       | 99,331        |
| Deposits and borrowings from the public                     | 70,223                   | 67,862        | -11            | 398         | 70,212        | 68,260        |

**Break-down of Retail Banking**

| Income statement, EURm                                      | Retail Banking Nordic <sup>1</sup> |              | Retail Banking Poland & Baltic countries <sup>1</sup> |            | Retail Banking Other <sup>2</sup> |           | Retail Banking |              |
|-------------------------------------------------------------|------------------------------------|--------------|-------------------------------------------------------|------------|-----------------------------------|-----------|----------------|--------------|
|                                                             | 2012                               | 2011         | 2012                                                  | 2011       | 2012                              | 2011      | 2012           | 2011         |
| Net interest income                                         | 630                                | 699          | 160                                                   | 150        | 0                                 | 0         | 790            | 849          |
| Net fee and commission income                               | 531                                | 469          | 45                                                    | 43         | 2                                 | 2         | 579            | 514          |
| Net result from items at fair value                         | 89                                 | 96           | 5                                                     | 4          | -1                                | -1        | 92             | 99           |
| Profit from companies accounted for under the equity method | -                                  | -            | -                                                     | -          | 16                                | 8         | 16             | 8            |
| Other income                                                | 25                                 | 4            | 2                                                     | 5          | -18                               | 1         | 10             | 10           |
| <b>Total operating income</b>                               | <b>1,275</b>                       | <b>1,268</b> | <b>212</b>                                            | <b>202</b> | <b>-1</b>                         | <b>10</b> | <b>1,487</b>   | <b>1,480</b> |
| Staff costs                                                 | -250                               | -258         | -25                                                   | -27        | -39                               | -41       | -314           | -326         |
| Other expenses                                              | -494                               | -512         | -54                                                   | -54        | 40                                | 45        | -509           | -521         |
| Depreciation of tangible and intangible assets              | -5                                 | -3           | -2                                                    | -3         | -8                                | -6        | -15            | -12          |
| <b>Total operating expenses</b>                             | <b>-749</b>                        | <b>-773</b>  | <b>-81</b>                                            | <b>-84</b> | <b>-7</b>                         | <b>-2</b> | <b>-838</b>    | <b>-859</b>  |
| Net loan losses                                             | -46                                | -57          | -29                                                   | -54        | -                                 | -         | -75            | -111         |
| <b>Operating profit</b>                                     | <b>480</b>                         | <b>438</b>   | <b>102</b>                                            | <b>64</b>  | <b>-8</b>                         | <b>8</b>  | <b>574</b>     | <b>510</b>   |
| Income tax expense                                          | -                                  | -            | -                                                     | -          | -                                 | -         | -              | -            |
| <b>Net profit for the year</b>                              | <b>480</b>                         | <b>438</b>   | <b>102</b>                                            | <b>64</b>  | <b>-8</b>                         | <b>8</b>  | <b>574</b>     | <b>510</b>   |
| <b>Balance sheet, EURm</b>                                  |                                    |              |                                                       |            |                                   |           |                |              |
| Loans to the public                                         | 44,056                             | 43,335       | 7,182                                                 | 7,344      | -                                 | -         | 51,238         | 50,679       |
| Deposits and borrowings from the public                     | 35,217                             | 34,935       | 3,201                                                 | 2,445      | -                                 | 28        | 38,418         | 37,408       |

<sup>1</sup> Retail Banking Nordic includes banking operations in Finland while Retail Banking Poland & Baltic countries includes banking operations in Estonia, Latvia, Lithuania and Poland.

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

**Note 2 Segment reporting, cont.**
**Break-down of Wholesale Banking**

|                                                             | Corporate & Institutional Banking |             | Shipping, Offshore & Oil Services |            |
|-------------------------------------------------------------|-----------------------------------|-------------|-----------------------------------|------------|
|                                                             | 2012                              | 2011        | 2012                              | 2011       |
| <b>Income statement, EURm</b>                               |                                   |             |                                   |            |
| Net interest income                                         | 200                               | 205         | 131                               | 111        |
| Net fee and commission income                               | 185                               | 176         | 18                                | 32         |
| Net result from items at fair value                         | 113                               | 106         | 18                                | 10         |
| Profit from companies accounted for under the equity method | -                                 | -           | -                                 | -          |
| Other income                                                | 0                                 | 0           | -                                 | -          |
| <b>Total operating income</b>                               | <b>498</b>                        | <b>487</b>  | <b>167</b>                        | <b>153</b> |
| Staff costs                                                 | -6                                | -6          | -9                                | -7         |
| Other expenses                                              | -121                              | -122        | -16                               | -13        |
| Depreciation of tangible and intangible assets              | -                                 | -           | 0                                 | 0          |
| <b>Total operating expenses</b>                             | <b>-127</b>                       | <b>-128</b> | <b>-25</b>                        | <b>-20</b> |
| Net loan losses                                             | -14                               | 10          | -74                               | -21        |
| <b>Operating profit</b>                                     | <b>357</b>                        | <b>369</b>  | <b>68</b>                         | <b>112</b> |
| Income tax expense                                          | -                                 | -           | -                                 | -          |
| <b>Net profit for the year</b>                              | <b>357</b>                        | <b>369</b>  | <b>68</b>                         | <b>112</b> |
| <b>Balance sheet, EURm</b>                                  |                                   |             |                                   |            |
| Loans to the public                                         | 8,785                             | 9,308       | 558                               | 686        |
| Deposits and borrowings from the public                     | 6,276                             | 6,544       | 157                               | 153        |

|                                                             | Capital Markets unallocated |            | Wholesale Banking Other <sup>3</sup> |           | Wholesale Banking |              |
|-------------------------------------------------------------|-----------------------------|------------|--------------------------------------|-----------|-------------------|--------------|
|                                                             | 2012                        | 2011       | 2012                                 | 2011      | 2012              | 2011         |
| <b>Income statement, EURm</b>                               |                             |            |                                      |           |                   |              |
| Net interest income                                         | 7                           | 5          | 0                                    | 2         | 338               | 323          |
| Net fee and commission income                               | -350                        | -327       | 55                                   | 51        | -93               | -68          |
| Net result from items at fair value                         | 1,032                       | 749        | 0                                    | 0         | 1,163             | 864          |
| Profit from companies accounted for under the equity method | -                           | -          | -                                    | -         | 0                 | -            |
| Other income                                                | 1                           | 0          | 0                                    | 2         | 1                 | 2            |
| <b>Total operating income</b>                               | <b>690</b>                  | <b>427</b> | <b>55</b>                            | <b>55</b> | <b>1,409</b>      | <b>1,121</b> |
| Staff costs                                                 | -77                         | -68        | -51                                  | -54       | -143              | -135         |
| Other expenses                                              | 42                          | 36         | 55                                   | 54        | -40               | -45          |
| Depreciation of tangible and intangible assets              | 0                           | 0          | -8                                   | -5        | -9                | -5           |
| <b>Total operating expenses</b>                             | <b>-35</b>                  | <b>-32</b> | <b>-4</b>                            | <b>-5</b> | <b>-192</b>       | <b>-185</b>  |
| Net loan losses                                             | -                           | -          | 0                                    | 0         | -88               | -10          |
| <b>Operating profit</b>                                     | <b>655</b>                  | <b>395</b> | <b>51</b>                            | <b>50</b> | <b>1,129</b>      | <b>926</b>   |
| Income tax expense                                          | -                           | -          | -                                    | -         | -                 | -            |
| <b>Net profit for the year</b>                              | <b>655</b>                  | <b>395</b> | <b>51</b>                            | <b>50</b> | <b>1,129</b>      | <b>926</b>   |
| <b>Balance sheet, EURm</b>                                  |                             |            |                                      |           |                   |              |
| Loans to the public                                         | 26,716                      | 25,440     | 6,918                                | 7,023     | 42,978            | 42,456       |
| Deposits and borrowings from the public                     | 16,891                      | 14,582     | 8,210                                | 8,035     | 31,535            | 29,315       |

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

**Note 2 Segment reporting, cont.****Reconciliation between total operating segments and financial statements**

| EURm                         | Total operating income |              | Operating profit |              | Loans to the public |               | Deposits and borrowings from the public |               |
|------------------------------|------------------------|--------------|------------------|--------------|---------------------|---------------|-----------------------------------------|---------------|
|                              | 2012                   | 2011         | 2012             | 2011         | 2012                | 2011          | 2012                                    | 2011          |
| Total operating segments     | 3,009                  | 2,768        | 1,814            | 1,597        | 94,203              | 93,063        | 70,223                                  | 67,862        |
| Group functions <sup>1</sup> | -174                   | -111         | -198             | -115         | 6,562               | 6,420         | -11                                     | 500           |
| Eliminations                 | -11                    | -13          | -                | -            | -                   | -152          | -                                       | -102          |
| <b>Total</b>                 | <b>2,824</b>           | <b>2,644</b> | <b>1,616</b>     | <b>1,482</b> | <b>100,765</b>      | <b>99,331</b> | <b>70,212</b>                           | <b>68,260</b> |

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

**Group****Total operating income split on product groups**

| EURm                                | 2012         | 2011         |
|-------------------------------------|--------------|--------------|
| Banking products                    | 2,008        | 1,733        |
| Capital Markets products            | 786          | 886          |
| Savings Products & Asset Management | 25           | 20           |
| Life & Pensions                     | 5            | 5            |
| Other                               | 0            | -            |
| <b>Total</b>                        | <b>2,824</b> | <b>2,644</b> |

Banking products consists of three different product types. Account products include account-based products, such as lending, deposits and cards and Netbank services. Transaction products consist of cash management, trade and project finance services. Financing products include asset-based financing through leasing, hire purchase and factoring as well as sales to finance partners, such as dealers, vendors and retailers. Capital Markets products contains financial instruments, or arrangements for a financial instrument, that are available in the financial marketplace, including currencies, commodities, stocks and bonds. Savings Products & Asset Management includes Investment Funds, Discretionary Management, Portfolio Advice, Equity Trading and Pension Accounts. Investment Funds is a bundled product where the fund company invest in stocks, bonds, derivatives or other standardised products on behalf of the fund's shareholders. Discretionary Management is a service providing the management of an investment portfolio on behalf of the customer and Portfolio Advice is a service provided to support the customers' investment decisions. Life & Pensions provides life insurance and pension products and services.

**Group****Geographical information**

| EURm             | Total operating income |              | Assets         |                |
|------------------|------------------------|--------------|----------------|----------------|
|                  | 2012                   | 2011         | 2012           | 2011           |
| Sweden           | 65                     | 142          | 7,575          | 12,237         |
| Finland          | 1,562                  | 1,442        | 106,206        | 129,640        |
| Norway           | 146                    | 405          | 8,763          | 9,919          |
| Denmark          | 528                    | 326          | 139,460        | 178,776        |
| Baltic countries | 210                    | 27           | 10,145         | 1,005          |
| Poland           | 7                      | 2            | 116            | 90             |
| Other            | 306                    | 300          | 69,682         | 67,620         |
| <b>Total</b>     | <b>2,824</b>           | <b>2,644</b> | <b>341,947</b> | <b>399,287</b> |

NBF's main geographical market comprises the Nordic countries, the Baltic countries and Poland. Revenues and assets are distributed to geographical areas based on the location of operations. Goodwill is allocated to different countries based on the location of the business activities of the acquired entities.



**Note 3 Net interest income**

| EURm                                    | Group         |               | Parent company |               |
|-----------------------------------------|---------------|---------------|----------------|---------------|
|                                         | 2012          | 2011          | 2012           | 2011          |
| <b>Interest income</b>                  |               |               |                |               |
| Loans to credit institutions            | 224           | 390           | 286            | 474           |
| Loans to the public                     | 1,857         | 2,011         | 1,560          | 1,695         |
| Interest-bearing securities             | 177           | 181           | 177            | 181           |
| Other interest income                   | 79            | 65            | 87             | 77            |
| <b>Interest income</b>                  | <b>2,337</b>  | <b>2,647</b>  | <b>2,110</b>   | <b>2,427</b>  |
| <b>Interest expense</b>                 |               |               |                |               |
| Deposits by credit institutions         | -455          | -434          | -452           | -432          |
| Deposits and borrowings from the public | -329          | -440          | -329           | -439          |
| Debt securities in issue                | -464          | -330          | -464           | -330          |
| Subordinated liabilities                | -27           | -25           | -27            | -25           |
| Other interest expense <sup>1</sup>     | 196           | -63           | 196            | -63           |
| <b>Interest expense</b>                 | <b>-1,079</b> | <b>-1,292</b> | <b>-1,076</b>  | <b>-1,289</b> |
| <b>Net interest income</b>              | <b>1,258</b>  | <b>1,355</b>  | <b>1,034</b>   | <b>1,138</b>  |

<sup>1</sup> The net interest income from derivatives, measured at fair value and related to Nordea's funding, can have both a positive and negative impact on other interest expense, for further information see Note 1.

Interest income from financial instruments not measured at fair value through profit and loss amounts to EUR 2,180m (2,518) for the Group and EUR 1,954m (2,297) for the parent company. Interest expense from financial instruments not measured at fair value through profit and loss amounts to EUR -1,275m (-1,229) for the Group and EUR -1,272m (-1,226) for the parent company.

Interest on impaired loans amounted to an insignificant portion on interest income.

**Net interest income**

| EURm                        | Group        |              | Parent company |              |
|-----------------------------|--------------|--------------|----------------|--------------|
|                             | 2012         | 2011         | 2012           | 2011         |
| Interest income             | 2,241        | 2,546        | 2,110          | 2,427        |
| Leasing income <sup>1</sup> | 96           | 101          | -              | -            |
| Interest expense            | -1,079       | -1,292       | -1,076         | -1,289       |
| <b>Total</b>                | <b>1,258</b> | <b>1,355</b> | <b>1,034</b>   | <b>1,138</b> |

<sup>1</sup> Of which contingent leasing income amounts to EUR 24m (27). Contingent leasing income in Nordea consists of variable interest rates, excluding the fixed margin. If the contingent leasing income decreases there will be an offsetting impact from lower funding expenses.

**Note 4 Net fee and commission income**

| EURm                                               | Group       |             | Parent company |             |
|----------------------------------------------------|-------------|-------------|----------------|-------------|
|                                                    | 2012        | 2011        | 2012           | 2011        |
| Asset Management commissions                       | 52          | 52          | 52             | 52          |
| Life insurance                                     | 6           | 5           | 6              | 5           |
| Brokerage, securities issues and corporate finance | 75          | 73          | 76             | 73          |
| Custody and issuer services                        | 33          | 26          | 33             | 26          |
| Deposits                                           | 7           | 6           | 7              | 6           |
| Total savings and investments                      | 173         | 162         | 174            | 162         |
| Payments                                           | 196         | 187         | 197            | 188         |
| Cards                                              | 97          | 87          | 67             | 57          |
| Total payments and cards                           | 293         | 274         | 264            | 245         |
| Lending                                            | 88          | 90          | 76             | 79          |
| Guarantees and documentary payments                | 146         | 146         | 145            | 147         |
| Total lending related to commissions               | 234         | 236         | 221            | 226         |
| Other commission income                            | 41          | 31          | 41             | 29          |
| <b>Fee and commission income</b>                   | <b>741</b>  | <b>703</b>  | <b>700</b>     | <b>662</b>  |
| Savings and investments                            | -323        | -302        | -323           | -302        |
| Payments                                           | -10         | -10         | -7             | -7          |
| Cards                                              | -55         | -47         | -53            | -45         |
| Other commission expenses                          | -58         | -35         | -56            | -33         |
| <b>Fee and commission expenses</b>                 | <b>-446</b> | <b>-394</b> | <b>-439</b>    | <b>-387</b> |
| <b>Net fee and commission income</b>               | <b>295</b>  | <b>309</b>  | <b>261</b>     | <b>275</b>  |

Fee income, not included in determining the effective interest rate, from financial assets and liabilities not measured at fair value through profit or loss amounted to EUR 95m (94) for the Group and EUR 83m (85) for the parent company.

Fee income, not included in determining the effective interest rate, from fiduciary activities that result in the holding or investing of assets on behalf of customers amounted to EUR 134m (129) for the Group and EUR 134m (129) for the parent company.

**Note 5 Net result from items at fair value**

| EURm                                                               | Group        |            | Parent company |            |
|--------------------------------------------------------------------|--------------|------------|----------------|------------|
|                                                                    | 2012         | 2011       | 2012           | 2011       |
| Shares/participations and other share-related instruments          | 264          | 78         | 263            | 74         |
| Interest-bearing securities and other interest-related instruments | 520          | 726        | 519            | 726        |
| Other financial instruments                                        | 297          | 42         | 297            | 42         |
| Foreign exchange gains/losses                                      | 140          | 93         | 132            | 98         |
| Investment properties                                              | -4           | -2         | -3             | -1         |
| <b>Total</b>                                                       | <b>1,217</b> | <b>937</b> | <b>1,208</b>   | <b>939</b> |

**Net result from categories of financial instruments**

| EURm                                                                  | Group        |            | Parent company |            |
|-----------------------------------------------------------------------|--------------|------------|----------------|------------|
|                                                                       | 2012         | 2011       | 2012           | 2011       |
| Available for sale assets, realised                                   | 0            | -          | 0              | -          |
| Financial instruments designated at fair value through profit or loss | 153          | -35        | 153            | -34        |
| Financial instruments held for trading <sup>1</sup>                   | 937          | 899        | 935            | 894        |
| Financial instruments under fair value hedge accounting               | 2            | -3         | 2              | -3         |
| - of which net result on hedging instruments                          | 392          | 196        | 392            | 196        |
| - of which net result on hedged items                                 | -390         | -199       | -390           | -199       |
| Financial assets measured at amortised cost <sup>2</sup>              | 2            | 1          | 2              | 1          |
| Foreign exchange gains/losses excl currency hedges                    | 127          | 77         | 119            | 82         |
| Other                                                                 | -4           | -2         | -3             | -1         |
| <b>Total</b>                                                          | <b>1,217</b> | <b>937</b> | <b>1,208</b>   | <b>939</b> |

<sup>1</sup> Of which amortised deferred day one profits amounted to EUR 5m for 2012 (-5) both for the Group and the parent company.

<sup>2</sup> Of which EUR 2m related to instruments classified into the category "Loans and receivables".

**Note 6 Dividends**

| EURm                                   | Group    |          | Parent company |           |
|----------------------------------------|----------|----------|----------------|-----------|
|                                        | 2012     | 2011     | 2012           | 2011      |
| Investments in group undertakings      | -        | -        | 80             | 60        |
| Investments in associated undertakings | -        | -        | 19             | 2         |
| <b>Total</b>                           | <b>-</b> | <b>-</b> | <b>99</b>      | <b>62</b> |

**Note 7 Other operating income**

| EURm                                        | Group     |           | Parent company |           |
|---------------------------------------------|-----------|-----------|----------------|-----------|
|                                             | 2012      | 2011      | 2012           | 2011      |
| Divestment of shares                        | -         | -         | -              | -         |
| Income from real estate                     | 2         | -1        | 2              | 3         |
| Disposals of tangible and intangible assets | 3         | 2         | 0              | 0         |
| Other                                       | 31        | 33        | 30             | 35        |
| <b>Total</b>                                | <b>36</b> | <b>34</b> | <b>32</b>      | <b>38</b> |

**Note 8 Staff costs**

| EURm                                                 | Group       |             | Parent company |             |
|------------------------------------------------------|-------------|-------------|----------------|-------------|
|                                                      | 2012        | 2011        | 2012           | 2011        |
| Salaries and remuneration                            | -434        | -463        | -400           | -428        |
| Pension costs (specification below)                  | -56         | -61         | -50            | -55         |
| Social insurance contributions                       | -31         | -36         | -28            | -33         |
| Allocation to profit-sharing foundation <sup>1</sup> | -20         | -5          | -19            | -5          |
| Other staff costs                                    | -26         | -27         | -23            | -25         |
| <b>Total</b>                                         | <b>-567</b> | <b>-592</b> | <b>-520</b>    | <b>-546</b> |

<sup>1</sup> Allocation to profit-sharing foundation 2012 EUR 20m (5) in the Group and EUR 19m (5) in the parent company consists of a new allocation of EUR 18m (8) in the Group and EUR 17m (8) in the parent company and expenses related to prior years of EUR 2m (3) in the Group and EUR 2m (3) in the parent company.

|                                 | Group      |            | Parent company |            |
|---------------------------------|------------|------------|----------------|------------|
|                                 | 2012       | 2011       | 2012           | 2011       |
| <b>Pension costs:</b>           |            |            |                |            |
| Defined benefit plans (Note 33) | 9          | 7          | 9              | 7          |
| Defined contribution plans      | -65        | -68        | -59            | -62        |
| <b>Total</b>                    | <b>-56</b> | <b>-61</b> | <b>-50</b>     | <b>-55</b> |

**Additional disclosures on remuneration under Nordic FSAs' regulation and general guidelines (including FIN-FSA release 62/501/2010)**

The qualitative disclosures under these regulations can be found in the separate section on remuneration in the Board of Directors' Report, while the quantitative disclosures will be published in a separate report on Nordea's homepage ([www.nordea.com](http://www.nordea.com)) one week before the Annual General Meeting on 14 March 2013.

**Compensation etc. to the Board of Directors, President and his deputy**

The members of the Board of Directors of Nordea Bank Finland Plc and the President, are members of the Nordea Bank AB (publ) Group Executive Management, except for the one external member Carl-Johan Granvik. The monthly fee for the external Board member was 1,250 euros, totalling 6,250 euros in 2012. In 2012 Nordea Bank AB (publ) has paid all salaries, fees, pensions and other staff-related expenses to the above mentioned other members of the Board and the President. Nordea Bank AB (publ) has allocated these salary expenses to Nordea Bank Finland Plc as part of the Head Office Allocation expenses.

Information on salaries, loans and pension liabilities of the above mentioned other members of the Board and the President is presented in the Annual Report of Nordea Bank AB (publ).

Salaries paid to the deputy of the President of Nordea Bank Finland Plc amounted to EUR 0m in 2012. Pension obligation for the deputy of the President amounted to EUR 3m and pension cost to defined benefit plans to EUR 2m.

| EURm                                                    | 2012 | 2011 |
|---------------------------------------------------------|------|------|
| <b>Loans granted by Nordea Bank Finland Plc</b>         |      |      |
| To members and deputy members of the Board of Directors | 0    | -    |
| To the President and his deputy                         | 0    | 0    |

Terms and conditions regarding loans to the members of the Board of Directors, to the President and to his deputy are decided in accordance with instructions issued by the Board of Directors.

**Guarantees and other off-balance-sheet commitments**

No guarantees or other off-balance-sheet commitments have been granted to members of administrative or controlling boards or to auditors.

The members of the administrative and controlling boards have no holdings of shares, equity warrants or convertible bonds issued by Nordea Bank Finland Plc.

**Loans to key management personnel**

Loans to key management personnel as defined in Note 1 section 23 amount to EUR 2m (1) in the Group and EUR 2m (1) in the parent company. Interest income on these loans amounts to EUR 0m (0) in the Group and EUR 0m (0) in the parent company.

Terms and conditions regarding loans to key management personnel employed by Nordea are decided in accordance with instructions issued by the Board of Directors. Loans to family members of key management personnel are granted on normal market terms, as well as loans to key management personnel who are not employees of Nordea. In Finland the employee interest rate for loans corresponds to Nordea's funding cost with a margin of 10 basis points up to EUR 400,000, and 30 basis points on the part that exceeds EUR 400,000.

The Group has not pledged any assets or other collateral or committed to contingent liabilities on behalf of any key management personnel.

**Note 8 Staff costs, cont.****Long-Term Incentive Programmes**

| Group                               | 2012           |                     |                      |
|-------------------------------------|----------------|---------------------|----------------------|
|                                     | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional Rights LTIP 2012</b> |                |                     |                      |
| Granted                             | 210,430        | 502,999             | 210,430              |
| Forfeited                           | -2,569         | -5,138              | -2,569               |
| <b>Outstanding at end of year</b>   | <b>207,861</b> | <b>497,861</b>      | <b>207,861</b>       |
| - of which currently exercisable    | -              | -                   | -                    |

| Parent company                      | 2012           |                     |                      |
|-------------------------------------|----------------|---------------------|----------------------|
|                                     | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional Rights LTIP 2012</b> |                |                     |                      |
| Granted                             | 205,353        | 489,792             | 205,353              |
| Forfeited                           | -2,569         | -5,138              | -2,569               |
| <b>Outstanding at end of year</b>   | <b>202,784</b> | <b>484,654</b>      | <b>202,784</b>       |
| - of which currently exercisable    | -              | -                   | -                    |

| Group                                | 2012           |                     |                      | 2011           |                     |                      |
|--------------------------------------|----------------|---------------------|----------------------|----------------|---------------------|----------------------|
|                                      | Matching Share | Performance Share I | Performance Share II | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional Rights LTIP 2011</b>  |                |                     |                      |                |                     |                      |
| Outstanding at the beginning of year | 154,236        | 308,472             | 154,236              | -              | -                   | -                    |
| Granted <sup>1</sup>                 | 5,481          | 10,962              | 5,481                | 154,236        | 308,472             | 154,236              |
| Transfer during the year             | -6,347         | -12,694             | -6,347               | -              | -                   | -                    |
| Forfeited                            | -3,839         | -7,678              | -3,839               | -              | -                   | -                    |
| <b>Outstanding at end of year</b>    | <b>149,531</b> | <b>299,062</b>      | <b>149,531</b>       | <b>154,236</b> | <b>308,472</b>      | <b>154,236</b>       |
| - of which currently exercisable     | -              | -                   | -                    | -              | -                   | -                    |

| Parent company                       | 2012           |                     |                      | 2011           |                     |                      |
|--------------------------------------|----------------|---------------------|----------------------|----------------|---------------------|----------------------|
|                                      | Matching Share | Performance Share I | Performance Share II | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional Rights LTIP 2011</b>  |                |                     |                      |                |                     |                      |
| Outstanding at the beginning of year | 150,845        | 301,690             | 150,845              | -              | -                   | -                    |
| Granted <sup>1</sup>                 | 5,352          | 10,704              | 5,352                | 150,845        | 301,690             | 150,845              |
| Transfer during the year             | -6,347         | -12,694             | -6,347               | -              | -                   | -                    |
| Forfeited                            | -3,839         | -7,678              | -3,839               | -              | -                   | -                    |
| <b>Outstanding at end of year</b>    | <b>146,011</b> | <b>292,022</b>      | <b>146,011</b>       | <b>150,845</b> | <b>301,690</b>      | <b>150,845</b>       |
| - of which currently exercisable     | -              | -                   | -                    | -              | -                   | -                    |

| Group                                | 2012           |                     |                      | 2011           |                     |                      |
|--------------------------------------|----------------|---------------------|----------------------|----------------|---------------------|----------------------|
|                                      | Matching Share | Performance Share I | Performance Share II | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional Rights LTIP 2010</b>  |                |                     |                      |                |                     |                      |
| Outstanding at the beginning of year | 162,974        | 325,948             | 162,974              | 173,195        | 346,390             | 173,195              |
| Transfer during the year             | -3,057         | -6,114              | -3,057               | -7,220         | -14,440             | -7,220               |
| Forfeited                            | -6,789         | -13,578             | -6,789               | -3,001         | -6,002              | -3,001               |
| <b>Outstanding at end of year</b>    | <b>153,128</b> | <b>306,256</b>      | <b>153,128</b>       | <b>162,974</b> | <b>325,948</b>      | <b>162,974</b>       |
| - of which currently exercisable     | -              | -                   | -                    | -              | -                   | -                    |

| Parent company                       | 2012           |                     |                      | 2011           |                     |                      |
|--------------------------------------|----------------|---------------------|----------------------|----------------|---------------------|----------------------|
|                                      | Matching Share | Performance Share I | Performance Share II | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional Rights LTIP 2010</b>  |                |                     |                      |                |                     |                      |
| Outstanding at the beginning of year | 160,554        | 321,108             | 160,554              | 170,775        | 341,550             | 170,775              |
| Transfer during the year             | -3,057         | -6,114              | -3,057               | -7,220         | -14,440             | -7,220               |
| Forfeited                            | -6,789         | -13,578             | -6,789               | -3,001         | -6,002              | -3,001               |
| <b>Outstanding at end of year</b>    | <b>150,708</b> | <b>301,416</b>      | <b>150,708</b>       | <b>160,554</b> | <b>321,108</b>      | <b>160,554</b>       |
| - of which currently exercisable     | -              | -                   | -                    | -              | -                   | -                    |

<sup>1</sup> Granted rights in 2012 in LTIP 2011 are compensation for dividend on the underlying Nordea share during 2012.

**Note 8 Staff costs, cont.**

| <b>Group</b>                         |               |               |            |               |               |               |
|--------------------------------------|---------------|---------------|------------|---------------|---------------|---------------|
|                                      | 2012          |               |            | 2011          |               |               |
| <b>Rights LTIP 2009</b>              | A rights      | B-C rights    | D rights   | A rights      | B-C rights    | D rights      |
| Outstanding at the beginning of year | 74,943        | 71,432        | 24,360     | 266,195       | 266,195       | 106,478       |
| Forfeited                            | -7,359        | -7,359        | -7,359     | -             | -             | -             |
| Exercised <sup>2</sup>               | -46,056       | -48,756       | -16,380    | -191,252      | -194,763      | -82,118       |
| <b>Outstanding at end of year</b>    | <b>21,528</b> | <b>15,317</b> | <b>621</b> | <b>74,943</b> | <b>71,432</b> | <b>24,360</b> |
| - of which currently exercisable     | 21,528        | 15,317        | 621        | 74,943        | 71,432        | 24,360        |
| <b>Parent company</b>                |               |               |            |               |               |               |
|                                      | 2012          |               |            | 2011          |               |               |
| <b>Rights LTIP 2009</b>              | A rights      | B-C rights    | D rights   | A rights      | B-C rights    | D rights      |
| Outstanding at the beginning of year | 70,614        | 67,103        | 22,628     | 261,866       | 261,866       | 104,746       |
| Forfeited                            | -7,359        | -7,359        | -7,359     | -             | -             | -             |
| Exercised <sup>2</sup>               | -41,727       | -44,427       | -14,648    | -191,252      | -194,763      | -82,118       |
| <b>Outstanding at end of year</b>    | <b>21,528</b> | <b>15,317</b> | <b>621</b> | <b>70,614</b> | <b>67,103</b> | <b>22,628</b> |
| - of which currently exercisable     | 21,528        | 15,317        | 621        | 70,614        | 67,103        | 22,628        |
| <b>Group</b>                         |               |               |            |               |               |               |
|                                      | 2012          |               |            | 2011          |               |               |
| <b>Rights LTIP 2008</b>              | A rights      | B-C rights    | D rights   | A rights      | B-C rights    | D rights      |
| Outstanding at the beginning of year | 2,720         | 3,311         | 2,454      | 12,765        | 13,496        | 8,834         |
| Transfer during the year             | 3,326         | 3,325         | 3,544      | -             | -             | -             |
| Forfeited                            | -2,335        | -2,335        | -2,335     | -             | -             | -             |
| Exercised <sup>2</sup>               | -3,711        | -4,301        | -3,663     | -10,045       | -10,185       | -6,380        |
| <b>Outstanding at end of year</b>    | <b>-</b>      | <b>-</b>      | <b>-</b>   | <b>2,720</b>  | <b>3,311</b>  | <b>2,454</b>  |
| - of which currently exercisable     | -             | -             | -          | 2,720         | 3,311         | 2,454         |
| <b>Parent company</b>                |               |               |            |               |               |               |
|                                      | 2012          |               |            | 2011          |               |               |
| <b>Rights LTIP 2008</b>              | A rights      | B-C rights    | D rights   | A rights      | B-C rights    | D rights      |
| Outstanding at the beginning of year | 2,720         | 3,311         | 2,454      | 11,389        | 12,120        | 8,834         |
| Transfer during the year             | 3,326         | 3,325         | 3,544      | -             | -             | -             |
| Forfeited                            | -2,335        | -2,335        | -2,335     | -             | -             | -             |
| Exercised <sup>2</sup>               | -3,711        | -4,301        | -3,663     | -8,669        | -8,809        | -6,380        |
| <b>Outstanding at end of year</b>    | <b>-</b>      | <b>-</b>      | <b>-</b>   | <b>2,720</b>  | <b>3,311</b>  | <b>2,454</b>  |
| - of which currently exercisable     | -             | -             | -          | 2,720         | 3,311         | 2,454         |

<sup>2</sup> Weighted average share price during the period amounted to EUR 6.88 (7.45).

**Note 8 Staff costs, cont.**

Participation in the Long-Term Incentive Programmes (LTIPs) requires that the participants take direct ownership by investing in Nordea shares.

|                               | LTIP 2012      |                     |                      |
|-------------------------------|----------------|---------------------|----------------------|
|                               | Matching Share | Performance Share I | Performance Share II |
| Ordinary shares per right     | 1.00           | 1.00                | 1.00                 |
| Exercise price, EUR           | -              | -                   | -                    |
| Grant date                    | 13 May 2012    | 13 May 2012         | 13 May 2012          |
| Vesting period, months        | 36             | 36                  | 36                   |
| Contractual life, months      | 36             | 36                  | 36                   |
| Allotment                     | April/May 2015 | April/May 2015      | April/May 2015       |
| Fair value at grant date, EUR | 6.55           | 6.55                | 2.37                 |

|                                 | LTIP 2011         |                     |                      | LTIP 2010      |                |                |
|---------------------------------|-------------------|---------------------|----------------------|----------------|----------------|----------------|
|                                 | Matching Share    | Performance Share I | Performance Share II | A rights       | B-C rights     | D rights       |
| Ordinary shares per right       | 1.00              | 1.00                | 1.00                 | 1.00           | 1.00           | 1.00           |
| Exercise price, EUR             | -                 | -                   | -                    | -              | -              | -              |
| Grant date                      | 13 May 2011       | 13 May 2011         | 13 May 2011          | 13 May 2010    | 13 May 2010    | 13 May 2010    |
| Vesting period, months          | 36                | 36                  | 36                   | 36             | 36             | 36             |
| Contractual life, months        | 36                | 36                  | 36                   | 36             | 36             | 36             |
| Allotment/First day of exercise | April/May 2014    | April/May 2014      | April/May 2014       | April/May 2013 | April/May 2013 | April/May 2013 |
| Fair value at grant date, EUR   | 7.90 <sup>1</sup> | 7.90 <sup>1</sup>   | 2.86 <sup>1</sup>    | 6.75           | 6.75           | 2.45           |

<sup>1</sup> The fair value has been recalculated due to dividend during the vesting period which the participants are compensated for through additional Matching and Performance Shares.

|                               | LTIP 2009     |               |               | LTIP 2008 <sup>2</sup> |               |               |
|-------------------------------|---------------|---------------|---------------|------------------------|---------------|---------------|
|                               | A rights      | B-C rights    | D rights      | A rights               | B-C rights    | D rights      |
| Ordinary shares per right     | 1.00          | 1.00          | 1.00          | 1.30                   | 1.30          | 1.30          |
| Exercise price, EUR           | 0.51          | 0.12          | 0.12          | 1.75                   | 0.98          | 0.98          |
| Grant date                    | 14 May 2009   | 14 May 2009   | 14 May 2009   | 13 May 2008            | 13 May 2008   | 13 May 2008   |
| Vesting period, months        | 24            | 24            | 24            | 24                     | 24            | 24            |
| Contractual life, months      | 48            | 48            | 48            | 48                     | 48            | 48            |
| First day of exercise         | 29 April 2011 | 29 April 2011 | 29 April 2011 | 29 April 2010          | 29 April 2010 | 29 April 2010 |
| Fair value at grant date, EUR | 4.66          | 5.01          | 1.75          | 7.53                   | 8.45          | 4.14          |

<sup>2</sup> The new rights issue, which was resolved in an extra ordinary general meeting on 12 March 2009, triggered recalculations of some of the parameters in LTIP 2008, in accordance with the agreements of the programmes. The recalculations were performed with the purpose of putting the participants in an equivalent financial position as the one being at hand immediately prior to the new rights issue.

**Conditions and requirements**

For each ordinary share the participants lock in to the LTIPs, they are granted a conditional A-right/Matching Share to acquire or receive ordinary shares based on continued employment and conditional B-D rights/Performance Share I and II to acquire or receive additional ordinary shares based on fulfilment of certain performance conditions. The performance conditions for B and C rights and for Performance Share I comprise target growth in risk adjusted profit per share (RAPPS). Should the reported earnings per share (EPS) be lower than a predetermined level, the participants are not entitled to exercise any B or C rights or Performance Share I. The performance conditions for D rights and for Performance Share II are market- related and comprise growth in total shareholder return (TSR) in comparison with a peer group's TSR.

When the performance conditions are not fully fulfilled, the rights that are no longer exercisable are shown as forfeited in the previous tables, as well as shares forfeited due to participants leaving the Nordea Group.

The exercise price, where applicable, for the ordinary shares is adjusted for dividends, however, never below a predetermined price. Furthermore, the profit for each right is capped.

**Note 8 Staff costs, cont.**

|                                                              | <b>LTIP 2012</b>                                                                                                                                                                                                                            | <b>LTIP 2011</b>                                                                                                                                                                                                                            | <b>LTIP 2010</b>                                                                                                                                                                                 |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Service condition, Matching Share/Performance Share I and II | Employed, with certain exemptions, within the Nordea Group during the three-year vesting period.                                                                                                                                            | Employed, with certain exemptions, within the Nordea Group during the three-year vesting period.                                                                                                                                            | Employed, with certain exemptions, within the Nordea Group during the three-year vesting period.                                                                                                 |
| Performance condition, Performance Share I                   | Average RAROCAR during the period 2012 up to and including 2014. Full right to exercise will be obtained if the RAROCAR amounts to 17%.                                                                                                     | Compound Annual Growth Rate in RAPPS from year 2010 (base year) to and including year 2013. Full right to exercise will be obtained if the Compound Annual Growth Rate amounts to or exceeds 10%.                                           | Compound Annual Growth Rate in RAPPS from year 2009 (base year) to and including year 2012. Full right to exercise will be obtained if the Compound Annual Growth Rate amounts to or exceeds 9%. |
| EPS knock-out Performance Share I                            | -                                                                                                                                                                                                                                           | Average reported EPS for 2011-2013 lower than EUR 0.26.                                                                                                                                                                                     | Average reported EPS for 2010-2012 lower than EUR 0.26.                                                                                                                                          |
| Performance conditions Performance Share II                  | RAROCAR during the period 2012 up to and including 2014 and P/B ranking year-end 2014 compared to a peer group. Full right to exercise will be obtained if the RAROCAR amounts to 14% and if Nordea's P/B-ranking is 1-5.                   | TSR during 2011-2013 in comparison to a peer group. Full right to exercise will be obtained if Nordea is ranked number 1-5.                                                                                                                 | TSR during 2010-2012 in comparison to a peer group. Full right to exercise will be obtained if Nordea is ranked number 1-5.                                                                      |
| Cap                                                          | The market value of the allotted shares is capped to the participants' annual salary for year-end 2011.                                                                                                                                     | The market value of the allotted shares is capped to the participants' annual salary for year-end 2010.                                                                                                                                     | The market value of the allotted shares is capped to the participants' annual salary for year-end 2009.                                                                                          |
| Dividend compensation                                        | The number of Matching Shares and Performance Shares will be adjusted for dividends on the underlying Nordea share during the vesting period, as if assuming that each dividend was used to immediately invest in additional Nordea shares. | The number of Matching Shares and Performance Shares will be adjusted for dividends on the underlying Nordea share during the vesting period, as if assuming that each dividend was used to immediately invest in additional Nordea shares. | -                                                                                                                                                                                                |

|                                  | <b>LTIP 2009<sup>1</sup></b>                                                                                             | <b>LTIP 2008<sup>1</sup></b>                                                                                             |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Service condition, A-D rights    | Employed, with certain exemptions, within the Nordea Group during the two-year vesting period.                           | Employed, with certain exemptions, within the Nordea Group during the two-year vesting period.                           |
| Performance condition, B rights  | Increase in RAPPS 2009 compared to 2008. Full right to exercise was obtained if RAPPS increased by 8% or more.           | Increase in RAPPS 2008 compared to 2007. Full right to exercise was obtained if RAPPS increased by 12% or more.          |
| EPS knock-out, B rights          | Reported EPS for 2009 lower than EUR 0.26                                                                                | Reported EPS for 2008 lower than EUR 0.80.                                                                               |
| Performance condition, C rights  | Increase in RAPPS 2010 compared to 2009. Full right to exercise was obtained if RAPPS increased by 8% or more.           | Increase in RAPPS 2009 compared to 2008. Full right to exercise was obtained if RAPPS increased by 12% or more.          |
| EPS knock-out, C rights          | Reported EPS for 2010 lower than EUR 0.26                                                                                | Reported EPS for 2009 lower than EUR 0.52.                                                                               |
| Performance conditions, D rights | TSR during 2009-2010 in comparison with a peer group. Full right to exercise was obtained if Nordea was ranked number 1. | TSR during 2008-2009 in comparison with a peer group. Full right to exercise was obtained if Nordea was ranked number 1. |
| Cap                              | The profit per A-D rights is capped to EUR 9.59 per right.                                                               | The profit per A-D rights is capped to EUR 21.87 per right.                                                              |
| Dividend compensation            | The exercise price will be adjusted for dividends during the exercise period, however never below EUR 0.10.              | The exercise price will be adjusted for dividends during the exercise period, however never below EUR 0.10.              |

<sup>1</sup> RAPPS for the financial years 2008 and 2009 used for LTIP 2008 (C rights) and LTIP 2009 (B and C rights), EPS knock-out in LTIP 2008 (C rights) and LTIP 2009 (B and C rights) and the cap in LTIP 2009 and LTIP 2008 have been adjusted due to the financial effects of the new rights issue in 2009.



**Note 8 Staff costs, cont.****Fair value calculations**

The fair value is measured through the use of generally accepted valuation models with the following input factors:

|                                   | LTIP 2012 | LTIP 2011 | LTIP 2010 | LTIP 2009 | LTIP 2008 |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Weighted average share price, EUR | 6.70      | 8.39      | 6.88      | 5.79      | 11.08     |
| Right life, years                 | 3.0       | 3.0       | 3.0       | 2.5       | 2.5       |
| Deduction of expected dividends   | No        | No        | No        | Yes       | Yes       |
| Risk-free rate, %                 | -         | -         | -         | 1.84      | 3.83      |
| Expected volatility, %            | -         | -         | -         | 29        | 21        |

Expected volatility is based on historical values. As the exercise price (zero for LTIP 2010, LTIP 2011 and LTIP 2012) is significantly below the share price at grant date, the value has a limited sensitivity to expected volatility and risk-free interest. The fair value calculations are also based on estimated early exercise behaviour during the programme's exercise windows. This is, however, not applicable to LTIP 2010, LTIP 2011 and LTIP 2012.

The value of the D rights/Performance Share II is based on market-related conditions and fulfilment of the TSR and P/B targets have been taken into consideration when calculating the right's fair value at grant. When calculating the impact from the TSR and P/B targets it has been assumed that all possible outcomes have equal possibilities. The caps in each programme have also been taken into consideration when calculating the right's fair value at grant. The adjustment to fair value is approximately 2-3% of the weighted average share price.

**Expenses for equity-settled share-based payment programmes<sup>1</sup>****Group**

| EURm                                     | LTIP 2012 | LTIP 2011 | LTIP 2010 | LTIP 2009 | LTIP 2008 |
|------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Expected expense for the whole programme | -3.1      | -2.9      | -2.1      | -3.1      | -1.8      |
| Maximum expense for the whole programme  | -5.3      | -4.0      | -3.5      | -3.1      | -1.8      |
| Total expense during 2012                | -0.7      | -0.9      | -0.3      | -         | -         |
| Total expense during 2011                | -         | -0.6      | -0.8      | -0.5      | -         |

**Parent company**

| EURm                                     | LTIP 2012 | LTIP 2011 | LTIP 2010 | LTIP 2009 | LTIP 2008 |
|------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Expected expense for the whole programme | -3.0      | -2.9      | -2.1      | -3.0      | -1.8      |
| Maximum expense for the whole programme  | -5.1      | -3.9      | -3.5      | -3.0      | -1.8      |
| Total expense during 2012                | -0.6      | -0.9      | -0.3      | -         | -         |
| Total expense during 2011                | -         | -0.5      | -0.7      | -0.5      | -         |

<sup>1</sup> All amounts excluding social security contribution.

When calculating the expected expense, an expected annual employee turnover of 5% has been used in LTIP 2010, LTIP 2011 and LTIP 2012. The expected expense is recognised over the vesting period of 36 months (LTIP 2010, LTIP 2011 and LTIP 2012) and 24 months (LTIP 2009 and LTIP 2008).

**Cash-settled share-based payment transactions**

Nordea operates share-linked deferrals on parts of variable compensation for certain employee categories, indexed with Nordea total shareholder returns (TSR) and either vesting after three years or vesting in equal instalments over a three to five-year period. Since 2011 Nordea also operates TSR-linked retention on part of variable compensation for certain employee categories.

The below table only includes deferred amounts indexed with Nordea's TSR. Nordea also operates deferrals that are not TSR-linked, which are not included in the table below. Further information regarding all deferred amounts can be found in the separate report on remuneration published on Nordea's homepage ([www.nordea.com](http://www.nordea.com)).

|                                                                    | Group        |              | Parent company |              |
|--------------------------------------------------------------------|--------------|--------------|----------------|--------------|
| EURm                                                               | 2012         | 2011         | 2012           | 2011         |
| Deferred TSR-linked compensation at beginning of year              | 1,380        | 1,083        | 1,380          | 1,083        |
| Accrued deferred/retained TSR-linked compensation during the year  | 1,634        | 1,098        | 1,634          | 1,098        |
| TSR indexation during the year                                     | 573          | -444         | 573            | -444         |
| Payments during the year <sup>2</sup>                              | -287         | -361         | -287           | -361         |
| Translation differences                                            | -6           | 4            | -6             | 4            |
| <b>Deferred TSR-linked compensation at end of year<sup>1</sup></b> | <b>3,294</b> | <b>1,380</b> | <b>3,294</b>   | <b>1,380</b> |

<sup>1</sup> Of which EUR 1,184m is available for disposal by the employees in 2013. Due to the fact that the allocation of variable compensation is not finally decided during the current year, the deferred amount during the year relates to variable compensation earned the previous year.

<sup>2</sup> There have been no adjustments due to forfeitures in 2012.

**Note 8 Staff costs, cont.****Average number of employees**

|                                                        | Group        |               | Parent company |              |
|--------------------------------------------------------|--------------|---------------|----------------|--------------|
|                                                        | 2012         | 2011          | 2012           | 2011         |
| Full-time employees                                    | 8,731        | 9,366         | 7,967          | 8,610        |
| Part-time employees                                    | 538          | 648           | 485            | 588          |
| <b>Total</b>                                           | <b>9,269</b> | <b>10,014</b> | <b>8,452</b>   | <b>9,198</b> |
| <b>Total number of employees (FTEs), end of period</b> | <b>8,252</b> | <b>8,828</b>  | <b>7,516</b>   | <b>8,093</b> |

**Note 9 Other expenses**

| EURm                                                   | Group       |             | Parent company |             |
|--------------------------------------------------------|-------------|-------------|----------------|-------------|
|                                                        | 2012        | 2011        | 2012           | 2011        |
| Information technology <sup>1</sup>                    | -150        | -160        | -170           | -182        |
| Marketing and representation                           | -31         | -36         | -28            | -32         |
| Postage, transportation, telephone and office expenses | -46         | -50         | -39            | -43         |
| Rents, premises and real estate                        | -92         | -91         | -91            | -90         |
| Other <sup>2</sup>                                     | -128        | -120        | -116           | -111        |
| <b>Total</b>                                           | <b>-447</b> | <b>-457</b> | <b>-444</b>    | <b>-458</b> |

<sup>1</sup> Starting from March 2012 NBF outsourced its IT operations to Nordea Bank AB.

<sup>2</sup> Including fees and remuneration to auditors distributed as follows.

**Auditors' fees**

| EURm                   | Group     |           | Parent company |           |
|------------------------|-----------|-----------|----------------|-----------|
|                        | 2012      | 2011      | 2012           | 2011      |
| <b>KPMG</b>            |           |           |                |           |
| Auditing assignments   | -1        | -1        | -1             | -1        |
| Audit-related services | 0         | 0         | 0              | 0         |
| Tax advisory services  | 0         | 0         | 0              | 0         |
| Other assignments      | 0         | 0         | 0              | 0         |
| <b>Total</b>           | <b>-1</b> | <b>-1</b> | <b>-1</b>      | <b>-2</b> |

**Note 10 Depreciation, amortisation and impairment charges of tangible and intangible assets**

| EURm                                                    | Group      |            | Parent company |            |
|---------------------------------------------------------|------------|------------|----------------|------------|
|                                                         | 2012       | 2011       | 2012           | 2011       |
| <b>Depreciation/amortisation</b>                        |            |            |                |            |
| <b>Property and equipment (Note 22)</b>                 |            |            |                |            |
| Equipment                                               | -24        | -30        | -14            | -14        |
| Buildings                                               | 0          | 0          | 0              | 0          |
| <b>Intangible assets (Note 21)</b>                      |            |            |                |            |
| Goodwill                                                | -          | -          | -              | -          |
| Computer software                                       | -16        | -9         | -15            | -9         |
| Other intangible assets                                 | -3         | -4         | -2             | -2         |
| <b>Total</b>                                            | <b>-43</b> | <b>-43</b> | <b>-31</b>     | <b>-25</b> |
| <b>Impairment charges / Reversed impairment charges</b> |            |            |                |            |
| <b>Property and equipment (Note 22)</b>                 |            |            |                |            |
| Other impairment losses/reversals                       | -1         | -          | -1             | -          |
| <b>Intangible assets (Note 21)</b>                      |            |            |                |            |
| Impairment, other intangible assets                     | -6         | -          | -6             | -          |
| <b>Total</b>                                            | <b>-7</b>  | <b>-</b>   | <b>-7</b>      | <b>-</b>   |
| <b>Total</b>                                            | <b>-50</b> | <b>-43</b> | <b>-38</b>     | <b>-25</b> |

**Note 11 Net loan losses**

| EURm                                                                   | Group       |            | Parent company |            |
|------------------------------------------------------------------------|-------------|------------|----------------|------------|
|                                                                        | 2012        | 2011       | 2012           | 2011       |
| <b>Divided by class</b>                                                |             |            |                |            |
| Loans to credit institutions                                           | 0           | 0          | 0              | 0          |
| - of which provisions                                                  | 0           | 0          | 0              | 0          |
| - of which reversals                                                   | 0           | 0          | 0              | 0          |
| Loans to the public                                                    | -158        | -69        | -139           | -45        |
| - of which provisions                                                  | -264        | -211       | -241           | -190       |
| - of which write-offs                                                  | -159        | -166       | -124           | -126       |
| - of which allowances used for covering write-offs                     | 92          | 109        | 82             | 96         |
| - of which reversals                                                   | 146         | 172        | 135            | 161        |
| - of which recoveries                                                  | 27          | 27         | 9              | 14         |
| Off-balance sheet items <sup>1</sup>                                   | 14          | -1         | 14             | -1         |
| - of which provisions                                                  | -5          | -6         | -5             | -6         |
| - of which reversals                                                   | 19          | 5          | 19             | 5          |
| <b>Total</b>                                                           | <b>-144</b> | <b>-70</b> | <b>-125</b>    | <b>-46</b> |
| <b>Specification</b>                                                   |             |            |                |            |
| Changes of allowance accounts in the balance sheet                     | -104        | -40        | -93            | -30        |
| - of which loans, individually assessed <sup>2</sup>                   | -176        | -120       | -166           | -106       |
| - of which loans, collectively assessed <sup>2</sup>                   | 58          | 81         | 59             | 77         |
| - of which off-balance sheet items, individually assessed <sup>1</sup> | 16          | -6         | 16             | -6         |
| - of which off-balance sheet items, collectively assessed <sup>1</sup> | -2          | 5          | -2             | 5          |
| Changes directly recognised in the income statement                    | -40         | -30        | -32            | -16        |
| - of which realised loan losses, individually assessed                 | -67         | -57        | -41            | -30        |
| - of which realised recoveries, individually assessed                  | 27          | 27         | 9              | 14         |
| <b>Total</b>                                                           | <b>-144</b> | <b>-70</b> | <b>-125</b>    | <b>-46</b> |

<sup>1</sup> Included in Note 32 Provisions as "Transfer risk, off-balance" and "Individually assessed, off-balance sheet".

<sup>2</sup> Included in Note 13 Loans and impairment.

**Key ratios**

|                                            | Group |      | Parent company |      |
|--------------------------------------------|-------|------|----------------|------|
|                                            | 2012  | 2011 | 2012           | 2011 |
| Loan loss ratio, basis points <sup>3</sup> | 14    | 9    | 14             | 7    |
| - of which individual                      | 20    | 21   | 20             | 19   |
| - of which collective                      | -6    | -12  | -6             | -12  |

<sup>3</sup> Net loan losses (annualised) divided by opening balance of loans to the public (lending).

**Note 12 Taxes****Income tax expense**

| EURm         | Group       |             | Parent company |             |
|--------------|-------------|-------------|----------------|-------------|
|              | 2012        | 2011        | 2012           | 2011        |
| Current tax  | -420        | -373        | -381           | -339        |
| Deferred tax | -10         | -8          | -4             | -2          |
| <b>Total</b> | <b>-430</b> | <b>-381</b> | <b>-385</b>    | <b>-341</b> |

**Current and deferred tax recognised in Other comprehensive income**

|                                                         |           |          |          |          |
|---------------------------------------------------------|-----------|----------|----------|----------|
| Deferred tax relating to available-for-sale investments | -7        | 2        | -7       | 1        |
| Deferred tax relating to cash flow hedges               | 24        | -        | 11       | -        |
| <b>Total</b>                                            | <b>17</b> | <b>2</b> | <b>4</b> | <b>1</b> |

The tax on the Group's operating profit differs from the theoretical amount that would arise using the tax rate of Finland as follows:

| EURm                                                | Group       |             | Parent company |             |
|-----------------------------------------------------|-------------|-------------|----------------|-------------|
|                                                     | 2012        | 2011        | 2012           | 2011        |
| Profit before tax                                   | 1,616       | 1,482       | 1,507          | 1,381       |
| Tax calculated at a tax rate of 24.5% (26% in 2011) | -396        | -385        | -370           | -359        |
| Income from associated undertakings                 | 0           | 0           | -              | -           |
| Other direct taxes                                  | 0           | 0           | 0              | 0           |
| Tax-exempt income                                   | 10          | 4           | 25             | 17          |
| Non-deductible expenses                             | -5          | -5          | -1             | -1          |
| Adjustments relating to prior years                 | -24         | 3           | -24            | 3           |
| Change of tax rate                                  | 0           | 2           | 0              | -1          |
| Not creditable foreign taxes                        | -15         | -           | -15            | -           |
| <b>Tax charge</b>                                   | <b>-430</b> | <b>-381</b> | <b>-385</b>    | <b>-341</b> |

|                            |     |     |     |     |
|----------------------------|-----|-----|-----|-----|
| Average effective tax rate | 27% | 26% | 26% | 25% |
|----------------------------|-----|-----|-----|-----|

**Group**

| EURm                                           | Deferred tax assets |           | Deferred tax liabilities |           |
|------------------------------------------------|---------------------|-----------|--------------------------|-----------|
|                                                | 2012                | 2011      | 2012                     | 2011      |
| <b>Deferred tax related to:</b>                |                     |           |                          |           |
| Tax losses carry-forward                       | 0                   | 0         | -                        | -         |
| Untaxed reserves                               | -                   | -         | -                        | -         |
| Loans to the public                            | 20                  | 19        | 58                       | 53        |
| Financial instruments                          | 6                   | 1         | -                        | -         |
| Intangible assets                              | 0                   | 0         | 0                        | 0         |
| Property and equipment                         | 2                   | 4         | -                        | -         |
| Investment property                            | -                   | -         | -                        | -         |
| Retirement benefit assets/obligations          | -36                 | -32       | 0                        | 0         |
| Hedge of net investments in foreign operations | -                   | -         | -                        | -         |
| Liabilities/provisions                         | 24                  | 24        | -                        | -         |
| <b>Total</b>                                   | <b>16</b>           | <b>16</b> | <b>58</b>                | <b>53</b> |

|                                                          |    |    |    |    |
|----------------------------------------------------------|----|----|----|----|
| - of which expected to be settled after more than 1 year | 16 | 16 | 58 | 53 |
|----------------------------------------------------------|----|----|----|----|

**Note 12 Taxes, cont.****Parent company**

| EURm                                                     | Deferred tax assets |                | Deferred tax liabilities |                |
|----------------------------------------------------------|---------------------|----------------|--------------------------|----------------|
|                                                          | 2012                | 2011           | 2012                     | 2011           |
| <b>Deferred tax related to:</b>                          |                     |                |                          |                |
| Tax losses carry-forward                                 | -                   | -              | -                        | -              |
| Loans to the public                                      | 18                  | 17             | -                        | -              |
| Financial instruments                                    | 6                   | 1              | -                        | -              |
| Intangible assets                                        | -                   | -              | -                        | -              |
| Property and equipment                                   | 3                   | 3              | -                        | -              |
| Investment property                                      | -                   | -              | -                        | -              |
| Retirement benefit assets/obligations                    | -37                 | -32            | -                        | -              |
| Liabilities/provisions                                   | 23                  | 23             | -                        | -              |
| <b>Total</b>                                             | <b>13</b>           | <b>12</b>      | <b>-</b>                 | <b>-</b>       |
| - of which expected to be settled after more than 1 year | 13                  | 12             | -                        | -              |
| <b>Movements in deferred tax assets/liabilities, net</b> |                     |                |                          |                |
| EURm                                                     | Group               |                | Parent company           |                |
|                                                          | 31 Dec<br>2012      | 31 Dec<br>2011 | 31 Dec<br>2012           | 31 Dec<br>2011 |
| Amount at beginning of year (net)                        | -37                 | -37            | 12                       | 12             |
| Acquisitions and others                                  | 5                   | 8              | 5                        | 2              |
| Deferred tax in the income statement                     | -10                 | -8             | -4                       | -2             |
| <b>Amount at end of year (net)</b>                       | <b>-42</b>          | <b>-37</b>     | <b>13</b>                | <b>12</b>      |
| <b>Current tax assets</b>                                | <b>1</b>            | <b>132</b>     | <b>-</b>                 | <b>131</b>     |
| - of which expected to be settled after more than 1 year | -                   | -              | -                        | -              |
| <b>Current tax liabilities</b>                           | <b>4</b>            | <b>0</b>       | <b>4</b>                 | <b>0</b>       |
| - of which expected to be settled after more than 1 year | -                   | -              | -                        | -              |

There were no unrecognised deferred tax assets in the Group or in the parent company in 2012 or 2011.

There was no deferred tax relating to temporary differences associated with investments in group undertakings, associated undertakings and joint ventures.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax income relates to the same fiscal authority.

### Note 13 Loans and impairment

| EURm                                                | Total          |                |                |                |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                     | Group          |                | Parent company |                |
|                                                     | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| Loans, not impaired                                 | 136,523        | 177,995        | 135,684        | 177,229        |
| Impaired loans                                      | 1,904          | 1,498          | 1,641          | 1,280          |
| - of which performing                               | 947            | 729            | 771            | 611            |
| - of which non-performing                           | 957            | 769            | 870            | 669            |
| <b>Loans before allowances</b>                      | <b>138,427</b> | <b>179,493</b> | <b>137,325</b> | <b>178,509</b> |
| Allowances for individually assessed impaired loans | -657           | -576           | -579           | -495           |
| - of which performing                               | -407           | -351           | -338           | -294           |
| - of which non-performing                           | -250           | -225           | -241           | -201           |
| Allowances for collectively assessed impaired loans | -178           | -236           | -161           | -220           |
| <b>Allowances</b>                                   | <b>-835</b>    | <b>-812</b>    | <b>-740</b>    | <b>-715</b>    |
| <b>Loans, carrying amount</b>                       | <b>137,592</b> | <b>178,681</b> | <b>136,585</b> | <b>177,794</b> |

| EURm                                                | Central banks and credit institutions |                |                |                |
|-----------------------------------------------------|---------------------------------------|----------------|----------------|----------------|
|                                                     | Group                                 |                | Parent company |                |
|                                                     | 31 Dec<br>2012                        | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| Loans, not impaired                                 | 36,828                                | 79,350         | 42,273         | 84,697         |
| Impaired loans                                      | 24                                    | 25             | 24             | 25             |
| - of which performing                               | -                                     | -              | -              | -              |
| - of which non-performing                           | 24                                    | 25             | 24             | 25             |
| <b>Loans before allowances</b>                      | <b>36,852</b>                         | <b>79,375</b>  | <b>42,297</b>  | <b>84,722</b>  |
| Allowances for individually assessed impaired loans | -25                                   | -25            | -25            | -25            |
| - of which performing                               | -                                     | -              | -              | -              |
| - of which non-performing                           | -25                                   | -25            | -25            | -25            |
| Allowances for collectively assessed impaired loans | 0                                     | 0              | 0              | 0              |
| <b>Allowances</b>                                   | <b>-25</b>                            | <b>-25</b>     | <b>-25</b>     | <b>-25</b>     |
| <b>Loans, carrying amount</b>                       | <b>36,827</b>                         | <b>79,350</b>  | <b>42,272</b>  | <b>84,697</b>  |

| EURm                                                | The public <sup>1</sup> |                |                |                |
|-----------------------------------------------------|-------------------------|----------------|----------------|----------------|
|                                                     | Group                   |                | Parent company |                |
|                                                     | 31 Dec<br>2012          | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| Loans, not impaired                                 | 99,695                  | 98,645         | 93,411         | 92,532         |
| Impaired loans                                      | 1,880                   | 1,473          | 1,617          | 1,255          |
| - Performing                                        | 947                     | 729            | 771            | 611            |
| - Non-performing                                    | 933                     | 744            | 846            | 644            |
| <b>Loans before allowances</b>                      | <b>101,575</b>          | <b>100,118</b> | <b>95,028</b>  | <b>93,787</b>  |
| Allowances for individually assessed impaired loans | -632                    | -551           | -554           | -470           |
| - Performing                                        | -407                    | -351           | -338           | -294           |
| - Non-performing                                    | -225                    | -200           | -216           | -176           |
| Allowances for collectively assessed impaired loans | -178                    | -236           | -161           | -220           |
| <b>Allowances</b>                                   | <b>-810</b>             | <b>-787</b>    | <b>-715</b>    | <b>-690</b>    |
| <b>Loans, carrying amount</b>                       | <b>100,765</b>          | <b>99,331</b>  | <b>94,313</b>  | <b>93,097</b>  |

<sup>1</sup> Finance leases, where the Nordea Group is a lessor, are included in Loans to the public, see Note 23 Leasing.

**Note 13** *Loans and impairment, cont.*

**Reconciliation of allowance accounts for impaired loans<sup>2</sup>**

| EURm                                        | Total                 |                       |             |                       |                       |             |
|---------------------------------------------|-----------------------|-----------------------|-------------|-----------------------|-----------------------|-------------|
|                                             | Group                 |                       | Total       | Parent company        |                       | Total       |
|                                             | Individually assessed | Collectively assessed |             | Individually assessed | Collectively assessed |             |
| <b>Opening balance at 1 Jan 2012</b>        | <b>-576</b>           | <b>-236</b>           | <b>-812</b> | <b>-495</b>           | <b>-220</b>           | <b>-715</b> |
| Provisions                                  | -218                  | -46                   | -264        | -199                  | -43                   | -242        |
| Reversals                                   | 42                    | 104                   | 146         | 33                    | 102                   | 135         |
| <b>Changes through the income statement</b> | <b>-176</b>           | <b>58</b>             | <b>-118</b> | <b>-166</b>           | <b>59</b>             | <b>-107</b> |
| Allowances used to cover write-offs         | 92                    | 0                     | 92          | 82                    | 0                     | 82          |
| Translation differences                     | 3                     | 0                     | 3           | 0                     | 0                     | 0           |
| <b>Closing balance at 31 Dec 2012</b>       | <b>-657</b>           | <b>-178</b>           | <b>-835</b> | <b>-579</b>           | <b>-161</b>           | <b>-740</b> |
| <b>Opening balance at 1 Jan 2011</b>        | <b>-565</b>           | <b>-316</b>           | <b>-881</b> | <b>-484</b>           | <b>-296</b>           | <b>-780</b> |
| Provisions                                  | -177                  | -34                   | -211        | -155                  | -35                   | -190        |
| Reversals                                   | 57                    | 115                   | 172         | 49                    | 112                   | 161         |
| <b>Changes through the income statement</b> | <b>-120</b>           | <b>81</b>             | <b>-39</b>  | <b>-106</b>           | <b>77</b>             | <b>-29</b>  |
| Allowances used to cover write-offs         | 109                   | -                     | 109         | 96                    | -                     | 96          |
| Translation differences                     | 0                     | -1                    | -1          | -1                    | -1                    | -2          |
| <b>Closing balance at 31 Dec 2011</b>       | <b>-576</b>           | <b>-236</b>           | <b>-812</b> | <b>-495</b>           | <b>-220</b>           | <b>-715</b> |

| EURm                                        | Central banks and credit institutions |                       |            |                       |                       |            |
|---------------------------------------------|---------------------------------------|-----------------------|------------|-----------------------|-----------------------|------------|
|                                             | Group                                 |                       | Total      | Parent company        |                       | Total      |
|                                             | Individually assessed                 | Collectively assessed |            | Individually assessed | Collectively assessed |            |
| <b>Opening balance at 1 Jan 2012</b>        | <b>-25</b>                            | <b>0</b>              | <b>-25</b> | <b>-25</b>            | <b>0</b>              | <b>-25</b> |
| Provisions                                  | -                                     | 0                     | 0          | -                     | 0                     | 0          |
| Reversals                                   | -                                     | 0                     | 0          | -                     | 0                     | 0          |
| <b>Changes through the income statement</b> | <b>-</b>                              | <b>0</b>              | <b>0</b>   | <b>-</b>              | <b>0</b>              | <b>0</b>   |
| Allowances used to cover write-offs         | -                                     | -                     | -          | -                     | -                     | -          |
| Translation differences                     | -                                     | -                     | -          | -                     | -                     | -          |
| <b>Closing balance at 31 Dec 2012</b>       | <b>-25</b>                            | <b>0</b>              | <b>-25</b> | <b>-25</b>            | <b>0</b>              | <b>-25</b> |
| <b>Opening balance at 1 Jan 2011</b>        | <b>-25</b>                            | <b>0</b>              | <b>-25</b> | <b>-25</b>            | <b>0</b>              | <b>-25</b> |
| Provisions                                  | -                                     | 0                     | 0          | -                     | 0                     | 0          |
| Reversals                                   | -                                     | 0                     | 0          | -                     | 0                     | 0          |
| <b>Changes through the income statement</b> | <b>-</b>                              | <b>0</b>              | <b>0</b>   | <b>-</b>              | <b>0</b>              | <b>0</b>   |
| Allowances used to cover write-offs         | -                                     | -                     | -          | -                     | -                     | -          |
| Translation differences                     | -                                     | -                     | -          | -                     | -                     | -          |
| <b>Closing balance at 31 Dec 2011</b>       | <b>-25</b>                            | <b>0</b>              | <b>-25</b> | <b>-25</b>            | <b>0</b>              | <b>-25</b> |

| EURm                                        | The public            |                       |             |                       |                       |             |
|---------------------------------------------|-----------------------|-----------------------|-------------|-----------------------|-----------------------|-------------|
|                                             | Group                 |                       | Total       | Parent company        |                       | Total       |
|                                             | Individually assessed | Collectively assessed |             | Individually assessed | Collectively assessed |             |
| <b>Opening balance at 1 Jan 2012</b>        | <b>-551</b>           | <b>-236</b>           | <b>-787</b> | <b>-470</b>           | <b>-220</b>           | <b>-690</b> |
| Provisions                                  | -218                  | -46                   | -264        | -199                  | -43                   | -242        |
| Reversals                                   | 42                    | 104                   | 146         | 33                    | 102                   | 135         |
| <b>Changes through the income statement</b> | <b>-176</b>           | <b>58</b>             | <b>-118</b> | <b>-166</b>           | <b>59</b>             | <b>-107</b> |
| Allowances used to cover write-offs         | 92                    | -                     | 92          | 82                    | -                     | 82          |
| Translation differences                     | 3                     | 0                     | 3           | 0                     | 0                     | 0           |
| <b>Closing balance at 31 Dec 2012</b>       | <b>-632</b>           | <b>-178</b>           | <b>-810</b> | <b>-554</b>           | <b>-161</b>           | <b>-715</b> |
| <b>Opening balance at 1 Jan 2011</b>        | <b>-540</b>           | <b>-316</b>           | <b>-856</b> | <b>-459</b>           | <b>-296</b>           | <b>-755</b> |
| Provisions                                  | -177                  | -34                   | -211        | -155                  | -35                   | -190        |
| Reversals                                   | 57                    | 115                   | 172         | 49                    | 112                   | 161         |
| <b>Changes through the income statement</b> | <b>-120</b>           | <b>81</b>             | <b>-39</b>  | <b>-106</b>           | <b>77</b>             | <b>-29</b>  |
| Allowances used to cover write-offs         | 109                   | -                     | 109         | 96                    | -                     | 96          |
| Translation differences                     | 0                     | -1                    | -1          | -1                    | -1                    | -2          |
| <b>Closing balance at 31 Dec 2011</b>       | <b>-551</b>           | <b>-236</b>           | <b>-787</b> | <b>-470</b>           | <b>-220</b>           | <b>-690</b> |

<sup>2</sup> See Note 11 Net loan losses

**Note 13 Loans and impairment, cont.****Allowances and provisions**

|                                           | Total          |                |                |                |
|-------------------------------------------|----------------|----------------|----------------|----------------|
|                                           | Group          |                | Parent company |                |
|                                           | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                                      |                |                |                |                |
| Allowances for items in the balance sheet | -835           | -812           | -740           | -715           |
| Provisions for off-balance sheet items    | -32            | -47            | -32            | -47            |
| <b>Total allowances and provisions</b>    | <b>-867</b>    | <b>-859</b>    | <b>-772</b>    | <b>-762</b>    |

|                                           | Central banks and credit institutions |                |                |                |
|-------------------------------------------|---------------------------------------|----------------|----------------|----------------|
|                                           | Group                                 |                | Parent company |                |
|                                           | 31 Dec<br>2012                        | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                                      |                                       |                |                |                |
| Allowances for items in the balance sheet | -25                                   | -25            | -25            | -25            |
| Provisions for off-balance sheet items    | -9                                    | -9             | -9             | -9             |
| <b>Total allowances and provisions</b>    | <b>-34</b>                            | <b>-34</b>     | <b>-34</b>     | <b>-34</b>     |

|                                           | The public     |                |                |                |
|-------------------------------------------|----------------|----------------|----------------|----------------|
|                                           | Group          |                | Parent company |                |
|                                           | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                                      |                |                |                |                |
| Allowances for items in the balance sheet | -810           | -787           | -715           | -690           |
| Provisions for off-balance sheet items    | -23            | -38            | -23            | -38            |
| <b>Total allowances and provisions</b>    | <b>-833</b>    | <b>-825</b>    | <b>-738</b>    | <b>-728</b>    |

**Key ratios**

|                                                                 | Group          |                | Parent company |                |
|-----------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                 | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
|                                                                 |                |                |                |                |
| Impairment rate, gross <sup>3</sup> , basis points              | 138            | 83             | 119            | 72             |
| Impairment rate, net <sup>4</sup> , basis points                | 90             | 51             | 77             | 44             |
| Total allowance rate <sup>5</sup> , basis points                | 60             | 45             | 54             | 40             |
| Allowances in relation to impaired loans <sup>6</sup> , %       | 35             | 38             | 35             | 39             |
| Total allowances in relation to impaired loans <sup>7</sup> , % | 44             | 54             | 45             | 56             |
| Non-performing loans, not impaired <sup>8</sup> , EURm          | 127            | 57             | 52             | 51             |

<sup>3</sup> Individually assessed impaired loans before allowances divided by total loans before allowances.

<sup>4</sup> Individually assessed impaired loans after allowances divided by total loans before allowances.

<sup>5</sup> Total allowances divided by total loans before allowances.

<sup>6</sup> Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

<sup>7</sup> Total allowances divided by total impaired loans before allowances.

<sup>8</sup> Past due loans, not impaired due to future cash flows (included in Loans, not impaired).



**Note 14 Interest-bearing securities**

|                                                                                         | Group         |               | Parent company |               |
|-----------------------------------------------------------------------------------------|---------------|---------------|----------------|---------------|
|                                                                                         | 31 Dec        | 31 Dec        | 31 Dec         | 31 Dec        |
| EURm                                                                                    | 2012          | 2011          | 2012           | 2011          |
| <b>Eligible as collateral with central banks</b>                                        |               |               |                |               |
| Issued by state and sovereigns                                                          | 4,267         | 5,165         | 4,267          | 5,165         |
| Issued by municipalities and other public bodies                                        | 1,530         | 949           | 1,530          | 949           |
| Issued by other entities                                                                | 16,908        | -             | 16,908         | -             |
| <b>Non-eligible</b>                                                                     |               |               |                |               |
| Issued by public bodies                                                                 | 4,363         | 1,163         | 4,363          | 1,163         |
| Issued by other borrowers                                                               | 17,279        | 31,935        | 17,279         | 31,935        |
| <b>Total</b>                                                                            | <b>44,347</b> | <b>39,212</b> | <b>44,347</b>  | <b>39,212</b> |
| - of which financial instruments pledged as collateral (Note 15)                        | 8,078         | 8,346         | 8,078          | 8,346         |
| <b>Total</b>                                                                            | <b>36,269</b> | <b>30,866</b> | <b>36,269</b>  | <b>30,866</b> |
| <b>Listed and unlisted securities incl. financial instruments pledged as collateral</b> |               |               |                |               |
| Listed securities                                                                       | 40,919        | 32,524        | 40,919         | 32,524        |
| Unlisted securities                                                                     | 3,428         | 6,688         | 3,428          | 6,688         |
| <b>Total</b>                                                                            | <b>44,347</b> | <b>39,212</b> | <b>44,347</b>  | <b>39,212</b> |

**Note 15 Financial instruments pledged as collateral****Financial instruments pledged as collateral**

In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral. When the counterpart receiving the collateral has the right to sell or repledge the assets, the assets are reclassified in the balance sheet to the item Financial instruments pledged as collateral.

|                             | Group        |              | Parent company |              |
|-----------------------------|--------------|--------------|----------------|--------------|
|                             | 31 Dec       | 31 Dec       | 31 Dec         | 31 Dec       |
| EURm                        | 2012         | 2011         | 2012           | 2011         |
| Interest-bearing securities | 8,078        | 8,346        | 8,078          | 8,346        |
| <b>Total</b>                | <b>8,078</b> | <b>8,346</b> | <b>8,078</b>   | <b>8,346</b> |

For information on transferred assets, see Note 42.

For information on reverse repos, see Note 42.

**Note 16 Shares**

|                                                                                     | Group      |              | Parent company |              |
|-------------------------------------------------------------------------------------|------------|--------------|----------------|--------------|
|                                                                                     | 31 Dec     | 31 Dec       | 31 Dec         | 31 Dec       |
| EURm                                                                                | 2012       | 2011         | 2012           | 2011         |
| Shares                                                                              | 92         | 77           | 89             | 75           |
| Shares taken over for protection of claims                                          | -          | -            | -              | -            |
| Fund units, equity-related                                                          | 614        | 1,219        | 614            | 1,219        |
| Fund units, interest-related                                                        | 132        | 16           | 132            | 15           |
| <b>Total</b>                                                                        | <b>838</b> | <b>1,312</b> | <b>835</b>     | <b>1,309</b> |
| - of which financial instruments pledged as collateral (Note 15)                    | -          | -            | -              | -            |
| <b>Total</b>                                                                        | <b>838</b> | <b>1,312</b> | <b>835</b>     | <b>1,309</b> |
| Of which expected to be settled after more than 1 year                              | 14         | 20           | 12             | 20           |
| <b>Listed and unlisted shares incl. financial instruments pledged as collateral</b> |            |              |                |              |
| Listed shares                                                                       | 112        | 61           | 110            | 59           |
| Unlisted shares                                                                     | 726        | 1,251        | 725            | 1,250        |
| <b>Total</b>                                                                        | <b>838</b> | <b>1,312</b> | <b>835</b>     | <b>1,309</b> |

**Note 17 Derivatives and hedge accounting**

| 31 Dec 2012, EURm                         | Group                  |                |                      | Parent company         |                |                      |
|-------------------------------------------|------------------------|----------------|----------------------|------------------------|----------------|----------------------|
|                                           | Fair value<br>Positive | Negative       | Total nom.<br>amount | Fair value<br>Positive | Negative       | Total nom.<br>amount |
| <b>Derivatives held for trading</b>       |                        |                |                      |                        |                |                      |
| <b>Interest rate derivatives</b>          |                        |                |                      |                        |                |                      |
| Interest rate swaps                       | 89,987                 | 86,528         | 3,744,280            | 89,987                 | 86,528         | 3,744,280            |
| Futures and forwards                      | 352                    | 397            | 1,421,573            | 352                    | 397            | 1,421,573            |
| Options                                   | 12,159                 | 12,161         | 458,797              | 12,159                 | 12,161         | 458,797              |
| <b>Total</b>                              | <b>102,498</b>         | <b>99,086</b>  | <b>5,624,650</b>     | <b>102,498</b>         | <b>99,086</b>  | <b>5,624,650</b>     |
| <b>Equity derivatives</b>                 |                        |                |                      |                        |                |                      |
| Equity swaps                              | 242                    | 241            | 9,654                | 242                    | 241            | 9,654                |
| Futures and forwards                      | 2                      | 2              | 286                  | 2                      | 2              | 286                  |
| Options                                   | 425                    | 396            | 11,458               | 425                    | 396            | 11,458               |
| <b>Total</b>                              | <b>669</b>             | <b>639</b>     | <b>21,398</b>        | <b>669</b>             | <b>639</b>     | <b>21,398</b>        |
| <b>Foreign exchange derivatives</b>       |                        |                |                      |                        |                |                      |
| Currency and interest rate swaps          | 11,377                 | 13,599         | 846,588              | 11,377                 | 13,599         | 846,588              |
| Currency forwards                         | 429                    | 735            | 81,304               | 429                    | 735            | 81,304               |
| Options                                   | 200                    | 213            | 26,288               | 200                    | 213            | 26,288               |
| <b>Total</b>                              | <b>12,006</b>          | <b>14,547</b>  | <b>954,180</b>       | <b>12,006</b>          | <b>14,547</b>  | <b>954,180</b>       |
| <b>Credit derivatives</b>                 |                        |                |                      |                        |                |                      |
| Credit default swaps                      | 637                    | 655            | 47,053               | 637                    | 655            | 47,053               |
| Total rate of return swaps                | -                      | -              | -                    | -                      | -              | -                    |
| <b>Total</b>                              | <b>637</b>             | <b>655</b>     | <b>47,053</b>        | <b>637</b>             | <b>655</b>     | <b>47,053</b>        |
| <b>Commodity derivatives</b>              |                        |                |                      |                        |                |                      |
| Swaps                                     | 493                    | 434            | 5,694                | 493                    | 434            | 5,694                |
| Futures and forwards                      | 5                      | 26             | 600                  | 5                      | 26             | 600                  |
| Options                                   | 30                     | 28             | 1,534                | 30                     | 28             | 1,534                |
| Other                                     | -                      | -              | -                    | -                      | -              | -                    |
| <b>Total</b>                              | <b>528</b>             | <b>488</b>     | <b>7,828</b>         | <b>528</b>             | <b>488</b>     | <b>7,828</b>         |
| <b>Other derivatives</b>                  |                        |                |                      |                        |                |                      |
| Options                                   | 10                     | 8              | 254                  | 10                     | 8              | 254                  |
| Other                                     | 23                     | 14             | 57                   | 23                     | 14             | 57                   |
| <b>Total</b>                              | <b>33</b>              | <b>22</b>      | <b>311</b>           | <b>33</b>              | <b>22</b>      | <b>311</b>           |
| <b>Total derivatives held for trading</b> | <b>116,371</b>         | <b>115,437</b> | <b>6,655,420</b>     | <b>116,371</b>         | <b>115,437</b> | <b>6,655,420</b>     |

| 31 Dec 2012, EURm                                  | Group                  |                |                      | Parent company         |                |                      |
|----------------------------------------------------|------------------------|----------------|----------------------|------------------------|----------------|----------------------|
|                                                    | Fair value<br>Positive | Negative       | Total nom.<br>amount | Fair value<br>Positive | Negative       | Total nom.<br>amount |
| <b>Derivatives used for hedge accounting</b>       |                        |                |                      |                        |                |                      |
| <b>Interest rate derivatives</b>                   |                        |                |                      |                        |                |                      |
| Interest rate swaps                                | 775                    | 211            | 38,886               | 775                    | 211            | 38,886               |
| <b>Total</b>                                       | <b>775</b>             | <b>211</b>     | <b>38,886</b>        | <b>775</b>             | <b>211</b>     | <b>38,886</b>        |
| <b>Foreign exchange derivatives</b>                |                        |                |                      |                        |                |                      |
| Currency and interest rate swaps                   | 67                     | 188            | 2,569                | 67                     | 188            | 2,569                |
| Currency forwards                                  | -                      | -              | -                    | -                      | -              | -                    |
| <b>Total</b>                                       | <b>67</b>              | <b>188</b>     | <b>2,569</b>         | <b>67</b>              | <b>188</b>     | <b>2,569</b>         |
| <b>Total derivatives used for hedge accounting</b> | <b>842</b>             | <b>399</b>     | <b>41,455</b>        | <b>842</b>             | <b>399</b>     | <b>41,455</b>        |
| <b>Total derivatives</b>                           | <b>117,213</b>         | <b>115,836</b> | <b>6,696,875</b>     | <b>117,213</b>         | <b>115,836</b> | <b>6,696,875</b>     |

Periods when hedged cash flows are expected to occur and when they are expected to affect the income statement

| Group                       |          |               |               |               |                  |
|-----------------------------|----------|---------------|---------------|---------------|------------------|
| EURm                        | <1 year  | 1-3 years     | 3-5 years     | 5-10 years    | Over<br>10 years |
| Cash inflows (assets)       | -        | -             | -             | -             | -                |
| Cash outflows (liabilities) | -        | -5,092        | -4,301        | -3,084        | -70              |
| <b>Net cash flows</b>       | <b>-</b> | <b>-5,092</b> | <b>-4,301</b> | <b>-3,084</b> | <b>-70</b>       |

**Note 17 Derivatives and hedge accounting, cont.**

| 31 Dec 2011, EURm                                  | Group                  |                        |                      | Parent company         |                        |                      |
|----------------------------------------------------|------------------------|------------------------|----------------------|------------------------|------------------------|----------------------|
|                                                    | Fair value<br>Positive | Fair value<br>Negative | Total nom.<br>amount | Fair value<br>Positive | Fair value<br>Negative | Total nom.<br>amount |
| <b>Derivatives held for trading</b>                |                        |                        |                      |                        |                        |                      |
| <b>Interest rate derivatives</b>                   |                        |                        |                      |                        |                        |                      |
| Interest rate swaps                                | 137,368                | 134,905                | 3,784,476            | 137,368                | 134,905                | 3,784,476            |
| FRAs                                               | -                      | 0                      | -                    | -                      | 0                      | -                    |
| Futures and forwards                               | 776                    | 743                    | 1,548,734            | 776                    | 743                    | 1,548,734            |
| Options                                            | 11,317                 | 11,928                 | 532,630              | 11,317                 | 11,928                 | 532,630              |
| <b>Total</b>                                       | <b>149,461</b>         | <b>147,576</b>         | <b>5,865,840</b>     | <b>149,461</b>         | <b>147,576</b>         | <b>5,865,840</b>     |
| <b>Equity derivatives</b>                          |                        |                        |                      |                        |                        |                      |
| Equity swaps                                       | 126                    | 158                    | 3,672                | 126                    | 158                    | 3,672                |
| Futures and forwards                               | 16                     | 13                     | 755                  | 16                     | 13                     | 755                  |
| Options                                            | 431                    | 648                    | 12,068               | 431                    | 648                    | 12,068               |
| <b>Total</b>                                       | <b>573</b>             | <b>819</b>             | <b>16,495</b>        | <b>573</b>             | <b>819</b>             | <b>16,495</b>        |
| <b>Foreign exchange derivatives</b>                |                        |                        |                      |                        |                        |                      |
| Currency and interest rate swaps                   | 15,645                 | 15,975                 | 915,011              | 15,645                 | 15,975                 | 915,011              |
| Currency forwards                                  | 812                    | 675                    | 45,553               | 812                    | 675                    | 45,553               |
| Options                                            | 299                    | 254                    | 33,275               | 299                    | 254                    | 33,275               |
| <b>Total</b>                                       | <b>16,756</b>          | <b>16,904</b>          | <b>993,839</b>       | <b>16,756</b>          | <b>16,904</b>          | <b>993,839</b>       |
| <b>Credit derivatives</b>                          |                        |                        |                      |                        |                        |                      |
| Credit default swaps                               | 1,587                  | 1,492                  | 62,299               | 1,587                  | 1,492                  | 62,299               |
| Total rate of return swaps                         | 99                     | 22                     | 450                  | 99                     | 22                     | 450                  |
| <b>Total</b>                                       | <b>1,686</b>           | <b>1,514</b>           | <b>62,749</b>        | <b>1,686</b>           | <b>1,514</b>           | <b>62,749</b>        |
| <b>Commodity derivatives</b>                       |                        |                        |                      |                        |                        |                      |
| Swaps                                              | 1,227                  | 1,152                  | 13,183               | 1,227                  | 1,152                  | 13,183               |
| Futures and forwards                               | 79                     | 76                     | 1,137                | 79                     | 76                     | 1,137                |
| Other                                              | 69                     | 68                     | 2,227                | 69                     | 68                     | 2,227                |
| <b>Total</b>                                       | <b>1,375</b>           | <b>1,296</b>           | <b>16,547</b>        | <b>1,375</b>           | <b>1,296</b>           | <b>16,547</b>        |
| <b>Other derivatives</b>                           |                        |                        |                      |                        |                        |                      |
| Options                                            | 1                      | 3                      | 85                   | 1                      | 3                      | 85                   |
| Other                                              | 1                      | -                      | 6                    | 1                      | -                      | 6                    |
| <b>Total</b>                                       | <b>2</b>               | <b>3</b>               | <b>91</b>            | <b>2</b>               | <b>3</b>               | <b>91</b>            |
| <b>Total derivatives held for trading</b>          | <b>169,853</b>         | <b>168,112</b>         | <b>6,955,561</b>     | <b>169,853</b>         | <b>168,112</b>         | <b>6,955,561</b>     |
| <b>Derivatives used for hedge accounting</b>       |                        |                        |                      |                        |                        |                      |
| <b>Interest rate derivatives</b>                   |                        |                        |                      |                        |                        |                      |
| Interest rate swaps                                | 301                    | 179                    | 28,011               | 301                    | 179                    | 28,011               |
| <b>Total</b>                                       | <b>301</b>             | <b>179</b>             | <b>28,011</b>        | <b>301</b>             | <b>179</b>             | <b>28,011</b>        |
| <b>Foreign exchange derivatives</b>                |                        |                        |                      |                        |                        |                      |
| Currency and interest rate swaps                   | 74                     | 145                    | 2,185                | 74                     | 145                    | 2,185                |
| Currency forwards                                  | -                      | -                      | 5,908                | -                      | -                      | 5,908                |
| <b>Total</b>                                       | <b>74</b>              | <b>145</b>             | <b>8,093</b>         | <b>74</b>              | <b>145</b>             | <b>8,093</b>         |
| <b>Total derivatives used for hedge accounting</b> | <b>375</b>             | <b>324</b>             | <b>36,104</b>        | <b>375</b>             | <b>324</b>             | <b>36,104</b>        |
| <b>Total derivatives</b>                           | <b>170,228</b>         | <b>168,436</b>         | <b>6,991,665</b>     | <b>170,228</b>         | <b>168,436</b>         | <b>6,991,665</b>     |

**Note 18 Fair value changes of the hedged items in portfolio hedge of interest rate risk****Assets**

|                                       | Group      |            | Parent company |            |
|---------------------------------------|------------|------------|----------------|------------|
|                                       | 31 Dec     | 31 Dec     | 31 Dec         | 31 Dec     |
| EURm                                  | 2012       | 2011       | 2012           | 2011       |
| Carrying amount at beginning of year  | 138        | 96         | 138            | 96         |
| Changes during the year               |            |            |                |            |
| - Revaluation of hedged items         | -14        | 42         | -14            | 42         |
| <b>Carrying amount at end of year</b> | <b>124</b> | <b>138</b> | <b>124</b>     | <b>138</b> |

**Liabilities**

|                                       | Group      |            | Parent company |            |
|---------------------------------------|------------|------------|----------------|------------|
|                                       | 31 Dec     | 31 Dec     | 31 Dec         | 31 Dec     |
| EURm                                  | 2012       | 2011       | 2012           | 2011       |
| Carrying amount at beginning of year  | 195        | -58        | 195            | -58        |
| Changes during the year               |            |            |                |            |
| - Revaluation of hedged items         | 442        | 253        | 442            | 253        |
| <b>Carrying amount at end of year</b> | <b>637</b> | <b>195</b> | <b>637</b>     | <b>195</b> |

The carrying amount at end of year represents accumulated changes in the fair value for those repricing time periods in which the hedged item is an asset respectively a liability. When the hedged item is an asset, the change in the fair value of the hedged item is presented within assets and when the hedged item is a liability, the change is presented as a liability.

**Note 19 Investments in group undertakings****Parent company**

|                                                      | 31 Dec     | 31 Dec     |
|------------------------------------------------------|------------|------------|
| EURm                                                 | 2012       | 2011       |
| Acquisition value at beginning of year               | 370        | 353        |
| Acquisitions / capital contributions during the year | 3          | 17         |
| Sales during the year                                | -          | -          |
| Translation differences                              | 0          | 0          |
| <b>Acquisition value at end of year</b>              | <b>373</b> | <b>370</b> |
| Accumulated impairment charges at beginning of year  | -          | -          |
| Impairment charges during the year                   | -          | -          |
| Translation differences                              | -          | -          |
| <b>Accumulated impairment charges at end of year</b> | <b>-</b>   | <b>-</b>   |
| <b>Total</b>                                         | <b>373</b> | <b>370</b> |
| - of which listed shares                             | -          | -          |

The total amount is expected to be settled after more than 1 year

**Note 19 Investments in group undertakings, cont.****Specification**

This specification includes all directly owned group undertakings and major group undertakings to the directly owned companies.

**Group**

| 31 Dec 2012                                                                                             | Number of shares | Carrying amount 2012, EURm | Carrying amount 2011, EURm     | Voting power of holding, % | Domicile | Business ID       |
|---------------------------------------------------------------------------------------------------------|------------------|----------------------------|--------------------------------|----------------------------|----------|-------------------|
| <i>Domestic</i>                                                                                         |                  |                            |                                |                            |          |                   |
| Credit institutions                                                                                     |                  |                            |                                |                            |          |                   |
| Nordea Finance Finland Ltd                                                                              | 1,000,000        | 306                        | 306                            | 100.0                      | Espoo    | 0112305-3         |
| Financial institutions                                                                                  |                  |                            |                                |                            |          |                   |
| Tukirahoitus Oy <sup>1</sup>                                                                            | 672              | 7                          | 7                              | 100.0                      | Espoo    | 0677131-6         |
| Real estate companies                                                                                   |                  |                            |                                |                            |          |                   |
| Kiinteistö Oy Tampereen Kirkkokatu 7 <sup>1</sup>                                                       | 280              | 50                         | 50                             | 100.0                      | Tampere  | 0819781-3         |
| Kiinteistö Oy Levytie 6 <sup>1</sup>                                                                    | 147              | 18                         | 19                             | 100.0                      | Helsinki | 0818921-5         |
| Kiinteistö Oy Lahden Aleksanterinkatu 19-21 <sup>1</sup>                                                | 340,090          | 10                         | 10                             | 100.0                      | Lahti    | 0150108-5         |
| Other companies                                                                                         |                  |                            |                                |                            |          |                   |
| Fidenta Oy                                                                                              | 2,000            | 0                          | 0                              | 60.0                       | Espoo    | 0988412-1         |
| <i>International</i>                                                                                    |                  |                            |                                |                            |          |                   |
| Financial institutions                                                                                  |                  |                            |                                |                            |          |                   |
| Nordea Finance Polska S.A. <sup>1</sup>                                                                 | 19,690,000       | 0                          | 0                              | 100.0                      | Warsaw   | PL5861944082      |
| Nordea Finance Estonia Ltd <sup>1</sup>                                                                 | 60,000           | 6                          | 6                              | 100.0                      | Tallinn  | EE100212426       |
| Nordea Finance Latvia Ltd <sup>1</sup>                                                                  | 1,100            | 4                          | 4                              | 100.0                      | Riga     | LV40003348054     |
| Nordea Finance Lithuania Ltd <sup>1</sup>                                                               | 6,540            | 4                          | 4                              | 100.0                      | Vilnius  | LT111667277       |
| Nordea Securities Holding (U.K.) Ltd                                                                    | 49,010,000       | 2                          | 2                              | 100.0                      | London   | 01803666          |
| Real estate companies                                                                                   |                  |                            |                                |                            |          |                   |
| Promano Est OÜ                                                                                          | 1                | 10                         | 10                             | 100.0                      | Tallinn  | 11681888          |
| Promano Lit UAB                                                                                         | 34,528           | 10                         | 10                             | 100.0                      | Vilnius  | 302423219         |
| SIA Promano Lat                                                                                         | 21,084           | 30                         | 30                             | 100.0                      | Riga     | 40103235197       |
| SIA Realm                                                                                               | 7,030            | 10                         | 10                             | 100.0                      | Riga     | 50103278681       |
| <hr/>                                                                                                   |                  |                            |                                |                            |          |                   |
| Other subsidiaries included in the consolidated financial statements; total assets of less than EUR 10m |                  | Number of companies        | Carrying amount of shares EURm |                            |          | Total assets EURm |
| Real estate companies                                                                                   |                  | 7                          | 11                             |                            |          | 13                |
| Other companies                                                                                         |                  | 9                          | 4                              |                            |          | 85                |

<sup>1</sup> Indirect holding through Nordea Finance Finland Ltd, a subsidiary of Nordea Bank Finland Plc.

The parent company of Nordea Bank Finland Plc is Nordea Bank AB (publ) domiciled in Stockholm, registration number 516406-0120. The Annual Report 2012 of Nordea Bank AB (publ) may be downloaded on the Internet at [www.nordea.com](http://www.nordea.com) and is available from Nordea Group Investor Relations, SE 105 71 Stockholm, Sweden. The Annual Report 2012 of the Nordea Group is also available at branches of Nordea Bank Finland Plc.

**Group****Special Purpose Entities (SPEs) – Consolidated**

8 SPEs have been set up in the Baltics to acquire assets from commercial customers. The total consolidated value of these assets is EUR 13m (13).

**Note 20 Investments in associated undertakings**

| EURm                                                 | Group          |                | Parent company |                |
|------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                      | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| Acquisition value at beginning of year               | 81             | 62             | 43             | 28             |
| Acquisitions during the year <sup>1</sup>            | -              | 15             | -              | 15             |
| Sales during the year                                | -              | -              | -              | -              |
| Share in earnings                                    | 18             | 9              | -              | -              |
| Dividend received                                    | -19            | -2             | -              | -              |
| Reclassifications                                    | 1              | -3             | -              | -              |
| Translation differences                              | -              | -              | -              | -              |
| <b>Acquisition value at end of year</b>              | <b>81</b>      | <b>81</b>      | <b>43</b>      | <b>43</b>      |
| Accumulated impairment charges at beginning of year  | -2             | -1             | -9             | -9             |
| Reversed impairment charges during the year          | -              | -              | -              | 4              |
| Impairment charges during the year                   | -              | -              | -              | -              |
| Impairment charges reclassifications during the year | 0              | -1             | -              | -4             |
| Translation differences                              | 0              | -              | -              | -              |
| <b>Accumulated impairment charges at end of year</b> | <b>-2</b>      | <b>-2</b>      | <b>-9</b>      | <b>-9</b>      |
| <b>Total</b>                                         | <b>79</b>      | <b>79</b>      | <b>34</b>      | <b>34</b>      |

<sup>1</sup>Of which acquisitions through business combinations EUR 0m (15).

- of which listed shares - - - -

The total amount is expected to be settled after more than 1 year.

Nordea Bank Finland Plc's and Nordea Bank Finland Group's associated undertakings' aggregated balance sheets and income statements can be summarised as follows:

| EURm              | 31 Dec<br>2012 | 31 Dec<br>2011 |
|-------------------|----------------|----------------|
| Total assets      | 274            | 321            |
| Total liabilities | 175            | 247            |
| Operating income  | 84             | 64             |
| Operating profit  | 33             | 6              |

Nordea Bank Finland Plc's and Nordea Bank Finland Group's share of contingent liabilities in favour of associated undertakings of Nordea Bank Finland Group amounts to EUR 34m (128) and on behalf of associated undertakings EUR 0m (0).

**Group**

| 31 Dec 2012                           | Business ID | Domicile | Carrying<br>amount 2012,<br>EURm | Carrying<br>amount 2011,<br>EURm | Voting<br>power of<br>holding,<br>% |
|---------------------------------------|-------------|----------|----------------------------------|----------------------------------|-------------------------------------|
| <b>Credit institutions</b>            |             |          |                                  |                                  |                                     |
| Luottokunta                           | 0201646-0   | Helsinki | -                                | 49                               | -                                   |
| <b>Total</b>                          |             |          | <b>-</b>                         | <b>49</b>                        |                                     |
| <b>Other</b>                          |             |          |                                  |                                  |                                     |
| Automatia Pankkiautomaatit Oy         | 0974651-1   | Helsinki | 8                                | 8                                | 33.3                                |
| Fenestra Oy <sup>1</sup>              | 0177676-7   | Vantaa   | -                                | -                                | 9.9                                 |
| NF Fleet Oy                           | 2006935-5   | Espoo    | 2                                | 1                                | 20.0                                |
| UAB ALD Automotive, Lithuania         | 300156575   | Vilnius  | 1                                | 1                                | 25.0                                |
| ALD Automotive Eesti AS, Estonia      | 11094435    | Tallin   | 1                                | 0                                | 25.0                                |
| ALD Automotive SIA, Latvia            | 50003825931 | Riga     | 1                                | 0                                | 25.0                                |
| Oy Realinvest Ab                      | 0680035-9   | Helsinki | 0                                | 0                                | 49.3                                |
| Realia Holding Oy                     | 2106796-8   | Helsinki | 20                               | 20                               | 25.0                                |
| Securus Oy                            | 0742429-5   | Helsinki | 0                                | 0                                | 35.2                                |
| Suomen Luotto-osuuskunta <sup>2</sup> | 0201646-0   | Helsinki | 46                               | -                                | 27.3                                |
| <b>Total</b>                          |             |          | <b>79</b>                        | <b>30</b>                        |                                     |
| <b>Total</b>                          |             |          | <b>79</b>                        | <b>79</b>                        |                                     |

<sup>1</sup> Nordea Bank Finland Plc currently holds convertible bonds which, if converted, would give Nordea Bank Finland significant influence over the entity.

<sup>2</sup> Former Luottokunta, reported as a credit institution in 2011.

**Note 20 Investments in associated undertakings, cont.****Parent company**

| 31 Dec 2012                           | Business ID | Domicile | Carrying amount 2012, EURm | Carrying amount 2011, EURm | Voting power of holding, % |
|---------------------------------------|-------------|----------|----------------------------|----------------------------|----------------------------|
| <b>Credit institutions</b>            |             |          |                            |                            |                            |
| Luottokunta                           | 0201646-0   | Helsinki | -                          | 9                          | -                          |
| <b>Total</b>                          |             |          | <b>-</b>                   | <b>9</b>                   |                            |
| <b>Other</b>                          |             |          |                            |                            |                            |
| Automatia Pankkiautomaatit Oy         | 0974651-1   | Helsinki | 5                          | 5                          | 33.3                       |
| Fenestra Oy <sup>1</sup>              | 0177676-7   | Vantaa   | 0                          | 0                          | 9.9                        |
| Realia Holding Oy                     | 2106796-8   | Helsinki | 20                         | 20                         | 25.0                       |
| Oy Realinvest Ab                      | 0680035-9   | Helsinki | 0                          | 0                          | 49.3                       |
| Securus Oy                            | 0742429-5   | Helsinki | 0                          | 0                          | 35.2                       |
| Suomen Luotto-osuuskunta <sup>2</sup> | 0201646-0   | Helsinki | 9                          | -                          | 27.3                       |
| <b>Total</b>                          |             |          | <b>34</b>                  | <b>25</b>                  |                            |
| <b>Total</b>                          |             |          | <b>34</b>                  | <b>34</b>                  |                            |

<sup>1</sup> Nordea Bank Finland Plc currently holds convertible bonds which, if converted, would give Nordea Bank Finland significant influence over the entity.

<sup>2</sup> Former Luottokunta, reported as a credit institution in 2011.

**Note 21 Intangible assets**

|                                                                | Group      |            | Parent Company |            |
|----------------------------------------------------------------|------------|------------|----------------|------------|
|                                                                | 31 Dec     | 31 Dec     | 31 Dec         | 31 Dec     |
| EURm                                                           | 2012       | 2011       | 2012           | 2011       |
| <b>Goodwill allocated to cash generating units<sup>1</sup></b> |            |            |                |            |
| Other goodwill                                                 | -          | -          | -              | -          |
| <b>Goodwill, total</b>                                         | <b>-</b>   | <b>-</b>   | <b>-</b>       | <b>-</b>   |
| <b>Other intangible assets</b>                                 |            |            |                |            |
| Computer software                                              | 100        | 96         | 105            | 100        |
| Other intangible assets                                        | 8          | 10         | 1              | 3          |
| <b>Other intangible assets, total</b>                          | <b>108</b> | <b>106</b> | <b>106</b>     | <b>103</b> |
| <b>Intangible assets, total</b>                                | <b>108</b> | <b>106</b> | <b>106</b>     | <b>103</b> |

<sup>1</sup> Excluding goodwill in associated undertakings.

|                                                      | Group    |          | Parent Company |          |
|------------------------------------------------------|----------|----------|----------------|----------|
|                                                      | 31 Dec   | 31 Dec   | 31 Dec         | 31 Dec   |
| EURm                                                 | 2012     | 2011     | 2012           | 2011     |
| <b>Goodwill</b>                                      |          |          |                |          |
| Acquisition value at beginning of year               | 0        | 0        | -              | -        |
| Acquisitions during the year                         | -        | -        | -              | -        |
| Reclassifications                                    | 0        | -        | -              | -        |
| <b>Acquisition value at end of year</b>              | <b>0</b> | <b>0</b> | <b>-</b>       | <b>-</b> |
| Accumulated amortisation at beginning of year        | 0        | 0        | -              | -        |
| Amortisation according to plan for the year          | 0        | -        | -              | -        |
| <b>Accumulated amortisation at end of year</b>       | <b>0</b> | <b>0</b> | <b>-</b>       | <b>-</b> |
| <b>Accumulated impairment charges at end of year</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>-</b> |
| <b>Total</b>                                         | <b>-</b> | <b>-</b> | <b>-</b>       | <b>-</b> |

**Note 21** *Intangible assets, cont.*

|                                                             | Group          |                | Parent company |                |
|-------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                             | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| <b>Computer software</b>                                    |                |                |                |                |
| Acquisition value at beginning of year                      | 130            | 97             | 136            | 104            |
| Acquisitions during the year                                | 26             | 33             | 30             | 31             |
| Sales/disposals during the year                             | 0              | -              | -              | -              |
| Reclassifications                                           | 0              | 0              | -3             | 1              |
| Translation differences                                     | 0              | 0              | -              | -              |
| <b>Acquisition value at end of year</b>                     | <b>156</b>     | <b>130</b>     | <b>163</b>     | <b>136</b>     |
| Accumulated amortisation at beginning of year               | -34            | -25            | -36            | -27            |
| Amortisation according to plan for the year                 | -16            | -9             | -15            | -9             |
| Accumulated amortisation on sales/disposals during the year | -              | -              | -              | -              |
| Reclassifications                                           | 0              | 0              | -1             | 0              |
| Translation differences                                     | -              | -              | -              | -              |
| <b>Accumulated amortisation at end of year</b>              | <b>-50</b>     | <b>-34</b>     | <b>-52</b>     | <b>-36</b>     |
| Accumulated impairment charges at beginning of year         | -              | -              | -              | -              |
| Impairment charges during the year                          | -6             | -              | -6             | -              |
| <b>Accumulated impairment charges at end of year</b>        | <b>-6</b>      | <b>-</b>       | <b>-6</b>      | <b>-</b>       |
| <b>Total</b>                                                | <b>100</b>     | <b>96</b>      | <b>105</b>     | <b>100</b>     |
|                                                             |                |                |                |                |
|                                                             | Group          |                | Parent Company |                |
|                                                             | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| <b>Other intangible assets</b>                              |                |                |                |                |
| Acquisition value at beginning of year                      | 20             | 20             | 11             | 11             |
| Acquisitions during the year                                | 2              | 0              | 0              | 0              |
| Sales/disposals during the year                             | -1             | 0              | -              | -              |
| Reclassifications                                           | 0              | -              | -4             | -              |
| Translation differences                                     | 0              | 0              | -              | -              |
| <b>Acquisition value at end of year</b>                     | <b>21</b>      | <b>20</b>      | <b>7</b>       | <b>11</b>      |
| Accumulated amortisation at beginning of year               | -10            | -7             | -8             | -6             |
| Amortisation according to plan for the year                 | -3             | -4             | -2             | -2             |
| Accumulated amortisation on sales/disposals during the year | 0              | 1              | -              | 0              |
| Reclassifications                                           | 0              | -              | 4              | 0              |
| Translation differences                                     | 0              | 0              | -              | -              |
| <b>Accumulated amortisation at end of year</b>              | <b>-13</b>     | <b>-10</b>     | <b>-6</b>      | <b>-8</b>      |
| Accumulated impairment charges at beginning of year         | 0              | 0              | -              | -              |
| Impairment charges during the year                          | 0              | 0              | -              | -              |
| <b>Accumulated impairment charges at end of year</b>        | <b>0</b>       | <b>0</b>       | <b>-</b>       | <b>-</b>       |
| <b>Total</b>                                                | <b>8</b>       | <b>10</b>      | <b>1</b>       | <b>3</b>       |

The total amount is expected to be recovered after more than 1 year.



## Note 22 Property and equipment

| EURm                                                              | Group          |                | Parent company |                |
|-------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                   | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| Property and equipment                                            | 96             | 124            | 59             | 69             |
| - of which buildings for own use                                  | 2              | 3              | 1              | 2              |
| <b>Total</b>                                                      | <b>96</b>      | <b>124</b>     | <b>59</b>      | <b>69</b>      |
| <b>Equipment</b>                                                  |                |                |                |                |
| Acquisition value at beginning of year                            | 263            | 255            | 177            | 151            |
| Acquisitions during the year                                      | 45             | 54             | 29             | 34             |
| Sales/disposals during the year                                   | -27            | -40            | 0              | -3             |
| Reclassifications                                                 | -38            | -7             | -25            | -5             |
| Translation differences                                           | 0              | 1              | -              | -              |
| <b>Acquisition value at end of year</b>                           | <b>243</b>     | <b>263</b>     | <b>181</b>     | <b>177</b>     |
| Accumulated depreciation at beginning of year                     | -142           | -134           | -110           | -98            |
| Accumulated depreciation on sales/disposals during the year       | 16             | 19             | -              | -              |
| Reclassifications                                                 | 2              | 9              | 2              | 8              |
| Depreciation according to plan for the year                       | -24            | -30            | -14            | -14            |
| Translation differences                                           | 0              | -6             | 0              | -6             |
| <b>Accumulated depreciation at end of year</b>                    | <b>-148</b>    | <b>-142</b>    | <b>-122</b>    | <b>-110</b>    |
| Accumulated impairment charges at beginning of year               | 0              | -              | -              | -              |
| Impairment charges during the year                                | -1             | -              | -1             | -              |
| <b>Accumulated impairment charges at end of year</b>              | <b>-1</b>      | <b>-</b>       | <b>-1</b>      | <b>-</b>       |
| <b>Total</b>                                                      | <b>94</b>      | <b>121</b>     | <b>58</b>      | <b>67</b>      |
| <b>Land and buildings</b>                                         |                |                |                |                |
| Acquisition value at beginning of year                            | 5              | 4              | 4              | 4              |
| Acquisitions during the year                                      | -              | -              | -              | -              |
| Sales/disposals during the year                                   | -1             | -              | -1             | -              |
| Reclassifications                                                 | -              | 1              | 0              | 0              |
| <b>Acquisition value at end of year</b>                           | <b>4</b>       | <b>5</b>       | <b>3</b>       | <b>4</b>       |
| Accumulated depreciation at beginning of year                     | -2             | -1             | -2             | -2             |
| Accumulated depreciation on sales/disposals during the year       | -              | -              | -              | -              |
| Reclassifications                                                 | -              | -1             | -              | -              |
| Depreciation according to plan for the year                       | 0              | 0              | 0              | 0              |
| <b>Accumulated depreciation at end of year</b>                    | <b>-2</b>      | <b>-2</b>      | <b>-2</b>      | <b>-2</b>      |
| Accumulated impairment charges at beginning of year               | -              | -              | -              | -              |
| Accumulated impairment charges on sales/disposals during the year | -              | -              | -              | -              |
| Reversed impairment charges during the year                       | -              | -              | -              | -              |
| Reclassifications                                                 | -              | -              | -              | -              |
| Impairment charges during the year                                | -              | -              | -              | -              |
| Translation differences                                           | -              | -              | -              | -              |
| <b>Accumulated impairment charges at end of year</b>              | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Total</b>                                                      | <b>2</b>       | <b>3</b>       | <b>1</b>       | <b>2</b>       |

The total amount is expected to be settled after more than 1 year.

## Note 23 Leasing

### NBF as a lessor

#### Finance leases

Nordea Bank Finland Group owns assets leased to customers under finance lease agreements. Finance lease agreements are reported as receivables from the lessee included in "Loans to the public" (see Note 13) at an amount equal to the net investment in the lease. The leased assets mainly comprise vehicles, machinery and other equipment.

Reconciliation of gross investments and present value of future minimum lease payments:

| EURm                                                                      | Group          |                |
|---------------------------------------------------------------------------|----------------|----------------|
|                                                                           | 31 Dec<br>2012 | 31 Dec<br>2011 |
| Gross investments                                                         | 2,509          | 2,295          |
| Less unearned finance income                                              | -130           | -156           |
| <b>Net investments in finance leases</b>                                  | <b>2,379</b>   | <b>2,139</b>   |
| Less unguaranteed residual values accruing to the benefit of the lessor   | -81            | -29            |
| <b>Present value of future minimum lease payments receivable</b>          | <b>2,298</b>   | <b>2,110</b>   |
| Accumulated allowance for uncollectible minimum lease payments receivable | 5              | 7              |

As of 31 December 2012 the gross investment and the net investment by remaining maturity was distributed as follows:

| EURm         | Group                              |                                  |
|--------------|------------------------------------|----------------------------------|
|              | 31 Dec<br>2012<br>Gross investment | 31 Dec<br>2012<br>Net investment |
| 2013         | 780                                | 725                              |
| 2014         | 613                                | 577                              |
| 2015         | 549                                | 528                              |
| 2016         | 307                                | 297                              |
| 2017         | 166                                | 162                              |
| Later years  | 94                                 | 90                               |
| <b>Total</b> | <b>2,509</b>                       | <b>2,379</b>                     |

#### Operating leases

Assets subject to operating leases mainly comprise vehicles and other equipment. In the balance sheet they are reported as property and equipment.

| Carrying amount of leased assets, EURm                  | Group          |                |
|---------------------------------------------------------|----------------|----------------|
|                                                         | 31 Dec<br>2012 | 31 Dec<br>2011 |
| Acquisition value                                       | 44             | 68             |
| Accumulated depreciation                                | -20            | -27            |
| <b>Carrying amount at end of year</b>                   | <b>24</b>      | <b>41</b>      |
| - of which repossessed leased property, carrying amount | 0              | 0              |

| Carrying amount distributed on groups of assets, EURm | Group          |                |
|-------------------------------------------------------|----------------|----------------|
|                                                       | 31 Dec<br>2012 | 31 Dec<br>2011 |
| Equipment                                             | 24             | 41             |
| <b>Carrying amount at end of year</b>                 | <b>24</b>      | <b>41</b>      |

Depreciation for 2012 amounted to EUR 9m (13).

**Note 23 Leasing, cont.**

Under non-cancellable operating leases, the future minimum lease payments receivables are distributed as follows:

| EURm         | Group          |                |
|--------------|----------------|----------------|
|              | 31 Dec<br>2012 | 31 Dec<br>2011 |
| 2013         | 6              | 3              |
| 2014         | 2              | 1              |
| 2015         | 1              | 0              |
| 2016         | 0              | 0              |
| 2017         | 0              | -              |
| Later years  | 0              | -              |
| <b>Total</b> | <b>9</b>       | <b>4</b>       |

**NBF as a lessee****Finance leases**

Nordea Bank Finland Group has only to a minor extent entered into finance lease agreements. The carrying amount of assets subject to finance leases amounts to EUR 0m (0).

**Operating leases**

Nordea Bank Finland Group has entered into operating lease agreements for premises and office equipment.

|                                                            | Group          |                | Parent company |                |
|------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                            | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| <b>Leasing expenses during the year, EURm</b>              |                |                |                |                |
| Leasing expenses during the year                           | -59            | -66            | -72            | -70            |
| - of which minimum lease payments                          | -59            | -65            | -72            | -69            |
| - of which contingent rents                                | 0              | 0              | -              | -              |
| Leasing income during the year regarding sublease payments | -              | -              | -              | -              |

Future minimum lease payments under non-cancellable operating leases amounted to and are distributed as follows:

| EURm         | Group       | Parent company |
|--------------|-------------|----------------|
|              | 31 Dec 2012 | 31 Dec 2012    |
| 2013         | 68          | 68             |
| 2014         | 40          | 40             |
| 2015         | 26          | 26             |
| 2016         | 23          | 23             |
| 2017         | 18          | 18             |
| Later years  | 108         | 108            |
| <b>Total</b> | <b>283</b>  | <b>283</b>     |

**Note 24 Investment property**

| Movement in the balance sheet                           | Group      |           | Parent company |           |
|---------------------------------------------------------|------------|-----------|----------------|-----------|
|                                                         | 31 Dec     | 31 Dec    | 31 Dec         | 31 Dec    |
| EURm                                                    | 2012       | 2011      | 2012           | 2011      |
| Carrying amount at beginning of year                    | 71         | 32        | 10             | 4         |
| Acquisitions during the year                            | 34         | 41        | 0              | 8         |
| Sales/disposals during the year                         | -1         | -3        | 0              | -2        |
| Net result from fair value adjustments                  | 0          | 1         | -              | -         |
| <b>Carrying amount at end of year</b>                   | <b>104</b> | <b>71</b> | <b>10</b>      | <b>10</b> |
| -of which expected to be settled after more than 1 year | 96         | 70        | 10             | 10        |

**Amounts recognised in the income statement<sup>1</sup>**

| EURm                                                          | 2012      | 2011      | 2012      | 2011      |
|---------------------------------------------------------------|-----------|-----------|-----------|-----------|
| Rental income                                                 | 1         | 0         | 1         | 0         |
| Direct operating expenses that generate rental income         | -3        | -1        | -3        | -1        |
| Direct operating expenses that did not generate rental income | -         | -         | -         | -         |
| <b>Total</b>                                                  | <b>-2</b> | <b>-1</b> | <b>-2</b> | <b>-1</b> |

<sup>1</sup>Together with fair value adjustments included in Net result from items at fair value.

|              |     |    |    |    |
|--------------|-----|----|----|----|
| Market value | 104 | 71 | 10 | 10 |
|--------------|-----|----|----|----|

**Note 25 Other assets**

|                                                          | Group         |              | Parent company |              |
|----------------------------------------------------------|---------------|--------------|----------------|--------------|
|                                                          | 31 Dec        | 31 Dec       | 31 Dec         | 31 Dec       |
| EURm                                                     | 2012          | 2011         | 2012           | 2011         |
| Claims on securities settlement proceeds                 | 1,109         | 1,069        | 1,109          | 1,069        |
| Cash/margin receivables                                  | 8,370         | 6,655        | 8,370          | 6,655        |
| Other                                                    | 841           | 354          | 799            | 332          |
| <b>Total</b>                                             | <b>10,320</b> | <b>8,078</b> | <b>10,278</b>  | <b>8,056</b> |
| - of which expected to be settled after more than 1 year | 3             | 0            | -              | -            |

**Note 26 Prepaid expenses and accrued income**

|                                                          | Group      |            | Parent company |            |
|----------------------------------------------------------|------------|------------|----------------|------------|
|                                                          | 31 Dec     | 31 Dec     | 31 Dec         | 31 Dec     |
| EURm                                                     | 2012       | 2011       | 2012           | 2011       |
| Accrued interest income                                  | 339        | 455        | 335            | 458        |
| Other accrued income                                     | 617        | 232        | 435            | 56         |
| Prepaid expenses                                         | 13         | 17         | 7              | 10         |
| <b>Total</b>                                             | <b>969</b> | <b>704</b> | <b>777</b>     | <b>524</b> |
| - of which expected to be settled after more than 1 year | 79         | 82         | -              | -          |

**Note 27 Deposits by credit institutions**

|                           | Group         |               | Parent company |               |
|---------------------------|---------------|---------------|----------------|---------------|
|                           | 31 Dec        | 31 Dec        | 31 Dec         | 31 Dec        |
| EURm                      | 2012          | 2011          | 2012           | 2011          |
| Central banks             | 2,326         | 7,721         | 2,326          | 7,721         |
| Other banks               | 44,331        | 55,094        | 44,218         | 55,006        |
| Other credit institutions | 28,009        | 13,192        | 28,009         | 13,192        |
| <b>Total</b>              | <b>74,666</b> | <b>76,007</b> | <b>74,553</b>  | <b>75,919</b> |

**Note 28 Deposits and borrowings from the public**

|                            | Group          |                | Parent company |                |
|----------------------------|----------------|----------------|----------------|----------------|
|                            | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                       |                |                |                |                |
| Deposits from the public   | 53,285         | 53,636         | 53,308         | 53,650         |
| Borrowings from the public | 16,927         | 14,624         | 16,916         | 14,615         |
| <b>Total</b>               | <b>70,212</b>  | <b>68,260</b>  | <b>70,224</b>  | <b>68,265</b>  |

Deposits are defined as funds in deposit accounts covered by the government deposit guarantee but also including amounts in excess of the individual amount limits.

**Note 29 Debt securities in issue**

|                         | Group          |                | Parent company |                |
|-------------------------|----------------|----------------|----------------|----------------|
|                         | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                    |                |                |                |                |
| Certificates of deposit | 18,726         | 35,557         | 18,726         | 35,557         |
| Commercial papers       | 9,650          | -              | 9,650          | -              |
| Bond loans <sup>1</sup> | 20,623         | 13,596         | 20,623         | 13,596         |
| <b>Total</b>            | <b>48,999</b>  | <b>49,153</b>  | <b>48,999</b>  | <b>49,153</b>  |

<sup>1</sup> Of which Finnish covered bonds EUR 12,362m (7,250).

**Note 30 Other liabilities**

|                                               | Group          |                | Parent company |                |
|-----------------------------------------------|----------------|----------------|----------------|----------------|
|                                               | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                                          |                |                |                |                |
| Liabilities on securities settlement proceeds | 8,028          | 1,428          | 8,028          | 1,428          |
| Sold, not held, securities                    | 5,151          | 10,732         | 5,151          | 10,732         |
| Accounts payable                              | 83             | 47             | 42             | 10             |
| Cash/margin payables                          | 5,802          | 4,374          | 5,802          | 4,374          |
| Other                                         | 1,626          | 7,547          | 1,452          | 7,446          |
| <b>Total</b>                                  | <b>20,690</b>  | <b>24,128</b>  | <b>20,475</b>  | <b>23,990</b>  |

|                                                          |   |   |   |   |
|----------------------------------------------------------|---|---|---|---|
| - of which expected to be settled after more than 1 year | - | 0 | - | - |
|----------------------------------------------------------|---|---|---|---|

**Note 31 Accrued expenses and prepaid income**

|                        | Group          |                | Parent company |                |
|------------------------|----------------|----------------|----------------|----------------|
|                        | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                   |                |                |                |                |
| Accrued interest       | 345            | 356            | 345            | 356            |
| Other accrued expenses | 523            | 392            | 328            | 201            |
| Prepaid income         | 78             | 62             | 71             | 58             |
| <b>Total</b>           | <b>946</b>     | <b>810</b>     | <b>744</b>     | <b>615</b>     |

|                                                          |    |    |   |   |
|----------------------------------------------------------|----|----|---|---|
| - of which expected to be settled after more than 1 year | 81 | 83 | - | - |
|----------------------------------------------------------|----|----|---|---|

**Note 32 Provisions**

| EURm                                                    | Group          |                | Parent company |                |
|---------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                         | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| Reserve for restructuring costs                         | 33             | 33             | 33             | 33             |
| Transfer risks, off-balance                             | 11             | 9              | 11             | 9              |
| Individually assessed, guarantees and other commitments | 21             | 38             | 21             | 38             |
| Tax                                                     | 1              | 1              | -              | -              |
| Other                                                   | 17             | 16             | 14             | 14             |
| <b>Total</b>                                            | <b>83</b>      | <b>97</b>      | <b>79</b>      | <b>94</b>      |

**Movement in the balance sheet:****Group**

| EURm                                            | Transfer risks | Off-balance sheet | Restructuring | Tax      | Other     | Total     |
|-------------------------------------------------|----------------|-------------------|---------------|----------|-----------|-----------|
| At the beginning of year                        | 9              | 38                | 33            | 1        | 16        | 97        |
| New provisions made                             | 2              | -                 | 16            | -        | 1         | 19        |
| Provisions utilised                             | -              | -17               | -16           | -        | 0         | -33       |
| Reversals                                       | -              | -                 | 0             | -        | -         | 0         |
| Reclassifications                               | -              | -                 | -             | -        | -         | -         |
| Translation differences                         | -              | -                 | -             | -        | -         | -         |
| <b>At end of year</b>                           | <b>11</b>      | <b>21</b>         | <b>33</b>     | <b>1</b> | <b>17</b> | <b>83</b> |
| - of which expected to be settled within 1 year | -              | 0                 | 19            | 1        | 1         | 21        |

Reserve for restructuring costs amounts to EUR 33m of which EUR 19m will be settled in 12 months.

Provision for transfer risk of 11m is related to off-balance sheet items. Transfer risk relating to loans is included in the item Allowances for collectively assessed impaired loans in Note 13. Provision for transfer risk is depending on the volume of business with different countries.

Loan loss provisions for individually assessed, guarantees and other commitments amounted to EUR 21m.

The item Other refers to the following provisions: rental liabilities of EUR 4m (of which EUR 1m expected to be settled during 2013), provision for environmental and property-related obligations of EUR 3m (not expected to be settled during 2013) and other provisions amounting to EUR 7m (not expected to be settled during 2013).

**Parent company**

| EURm                                            | Transfer risks | Off-balance sheet | Restructuring | Other     | Total     |
|-------------------------------------------------|----------------|-------------------|---------------|-----------|-----------|
| At beginning of year                            | 9              | 38                | 33            | 14        | 94        |
| New provisions made                             | 2              | -                 | 16            | 0         | 18        |
| Provisions utilised                             | -              | -17               | -16           | 0         | -33       |
| Reversals                                       | -              | -                 | 0             | -         | 0         |
| Translation differences                         | -              | -                 | -             | -         | -         |
| <b>At end of year</b>                           | <b>11</b>      | <b>21</b>         | <b>33</b>     | <b>14</b> | <b>79</b> |
| - of which expected to be settled within 1 year | -              | 0                 | 19            | 1         | 20        |

Reserve for restructuring costs amounts to EUR 33m of which EUR 19m will be settled in 12 months.

Provision for transfer risk is related to off-balance sheet items. Transfer risk relating to loans is included in the item Allowances for collectively assessed impaired loans in Note 13. Provision for transfer risk is depending on the volume of business with different countries.

Loan loss provisions for individually assessed, guarantees and other commitments amounted to EUR 21m.

The item Other refers to the following provisions: rental liabilities of EUR 4m (of which EUR 1m expected to be settled during 2013), provision for environmental and property-related obligations of EUR 3m (not expected to be settled during 2013) and other provisions amounting to EUR 7m (not expected to be settled during 2013).

**Note 33 Retirement benefit obligations**

| EURm                       | Group          |                | Parent company |                |
|----------------------------|----------------|----------------|----------------|----------------|
|                            | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| Defined benefit plans, net | -112           | -94            | -106           | -88            |
| <b>Total</b>               | <b>-112</b>    | <b>-94</b>     | <b>-106</b>    | <b>-88</b>     |

NBF has various pension plans, which are classified both as defined benefit plans and defined contribution plans. The defined benefit plans in Finland are closed to new employees and instead, pensions for new employees are based on defined contribution (DCP) arrangements. The plans for the foreign branches are also mainly defined contribution plans. The existing defined benefit plans in London and New York are closed to new employees. Defined contribution plans are not reflected on the balance sheet except when earned pension rights have not yet been paid for.

IAS 19 secures that the market-based value of pension obligations net of plan assets backing these obligations will be reflected on the Group's balance sheet. The major plans are funded schemes covered by assets in pension funds/foundations. Some other pension plans are recognised directly on the balance sheet as liabilities.

**IAS 19 pension calculations and assumptions**

Calculations on major plans are performed by external liability calculators and based on the actuarial assumptions fixed for each of the Group's pension plans.

| Assumptions                            | Finland |
|----------------------------------------|---------|
| <b>2012</b>                            |         |
| Discount rate                          | 3.5%    |
| Salary increase                        | 3.0%    |
| Inflation                              | 2.0%    |
| Expected return on assets before taxes | 4.5%    |
| <b>2011</b>                            |         |
| Discount rate                          | 4.5%    |
| Salary increase                        | 3.5%    |
| Inflation                              | 2.0%    |
| Expected return on assets before taxes | 5.5%    |

The expected return on assets is based on long-term expectations for return on the different asset classes. With bonds, this is linked to the discount rate while equities and real estate have an added risk premium.

The discount rate has the most significant impact on the obligation and pension cost. If the discount rate is reduced the pension obligation will increase and vice versa. A one percentage point increase in the discount rate would lead to a decrease of 12% in pension obligation and of 20% in service cost. A one percentage point decrease in the discount rate would lead to an increase of 14% in pension obligation and of 16% in service cost.

**Asset composition**

The combined return on assets in 2012 was 13% (0) mainly reflecting the general development in the market. At the end of the year, the equity exposure in pension funds/foundations represented 31% (20) of total assets.

| Asset composition in funded schemes | 2012 | 2011 |
|-------------------------------------|------|------|
| Equities                            | 31%  | 20%  |
| Bonds                               | 56%  | 67%  |
| Real estate                         | 12%  | 11%  |
| - of which Nordea real estate       | 3%   | 3%   |
| Other plan assets                   | 1%   | 2%   |

**Note 33 Retirement benefit obligations, cont.****Amounts recognised in the balance sheet**

| EURm                                              | Group      |           | Parent company |           |
|---------------------------------------------------|------------|-----------|----------------|-----------|
|                                                   | 2012       | 2011      | 2012           | 2011      |
| PBO                                               | 863        | 754       | 839            | 738       |
| Plan assets                                       | 893        | 823       | 873            | 807       |
| <b>Total surplus/deficit(-)</b>                   | <b>30</b>  | <b>69</b> | <b>34</b>      | <b>69</b> |
| - of which unrecognised actuarial gains/losses(-) | -82        | -25       | -72            | -19       |
| <b>Of which recognised in the balance sheet</b>   | <b>112</b> | <b>94</b> | <b>106</b>     | <b>88</b> |
| - of which retirement benefit assets              | 136        | 120       | 130            | 113       |
| - of which retirement benefit obligations         | 23         | 25        | 23             | 25        |
| - of which related to unfunded plans (PBO)        | 20         | 16        | 20             | 16        |

**Overview of surplus or deficit in the plans**

| EURm                      | Total     | Total     | Total     | Total     | Total    |
|---------------------------|-----------|-----------|-----------|-----------|----------|
|                           | 2012      | 2011      | 2010      | 2009      | 2008     |
| PBO                       | 863       | 754       | 764       | 774       | 774      |
| Plan assets               | 893       | 823       | 854       | 816       | 775      |
| <b>Surplus/deficit(-)</b> | <b>30</b> | <b>69</b> | <b>90</b> | <b>42</b> | <b>1</b> |

**Changes in the PBO**

| EURm                            | Group      |            | Parent company |            |
|---------------------------------|------------|------------|----------------|------------|
|                                 | 2012       | 2011       | 2012           | 2011       |
| PBO at 1 Jan                    | 754        | 764        | 738            | 746        |
| Service cost                    | 2          | 3          | 2              | 3          |
| Interest cost                   | 33         | 34         | 33             | 33         |
| Pensions paid                   | -41        | -40        | -41            | -39        |
| Curtailments and settlements    | -5         | 0          | -5             | 0          |
| Past service cost               | 0          | 0          | 0              | 0          |
| Actuarial gains(-)/losses       | 117        | -8         | 110            | -6         |
| Effect of exchange rate changes | 3          | 1          | 2              | 1          |
| <b>PBO at 31 Dec</b>            | <b>863</b> | <b>754</b> | <b>839</b>     | <b>738</b> |

**Changes in the fair value of plan assets**

| EURm                                | Group      |            | Parent company |            |
|-------------------------------------|------------|------------|----------------|------------|
|                                     | 2012       | 2011       | 2012           | 2011       |
| Assets at 1 Jan                     | 823        | 854        | 807            | 834        |
| Expected return on assets           | 43         | 44         | 43             | 43         |
| Pensions paid                       | -41        | -40        | -40            | -39        |
| Curtailments and settlements        | -4         | -          | -4             | -          |
| Contributions                       | 9          | 10         | 9              | 10         |
| Actuarial gains/losses(-)           | 60         | -47        | 57             | -43        |
| Effect of exchange rate changes     | 3          | 2          | 2              | 2          |
| <b>Plan assets at 31 Dec</b>        | <b>893</b> | <b>823</b> | <b>874</b>     | <b>807</b> |
| <b>Actual return on plan assets</b> | <b>104</b> | <b>-2</b>  | <b>99</b>      | <b>0</b>   |

**Overview of actuarial gains/losses**

| EURm                                                     | Total      | Total      | Total     | Total     | Total       |
|----------------------------------------------------------|------------|------------|-----------|-----------|-------------|
|                                                          | 2012       | 2011       | 2010      | 2009      | 2008        |
| Effects of changes in actuarial assumptions <sup>1</sup> | -87        | 9          | 0         | -1        | -41         |
| Experience adjustments                                   | 30         | -48        | 33        | 33        | -92         |
| - of which on plan assets                                | 60         | -47        | 25        | 25        | -102        |
| - of which on plan liabilities                           | -30        | -1         | 8         | 8         | 10          |
| <b>Actuarial gains/losses</b>                            | <b>-57</b> | <b>-39</b> | <b>33</b> | <b>32</b> | <b>-133</b> |

<sup>1</sup> The actuarial gains/losses in 2012 are mainly due to the change in the discount rate.



**Note 33 Retirement benefit obligations, cont.****Defined benefit pension cost**

The total net pension cost related to defined benefit plans recognised in the Group's income statement (as staff costs) for the year 2012 is EUR 9m positive (7m positive). In the parent company's income statement the respective cost was EUR 9m positive (7m positive) in 2012.

Total pension cost comprises the defined benefit pension cost as well as the cost related to defined contribution plans. (See specification in Note 8.)

| Recognised net defined benefit cost, EURm    | Group     |           | Parent company |           |
|----------------------------------------------|-----------|-----------|----------------|-----------|
|                                              | 2012      | 2011      | 2012           | 2011      |
| Service cost                                 | 2         | 3         | 2              | 3         |
| Interest cost                                | 33        | 33        | 33             | 32        |
| Expected return on assets                    | -43       | -44       | -43            | -43       |
| Curtailments and settlements                 | -1        | 0         | -1             | 0         |
| Recognised past service cost                 | 0         | 0         | 0              | 0         |
| Recognised actuarial gains(-) / losses       | 0         | 1         | 0              | 1         |
| <b>Pension cost on defined benefit plans</b> | <b>-9</b> | <b>-7</b> | <b>-9</b>      | <b>-7</b> |

The pension cost is in line with what was expected at the start of the year.

The Group is expected to contribute EUR 10m and the parent company EUR 9m to its defined benefit plans in 2013.

**Key management personnel**

The members of the Board of Directors of Nordea Bank Finland Plc and the President, are members of the Nordea Bank AB (publ) Group Executive Management, except for the one external member Carl-Johan Granvik. In 2012 Nordea Bank AB (publ) has paid all salaries, fees, pensions and other staff-related expenses to the above mentioned other members of the Board and the President. Nordea Bank AB (publ) has allocated these salary expenses to Nordea Bank Finland Plc as part of the Head Office Allocation expenses.

Information on salaries, loans and pension liabilities of the above mentioned other members of the Board and the President is presented in the Annual Report of Nordea Bank AB (publ).

Pension obligation for the deputy of the President of Nordea Bank Finland Plc amounted to EUR 3m at the end of 2012.

**Note 34 Subordinated liabilities**

| EURm                                 | Group          |                | Parent company |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| Dated subordinated debenture loans   | -              | -              | -              | -              |
| Undated subordinated debenture loans | 514            | 503            | 514            | 503            |
| <b>Total</b>                         | <b>514</b>     | <b>503</b>     | <b>514</b>     | <b>503</b>     |

These debenture loans are subordinated to other liabilities. Dated debenture loans entitle the lender to payment before undated subordinated loans. Within each respective category, the loans entitle lenders to equal payment rights.

**Group and parent company**

On 31 December 2012 the following loans - with terms specified below - exceeded 10% of the total outstanding volume.

| Issued by                            | Year of issue<br>/maturity | Nominal<br>value | Carrying amount<br>EURm | Interest rate<br>(coupon) |
|--------------------------------------|----------------------------|------------------|-------------------------|---------------------------|
| Nordea Bank Finland Plc <sup>1</sup> | 2002/undated               | MGBP 300         | 367                     | 6.25%                     |
| Nordea Bank Finland Plc <sup>2</sup> | 1999/undated               | MJPY 10,000      | 88                      | 3.41%                     |

<sup>1</sup> Call date 18 July 2014

<sup>2</sup> Call date 26 February 2029

**Note 35 Assets pledged as security for own liabilities**

|                                                                                  | Group          |                | Parent company |                |
|----------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                  | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                                                                             |                |                |                |                |
| <b>Assets pledged for own liabilities</b>                                        |                |                |                |                |
| Securities etc. <sup>1</sup>                                                     | 22,426         | 17,650         | 22,426         | 17,650         |
| Loans to the public                                                              | 15,493         | 11,919         | 15,493         | 11,919         |
| Other pledged assets                                                             | 1,325          | 5,447          | 1,325          | 5,447          |
| <b>Total</b>                                                                     | <b>39,244</b>  | <b>35,016</b>  | <b>39,244</b>  | <b>35,016</b>  |
| <b>The above pledges pertain to the following liability and commitment items</b> |                |                |                |                |
| Deposits by credit institutions                                                  | 1              | -              | -              | -              |
| Debt securities in issue                                                         | 12,362         | 7,250          | 12,362         | 7,250          |
| Other liabilities                                                                | 18,296         | 18,244         | 18,296         | 18,244         |
| <b>Total</b>                                                                     | <b>30,659</b>  | <b>25,494</b>  | <b>30,658</b>  | <b>25,494</b>  |

<sup>1</sup> Relates only to securities recognised in the balance sheet. Securities borrowed or bought under repurchase agreements are not recognised in the balance sheet and thus not included in the amount. Such transactions are disclosed in Note 42 Transferred assets and obtained collaterals.

Assets pledged for own liabilities contain securities pledged as security in repurchase agreements and in securities lending. The transactions are conducted under standard agreements employed by financial markets participants. Counterparts in those transactions are credit institutions and the public. The transactions are typically short term with maturity within three months.

Loans to the public amounting to EUR 15,493m (11,919) have been registered as collateral for issued Finnish covered bonds amounting to EUR 12,362m (7,250). In the event of the company's insolvency, the holders of these bonds have priority to the assets registered as collateral. Collaterals are valued up to the first 70% of the market value of the property. NBF has used Realia Group Oy, Newsec Oy, Huoneistokeskus Oy, Kiinteistömaailma Oy and Catella Oy to value commercial real estate collaterals.

**Note 36 Other assets pledged**

There are no collaterals pledged on behalf of other items other than the company's own liabilities.

**Note 37 Contingent liabilities**

|                              | Group          |                | Parent company |                |
|------------------------------|----------------|----------------|----------------|----------------|
|                              | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                         |                |                |                |                |
| <b>Guarantees</b>            |                |                |                |                |
| Loan guarantees              | 2,482          | 3,225          | 2,786          | 3,226          |
| Other guarantees             | 12,146         | 13,800         | 12,146         | 14,106         |
| Documentary credits          | 1,771          | 1,996          | 1,771          | 1,996          |
| Other contingent liabilities | 20             | 20             | 20             | 20             |
| <b>Total</b>                 | <b>16,419</b>  | <b>19,041</b>  | <b>16,723</b>  | <b>19,348</b>  |

In the normal business of Nordea Bank Finland, the bank issues various forms of guarantees in favour of the bank's customers. Loan guarantees are given for customers to guarantee obligations in other credit- and pension institutions. Other guarantees consist mainly of commercial guarantees, such as bid guarantees, advance payment guarantees, warranty guarantees and export-related guarantees. Contingent liabilities also include unutilised irrevocable import documentary credits and confirmed export documentary credits. These transactions are part of the bank services and support the bank's customers. Guarantees and documentary credits are off-balance sheet items, unless there is a need for a provision to cover a probable loan loss that arises from the judgement that reimbursement will not be received.

**Note 38 Commitments**

| EURm                            | Group          |                | Parent company |                |
|---------------------------------|----------------|----------------|----------------|----------------|
|                                 | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| Future payment obligations      | 7              | 11             | 7              | 11             |
| Credit commitments <sup>1</sup> | 15,956         | 17,949         | 13,275         | 15,006         |
| Other commitments               | 626            | 765            | 253            | 481            |
| <b>Total</b>                    | <b>16,589</b>  | <b>18,725</b>  | <b>13,535</b>  | <b>15,498</b>  |

<sup>1</sup> Including unutilised portion of approved overdraft facilities of EUR 8,565m (9,197) for the Group and EUR 8,566m (9,198) for the parent company.

Reverse repurchase agreements are recognised on and derecognised from the balance sheet on the settlement date. Nordea has as per 31 December 2012 signed reverse repurchase agreements of EUR 5,803m (10,417) that have not yet been settled and consequently are not recognised on the balance sheet. On the settlement date these reverse repurchase agreements will, to the utmost extent, replace existing reverse repurchase agreements not yet derecognised as per 31 December 2012. These instruments have not been disclosed as commitments.

**Note 39 Capital adequacy****Capital base**

| EURm                                                         | Group          |                | Parent company |                |
|--------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                              | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| <b>Original own funds</b>                                    |                |                |                |                |
| Paid up capital                                              | 2,319          | 2,319          | 2,319          | 2,319          |
| Share premium                                                | 599            | 599            | 599            | 599            |
| <b>Eligible capital</b>                                      | <b>2,918</b>   | <b>2,918</b>   | <b>2,918</b>   | <b>2,918</b>   |
| Reserves                                                     | 5,195          | 7,602          | 4,782          | 7,240          |
| Non-controlling interests                                    | 4              | 5              | -              | -              |
| Income (positive/negative) from current year                 | 1,184          | 1,099          | 1,122          | 1,040          |
| <b>Eligible reserves</b>                                     | <b>6,383</b>   | <b>8,706</b>   | <b>5,904</b>   | <b>8,280</b>   |
| <b>Tier 1 capital (before hybrid capital and deductions)</b> | <b>9,301</b>   | <b>11,624</b>  | <b>8,822</b>   | <b>11,198</b>  |
| Proposed/actual dividend                                     | -625           | -1,000         | -625           | -1,000         |
| Deferred tax assets                                          | -16            | -16            | -13            | -12            |
| Intangible assets                                            | -108           | -106           | -106           | -103           |
| Deductions for investments in credit institutions            | -1             | -27            | 0              | -4             |
| IRB provisions excess (+) / shortfall (-) <sup>1</sup>       | -207           | -42            | -196           | -29            |
| Other items, net                                             | -98            | -123           | -98            | -123           |
| <b>Deductions from original own funds</b>                    | <b>-1,055</b>  | <b>-1,314</b>  | <b>-1,038</b>  | <b>-1,271</b>  |
| <b>Tier 1 capital (net after deduction)</b>                  | <b>8,246</b>   | <b>10,310</b>  | <b>7,784</b>   | <b>9,927</b>   |
| <b>Additional own funds</b>                                  |                |                |                |                |
| Securities of indeterminate duration and other instruments   | 556            | 568            | 556            | 568            |
| Subordinate loan capital                                     | -              | -              | -              | -              |
| Other additional own funds                                   | 13             | -4             | 13             | -4             |
| <b>Tier 2 capital (before deductions)</b>                    | <b>569</b>     | <b>564</b>     | <b>569</b>     | <b>564</b>     |
| Deductions for investments in credit institutions            | -1             | -27            | 0              | -4             |
| IRB provisions excess (+) / shortfall (-) <sup>1</sup>       | -207           | -42            | -196           | -29            |
| <b>Deductions from additional own funds</b>                  | <b>-208</b>    | <b>-69</b>     | <b>-196</b>    | <b>-33</b>     |
| <b>Tier 2 capital (net after deductions)</b>                 | <b>361</b>     | <b>495</b>     | <b>373</b>     | <b>531</b>     |
| <b>Total own funds for solvency purposes</b>                 | <b>8,607</b>   | <b>10,805</b>  | <b>8,157</b>   | <b>10,458</b>  |

<sup>1</sup> The term provision is used in the CRD when defining the basis for shortfall/provision excess. In Nordea, the term allowances is used when referring to the same treatment.

**Core tier 1 capital and tier 1 capital**

Core tier 1 capital is defined as eligible capital including eligible reserves, net of regulatory required deductions done directly to the tier 1 capital. The capital recognised as core tier 1 capital holds the ultimate characteristics for loss absorbance defined from a "going concern" perspective and is the most subordinated claim in terms of liquidation. The tier 1 capital is defined as core tier 1 capital and capital of the same or close to the character of eligible capital and eligible reserves. The tier 1 capital can include a limited part of hybrid capital loans (up to 50% of tier 1, depending on the specific terms of the instruments). Deductions mandatory for tier 1 capital will accordingly also be required as deduction in the defined core tier 1 capital.

**Eligible capital**

Paid up capital is equal to the share capital contributed by shareholders.

**Eligible reserves**

Eligible reserves consist primarily of retained earnings, other reserves, minority interest and income from current year. Retained earnings are earnings from previous years reported via the income statement. Other reserves are related to revaluation and translation reserves referred to acquisitions and associated companies under the equity method. The equity interests of minority shareholdings in companies that are fully consolidated in the financial group are also included. Positive income from current year is included as eligible capital after verification by the external auditors. However, negative income must always be included as a deduction.

**Hybrid capital loans subject to limits**

The requirement for including hybrid capital loans, or undated subordinated loans, in tier 1 capital is restricted and repurchase can normally not take place until five years after the loan was originally issued. Hybrid capital loans may be repaid only upon a decision by the Board of Directors of Nordea Bank Finland and with the permission of the Finnish FSA. Further, there are restrictions related to step-up conditions, order of priority, interest payments under constraint conditions and the level of amount that can be part of the tier 1 capital.

**Deductions from tier 1 capital**

**Proposed/actual dividend**

In relation to income for the period, the corresponding dividend should be deducted. The amount is deducted from the tier 1 capital based on the proposal from the Board of Directors of Nordea Bank Finland to be decided at the annual general meeting of Nordea Bank Finland's shareholders.

**Deferred tax assets**

In accordance with local legal requirements, deferred tax assets have been deducted from the tier 1 capital. The deducted amount is calculated based on the accounting standards relevant for the individual companies included in the financial group.

**Intangible assets**

A significant part of deducted intangible assets contains goodwill and other intangible assets related to IT software and development.

**Deductions for investments in credit institutions**

The institutions should in its capital base deduct equity holdings and some other types of contributions to institutions that are not consolidated into the financial group (in Nordea Bank Finland foremost associated companies). 50% should be deducted from tier 1 capital and 50% should be deducted from tier 2 capital.

**IRB provisions shortfall**

In accordance with Finnish legislation, the differences between the actual IRB provision made for the related exposure and the expected loss are adjusted for in the capital base. The negative difference (when the expected loss amount is larger than the provision amount) is defined as a shortfall. According to the rules in the CRD, the shortfall amount is to be deducted from the capital base and be divided equally into tier 1 capital and tier 2 capital. A positive difference (provisions exceeding expected loss) can be included in tier 2 capital subject to certain limitations (maximum 0.6% of IRB RWA).

**Tier 2 capital**

The tier 2 capital must be subordinated to depositors and general creditors of the bank. It cannot be secured or covered by a guarantee of the issuer or related entity or include any other arrangement that legally or economically enhances the seniority of the claim vis-à-vis depositors and other bank creditors.

**Tier 2 subordinated loans**

The tier 2 capital consists mainly of subordinated debt and some specific deductions. Tier 2 capital includes two different types of subordinated loan capital: undated loans and dated loans. The total tier 2 amount may not exceed the tier 1 capital amount and dated tier 2 loans may not exceed half the amount of tier 1. The limits are set net of deductions.

The basic principle for subordinated debt in the capital base is the order of priority in case of a default or bankruptcy situation. Under such conditions, the holder of the subordinated loan would be repaid after other creditors but before shareholders. The share of the outstanding loan amount that is possible to include in the tier 2 capital related to dated loans is reduced if the remaining maturity is less than five years.

The table on the next page shows the booked outstanding amounts of undated subordinated loans included in the tier 2 capital. Call date means the date when the issuer has the legal right to redeem outstanding loan amounts according the terms of agreement. The book value in the table can deviate from capital amounts used in the capital base due to swap arrangements and adjustments for maturities.

**Other tier 2 capital**

Other additional funds consist of adjustment to valuation differences in available-for-sale equities transferred to core additional own funds. Unrealised gains from equity holdings classified as available-for-sale securities can, according to regulation, only be included in tier 2 capital. Nordea has no significant holdings in this category and has only a minor impact in the tier 2 capital from such items.

**Note 39 Capital adequacy, cont.****Deductions from tier 2 capital****Deductions for investments in credit institutions**

The institutions should in its capital base deduct equity holdings and some other types of contributions to institutions that are not consolidated into the financial group (in Nordea Bank Finland foremost associated companies). 50% should be deducted from tier 1 capital and 50% should be deducted from tier 2 capital.

**IRB provisions excess (+) / shortfall**

In accordance with Finnish legislation, the differences between the actual IRB provision made for the related exposure and the expected loss are adjusted for in the capital base. The negative difference (when the expected loss amount is larger than the provision amount) is defined as a shortfall. According to the rules in the CRD, the shortfall amount is to be deducted from the capital base and be divided equally into tier 1 capital and tier 2 capital. A positive difference (provisions exceeding expected loss) can be included in tier 2 capital subject to certain limitations (maximum 0.6% of IRB RWA).

**Undated loans**

## Undated loans, tier 2

| Issuer                             | Book value<br>EURm | Capital base<br>31 Dec 2012 | Start | Maturity | Call date | Step-up |
|------------------------------------|--------------------|-----------------------------|-------|----------|-----------|---------|
| Nordea Bank Finland Plc            | 367                | 468                         | 2004  | n/a      | Jul 2014  | Y       |
| Nordea Bank Finland Plc            | 88                 | 88                          | 1999  | n/a      | Feb 2029  | Y       |
| <b>Total undated loans, tier 2</b> | <b>455</b>         | <b>556</b>                  |       |          |           |         |

**Capital requirements and RWA****Group**

| EURm                                                         | 31 Dec 2012            |               | 31 Dec 2011            |               |
|--------------------------------------------------------------|------------------------|---------------|------------------------|---------------|
|                                                              | Capital<br>requirement | RWA           | Capital<br>requirement | RWA           |
| <b>Credit risk</b>                                           | <b>2,872</b>           | <b>35,899</b> | <b>5,367</b>           | <b>67,088</b> |
| IRB                                                          | 1,163                  | 14,538        | 2,798                  | 34,972        |
| - of which corporate                                         | 408                    | 5,103         | 1,838                  | 22,972        |
| - of which institutions                                      | 439                    | 5,492         | 594                    | 7,425         |
| - of which retail                                            | 299                    | 3,732         | 346                    | 4,327         |
| - of which real estate                                       | 184                    | 2,299         | 210                    | 2,620         |
| - of which retail other                                      | 115                    | 1,433         | 137                    | 1,707         |
| - of which other                                             | 17                     | 210           | 20                     | 248           |
| Standardised                                                 | 1,709                  | 21,362        | 2,569                  | 32,116        |
| - of which sovereign                                         | 20                     | 245           | 29                     | 362           |
| - of which retail                                            | 331                    | 4,132         | 338                    | 4,226         |
| - of which residential real estate                           | 69                     | 863           | 67                     | 840           |
| - of which other                                             | 262                    | 3,269         | 271                    | 3,386         |
| - of which other                                             | 1,359                  | 16,985        | 2,202                  | 27,527        |
| <b>Market risk</b>                                           | <b>379</b>             | <b>4,732</b>  | <b>663</b>             | <b>8,291</b>  |
| - of which trading book, Internal Approach                   | 306                    | 3,829         | 460                    | 5,749         |
| - of which trading book, Standardised Approach               | 72                     | 903           | 203                    | 2,542         |
| - of which banking book, Standardised Approach               | -                      | -             | -                      | -             |
| <b>Operational risk</b>                                      | <b>408</b>             | <b>5,101</b>  | <b>415</b>             | <b>5,189</b>  |
| Standardised                                                 | 408                    | 5,101         | 415                    | 5,189         |
| <b>Subtotal</b>                                              | <b>3,659</b>           | <b>45,733</b> | <b>6,445</b>           | <b>80,567</b> |
| <b>Adjustment for transition rules</b>                       |                        |               |                        |               |
| Additional capital requirement according to transition rules | -                      | -             | -                      | -             |
| <b>Total</b>                                                 | <b>3,659</b>           | <b>45,733</b> | <b>6,445</b>           | <b>80,567</b> |

**Note 39 Capital adequacy, cont.****Capital requirements and RWA****Parent company**

| EURm                                                         | 31 Dec 2012         |               | 31 Dec 2011         |               |
|--------------------------------------------------------------|---------------------|---------------|---------------------|---------------|
|                                                              | Capital requirement | RWA           | Capital requirement | RWA           |
| <b>Credit risk</b>                                           | <b>2,507</b>        | <b>31,343</b> | <b>5,019</b>        | <b>62,738</b> |
| IRB                                                          | 1,054               | 13,175        | 2,676               | 33,452        |
| - of which corporate                                         | 305                 | 3,818         | 1,722               | 21,527        |
| - of which institutions                                      | 439                 | 5,482         | 593                 | 7,418         |
| - of which retail                                            | 299                 | 3,732         | 346                 | 4,327         |
| - of which real estate                                       | 184                 | 2,299         | 210                 | 2,620         |
| - of which retail other                                      | 115                 | 1,433         | 137                 | 1,707         |
| - of which other                                             | 11                  | 142           | 14                  | 180           |
| Standardised                                                 | 1,453               | 18,168        | 2,343               | 29,286        |
| - of which sovereign                                         | 20                  | 245           | 29                  | 362           |
| - of which retail                                            | 158                 | 1,981         | 169                 | 2,113         |
| - of which residential real estate                           | 69                  | 863           | 65                  | 818           |
| - of which other                                             | 89                  | 1,118         | 104                 | 1,294         |
| - of which other                                             | 1,275               | 15,942        | 2,145               | 26,811        |
| <b>Market risk</b>                                           | <b>379</b>          | <b>4,732</b>  | <b>663</b>          | <b>8,291</b>  |
| - of which trading book, Internal Approach                   | 306                 | 3,829         | 460                 | 5,749         |
| - of which trading book, Standardised Approach               | 72                  | 903           | 203                 | 2,542         |
| - of which banking book, Standardised Approach               | -                   | -             | -                   | -             |
| <b>Operational risk</b>                                      | <b>370</b>          | <b>4,630</b>  | <b>376</b>          | <b>4,694</b>  |
| Standardised                                                 | 370                 | 4,630         | 376                 | 4,694         |
| <b>Subtotal</b>                                              | <b>3,256</b>        | <b>40,706</b> | <b>6,058</b>        | <b>75,723</b> |
| <b>Adjustment for transition rules</b>                       |                     |               |                     |               |
| Additional capital requirement according to transition rules | -                   | -             | -                   | -             |
| <b>Total</b>                                                 | <b>3,256</b>        | <b>40,706</b> | <b>6,058</b>        | <b>75,723</b> |

Nordea Bank AB (publ) has in December 2012 issued a guarantee in favour of Nordea Bank Finland Plc where Nordea Bank AB (publ) guarantees the majority of the exposures in the exposure class IRB corporate in Nordea Bank Finland Plc. The net effect of the guarantee on RWA in Nordea Bank Finland Plc was EUR -16,5bn at the end of 2012. The reduced RWA in Nordea Bank Finland Plc enabled an extraordinary dividend payment of EUR 2.5bn from Nordea Bank Finland Plc to Nordea Bank AB (publ) in December 2012.

**Capital requirements for market risk, 31 December 2012**

| EURm                            | Trading book, IA |                     | Trading book, SA |                     |
|---------------------------------|------------------|---------------------|------------------|---------------------|
|                                 | RWA              | Capital requirement | RWA              | Capital requirement |
| Interest rate risk <sup>1</sup> | 1,190            | 95                  | 630              | 50                  |
| Equity risk                     | 43               | 3                   | 161              | 13                  |
| Foreign exchange risk           | 279              | 22                  | -                | -                   |
| Commodity risk                  | -                | -                   | 112              | 9                   |
| Diversification effect          | -734             | -59                 | -                | -                   |
| Stressed Value-at-Risk          | 1,785            | 143                 | -                | -                   |
| Incremental Risk Charge         | 766              | 61                  | -                | -                   |
| Comprehensive Risk Charge       | 500              | 40                  | -                | -                   |
| <b>Total</b>                    | <b>3,829</b>     | <b>306</b>          | <b>903</b>       | <b>72</b>           |

<sup>1</sup> Interest rate risk in column IA only includes general interest rate risk while column SA includes both general and specific interest rate risk.

**Note 39 Capital adequacy, cont.**

|                           | Banking book, SA |                     | Total        |                     |
|---------------------------|------------------|---------------------|--------------|---------------------|
|                           | RWA              | Capital requirement | RWA          | Capital requirement |
| Interest rate risk        | -                | -                   | 1,820        | 146                 |
| Equity risk               | -                | -                   | 204          | 16                  |
| Foreign exchange risk     | -                | -                   | 279          | 22                  |
| Commodity risk            | -                | -                   | 112          | 9                   |
| Diversification effect    | -                | -                   | -734         | -59                 |
| Stressed Value-at-Risk    | -                | -                   | 1,785        | 143                 |
| Incremental Risk Charge   | -                | -                   | 766          | 61                  |
| Comprehensive Risk Charge | -                | -                   | 500          | 40                  |
| <b>Total</b>              | <b>-</b>         | <b>-</b>            | <b>4,732</b> | <b>379</b>          |

**Specification over group undertakings consolidated into/deducted from the Nordea Bank Finland Group**

| 31 Dec 2012                                                                       | Number of shares | Carrying amount EURm | Voting power of holding, % | Domicile | Consolidation method |
|-----------------------------------------------------------------------------------|------------------|----------------------|----------------------------|----------|----------------------|
| <i>Group undertakings included in the NBF Group</i>                               |                  |                      |                            |          |                      |
| Nordea Finance Finland Ltd                                                        | 1,000,000        | 306                  | 100                        | Espoo    | purchase method      |
| SIA Promano Lat                                                                   | 21,084           | 30                   | 100                        | Riga     | purchase method      |
| Promano Est OÜ                                                                    | 1                | 10                   | 100                        | Tallinn  | purchase method      |
| Promano Lit UAB                                                                   | 34,528           | 10                   | 100                        | Vilnius  | purchase method      |
| SIA Realm                                                                         | 7,030            | 10                   | 100                        | Riga     | purchase method      |
| SIA Lidosta                                                                       | 2                | 1                    | 100                        | Riga     | purchase method      |
| UAB Recurso                                                                       | 8,000            | 2                    | 100                        | Vilnius  | purchase method      |
| Other companies                                                                   |                  | 4                    |                            |          | purchase method      |
| <b>Total included in the capital base</b>                                         |                  | <b>373</b>           |                            |          |                      |
| <i>Over 10% investments in credit institutions deducted from the capital base</i> |                  |                      |                            |          |                      |
| NF Fleet Oy                                                                       |                  | 2                    | 20                         | Espoo    | equity method        |
| <b>Total investments in credit institutions deducted from the capital base</b>    |                  | <b>2</b>             |                            |          |                      |

More capital adequacy information for the Group can be found in the section “Risk, liquidity and capital management” in the Directors' Report.

**Note 40 Classification of financial instruments**

| Group                                                                           | Financial assets at fair value through profit or loss |                  |                  |                                                 |                              |                    |                      | Total          |
|---------------------------------------------------------------------------------|-------------------------------------------------------|------------------|------------------|-------------------------------------------------|------------------------------|--------------------|----------------------|----------------|
|                                                                                 | Loans and receivables                                 | Held to maturity | Held for trading | Designated at fair value through profit or loss | Derivatives used for hedging | Available for sale | Non-financial assets |                |
| 31 Dec 2012, EURm                                                               |                                                       |                  |                  |                                                 |                              |                    |                      |                |
| <b>Assets</b>                                                                   |                                                       |                  |                  |                                                 |                              |                    |                      |                |
| Cash and balances with central banks                                            | 30,004                                                | -                | -                | -                                               | -                            | -                  | -                    | 30,004         |
| Loans to central banks                                                          | 285                                                   | -                | 524              | -                                               | -                            | -                  | -                    | 809            |
| Loans to credit institutions                                                    | 29,184                                                | -                | 6,834            | -                                               | -                            | -                  | -                    | 36,018         |
| Loans to the public                                                             | 74,049                                                | -                | 26,716           | -                                               | -                            | -                  | -                    | 100,765        |
| Interest-bearing securities                                                     | -                                                     | 2,373            | 18,244           | -                                               | -                            | 15,652             | -                    | 36,269         |
| Financial instruments pledged as collateral                                     | -                                                     | -                | 8,078            | -                                               | -                            | -                  | -                    | 8,078          |
| Shares                                                                          | -                                                     | -                | 818              | 20                                              | -                            | -                  | -                    | 838            |
| Derivatives                                                                     | -                                                     | -                | 116,371          | -                                               | 842                          | -                  | -                    | 117,213        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 124                                                   | -                | -                | -                                               | -                            | -                  | -                    | 124            |
| Investments in associated undertakings                                          | -                                                     | -                | -                | -                                               | -                            | -                  | 79                   | 79             |
| Intangible assets                                                               | -                                                     | -                | -                | -                                               | -                            | -                  | 108                  | 108            |
| Property and equipment                                                          | -                                                     | -                | -                | -                                               | -                            | -                  | 96                   | 96             |
| Investment property                                                             | -                                                     | -                | -                | -                                               | -                            | -                  | 104                  | 104            |
| Deferred tax assets                                                             | -                                                     | -                | -                | -                                               | -                            | -                  | 16                   | 16             |
| Current tax assets                                                              | -                                                     | -                | -                | -                                               | -                            | -                  | 1                    | 1              |
| Retirement benefit assets                                                       | -                                                     | -                | -                | -                                               | -                            | -                  | 136                  | 136            |
| Other assets                                                                    | 1,745                                                 | -                | -                | 8,370                                           | -                            | -                  | 205                  | 10,320         |
| Prepaid expenses and accrued income                                             | 353                                                   | -                | -                | -                                               | -                            | -                  | 616                  | 969            |
| <b>Total</b>                                                                    | <b>135,744</b>                                        | <b>2,373</b>     | <b>177,585</b>   | <b>8,390</b>                                    | <b>842</b>                   | <b>15,652</b>      | <b>1,361</b>         | <b>341,947</b> |

| Group                                                                           | Financial liabilities at fair value through profit or loss |                                                 |                              |                             |                           |                |
|---------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------|------------------------------|-----------------------------|---------------------------|----------------|
|                                                                                 | Held for trading                                           | Designated at fair value through profit or loss | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities | Total          |
| 31 Dec 2012, EURm                                                               |                                                            |                                                 |                              |                             |                           |                |
| <b>Liabilities</b>                                                              |                                                            |                                                 |                              |                             |                           |                |
| Deposits by credit institutions                                                 | 17,625                                                     | -                                               | 0                            | 57,041                      | -                         | 74,666         |
| Deposits and borrowings from the public                                         | 16,892                                                     | -                                               | 0                            | 53,320                      | -                         | 70,212         |
| Debt securities in issue                                                        | 8,251                                                      | -                                               | 0                            | 40,748                      | -                         | 48,999         |
| Derivatives                                                                     | 115,437                                                    | -                                               | 399                          | -                           | -                         | 115,836        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -                                                          | -                                               | -                            | 637                         | -                         | 637            |
| Current tax liabilities                                                         | -                                                          | -                                               | -                            | -                           | 4                         | 4              |
| Other liabilities                                                               | 5,151                                                      | 5,802                                           | -                            | 9,645                       | 92                        | 20,690         |
| Accrued expenses and prepaid income                                             | -                                                          | -                                               | -                            | 422                         | 524                       | 946            |
| Deferred tax liabilities                                                        | -                                                          | -                                               | -                            | -                           | 58                        | 58             |
| Provisions                                                                      | -                                                          | -                                               | -                            | -                           | 83                        | 83             |
| Retirement benefit obligations                                                  | -                                                          | -                                               | -                            | -                           | 23                        | 23             |
| Subordinated liabilities                                                        | -                                                          | -                                               | -                            | 514                         | -                         | 514            |
| <b>Total</b>                                                                    | <b>163,356</b>                                             | <b>5,802</b>                                    | <b>399</b>                   | <b>162,327</b>              | <b>784</b>                | <b>332,668</b> |



**Note 40** Classification of financial instruments, cont.

| Group                                                                           | Financial assets at fair value through profit or loss |                  |                  |                                                 | Derivatives used for hedging | Available for sale | Non-financial assets | Total          |
|---------------------------------------------------------------------------------|-------------------------------------------------------|------------------|------------------|-------------------------------------------------|------------------------------|--------------------|----------------------|----------------|
|                                                                                 | Loans and receivables                                 | Held to maturity | Held for trading | Designated at fair value through profit or loss |                              |                    |                      |                |
| 31 Dec 2011, EURm                                                               |                                                       |                  |                  |                                                 |                              |                    |                      |                |
| <b>Assets</b>                                                                   |                                                       |                  |                  |                                                 |                              |                    |                      |                |
| Cash and balances with central banks                                            | 286                                                   | -                | -                | -                                               | -                            | -                  | -                    | 286            |
| Loans to central banks                                                          | 30,725                                                | -                | 551              | -                                               | -                            | -                  | -                    | 31,276         |
| Loans to credit institutions                                                    | 41,974                                                | -                | 6,100            | -                                               | -                            | -                  | -                    | 48,074         |
| Loans to the public                                                             | 73,891                                                | -                | 25,440           | -                                               | -                            | -                  | -                    | 99,331         |
| Interest-bearing securities                                                     | -                                                     | 2,793            | 17,137           | -                                               | -                            | 10,936             | -                    | 30,866         |
| Financial instruments pledged as collateral                                     | -                                                     | -                | 8,346            | -                                               | -                            | -                  | -                    | 8,346          |
| Shares                                                                          | -                                                     | -                | 1,290            | 22                                              | -                            | -                  | -                    | 1,312          |
| Derivatives                                                                     | -                                                     | -                | 169,852          | -                                               | 376                          | -                  | -                    | 170,228        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 138                                                   | -                | -                | -                                               | -                            | -                  | -                    | 138            |
| Investments in associated undertakings                                          | -                                                     | -                | -                | -                                               | -                            | -                  | 79                   | 79             |
| Intangible assets                                                               | -                                                     | -                | -                | -                                               | -                            | -                  | 106                  | 106            |
| Property and equipment                                                          | -                                                     | -                | -                | -                                               | -                            | -                  | 124                  | 124            |
| Investment property                                                             | -                                                     | -                | -                | -                                               | -                            | -                  | 71                   | 71             |
| Deferred tax assets                                                             | -                                                     | -                | -                | -                                               | -                            | -                  | 16                   | 16             |
| Current tax assets                                                              | -                                                     | -                | -                | -                                               | -                            | -                  | 132                  | 132            |
| Retirement benefit assets                                                       | -                                                     | -                | -                | -                                               | -                            | -                  | 120                  | 120            |
| Other assets                                                                    | 1,408                                                 | -                | -                | 6,656                                           | -                            | -                  | 14                   | 8,078          |
| Prepaid expenses and accrued income                                             | 462                                                   | -                | -                | 10                                              | -                            | -                  | 232                  | 704            |
| <b>Total</b>                                                                    | <b>148,884</b>                                        | <b>2,793</b>     | <b>228,716</b>   | <b>6,688</b>                                    | <b>376</b>                   | <b>10,936</b>      | <b>894</b>           | <b>399,287</b> |

| Group                                                                           | Financial liabilities at fair value through profit or loss |                                                 | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities | Total          |
|---------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------|------------------------------|-----------------------------|---------------------------|----------------|
|                                                                                 | Held for trading                                           | Designated at fair value through profit or loss |                              |                             |                           |                |
| 31 Dec 2011, EURm                                                               |                                                            |                                                 |                              |                             |                           |                |
| <b>Liabilities</b>                                                              |                                                            |                                                 |                              |                             |                           |                |
| Deposits by credit institutions                                                 | 14,861                                                     | 9,334                                           | -                            | 51,812                      | -                         | 76,007         |
| Deposits and borrowings from the public                                         | 14,584                                                     | -                                               | -                            | 53,676                      | -                         | 68,260         |
| Debt securities in issue                                                        | 6,271                                                      | -                                               | -                            | 42,882                      | -                         | 49,153         |
| Derivatives                                                                     | 168,112                                                    | -                                               | 324                          | -                           | -                         | 168,436        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -                                                          | -                                               | -                            | 195                         | -                         | 195            |
| Current tax liabilities                                                         | -                                                          | -                                               | -                            | -                           | 0                         | 0              |
| Other liabilities                                                               | 10,732                                                     | 4,374                                           | -                            | 9,013                       | 9                         | 24,128         |
| Accrued expenses and prepaid income                                             | -                                                          | 64                                              | -                            | 353                         | 393                       | 810            |
| Deferred tax liabilities                                                        | -                                                          | -                                               | -                            | -                           | 53                        | 53             |
| Provisions                                                                      | -                                                          | -                                               | -                            | -                           | 97                        | 97             |
| Retirement benefit obligations                                                  | -                                                          | -                                               | -                            | -                           | 25                        | 25             |
| Subordinated liabilities                                                        | -                                                          | -                                               | -                            | 503                         | -                         | 503            |
| <b>Total</b>                                                                    | <b>214,560</b>                                             | <b>13,772</b>                                   | <b>324</b>                   | <b>158,434</b>              | <b>577</b>                | <b>387,667</b> |

**Note 40** Classification of financial instruments, cont.

| Parent company                                                                  | Financial assets at fair value through profit or loss      |                  |                  |                                                 |                              |                             |                           | Total          |
|---------------------------------------------------------------------------------|------------------------------------------------------------|------------------|------------------|-------------------------------------------------|------------------------------|-----------------------------|---------------------------|----------------|
|                                                                                 | Loans and receivables                                      | Held to maturity | Held for trading | Designated at fair value through profit or loss | Derivatives used for hedging | Available for sale          | Non-financial assets      |                |
| 31 Dec 2012, EURm                                                               |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| <b>Assets</b>                                                                   |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| Cash and balances with central banks                                            | 30,004                                                     | -                | -                | -                                               | -                            | -                           | -                         | 30,004         |
| Loans to central banks                                                          | 285                                                        | -                | 524              | -                                               | -                            | -                           | -                         | 809            |
| Loans to credit institutions                                                    | 34,629                                                     | -                | 6,834            | -                                               | -                            | -                           | -                         | 41,463         |
| Loans to the public                                                             | 67,597                                                     | -                | 26,716           | -                                               | -                            | -                           | -                         | 94,313         |
| Interest-bearing securities                                                     | -                                                          | 2,373            | 18,244           | -                                               | -                            | 15,652                      | -                         | 36,269         |
| Financial instruments pledged as collateral                                     | -                                                          | -                | 8,078            | -                                               | -                            | -                           | -                         | 8,078          |
| Shares                                                                          | -                                                          | -                | 818              | 17                                              | -                            | -                           | -                         | 835            |
| Derivatives                                                                     | -                                                          | -                | 116,371          | -                                               | 842                          | -                           | -                         | 117,213        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 124                                                        | -                | -                | -                                               | -                            | -                           | -                         | 124            |
| Investments in group undertakings                                               | -                                                          | -                | -                | -                                               | -                            | -                           | 373                       | 373            |
| Investments in associated undertakings                                          | -                                                          | -                | -                | -                                               | -                            | -                           | 34                        | 34             |
| Intangible assets                                                               | -                                                          | -                | -                | -                                               | -                            | -                           | 106                       | 106            |
| Property and equipment                                                          | -                                                          | -                | -                | -                                               | -                            | -                           | 59                        | 59             |
| Investment property                                                             | -                                                          | -                | -                | -                                               | -                            | -                           | 10                        | 10             |
| Deferred tax assets                                                             | -                                                          | -                | -                | -                                               | -                            | -                           | 13                        | 13             |
| Current tax assets                                                              | -                                                          | -                | -                | -                                               | -                            | -                           | -                         | -              |
| Retirement benefit assets                                                       | -                                                          | -                | -                | -                                               | -                            | -                           | 130                       | 130            |
| Other assets                                                                    | 1,715                                                      | -                | -                | 8,370                                           | -                            | -                           | 193                       | 10,278         |
| Prepaid expenses and accrued income                                             | 342                                                        | -                | -                | -                                               | -                            | -                           | 435                       | 777            |
| <b>Total</b>                                                                    | <b>134,696</b>                                             | <b>2,373</b>     | <b>177,585</b>   | <b>8,387</b>                                    | <b>842</b>                   | <b>15,652</b>               | <b>1,353</b>              | <b>340,888</b> |
|                                                                                 |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| Parent company                                                                  | Financial liabilities at fair value through profit or loss |                  |                  |                                                 |                              |                             |                           | Total          |
|                                                                                 |                                                            |                  | Held for trading | Designated at fair value through profit or loss | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities |                |
| 31 Dec 2012, EURm                                                               |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| <b>Liabilities</b>                                                              |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| Deposits by credit institutions                                                 |                                                            |                  | 17,625           | -                                               | -                            | 56,928                      | -                         | 74,553         |
| Deposits and borrowings from the public                                         |                                                            |                  | 16,892           | -                                               | -                            | 53,332                      | -                         | 70,224         |
| Debt securities in issue                                                        |                                                            |                  | 8,251            | -                                               | -                            | 40,748                      | -                         | 48,999         |
| Derivatives                                                                     |                                                            |                  | 115,437          | -                                               | 399                          | -                           | -                         | 115,836        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk |                                                            |                  | -                | -                                               | -                            | 637                         | -                         | 637            |
| Current tax liabilities                                                         |                                                            |                  | -                | -                                               | -                            | -                           | 4                         | 4              |
| Other liabilities                                                               |                                                            |                  | 5,151            | 5,802                                           | -                            | 9,500                       | 22                        | 20,475         |
| Accrued expenses and prepaid income                                             |                                                            |                  | -                | -                                               | -                            | 417                         | 327                       | 744            |
| Deferred tax liabilities                                                        |                                                            |                  | -                | -                                               | -                            | -                           | -                         | -              |
| Provisions                                                                      |                                                            |                  | -                | -                                               | -                            | -                           | 79                        | 79             |
| Retirement benefit obligations                                                  |                                                            |                  | -                | -                                               | -                            | -                           | 23                        | 23             |
| Subordinated liabilities                                                        |                                                            |                  | -                | -                                               | -                            | 514                         | -                         | 514            |
| <b>Total</b>                                                                    |                                                            |                  | <b>163,356</b>   | <b>5,802</b>                                    | <b>399</b>                   | <b>162,076</b>              | <b>455</b>                | <b>332,088</b> |

**Note 40** Classification of financial instruments, cont.

| Parent company                                                                  | Financial assets at fair value through profit or loss      |                  |                  |                                                 |                              |                             |                           | Total          |
|---------------------------------------------------------------------------------|------------------------------------------------------------|------------------|------------------|-------------------------------------------------|------------------------------|-----------------------------|---------------------------|----------------|
|                                                                                 | Loans and receivables                                      | Held to maturity | Held for trading | Designated at fair value through profit or loss | Derivatives used for hedging | Available for sale          | Non-financial assets      |                |
| 31 Dec 2011, EURm                                                               |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| <b>Assets</b>                                                                   |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| Cash and balances with central banks                                            | 286                                                        | -                | -                | -                                               | -                            | -                           | -                         | 286            |
| Loans to central banks                                                          | 30,725                                                     | -                | 551              | -                                               | -                            | -                           | -                         | 31,276         |
| Loans to credit institutions                                                    | 47,321                                                     | -                | 6,100            | -                                               | -                            | -                           | -                         | 53,421         |
| Loans to the public                                                             | 67,658                                                     | -                | 25,439           | -                                               | -                            | -                           | -                         | 93,097         |
| Interest-bearing securities                                                     | -                                                          | 2,793            | 17,137           | -                                               | -                            | 10,936                      | -                         | 30,866         |
| Financial instruments pledged as collateral                                     | -                                                          | -                | 8,346            | -                                               | -                            | -                           | -                         | 8,346          |
| Shares                                                                          | -                                                          | -                | 1,289            | 20                                              | -                            | -                           | -                         | 1,309          |
| Derivatives                                                                     | -                                                          | -                | 169,852          | -                                               | 376                          | -                           | -                         | 170,228        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 138                                                        | -                | -                | -                                               | -                            | -                           | -                         | 138            |
| Investments in group undertakings                                               | -                                                          | -                | -                | -                                               | -                            | -                           | 370                       | 370            |
| Investments in associated undertakings                                          | -                                                          | -                | -                | -                                               | -                            | -                           | 34                        | 34             |
| Intangible assets                                                               | -                                                          | -                | -                | -                                               | -                            | -                           | 103                       | 103            |
| Property and equipment                                                          | -                                                          | -                | -                | -                                               | -                            | -                           | 69                        | 69             |
| Investment property                                                             | -                                                          | -                | -                | -                                               | -                            | -                           | 10                        | 10             |
| Deferred tax assets                                                             | -                                                          | -                | -                | -                                               | -                            | -                           | 12                        | 12             |
| Current tax assets                                                              | -                                                          | -                | -                | -                                               | -                            | -                           | 131                       | 131            |
| Retirement benefit assets                                                       | -                                                          | -                | -                | -                                               | -                            | -                           | 113                       | 113            |
| Other assets                                                                    | 1,388                                                      | -                | -                | 6,656                                           | -                            | -                           | 12                        | 8,056          |
| Prepaid expenses and accrued income                                             | 458                                                        | -                | -                | 10                                              | -                            | -                           | 56                        | 524            |
| <b>Total</b>                                                                    | <b>147,974</b>                                             | <b>2,793</b>     | <b>228,714</b>   | <b>6,686</b>                                    | <b>376</b>                   | <b>10,936</b>               | <b>910</b>                | <b>398,389</b> |
|                                                                                 |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| Parent company                                                                  | Financial liabilities at fair value through profit or loss |                  |                  |                                                 |                              |                             |                           | Total          |
|                                                                                 |                                                            |                  | Held for trading | Designated at fair value through profit or loss | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities |                |
| 31 Dec 2011, EURm                                                               |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| <b>Liabilities</b>                                                              |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| Deposits by credit institutions                                                 |                                                            |                  | 14,861           | 9,334                                           | -                            | 51,724                      | -                         | 75,919         |
| Deposits and borrowings from the public                                         |                                                            |                  | 14,584           | -                                               | -                            | 53,681                      | -                         | 68,265         |
| Debt securities in issue                                                        |                                                            |                  | 6,271            | -                                               | -                            | 42,882                      | -                         | 49,153         |
| Derivatives                                                                     |                                                            |                  | 168,112          | -                                               | 324                          | -                           | -                         | 168,436        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk |                                                            |                  | -                | -                                               | -                            | 195                         | -                         | 195            |
| Current tax liabilities                                                         |                                                            |                  | -                | -                                               | -                            | -                           | 0                         | 0              |
| Other liabilities                                                               |                                                            |                  | 10,732           | 4,374                                           | -                            | 8,876                       | 8                         | 23,990         |
| Accrued expenses and prepaid income                                             |                                                            |                  | -                | 64                                              | -                            | 349                         | 202                       | 615            |
| Deferred tax liabilities                                                        |                                                            |                  | -                | -                                               | -                            | -                           | -                         | -              |
| Provisions                                                                      |                                                            |                  | -                | -                                               | -                            | -                           | 94                        | 94             |
| Retirement benefit obligations                                                  |                                                            |                  | -                | -                                               | -                            | -                           | 25                        | 25             |
| Subordinated liabilities                                                        |                                                            |                  | -                | -                                               | -                            | 503                         | -                         | 503            |
| <b>Total</b>                                                                    |                                                            |                  | <b>214,560</b>   | <b>13,772</b>                                   | <b>324</b>                   | <b>158,210</b>              | <b>329</b>                | <b>387,195</b> |

**Note 40 Classification of financial instruments, cont.****Changes in fair values attributable to changes in credit risk**

The financial liabilities designated at fair value through profit or loss exposed to changes in credit risk of the comparison year are related to the funding of the Markets operation. The funding of Markets is generally of such a short term nature that the effect of changes in own credit risk is not significant.

**Comparison of carrying amount and contractual amount to be paid at maturity**

|                                                            | Group           |                               | Parent company  |                               |
|------------------------------------------------------------|-----------------|-------------------------------|-----------------|-------------------------------|
|                                                            | Carrying amount | Amount to be paid at maturity | Carrying amount | Amount to be paid at maturity |
| 31 Dec 2012, EURm                                          |                 |                               |                 |                               |
| Financial liabilities at fair value through profit or loss | -               | -                             | -               | -                             |

|                                                            | Group           |                               | Parent company  |                               |
|------------------------------------------------------------|-----------------|-------------------------------|-----------------|-------------------------------|
|                                                            | Carrying amount | Amount to be paid at maturity | Carrying amount | Amount to be paid at maturity |
| 31 Dec 2011, EURm                                          |                 |                               |                 |                               |
| Financial liabilities at fair value through profit or loss | 9,334           | 9,334                         | 9,334           | 9,334                         |

**Note 41 Assets and liabilities at fair value**

| Group                                                                           | 31 Dec 2012     |                | 31 Dec 2011     |                |
|---------------------------------------------------------------------------------|-----------------|----------------|-----------------|----------------|
|                                                                                 | Carrying amount | Fair value     | Carrying amount | Fair value     |
| EURm                                                                            |                 |                |                 |                |
| <b>Assets</b>                                                                   |                 |                |                 |                |
| Cash and balances with central banks                                            | 30,004          | 30,004         | 286             | 286            |
| Loans to central banks                                                          | 809             | 809            | 31,276          | 31,276         |
| Loans to credit institutions                                                    | 36,018          | 36,149         | 48,074          | 48,068         |
| Loans to the public                                                             | 100,765         | 100,858        | 99,331          | 99,446         |
| Interest-bearing securities                                                     | 36,269          | 36,274         | 30,866          | 30,870         |
| Financial instruments pledged as collateral                                     | 8,078           | 8,078          | 8,346           | 8,346          |
| Shares                                                                          | 838             | 838            | 1,312           | 1,312          |
| Derivatives                                                                     | 117,213         | 117,213        | 170,228         | 170,228        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 124             | 124            | 138             | 138            |
| Investments in associated undertakings                                          | 79              | 79             | 79              | 79             |
| Intangible assets                                                               | 108             | 108            | 106             | 106            |
| Property and equipment                                                          | 96              | 96             | 124             | 124            |
| Investment property                                                             | 104             | 104            | 71              | 71             |
| Deferred tax assets                                                             | 16              | 16             | 16              | 16             |
| Current tax assets                                                              | 1               | 1              | 132             | 132            |
| Retirement benefit assets                                                       | 136             | 136            | 120             | 120            |
| Other assets                                                                    | 10,320          | 10,320         | 8,078           | 8,079          |
| Prepaid expenses and accrued income                                             | 969             | 969            | 704             | 704            |
| <b>Total assets</b>                                                             | <b>341,947</b>  | <b>342,176</b> | <b>399,287</b>  | <b>399,401</b> |
| <b>Liabilities</b>                                                              |                 |                |                 |                |
| Deposits by credit institutions                                                 | 74,666          | 74,317         | 76,007          | 75,987         |
| Deposits and borrowings from the public                                         | 70,212          | 70,172         | 68,260          | 68,191         |
| Debt securities in issue                                                        | 48,999          | 48,726         | 49,153          | 48,952         |
| Derivatives                                                                     | 115,836         | 115,836        | 168,436         | 168,436        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 637             | 637            | 195             | 195            |
| Current tax liabilities                                                         | 4               | 4              | 0               | 0              |
| Other liabilities                                                               | 20,690          | 20,690         | 24,128          | 24,128         |
| Accrued expenses and prepaid income                                             | 946             | 946            | 810             | 810            |
| Deferred tax liabilities                                                        | 58              | 58             | 53              | 53             |
| Provisions                                                                      | 83              | 83             | 97              | 97             |
| Retirement benefit obligation                                                   | 23              | 23             | 25              | 25             |
| Subordinated liabilities                                                        | 514             | 514            | 503             | 503            |
| <b>Total liabilities</b>                                                        | <b>332,668</b>  | <b>332,006</b> | <b>387,667</b>  | <b>387,377</b> |

**Note 41 Assets and liabilities at fair value, cont.****Parent company**

| EURm                                                                            | 31 Dec 2012     |                | 31 Dec 2011     |                |
|---------------------------------------------------------------------------------|-----------------|----------------|-----------------|----------------|
|                                                                                 | Carrying amount | Fair value     | Carrying amount | Fair value     |
| <b>Assets</b>                                                                   |                 |                |                 |                |
| Cash and balances with central banks                                            | 30,004          | 30,004         | 286             | 286            |
| Loans to central banks                                                          | 809             | 809            | 31,276          | 31,276         |
| Loans to credit institutions                                                    | 41,463          | 41,594         | 53,421          | 53,415         |
| Loans to the public                                                             | 94,313          | 94,401         | 93,097          | 93,205         |
| Interest-bearing securities                                                     | 36,269          | 36,274         | 30,866          | 30,870         |
| Financial instruments pledged as collateral                                     | 8,078           | 8,078          | 8,346           | 8,346          |
| Shares                                                                          | 835             | 835            | 1,309           | 1,309          |
| Derivatives                                                                     | 117,213         | 117,213        | 170,228         | 170,228        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 124             | 124            | 138             | 138            |
| Investments in group undertakings                                               | 373             | 373            | 370             | 370            |
| Investments in associated undertakings                                          | 34              | 34             | 34              | 34             |
| Intangible assets                                                               | 106             | 106            | 103             | 103            |
| Property and equipment                                                          | 59              | 59             | 69              | 69             |
| Investment property                                                             | 10              | 10             | 10              | 10             |
| Deferred tax assets                                                             | 13              | 13             | 12              | 12             |
| Current tax assets                                                              | -               | -              | 131             | 131            |
| Retirement benefit assets                                                       | 130             | 130            | 113             | 113            |
| Other assets                                                                    | 10,278          | 10,278         | 8,056           | 8,056          |
| Prepaid expenses and accrued income                                             | 777             | 777            | 524             | 524            |
| <b>Total assets</b>                                                             | <b>340,888</b>  | <b>341,112</b> | <b>398,389</b>  | <b>398,495</b> |
| <b>Liabilities</b>                                                              |                 |                |                 |                |
| Deposits by credit institutions                                                 | 74,553          | 74,204         | 75,919          | 75,899         |
| Deposits and borrowings from the public                                         | 70,224          | 70,184         | 68,265          | 68,197         |
| Debt securities in issue                                                        | 48,999          | 48,726         | 49,153          | 48,952         |
| Derivatives                                                                     | 115,836         | 115,836        | 168,436         | 168,436        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 637             | 637            | 195             | 195            |
| Current tax liabilities                                                         | 4               | 4              | -               | -              |
| Other liabilities                                                               | 20,475          | 20,475         | 23,990          | 23,990         |
| Accrued expenses and prepaid income                                             | 744             | 744            | 615             | 615            |
| Provisions                                                                      | 79              | 79             | 94              | 94             |
| Retirement benefit obligations                                                  | 23              | 23             | 25              | 25             |
| Subordinated liabilities                                                        | 514             | 514            | 503             | 503            |
| <b>Total liabilities</b>                                                        | <b>332,088</b>  | <b>331,426</b> | <b>387,195</b>  | <b>386,906</b> |

**Note 41 Assets and liabilities at fair value, cont.****Estimation of fair value for assets and liabilities**

Financial assets and financial liabilities in the balance sheet are generally measured at fair value, with the exception of loans, deposits and borrowings and issued securities.

The carrying amounts on loans, deposits and borrowings and issued securities are adjusted for the value of the fixed interest term, unless the interest rate is hedged, in order to estimate the fair values that are presented in the tables on previous pages. The value of the fixed interest term is a result of changes in the relevant market interest rates. The discount rates used are based on current market rates for each term. The fair value of the hedged interest rate risk is included in the balance sheet item "Fair value changes of the hedged items in portfolio hedge of interest rate risk".

Fair value is estimated to be equal to the carrying amount for short-term financial assets and financial liabilities. The carrying amount is a reasonable approximation of fair value due to limited credit risk and short time to maturity.

Fair value is set to carrying amount, in the tables on previous pages, for assets and liabilities for which no reliable fair value has been possible to estimate. This is valid for the line items investments in associated undertakings, investments in group undertakings, intangible assets, property and equipment and provisions.

Nordea holds very limited amounts of equity instruments measured at cost. Fair value is set to carrying amount for these instruments as the fair value cannot be measured reliably.

For further information about valuation of items normally measured at fair value, see Note 1.

**Deferred Day 1 profit or loss**

In accordance with the Group's accounting policy as described in Note 1, if there are significant unobservable inputs used in the valuation technique, the financial instrument is recognised at the transaction price and any trade date profit is deferred. The table below shows the aggregate difference yet to be recognised in the income statement at the beginning and end of the period and a reconciliation of changes in the balance of this difference (movement of deferred Day 1 profit or loss).

|                                                    | Group          |                | Parent company |                |
|----------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                    | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                                               |                |                |                |                |
| Amount at beginning of year                        | -47            | -42            | -47            | -42            |
| Deferred profit/loss on new transactions           | -8             | -20            | -8             | -20            |
| Recognised in the income statement during the year | 12             | 15             | 12             | 15             |
| <b>Amount at end of year</b>                       | <b>-43</b>     | <b>-47</b>     | <b>-43</b>     | <b>-47</b>     |

**Determination of fair value from quoted market prices or valuation techniques**

Fair value measurements are categorised using a fair value hierarchy.

The financial instruments carried at fair value have been categorised under the three levels of the IFRS fair value hierarchy that reflects the significance of inputs. The categorisation of these instruments is based on the lowest level input that is significant to the fair value measurement in its entirety. To categorise the instruments into the three levels, the relevant pricing models for each product are considered in combination with used input market data, the significance of derived input data, the complexity of the model and the accessible pricing data to verify model input. Although the complexity of the model is considered, a high complexity does not by default require that products are categorised into level 3.

It is the use of model parameters and the extent of unobservability that defines the fair value hierarchy levels. For bonds the categorisation into the three levels is based on the internal pricing methodology. The bonds can either be directly quoted in active markets (level 1) or measured using a methodology giving a quote based on observable inputs (level 2). Level 3 bonds are characterised by illiquidity.

Valuations of Private Equity Funds (PEF) and unlisted equities will in nature be more uncertain than valuations of more actively traded equity instruments. Emphasis is put on using a consistent approach across all assets and over time. The methods are consistent with the guideline "International Private Equity and Venture Capital Valuation Guidelines" issued by EVCA (European Venture Capital Association). The EVCA guidelines are considered as best practice in the PEF industry. For US based funds, similar methods are applied.

Level 1 consist of financial assets and financial liabilities valued using unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. This category includes listed derivatives, listed equities, government bonds in developed countries, and most liquid mortgage bonds and corporate bonds where direct tradable price quotes exist.

Level 2 consists of financial assets and financial liabilities which do not have directly quoted market prices available from an active market. The fair values are estimated using a valuation technique or valuation model based on market prices or rates prevailing at the balance sheet date and any unobservable inputs are insignificant in the fair value. This is the case for the majority of NBF's OTC derivatives, securities purchased/sold under resale/repurchase agreements, securities borrowed/loaned and other instruments where an active market supplies the input to the valuation technique or model.

Level 3 consists of those types of financial instruments for which fair values cannot be obtained directly from quoted market prices or indirectly using valuation techniques or models supported by observable market prices or rates. This is generally the case for investments in unlisted securities, private equity funds, hedge funds and both more complex or less active markets supplying input to the technique or model for OTC derivatives, certain complex or structured financial instruments such as CLNs and CDOs, and illiquid bonds.

**Note 41 Assets and liabilities at fair value, cont.**

The following table presents the valuation methods used to determine fair values of financial instruments carried at fair value.

**Group**

| 31 Dec 2012, EURm                           | Quoted prices in<br>active markets for<br>same instrument<br>(Level 1) | Valuation<br>technique using<br>observable data<br>(Level 2) | Valuation<br>technique using<br>non-observable<br>data<br>(Level 3) | Total   |
|---------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------|---------|
| <b>Assets</b>                               |                                                                        |                                                              |                                                                     |         |
| Loans to central banks                      | -                                                                      | 524                                                          | -                                                                   | 524     |
| Loans to credit institutions                | -                                                                      | 6,834                                                        | -                                                                   | 6,834   |
| Loans to the public                         | -                                                                      | 26,716                                                       | -                                                                   | 26,716  |
| Debt securities                             | 14,968                                                                 | 18,651                                                       | 277                                                                 | 33,896  |
| Financial instruments pledged as collateral | 7,242                                                                  | 836                                                          | 0                                                                   | 8,078   |
| Shares                                      | 311                                                                    | -                                                            | 527                                                                 | 838     |
| Derivatives                                 | 42                                                                     | 115,241                                                      | 1,930                                                               | 117,213 |
| Other assets                                | -                                                                      | 8,370                                                        | -                                                                   | 8,370   |
| Prepaid expenses and accrued income         | -                                                                      | -                                                            | -                                                                   | -       |
| <b>Liabilities</b>                          |                                                                        |                                                              |                                                                     |         |
| Deposits by credit institutions             | -                                                                      | 17,625                                                       | -                                                                   | 17,625  |
| Deposits and borrowings from the public     | -                                                                      | 16,892                                                       | -                                                                   | 16,892  |
| Debt securities in issue                    | -                                                                      | 8,251                                                        | -                                                                   | 8,251   |
| Derivatives                                 | 36                                                                     | 114,139                                                      | 1,661                                                               | 115,836 |
| Other liabilities                           | 4,759                                                                  | 6,194                                                        | -                                                                   | 10,953  |
| Accrued expenses and prepaid income         | -                                                                      | -                                                            | -                                                                   | -       |

| 31 Dec 2011, EURm                           | Quoted prices in<br>active markets for<br>same instrument<br>(Level 1) | Valuation<br>technique using<br>observable data<br>(Level 2) | Valuation<br>technique using<br>non-observable<br>data<br>(Level 3) | Total   |
|---------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------|---------|
| <b>Assets</b>                               |                                                                        |                                                              |                                                                     |         |
| Loans to central banks                      | -                                                                      | 551                                                          | -                                                                   | 551     |
| Loans to credit institutions                | -                                                                      | 6,100                                                        | -                                                                   | 6,100   |
| Loans to the public                         | -                                                                      | 25,440                                                       | -                                                                   | 25,440  |
| Debt securities                             | 20,288                                                                 | 7,577                                                        | 208                                                                 | 28,073  |
| Financial instruments pledged as collateral | 7,858                                                                  | 487                                                          | 1                                                                   | 8,346   |
| Shares                                      | 662                                                                    | 0                                                            | 650                                                                 | 1,312   |
| Derivatives                                 | 75                                                                     | 169,087                                                      | 1,066                                                               | 170,228 |
| Other assets                                | -                                                                      | 6,656                                                        | -                                                                   | 6,656   |
| Prepaid expenses and accrued income         | -                                                                      | 10                                                           | -                                                                   | 10      |
| <b>Liabilities</b>                          |                                                                        |                                                              |                                                                     |         |
| Deposits by credit institutions             | -                                                                      | 24,195                                                       | -                                                                   | 24,195  |
| Deposits and borrowings from the public     | -                                                                      | 14,584                                                       | -                                                                   | 14,584  |
| Debt securities in issue                    | -                                                                      | 6,271                                                        | -                                                                   | 6,271   |
| Derivatives                                 | 64                                                                     | 167,103                                                      | 1,269                                                               | 168,436 |
| Other liabilities                           | 8,213                                                                  | 6,893                                                        | -                                                                   | 15,106  |
| Accrued expenses and prepaid income         | -                                                                      | 64                                                           | -                                                                   | 64      |

**Note 41 Assets and liabilities at fair value, cont.****Parent company**

| 31 Dec 2012, EURm                           | Quoted prices in<br>active markets for<br>same instrument<br>(Level 1) | Valuation<br>technique using<br>observable data<br>(Level 2) | Valuation<br>technique using<br>non-observable<br>data<br>(Level 3) | Total   |
|---------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------|---------|
| <b>Assets</b>                               |                                                                        |                                                              |                                                                     |         |
| Loans to central banks                      | -                                                                      | 524                                                          | -                                                                   | 524     |
| Loans to credit institutions                | -                                                                      | 6,834                                                        | -                                                                   | 6,834   |
| Loans to the public                         | -                                                                      | 26,716                                                       | -                                                                   | 26,716  |
| Debt securities                             | 14,968                                                                 | 18,651                                                       | 277                                                                 | 33,896  |
| Financial instruments pledged as collateral | 7,242                                                                  | 836                                                          | 0                                                                   | 8,078   |
| Shares                                      | 308                                                                    | -                                                            | 527                                                                 | 835     |
| Derivatives                                 | 42                                                                     | 115,241                                                      | 1,930                                                               | 117,213 |
| Other assets                                | -                                                                      | 8,370                                                        | -                                                                   | 8,370   |
| Prepaid expenses and accrued income         | -                                                                      | -                                                            | -                                                                   | -       |
| <b>Liabilities</b>                          |                                                                        |                                                              |                                                                     |         |
| Deposits by credit institutions             | -                                                                      | 17,625                                                       | -                                                                   | 17,625  |
| Deposits and borrowings from the public     | -                                                                      | 16,892                                                       | -                                                                   | 16,892  |
| Debt securities in issue                    | -                                                                      | 8,251                                                        | -                                                                   | 8,251   |
| Derivatives                                 | 36                                                                     | 114,139                                                      | 1,661                                                               | 115,836 |
| Other liabilities                           | 4,759                                                                  | 6,194                                                        | -                                                                   | 10,953  |
| Accrued expenses and prepaid income         | -                                                                      | -                                                            | -                                                                   | -       |

| 31 Dec 2011, EURm                           | Quoted prices in<br>active markets for<br>same instrument<br>(Level 1) | Valuation<br>technique using<br>observable data<br>(Level 2) | Valuation<br>technique using<br>non-observable<br>data<br>(Level 3) | Total   |
|---------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------|---------|
| <b>Assets</b>                               |                                                                        |                                                              |                                                                     |         |
| Loans to central banks                      | -                                                                      | 551                                                          | -                                                                   | 551     |
| Loans to credit institutions                | -                                                                      | 6,100                                                        | -                                                                   | 6,100   |
| Loans to the public                         | -                                                                      | 25,439                                                       | -                                                                   | 25,439  |
| Debt securities                             | 20,288                                                                 | 7,577                                                        | 208                                                                 | 28,073  |
| Financial instruments pledged as collateral | 7,858                                                                  | 487                                                          | 1                                                                   | 8,346   |
| Shares                                      | 659                                                                    | -                                                            | 650                                                                 | 1,309   |
| Derivatives                                 | 75                                                                     | 169,087                                                      | 1,066                                                               | 170,228 |
| Other assets                                | -                                                                      | 6,656                                                        | -                                                                   | 6,656   |
| Prepaid expenses and accrued income         | -                                                                      | 10                                                           | -                                                                   | 10      |
| <b>Liabilities</b>                          |                                                                        |                                                              |                                                                     |         |
| Deposits by credit institutions             | -                                                                      | 24,195                                                       | -                                                                   | 24,195  |
| Deposits and borrowings from the public     | -                                                                      | 14,584                                                       | -                                                                   | 14,584  |
| Debt securities in issue                    | -                                                                      | 6,271                                                        | -                                                                   | 6,271   |
| Derivatives                                 | 64                                                                     | 167,103                                                      | 1,269                                                               | 168,436 |
| Other liabilities                           | 8,213                                                                  | 6,893                                                        | -                                                                   | 15,106  |
| Accrued expenses and prepaid income         | -                                                                      | 64                                                           | -                                                                   | 64      |



**Note 41 Assets and liabilities at fair value, cont.****Transfers between level 1 and 2**

During the year, Nordea Bank Finland transferred debt securities of EUR 2,982m (1,158m) from level 1 to level 2 and EUR 997m (0) from level 2 to level 1 of the fair value hierarchy for financial assets and liabilities which are recorded at fair value. The reason for the transfers from level 1 to level 2 was that the instruments ceased to be actively traded during the year and fair values have now been obtained using valuation techniques with observable market inputs. The reason for the transfer from level 2 to level 1 was that the instruments have again been actively traded during the year and reliable quoted prices are obtained in the market.

**Movements in level 3**

The following table shows a reconciliation of the opening and closing carrying amount of level 3 financial assets and liabilities recognised at fair value.

**Group**

| 31 Dec 2012, EURm                        | 1 Jan 2012 | Fair value gains/losses<br>recognised in the income<br>statement during the year |                         | Purchases | Sales |
|------------------------------------------|------------|----------------------------------------------------------------------------------|-------------------------|-----------|-------|
|                                          |            | Realised                                                                         | Unrealised <sup>1</sup> |           |       |
| <b>Assets</b>                            |            |                                                                                  |                         |           |       |
| Debt securities                          | 208        | -6                                                                               | 14                      | 91        | -36   |
| Shares                                   | 650        | -27                                                                              | 3                       | 145       | -292  |
| Derivatives (net assets and liabilities) | -203       | -263                                                                             | 472                     | -         | -     |

| 31 Dec 2012, EURm                        | Settlements | Transfers into<br>level 3 | Transfers out<br>from level 3 | Translation<br>differences | 31 Dec 2012 |
|------------------------------------------|-------------|---------------------------|-------------------------------|----------------------------|-------------|
| <b>Assets</b>                            |             |                           |                               |                            |             |
| Debt securities                          | 6           | -                         | -                             | 0                          | 277         |
| Shares                                   | 0           | -                         | -                             | 46                         | 527         |
| Derivatives (net assets and liabilities) | 263         | -                         | -                             | 0                          | 269         |

<sup>1</sup> Relates to those assets and liabilities held at the end of the reporting period.

| 31 Dec 2011, EURm                        | 1 Jan 2011 | Fair value gains/losses<br>recognised in the income<br>statement during the year |                         | Purchases | Sales |
|------------------------------------------|------------|----------------------------------------------------------------------------------|-------------------------|-----------|-------|
|                                          |            | Realised                                                                         | Unrealised <sup>1</sup> |           |       |
| <b>Assets</b>                            |            |                                                                                  |                         |           |       |
| Debt securities                          | -          | 0                                                                                | 11                      | 307       | -110  |
| Shares                                   | 923        | 16                                                                               | -38                     | 248       | -301  |
| Derivatives (net assets and liabilities) | 15         | 494                                                                              | -200                    | -         | -4    |

| 31 Dec 2011, EURm                        | Settlements | Transfers into<br>level 3 | Transfers out<br>from level 3 | Translation<br>differences | 31 Dec 2011 |
|------------------------------------------|-------------|---------------------------|-------------------------------|----------------------------|-------------|
| <b>Assets</b>                            |             |                           |                               |                            |             |
| Debt securities                          | 0           | 0                         | -                             | -                          | 208         |
| Shares                                   | -           | -                         | -                             | -198                       | 650         |
| Derivatives (net assets and liabilities) | -494        | -15                       | -                             | 1                          | -203        |

<sup>1</sup> Relates to those assets and liabilities held at the end of the reporting period.

Fair value gains/losses recognised in the income statement during the year are included in "Net result from items at fair value" (see Note 5).

**Note 41 Assets and liabilities at fair value, cont.****Parent company**

| 31 Dec 2012, EURm                        | 1 Jan 2012 | Fair value gains/losses<br>recognised in the income<br>statement during the year |                         | Purchases | Sales |
|------------------------------------------|------------|----------------------------------------------------------------------------------|-------------------------|-----------|-------|
|                                          |            | Realised                                                                         | Unrealised <sup>1</sup> |           |       |
| <b>Assets</b>                            |            |                                                                                  |                         |           |       |
| Debt securities                          | 208        | -6                                                                               | 14                      | 91        | -36   |
| Shares                                   | 650        | -27                                                                              | 3                       | 145       | -292  |
| Derivatives (net assets and liabilities) | -203       | -264                                                                             | 472                     | -         | -     |

| 31 Dec 2012, EURm                        | Settlements | Transfers into<br>level 3 | Transfers out<br>from level 3 | Translation<br>differences | 31 Dec 2012 |
|------------------------------------------|-------------|---------------------------|-------------------------------|----------------------------|-------------|
| <b>Assets</b>                            |             |                           |                               |                            |             |
| Debt securities                          | 6           | -                         | -                             | -                          | 277         |
| Shares                                   | -           | -                         | -                             | 46                         | 527         |
| Derivatives (net assets and liabilities) | 264         | -                         | -                             | -                          | 269         |

<sup>1</sup> Relates to those assets and liabilities held at the end of the reporting period.

| 31 Dec 2011, EURm                        | 1 Jan 2011 | Fair value gains/losses<br>recognised in the income<br>statement during the year |                         | Purchases | Sales |
|------------------------------------------|------------|----------------------------------------------------------------------------------|-------------------------|-----------|-------|
|                                          |            | Realised                                                                         | Unrealised <sup>1</sup> |           |       |
| <b>Assets</b>                            |            |                                                                                  |                         |           |       |
| Debt securities                          | -          | 0                                                                                | 11                      | 307       | -110  |
| Shares                                   | 923        | 16                                                                               | -38                     | 248       | -301  |
| Derivatives (net assets and liabilities) | 11         | 494                                                                              | -200                    | -         | -     |

| 31 Dec 2011, EURm                        | Settlements | Transfers into<br>level 3 | Transfers out<br>from level 3 | Translation<br>differences | 31 Dec 2011 |
|------------------------------------------|-------------|---------------------------|-------------------------------|----------------------------|-------------|
| <b>Assets</b>                            |             |                           |                               |                            |             |
| Debt securities                          | 0           | 0                         | -                             | -                          | 208         |
| Shares                                   | -           | -                         | -                             | -198                       | 650         |
| Derivatives (net assets and liabilities) | -494        | -15                       | -                             | 1                          | -203        |

<sup>1</sup> Relates to those assets and liabilities held at the end of the reporting period.

**Note 41 Assets and liabilities at fair value, cont.****Sensitivity of level 3 financial instruments measured at fair value to changes in key assumptions**

Included in the fair value of financial instruments carried at fair value on the balance sheet are those estimated in full or in part using valuation techniques based on assumptions that are not supported by market observable prices or rates. There may be uncertainty about a valuation, resulting from the choice of valuation technique or model used, the assumptions embedded in those models, the extent to which inputs are not market observable, or as a result of other elements affecting the valuation technique. Portfolio adjustments are applied to reflect such uncertainties and are deducted from the fair values produced by the models or other valuation techniques (for further information see Note 1 section 10 "Determination of fair value of financial instruments").

This disclosure shows the potential impact of the relative uncertainty in the fair value of financial instruments for which the valuation is dependent on unobservable input parameters. The estimates disclosed below are likely to be greater than the true uncertainty in the fair value of these instruments, as it is unlikely in practice that all unobservable parameters would be simultaneously at the extremes of their ranges of reasonably possible alternatives. The disclosure is neither predictive nor indicative of future movements in fair value.

The following table shows the sensitivity of the fair value of level 3 instruments to changes in key assumptions, by class of instruments. Where the exposure to an unobservable parameter is offset across different instruments then only the net impact is disclosed in the table.

| 31 Dec 2012, EURm                        | Group           |                                                      |              | Parent company  |                                                      |              |
|------------------------------------------|-----------------|------------------------------------------------------|--------------|-----------------|------------------------------------------------------|--------------|
|                                          | Carrying amount | Effect of reasonably possible alternative assumption |              | Carrying amount | Effect of reasonably possible alternative assumption |              |
|                                          |                 | Favourable                                           | Unfavourable |                 | Favourable                                           | Unfavourable |
| <b>Assets</b>                            |                 |                                                      |              |                 |                                                      |              |
| Debt securities                          | 277             | 23                                                   | -23          | 277             | 23                                                   | -23          |
| Shares                                   | 527             | 39                                                   | -39          | 527             | 39                                                   | -39          |
| Derivatives (net assets and liabilities) | 269             | 20                                                   | -24          | 269             | 20                                                   | -24          |

| 31 Dec 2011, EURm                        | Group           |                                                      |              | Parent company  |                                                      |              |
|------------------------------------------|-----------------|------------------------------------------------------|--------------|-----------------|------------------------------------------------------|--------------|
|                                          | Carrying amount | Effect of reasonably possible alternative assumption |              | Carrying amount | Effect of reasonably possible alternative assumption |              |
|                                          |                 | Favourable                                           | Unfavourable |                 | Favourable                                           | Unfavourable |
| <b>Assets</b>                            |                 |                                                      |              |                 |                                                      |              |
| Debt securities                          | 208             | 21                                                   | -21          | 208             | 21                                                   | -21          |
| Shares                                   | 650             | 36                                                   | -36          | 650             | 36                                                   | -36          |
| Derivatives (net assets and liabilities) | -203            | 27                                                   | -43          | -203            | 27                                                   | -43          |

In order to calculate the effect on level 3, fair values from altering the assumptions of the valuation technique or model, the sensitivity to unobservable input data is assessed. For the derivatives portfolio, key inputs that are based on pricing model assumptions or unobservability of market data inputs are replaced with alternative estimates or assumptions, and their impact on valuation is computed. The majority of the effect on the derivatives is related to various types of correlations or correlation related inputs in credit derivatives, interest rate OTC derivatives or OTC structured equity derivatives. For the level 3 portfolios of shares and debt securities the fair value was increased and decreased within a range of 3-10 percentage units, which are assessed to be reasonable changes in market movements.

## Note 42 Transferred assets and obtained collaterals

### Transferred assets that are not derecognised in their entirety and associated liabilities

All assets transferred continue to be recognised on the balance sheet if Nordea is still exposed to changes in the fair value of the assets. This is the case for repurchase agreements and securities lending transactions.

Repurchase agreements are a form of collateralised borrowing where Nordea sells securities with an agreement to repurchase them at a later date at a fixed price. The cash received is recognised as a deposit (liability). Securities delivered under repurchase agreements are not derecognised from the balance sheet.

Securities lending transactions are transactions where Nordea lends securities it holds to a counterpart and receives a fee.

As both repurchase agreements and securities lending transactions result in the securities being returned to Nordea, all risks and rewards of the instruments transferred are retained by Nordea, although they are not available for Nordea during the period during which they are transferred. The counterpart in the transactions holds the securities as collateral, but has no recourse to other assets in Nordea.

The securities still reported in the balance sheet and the corresponding liabilities are measured at fair value.

|                                               | Group          |                | Parent company |                |
|-----------------------------------------------|----------------|----------------|----------------|----------------|
|                                               | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                                          |                |                |                |                |
| <b>Repurchase agreements</b>                  |                |                |                |                |
| Interest-bearing securities                   | 8,078          | 8,346          | 8,078          | 8,346          |
| <b>Securities lending agreements</b>          | -              | -              | -              | -              |
| <b>Securitisations</b>                        | -              | -              | -              | -              |
| <b>Total</b>                                  | <b>8,078</b>   | <b>8,346</b>   | <b>8,078</b>   | <b>8,346</b>   |
| <b>Liabilities associated with the assets</b> |                |                |                |                |
|                                               | Group          |                | Parent company |                |
|                                               | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                                          |                |                |                |                |
| <b>Repurchase agreements</b>                  |                |                |                |                |
| Deposits by credit institutions               | 2,975          | 5,064          | 2,975          | 5,064          |
| Deposits and borrowings from the public       | 5,103          | 3,282          | 5,103          | 3,282          |
| <b>Securities lending agreements</b>          | -              | -              | -              | -              |
| <b>Securitisations</b>                        | -              | -              | -              | -              |
| <b>Total</b>                                  | <b>8,078</b>   | <b>8,346</b>   | <b>8,078</b>   | <b>8,346</b>   |
| <b>Net</b>                                    | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       |

### Obtained collaterals which are permitted to be sold or repledged

NBF obtains collaterals under reverse repurchase and securities borrowing agreements which, under the terms of the agreements, can be sold or repledged. The transactions are conducted under standard agreements employed by financial markets participants. Generally, the agreements require additional collateral to be provided if the value of the securities falls below a predetermined level. Under standard terms for most repurchase transactions, the recipient of collateral has an unrestricted right to sell or repledge it, subject to returning equivalent securities on settlement of the transactions. The fair value of the securities obtained as collateral under reverse repurchase and securities borrowing agreements is disclosed below.

|                                                     | Group          |                | Parent company |                |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                     | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                                                |                |                |                |                |
| <b>Reverse repurchase agreements</b>                |                |                |                |                |
| Received collaterals which can be repledged or sold | 33,447         | 31,324         | 33,447         | 31,324         |
| - of which repledged or sold                        | 14,855         | 9,661          | 14,855         | 9,661          |
| <b>Securities borrowing agreements</b>              |                |                |                |                |
| Received collaterals which can be repledged or sold | -              | -              | -              | -              |
| - of which repledged or sold                        | -              | -              | -              | -              |
| <b>Total</b>                                        | <b>33,447</b>  | <b>31,324</b>  | <b>33,447</b>  | <b>31,324</b>  |

### Note 43 Maturity analysis for assets and liabilities

#### Group

##### Remaining maturity

| 31 Dec 2012, EURm                                                                  | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3-12<br>months | 1-5<br>years  | More<br>than<br>5 years | Without<br>fixed<br>maturity | Total          |
|------------------------------------------------------------------------------------|------|-------------------------|---------------------|----------------|---------------|-------------------------|------------------------------|----------------|
| Cash and balances with central banks                                               |      | 30,004                  | -                   | -              | -             | -                       | -                            | <b>30,004</b>  |
| Loans to central banks                                                             |      | 283                     | 526                 | -              | -             | -                       | -                            | <b>809</b>     |
| Loans to credit institutions                                                       | 13   | 2,572                   | 14,508              | 2,700          | 15,660        | 578                     | -                            | <b>36,018</b>  |
| Loans to the public                                                                | 13   | 484                     | 34,006              | 10,937         | 25,328        | 30,010                  | -                            | <b>100,765</b> |
| Interest bearing securities                                                        | 14   | -                       | 8,943               | 4,051          | 19,990        | 3,285                   | -                            | <b>36,269</b>  |
| Financial instruments pledged as collateral                                        | 15   | -                       | 776                 | 3,109          | 3,605         | 588                     | -                            | <b>8,078</b>   |
| Derivatives                                                                        | 17   | -                       | 5,388               | 5,287          | 32,070        | 74,468                  | -                            | <b>117,213</b> |
| Fair value changes of the hedged items in<br>portfolio hedge of interest rate risk | 18   | -                       | 0                   | -1             | 49            | 76                      | -                            | <b>124</b>     |
| <b>Total assets with fixed maturities</b>                                          |      | <b>33,343</b>           | <b>64,147</b>       | <b>26,083</b>  | <b>96,702</b> | <b>109,005</b>          | -                            | <b>329,280</b> |
| Other assets                                                                       | 25   | -                       | -                   | -              | -             | -                       | 12,667                       | <b>12,667</b>  |
| <b>Total assets</b>                                                                |      | <b>33,343</b>           | <b>64,147</b>       | <b>26,083</b>  | <b>96,702</b> | <b>109,005</b>          | <b>12,667</b>                | <b>341,947</b> |
| Deposits by credit institutions                                                    | 27   | 9,954                   | 50,473              | 7,746          | 4,420         | 2,073                   | -                            | <b>74,666</b>  |
| Deposits and borrowings from the public                                            | 28   | 53,285                  | 15,304              | 1,623          | 0             | 0                       | -                            | <b>70,212</b>  |
| - of which deposits                                                                |      | 53,285                  | -                   | -              | 0             | -                       | -                            | 53,285         |
| - of which borrowings                                                              |      | -                       | 15,304              | 1,623          | 0             | 0                       | -                            | 16,927         |
| Debt securities in issue                                                           | 29   | -                       | 17,635              | 11,010         | 16,449        | 3,905                   | -                            | <b>48,999</b>  |
| - of which debt securities in issue                                                |      | -                       | 17,635              | 11,010         | 16,449        | 3,905                   | -                            | 48,999         |
| - of which other                                                                   |      | -                       | -                   | -              | -             | -                       | -                            | -              |
| Derivatives                                                                        | 17   | -                       | 6,166               | 5,644          | 34,255        | 69,771                  | -                            | <b>115,836</b> |
| Fair value changes of the hedged items in<br>portfolio hedge of interest rate risk | 18   | -                       | -1                  | -8             | 274           | 372                     | -                            | <b>637</b>     |
| Subordinated liabilities                                                           | 34   | -                       | -                   | -              | 392           | 122                     | -                            | <b>514</b>     |
| <b>Total liabilities with fixed maturities</b>                                     |      | <b>63,239</b>           | <b>89,577</b>       | <b>26,015</b>  | <b>55,790</b> | <b>76,243</b>           | -                            | <b>310,864</b> |
| Other liabilities                                                                  | 30   | -                       | -                   | -              | -             | -                       | 21,804                       | <b>21,804</b>  |
| Equity                                                                             |      | -                       | -                   | -              | -             | -                       | 9,279                        | <b>9,279</b>   |
| <b>Total liabilities and equity</b>                                                |      | <b>63,239</b>           | <b>89,577</b>       | <b>26,015</b>  | <b>55,790</b> | <b>76,243</b>           | <b>31,083</b>                | <b>341,947</b> |

#### Group

##### Remaining maturity

| 31 Dec 2011, EURm                                                                  | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3-12<br>months | 1-5<br>years  | More<br>than<br>5 years | Without<br>fixed<br>maturity | Total          |
|------------------------------------------------------------------------------------|------|-------------------------|---------------------|----------------|---------------|-------------------------|------------------------------|----------------|
| Cash and balances with central banks                                               |      | 286                     | -                   | -              | -             | -                       | -                            | <b>286</b>     |
| Loans to central banks                                                             |      | 11,342                  | 19,934              | -              | -             | -                       | -                            | <b>31,276</b>  |
| Loans to credit institutions                                                       | 13   | 6,353                   | 21,911              | 15,105         | 4,278         | 427                     | -                            | <b>48,074</b>  |
| Loans to the public                                                                | 13   | 9                       | 32,778              | 5,383          | 19,513        | 41,648                  | -                            | <b>99,331</b>  |
| Interest bearing securities                                                        | 14   | -                       | 6,733               | 5,796          | 16,802        | 1,535                   | -                            | <b>30,866</b>  |
| Financial instruments pledged as collateral                                        | 15   | -                       | 719                 | 1,891          | 3,995         | 1,741                   | -                            | <b>8,346</b>   |
| Derivatives                                                                        | 17   | -                       | 9,585               | 7,478          | 38,712        | 114,453                 | -                            | <b>170,228</b> |
| Fair value changes of the hedged items in<br>portfolio hedge of interest rate risk | 18   | -                       | 11                  | 31             | 70            | 26                      | -                            | <b>138</b>     |
| <b>Total assets with fixed maturities</b>                                          |      | <b>17,990</b>           | <b>91,671</b>       | <b>35,684</b>  | <b>83,370</b> | <b>159,830</b>          | -                            | <b>388,545</b> |
| Other assets                                                                       | 25   | -                       | -                   | -              | -             | -                       | 10,742                       | <b>10,742</b>  |
| <b>Total assets</b>                                                                |      | <b>17,990</b>           | <b>91,671</b>       | <b>35,684</b>  | <b>83,370</b> | <b>159,830</b>          | <b>10,742</b>                | <b>399,287</b> |

**Note 43 Maturity analysis for assets and liabilities, cont.**

**Group**

**Remaining maturity**

| 31 Dec 2011, EURm                                                                  | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3-12<br>months | 1-5<br>years  | More<br>than<br>5 years | Without<br>fixed<br>maturity | Total          |
|------------------------------------------------------------------------------------|------|-------------------------|---------------------|----------------|---------------|-------------------------|------------------------------|----------------|
| Deposits by credit institutions                                                    | 27   | 8,203                   | 58,799              | 8,136          | 74            | 795                     | -                            | <b>76,007</b>  |
| Deposits and borrowings from the public                                            | 28   | 37,608                  | 22,805              | 7,199          | 644           | 4                       | -                            | <b>68,260</b>  |
| - of which deposits                                                                |      | 37,608                  | 8,429               | 6,952          | 643           | 4                       | -                            | 53,636         |
| - of which borrowings                                                              |      | -                       | 14,376              | 247            | 1             | 0                       | -                            | 14,624         |
| Debt securities in issue                                                           | 29   | -                       | 27,404              | 7,350          | 12,484        | 1,915                   | -                            | <b>49,153</b>  |
| - of which debt securities in issue                                                |      | -                       | 27,404              | 7,350          | 12,484        | 1,915                   | -                            | 49,153         |
| - of which other                                                                   |      | -                       | -                   | -              | -             | -                       | -                            | -              |
| Derivatives                                                                        | 17   | -                       | 8,345               | 7,396          | 41,270        | 111,425                 | -                            | <b>168,436</b> |
| Fair value changes of the hedged items in<br>portfolio hedge of interest rate risk | 18   | -                       | 1                   | 6              | 74            | 114                     | -                            | <b>195</b>     |
| Subordinated liabilities                                                           | 34   | -                       | -                   | -              | 403           | 100                     | -                            | <b>503</b>     |
| <b>Total liabilities with fixed maturities</b>                                     |      | <b>45,811</b>           | <b>117,354</b>      | <b>30,087</b>  | <b>54,949</b> | <b>114,353</b>          | -                            | <b>362,554</b> |
| Other liabilities                                                                  | 30   | -                       | -                   | -              | -             | -                       | 25,113                       | <b>25,113</b>  |
| Equity                                                                             |      | -                       | -                   | -              | -             | -                       | 11,620                       | <b>11,620</b>  |
| <b>Total liabilities and equity</b>                                                |      | <b>45,811</b>           | <b>117,354</b>      | <b>30,087</b>  | <b>54,949</b> | <b>114,353</b>          | <b>36,733</b>                | <b>399,287</b> |

**Parent company**

**Remaining maturity**

| 31 Dec 2012, EURm                                                                  | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3-12<br>months | 1-5<br>years  | More<br>than<br>5 years | Without<br>maturity | Total          |
|------------------------------------------------------------------------------------|------|-------------------------|---------------------|----------------|---------------|-------------------------|---------------------|----------------|
| Cash and balances with central banks                                               |      | 30,004                  | -                   | -              | -             | -                       | -                   | <b>30,004</b>  |
| Loans to central banks                                                             |      | 283                     | 526                 | -              | -             | -                       | -                   | <b>809</b>     |
| Loans to credit institutions                                                       | 13   | 2,560                   | 18,417              | 3,379          | 16,380        | 727                     | -                   | <b>41,463</b>  |
| Loans to the public                                                                | 13   | 624                     | 32,125              | 9,026          | 22,624        | 29,914                  | -                   | <b>94,313</b>  |
| Interest bearing securities                                                        | 14   | -                       | 8,943               | 4,051          | 19,990        | 3,285                   | -                   | <b>36,269</b>  |
| Financial instruments pledged as collateral                                        | 15   | -                       | 776                 | 3,109          | 3,605         | 588                     | -                   | <b>8,078</b>   |
| Derivatives                                                                        | 17   | -                       | 5,388               | 5,287          | 32,070        | 74,468                  | -                   | <b>117,213</b> |
| Fair value changes of the hedged items in<br>portfolio hedge of interest rate risk | 18   | -                       | 0                   | -1             | 49            | 76                      | -                   | <b>124</b>     |
| <b>Total assets with fixed maturities</b>                                          |      | <b>33,471</b>           | <b>66,175</b>       | <b>24,851</b>  | <b>94,718</b> | <b>109,058</b>          | -                   | <b>328,273</b> |
| Other assets                                                                       | 25   | -                       | -                   | -              | -             | -                       | 12,615              | <b>12,615</b>  |
| <b>Total assets</b>                                                                |      | <b>33,471</b>           | <b>66,175</b>       | <b>24,851</b>  | <b>94,718</b> | <b>109,058</b>          | <b>12,615</b>       | <b>340,888</b> |

|                                                                                    | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3-12<br>months | 1-5<br>years  | More<br>than<br>5 years | Without<br>maturity | Total          |
|------------------------------------------------------------------------------------|------|-------------------------|---------------------|----------------|---------------|-------------------------|---------------------|----------------|
| Deposits by credit institutions                                                    | 27   | 9,954                   | 50,445              | 7,732          | 4,371         | 2,051                   | -                   | <b>74,553</b>  |
| Deposits and borrowings from the public                                            | 28   | 53,307                  | 15,303              | 1,614          | -             | -                       | -                   | <b>70,224</b>  |
| - of which deposits                                                                |      | 53,307                  | -                   | -              | -             | -                       | -                   | 53,307         |
| - of which borrowings                                                              |      | -                       | 15,303              | 1,614          | -             | -                       | -                   | 16,917         |
| Debt securities in issue                                                           | 29   | -                       | 17,635              | 11,010         | 16,449        | 3,905                   | -                   | <b>48,999</b>  |
| - of which debt securities in issue                                                |      | -                       | 17,635              | 11,010         | 16,449        | 3,905                   | -                   | 48,999         |
| - of which other                                                                   |      | -                       | -                   | -              | -             | -                       | -                   | -              |
| Derivatives                                                                        | 17   | -                       | 6,166               | 5,644          | 34,255        | 69,771                  | -                   | <b>115,836</b> |
| Fair value changes of the hedged items in<br>portfolio hedge of interest rate risk | 18   | -                       | -1                  | -8             | 274           | 372                     | -                   | <b>637</b>     |
| Subordinated liabilities                                                           | 34   | -                       | -                   | -              | 392           | 122                     | -                   | <b>514</b>     |
| <b>Total liabilities with fixed maturities</b>                                     |      | <b>63,261</b>           | <b>89,548</b>       | <b>25,992</b>  | <b>55,741</b> | <b>76,221</b>           | -                   | <b>310,763</b> |
| Other liabilities                                                                  | 30   | -                       | -                   | -              | -             | -                       | 21,325              | <b>21,325</b>  |
| Equity                                                                             |      | -                       | -                   | -              | -             | -                       | 8,800               | <b>8,800</b>   |
| <b>Total liabilities and equity</b>                                                |      | <b>63,261</b>           | <b>89,548</b>       | <b>25,992</b>  | <b>55,741</b> | <b>76,221</b>           | <b>30,125</b>       | <b>340,888</b> |

**Note 43 Maturity analysis for assets and liabilities, cont.****Parent company****Remaining maturity**

| 31 Dec 2011, EURm                                                                  | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3-12<br>months | 1-5<br>years  | More<br>than<br>5 years | Without<br>maturity | Total          |
|------------------------------------------------------------------------------------|------|-------------------------|---------------------|----------------|---------------|-------------------------|---------------------|----------------|
| Cash and balances with central banks                                               |      | 286                     | -                   | -              | -             | -                       | -                   | <b>286</b>     |
| Loans to central banks                                                             |      | 11,342                  | 19,934              | -              | -             | -                       | -                   | <b>31,276</b>  |
| Loans to credit institutions                                                       | 13   | 6,338                   | 25,312              | 16,228         | 5,088         | 455                     | -                   | <b>53,421</b>  |
| Loans to the public                                                                | 13   | 197                     | 31,012              | 3,571          | 16,758        | 41,559                  | -                   | <b>93,097</b>  |
| Interest bearing securities                                                        | 14   | -                       | 6,733               | 5,796          | 16,802        | 1,535                   | -                   | <b>30,866</b>  |
| Financial instruments pledged as collateral                                        | 15   | -                       | 719                 | 1,891          | 3,995         | 1,741                   | -                   | <b>8,346</b>   |
| Derivatives                                                                        | 17   | -                       | 9,585               | 7,478          | 38,712        | 114,453                 | -                   | <b>170,228</b> |
| Fair value changes of the hedged items in<br>portfolio hedge of interest rate risk | 18   | -                       | 11                  | 31             | 70            | 26                      | -                   | <b>138</b>     |
| <b>Total assets with fixed maturities</b>                                          |      | <b>18,163</b>           | <b>93,306</b>       | <b>34,995</b>  | <b>81,425</b> | <b>159,769</b>          | -                   | <b>387,658</b> |
| Other assets                                                                       | 25   | -                       | -                   | -              | -             | -                       | 10,731              | <b>10,731</b>  |
| <b>Total assets</b>                                                                |      | <b>18,163</b>           | <b>93,306</b>       | <b>34,995</b>  | <b>81,425</b> | <b>159,769</b>          | <b>10,731</b>       | <b>398,389</b> |

| 31 Dec 2011, EURm                                                                  | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3-12<br>months | 1-5<br>years  | More<br>than<br>5 years | Without<br>maturity | Total          |
|------------------------------------------------------------------------------------|------|-------------------------|---------------------|----------------|---------------|-------------------------|---------------------|----------------|
| Deposits by credit institutions                                                    | 27   | 8,203                   | 58,770              | 8,121          | 38            | 787                     | -                   | <b>75,919</b>  |
| Deposits and borrowings from the public                                            | 28   | 37,618                  | 22,809              | 7,191          | 643           | 4                       | -                   | <b>68,265</b>  |
| - of which deposits                                                                |      | 37,618                  | 8,433               | 6,952          | 643           | 4                       | -                   | 53,650         |
| - of which borrowings                                                              |      | -                       | 14,376              | 239            | -             | -                       | -                   | 14,615         |
| Debt securities in issue                                                           | 29   | -                       | 27,404              | 7,350          | 12,484        | 1,915                   | -                   | <b>49,153</b>  |
| - of which debt securities in issue                                                |      | -                       | 27,404              | 7,350          | 12,484        | 1,915                   | -                   | 49,153         |
| - of which other                                                                   |      | -                       | -                   | -              | -             | -                       | -                   | -              |
| Derivatives                                                                        | 17   | -                       | 8,345               | 7,396          | 41,270        | 111,425                 | -                   | <b>168,436</b> |
| Fair value changes of the hedged items in<br>portfolio hedge of interest rate risk | 18   | -                       | 1                   | 6              | 74            | 114                     | -                   | <b>195</b>     |
| Subordinated liabilities                                                           | 34   | -                       | -                   | -              | 403           | 100                     | -                   | <b>503</b>     |
| <b>Total liabilities with fixed maturities</b>                                     |      | <b>45,821</b>           | <b>117,329</b>      | <b>30,064</b>  | <b>54,912</b> | <b>114,345</b>          | -                   | <b>362,471</b> |
| Other liabilities                                                                  | 30   | -                       | -                   | -              | -             | -                       | 24,724              | <b>24,724</b>  |
| Equity                                                                             |      | -                       | -                   | -              | -             | -                       | 11,194              | <b>11,194</b>  |
| <b>Total liabilities and equity</b>                                                |      | <b>45,821</b>           | <b>117,329</b>      | <b>30,064</b>  | <b>54,912</b> | <b>114,345</b>          | <b>35,918</b>       | <b>398,389</b> |

#### Note 44 Related-party transactions

Shareholders with significant influence and close family members to key management personnel in the Nordea Group as well as companies significantly influenced by key management personnel or by close family members to key management personnel in Nordea Group are considered to be related parties to Nordea. Included in this group of related parties are Sampo Oyj and Aegon Asset Management. If transactions with these related parties are made in Nordea's and the related parties' ordinary course of business and on the same criteria and terms as those for comparable transactions with parties of similar standing and if they do not involve more than normal risktaking, the transactions are not included in the table.

| Group                                       | Nordea Group undertakings |                | Nordea Group associated undertakings |               | Other related parties |               |
|---------------------------------------------|---------------------------|----------------|--------------------------------------|---------------|-----------------------|---------------|
|                                             | 31 Dec                    | 31 Dec         | 31 Dec                               | 31 Dec        | 31 Dec                | 31 Dec        |
| EURm                                        | 2012                      | 2011           | 2012                                 | 2011          | 2012                  | 2011          |
| <b>Assets</b>                               |                           |                |                                      |               |                       |               |
| Loans                                       | 29,613                    | 44,518         | 204                                  | 146           | -                     | -             |
| Interest-bearing securities                 | 5,254                     | 5,031          | 11                                   | -             | -                     | -             |
| Financial instruments pledged as collateral | 1,150                     | 2,062          | -                                    | -             | -                     | -             |
| Derivatives                                 | 2,829                     | 2,337          | 278                                  | 246           | -                     | -             |
| Other assets                                | 630                       | 387            | -                                    | -             | -                     | -             |
| Prepaid expenses and accrued income         | 411                       | 77             | -                                    | -             | -                     | -             |
| <b>Total assets</b>                         | <b>39,887</b>             | <b>54,412</b>  | <b>493</b>                           | <b>392</b>    | <b>-</b>              | <b>-</b>      |
| <b>Liabilities</b>                          |                           |                |                                      |               |                       |               |
| Deposits                                    | 41,202                    | 44,957         | 55                                   | 10            | 5                     | 5             |
| Debt securities in issue                    | 975                       | 514            | 39                                   | 30            | -                     | -             |
| Derivatives                                 | 3,344                     | 2,624          | 4                                    | 85            | -                     | -             |
| Other liabilities                           | 158                       | 12             | -                                    | -             | -                     | -             |
| Accrued expenses and deferred income        | 202                       | 171            | -                                    | -             | -                     | -             |
| <b>Total liabilities</b>                    | <b>45,881</b>             | <b>48,278</b>  | <b>98</b>                            | <b>125</b>    | <b>5</b>              | <b>5</b>      |
| <b>Off balance<sup>1</sup></b>              | <b>219,010</b>            | <b>431,155</b> | <b>8,085</b>                         | <b>8,321</b>  | <b>-</b>              | <b>-</b>      |
| <b>Group</b>                                | <b>31 Dec</b>             | <b>31 Dec</b>  | <b>31 Dec</b>                        | <b>31 Dec</b> | <b>31 Dec</b>         | <b>31 Dec</b> |
| EURm                                        | 2012                      | 2011           | 2012                                 | 2011          | 2012                  | 2011          |
| Net interest income                         | 85                        | 70             | 3                                    | 4             | -                     | -             |
| Net fee and commission income               | -296                      | -251           | 2                                    | 3             | 1                     | 1             |
| Net result from items at fair value         | -277                      | -841           | 81                                   | 35            | -                     | -             |
| Other operating income                      | 26                        | 25             | -                                    | -             | 0                     | 0             |
| Total operating expenses                    | -95                       | -30            | -                                    | -             | -                     | -             |
| <b>Profit before loan losses</b>            | <b>-557</b>               | <b>-1,027</b>  | <b>86</b>                            | <b>42</b>     | <b>1</b>              | <b>1</b>      |

<sup>1</sup> Including nominal values on derivatives.

| Parent company                              | Group undertakings |              | Associated undertakings |            | Other related parties |          |
|---------------------------------------------|--------------------|--------------|-------------------------|------------|-----------------------|----------|
|                                             | 31 Dec             | 31 Dec       | 31 Dec                  | 31 Dec     | 31 Dec                | 31 Dec   |
| EURm                                        | 2012               | 2011         | 2012                    | 2011       | 2012                  | 2011     |
| <b>Assets</b>                               |                    |              |                         |            |                       |          |
| Loans                                       | 5,674              | 5,570        | 171                     | 132        | -                     | -        |
| Interest-bearing securities                 | -                  | -            | -                       | -          | -                     | -        |
| Financial instruments pledged as collateral | -                  | -            | -                       | -          | -                     | -        |
| Derivatives                                 | -                  | -            | 9                       | -          | -                     | -        |
| Investments in associated undertakings      | -                  | -            | 34                      | 34         | -                     | -        |
| Investments in group undertakings           | 373                | 370          | -                       | -          | -                     | -        |
| Other assets                                | 4                  | 5            | -                       | -          | -                     | -        |
| Prepaid expenses and accrued income         | 7                  | 15           | -                       | -          | -                     | -        |
| <b>Total assets</b>                         | <b>6,058</b>       | <b>5,960</b> | <b>214</b>              | <b>166</b> | <b>-</b>              | <b>-</b> |



**Note 44 Related-party transactions, cont.**

| Parent company                       | Group undertakings |               | Associated undertakings |            | Other related parties |          |
|--------------------------------------|--------------------|---------------|-------------------------|------------|-----------------------|----------|
|                                      | 31 Dec             | 31 Dec        | 31 Dec                  | 31 Dec     | 31 Dec                | 31 Dec   |
| EURm                                 | 2012               | 2011          | 2012                    | 2011       | 2012                  | 2011     |
| <b>Liabilities</b>                   |                    |               |                         |            |                       |          |
| Deposits                             | 22                 | 11,432        | 7                       | 9          | 5                     | 5        |
| Debt securities in issue             | -                  | -             | 35                      | 30         | -                     | -        |
| Derivatives                          | -                  | -             | 0                       | 5          | -                     | -        |
| Other liabilities                    | 0                  | -             | -                       | -          | -                     | -        |
| Accrued expenses and deferred income | 2                  | 10            | -                       | -          | -                     | -        |
| <b>Total liabilities</b>             | <b>24</b>          | <b>11,442</b> | <b>42</b>               | <b>44</b>  | <b>5</b>              | <b>5</b> |
| <b>Off balance<sup>1</sup></b>       | <b>519</b>         | <b>662</b>    | <b>191</b>              | <b>128</b> | <b>-</b>              | <b>-</b> |

<sup>1</sup> Including nominal values on derivatives.

| Parent company                      | 31 Dec    |            | 31 Dec    |           | 31 Dec   |          |
|-------------------------------------|-----------|------------|-----------|-----------|----------|----------|
|                                     | 2012      | 2011       | 2012      | 2011      | 2012     | 2011     |
| EURm                                |           |            |           |           |          |          |
| Net interest income                 | 66        | 86         | 3         | 4         | 0        | 0        |
| Net fee and commission income       | 49        | 46         | 1         | 1         | 1        | 1        |
| Net result from items at fair value | -         | -          | 6         | 6         | -        | -        |
| Other operating income              | 10        | 14         | -         | 4         | 0        | 0        |
| Total operating expenses            | -38       | -38        | -         | 0         | -        | -        |
| <b>Profit before loan losses</b>    | <b>87</b> | <b>108</b> | <b>10</b> | <b>15</b> | <b>1</b> | <b>1</b> |

The terms "group undertakings" and "associated undertakings" refer to group undertakings and associated undertakings of the Nordea Bank Finland Group. In addition to the parent company figures stated above, the parent company's assets included receivables, interest-bearing securities, derivatives and other assets from other Nordea group undertakings in the amount of EUR 39,885m (54,411), liabilities in the amount of EUR 45,688m (36,683), profit before loan losses in the amount of EUR -569 m (-1,033) and off-balance sheet commitments in the amount of EUR 218,491m (431,155). Off-balance sheet transactions with Nordea group associated undertakings amounted to EUR 7,895m (8,193) and corresponding balance sheet values of derivatives were EUR 268m (246) in assets and EUR 4m (80) in liabilities.

**Compensations and loans and receivables to key management personnel**

Compensations and loans to key management personnel are specified in Note 8.

**Note 45 Mergers, acquisitions, disposals and dissolutions**

| <b>Subsidiaries acquired during 2012</b>             | Line of business    | Total assets<br>EURm | Profit/loss for the year as<br>included in the Bank Group |
|------------------------------------------------------|---------------------|----------------------|-----------------------------------------------------------|
| -                                                    | -                   | -                    | -                                                         |
| <b>Other subsidiaries established during 2012</b>    | Number of companies | Total assets<br>EURm | Profit/loss for the year as<br>included in the Bank Group |
| Other companies                                      | 1                   | 2                    | -                                                         |
| <b>Subsidiaries sold during 2012</b>                 | Line of business    | Total assets<br>EURm | Profit/loss for the year as<br>included in the Bank Group |
| -                                                    | -                   | -                    | -                                                         |
| <b>Other subsidiaries sold during 2012</b>           | Number of companies | Total assets<br>EURm | Profit/loss for the year as<br>included in the Bank Group |
| Other companies                                      | 1                   | 4                    | 0                                                         |
| <b>Subsidiaries merged during 2012</b>               | Line of business    | Total assets<br>EURm | Profit/loss for the year as<br>included in the Bank Group |
| -                                                    | -                   | -                    | -                                                         |
| <b>Subsidiaries dissolved during 2012</b>            | Line of business    | Total assets<br>EURm | Profit/loss for the year as<br>included in the Bank Group |
| -                                                    | -                   | -                    | -                                                         |
| <b>Associated undertakings dissolved during 2012</b> | Line of business    | Total assets<br>EURm | Profit/loss for the year as<br>included in the Bank Group |
| -                                                    | -                   | -                    | -                                                         |

## Note 46 Credit risk disclosure

Credit risk management and credit risk analysis is described in the Risk, Liquidity and Capital management section of the Board of Directors' Report. Additional information on credit risk is also disclosed in the Capital and Risk management Report (Pillar 3) 2012, which is available on [www.nordea.com](http://www.nordea.com).

### Group

|                                  | 31 Dec<br>2012 | 31 Dec<br>2011 |
|----------------------------------|----------------|----------------|
| <b>Exposure types, EURm</b>      |                |                |
| On-balance sheet items           | 159,345        | 168,616        |
| Off-balance sheet items          | 14,675         | 18,070         |
| Securities financing             | 1,120          | 1,617          |
| Derivatives                      | 31,580         | 42,466         |
| <b>Exposure At Default (EAD)</b> | <b>206,720</b> | <b>230,769</b> |

Tables presented in this Note, containing exposure, are presented as Exposure At Default (EAD). EAD is the exposure after applying credit conversion factors (CCF).

### Link between credit risk exposure and the balance sheet

This section discloses the link between the loan portfolio as defined in accordance with accounting standards and exposure as defined in accordance with the Capital Requirements Directive (CRD). The main differences are outlined in this section to illustrate the link between the different reporting methods.

Original exposure is the exposure before taking into account substitution effects stemming from credit risk mitigation, credit conversion factors for off-balance exposure and allowances within the standardised approach. In this note, however, exposure is defined as exposure at default (EAD) for IRB exposure and exposure value for standardised exposure if nothing else is stated. Credit risk exposure presented in this note, in accordance with the CRD, is divided between exposure classes where each exposure class is divided into exposure types as follows:

- On-balance sheet items
- Off-balance sheet items (e.g. guarantees and unutilised amounts of credit facilities)
- Securities financing (e.g. repurchase agreements and securities lending)
- Derivatives

Items presented in the Annual Report, in accordance with the accounting standards, are divided as follows:

- On-balance sheet items (e.g. loans to credit institutions, loans to the public, reversed repurchase agreements, positive fair value for derivatives, treasury bills and interest-bearing securities)
- Off-balance sheet items (e.g. guarantees and unutilised amounts of credit facilities)

The table below shows the link between the CRD credit risk exposure and items presented in the Annual Report.

### On-balance sheet items

As shown in the table below, the following items have been excluded from the balance sheet, when calculating on-balance exposure in accordance with the CRD:

- Market-risk-related items in the trading book, such as certain interest-bearing securities and treasury bills.
- Reverse repurchase agreements, derivatives and securities lending. These transactions are either included in the calculation of market risk in the trading book or reported as separate exposure types (derivatives or securities financing).
- Other, mainly allowances, intangible assets and deferred tax assets.

### Group

| 31 Dec 2012, EURm                                   | Original<br>exposure | Items related<br>to market risk | Repos,<br>derivatives,<br>securities<br>lending | Other       | Balance sheet  |
|-----------------------------------------------------|----------------------|---------------------------------|-------------------------------------------------|-------------|----------------|
| Cash and balances with central banks                | 30,004               |                                 |                                                 |             | 30,004         |
| Interest-bearing securities and pledged instruments | 44,347               | -21,159                         |                                                 |             | 23,188         |
| Loans to central banks and credit institutions      | 36,827               |                                 | -7,358                                          | 0           | 29,468         |
| Loans to the public                                 | 100,765              |                                 | -26,716                                         | 766         | 74,814         |
| Derivatives <sup>1</sup>                            | 117,213              |                                 | -117,213                                        |             | 0              |
| Intangible assets                                   | 108                  |                                 |                                                 | -108        | 0              |
| Other assets and prepaid expenses                   | 12,684               | -9,188                          | -55                                             | -1,381      | 2,060          |
| <b>Total assets</b>                                 | <b>341,947</b>       | <b>-30,347</b>                  | <b>-151,343</b>                                 | <b>-723</b> | <b>159,534</b> |

<sup>1</sup> Derivatives are included in banking and trading books, but not at book values. Counterparty risk in trading derivatives is included in the credit risk.

**Note 46 Credit risk disclosure, cont.**

**On-balance sheet items**

|                                                     | Original<br>exposure | Items related<br>to market risk | Repos,<br>derivatives,<br>securities<br>lending | Other       | Balance sheet  |
|-----------------------------------------------------|----------------------|---------------------------------|-------------------------------------------------|-------------|----------------|
| 31 Dec 2011, EURm                                   |                      |                                 |                                                 |             |                |
| Cash and balances with central banks                | 286                  |                                 |                                                 |             | 286            |
| Interest-bearing securities and pledged instruments | 39,212               | -19,480                         |                                                 |             | 19,731         |
| Loans to central banks and credit institutions      | 79,350               |                                 | -6,651                                          |             | 72,699         |
| Loans to the public                                 | 99,331               |                                 | -25,440                                         | 840         | 74,731         |
| Derivatives <sup>1</sup>                            | 170,228              |                                 | -170,228                                        |             | 0              |
| Intangible assets                                   | 106                  |                                 |                                                 | -106        | 0              |
| Other assets and prepaid expenses                   | 10,774               | -7,945                          | -12                                             | -1,276      | 1,542          |
| <b>Total assets</b>                                 | <b>399,287</b>       | <b>-27,425</b>                  | <b>-202,331</b>                                 | <b>-542</b> | <b>168,989</b> |

<sup>1</sup> Derivatives are included in banking and trading books, but not at book values. Counterparty risk in trading derivatives is included in the credit risk.

**Off-balance sheet items**

The following off-balance sheet items specified in the Annual Report are excluded when off-balance exposure is calculated in accordance with the CRD:

- Assets pledged as security for own liabilities and “Other assets pledged” (apart from leasing). These transactions are reported as a separate exposure type, securities financing.
- Derivatives

**Group**

|                                      | Credit risk in<br>Basel II<br>calculation |
|--------------------------------------|-------------------------------------------|
| 31 Dec 2012, EURm                    |                                           |
| Contingent liabilities               | 16,419                                    |
| Commitments                          | 16,589                                    |
| <b>Total off-balance sheet items</b> | <b>33,008</b>                             |

|                                         | Credit risk in<br>Basel II<br>calculation | Items not<br>included in<br>accounts | Original<br>exposure | Average<br>conversion<br>factor | Exposure at<br>Default<br>EAD |
|-----------------------------------------|-------------------------------------------|--------------------------------------|----------------------|---------------------------------|-------------------------------|
| 31 Dec 2012, EURm                       |                                           |                                      |                      |                                 |                               |
| Credit facilities and checking accounts | 14,168                                    | 4,371                                | 18,539               | 26%                             | 4,784                         |
| Loan commitments                        | 2,428                                     | 248                                  | 2,675                | 24%                             | 653                           |
| Guarantees                              | 15,279                                    |                                      | 15,279               | 58%                             | 8,929                         |
| Other (leasing and documentary credits) | 1,134                                     |                                      | 1,134                | 27%                             | 309                           |
| <b>Total</b>                            | <b>33,008</b>                             | <b>4,619</b>                         | <b>37,627</b>        |                                 | <b>14,675</b>                 |

|                                      | Credit risk in<br>Basel II<br>calculation |
|--------------------------------------|-------------------------------------------|
| 31 Dec 2011, EURm                    |                                           |
| Contingent liabilities               | 19,041                                    |
| Commitments                          | 18,725                                    |
| <b>Total off-balance sheet items</b> | <b>37,765</b>                             |

|                                         | Credit risk in<br>Basel II<br>calculation | Items not<br>included in<br>accounts | Original<br>exposure | Average<br>conversion<br>factor | Exposure at<br>Default<br>EAD |
|-----------------------------------------|-------------------------------------------|--------------------------------------|----------------------|---------------------------------|-------------------------------|
| 31 Dec 2011, EURm                       |                                           |                                      |                      |                                 |                               |
| Credit facilities and checking accounts | 16,456                                    | 3,211                                | 19,667               | 30%                             | 5,812                         |
| Loan commitments                        | 2,228                                     | 701                                  | 2,928                | 36%                             | 1,065                         |
| Guarantees                              | 17,957                                    |                                      | 17,957               | 61%                             | 10,867                        |
| Other (leasing and documentary credits) | 1,125                                     |                                      | 1,125                | 29%                             | 325                           |
| <b>Total</b>                            | <b>37,765</b>                             | <b>3,912</b>                         | <b>41,677</b>        |                                 | <b>18,070</b>                 |

**Note 46 Credit risk disclosure, cont.**

The table below presents the distribution of collateral used in the capital adequacy calculation process. The table shows real estate to be the major part of the eligible collateral items in relative terms, also showing that residential real estate as collateral experienced the highest relative increase during the year. Real estate is commonly used as collateral for credit risk mitigation purposes. There is no certain concentration of real estate collateral to any region within the Nordic and Baltic countries. Financial collateral, with an LGD of 0%, has also increased notably during the year. Other physical collateral consist of vessels, machinery, equipment and other movables.

**Collateral distribution****Group**

|                           | 31 Dec<br>2012 | 31 Dec<br>2011 |
|---------------------------|----------------|----------------|
| EURm                      |                |                |
| Other physical collateral | 4%             | 5%             |
| Receivables               | 2%             | 2%             |
| Residential real estate   | 76%            | 71%            |
| Commercial real estate    | 5%             | 12%            |
| Financial collateral      | 13%            | 11%            |

When Nordea sells protection in a CDO transaction, Nordea carries the risk of losses in the reference portfolio on the occurrence of a credit event. When Nordea buys protection in a CDO transaction, any losses in the reference portfolio, in which Nordea has not necessarily invested, triggered by a credit event are then carried by the seller of protection.

The risk from CDOs is hedged with a portfolio of CDSs. The risk positions are subject to various types of market risk limits, including VaR, and the CDO valuations are subject to fair value adjustments for model risk. These fair value adjustments are recognised in the income statement.

**Collateralised Debt Obligations (CDO) - Exposure<sup>1</sup>****Group and parent company**

|                        | 31 Dec 2012          |                    | 31 Dec 2011          |                    |
|------------------------|----------------------|--------------------|----------------------|--------------------|
|                        | Bought<br>protection | Sold<br>protection | Bought<br>protection | Sold<br>protection |
| Nominals, EURm         |                      |                    |                      |                    |
| CDOs, gross            | 1,833                | 2,314              | 1,575                | 2,267              |
| Hedged exposures       | 1,442                | 1,444              | 1,394                | 1,394              |
| CDOs, net <sup>2</sup> | 391 <sup>3</sup>     | 870 <sup>4</sup>   | 181 <sup>3</sup>     | 873 <sup>4</sup>   |
| - of which Equity      | 53                   | 173                | 114                  | 223                |
| - of which Mezzanine   | 80                   | 148                | 65                   | 101                |
| - of which Senior      | 258                  | 549                | 2                    | 549                |

<sup>1</sup>First-to-Default (FTD) swaps are not classified as CDOs and are therefore not included in the table. Net bought protection amounts to EUR 214m (218) and net sold protection to EUR 50m (53). Both bought and sold protection are, to the predominant part, investment grade.

<sup>2</sup>Net exposure disregards exposure where tranches are completely identical in terms of reference pool attachment, detachment, maturity and currency.

<sup>3</sup>Of which investment grade EUR 349m (181) and sub-investment grade EUR 42m (0).

<sup>4</sup>Of which investment grade EUR 769m (873) and sub-investment grade EUR 101m (0) and not rated EUR 0m (0).

**Restructured loans current year**

|                                             | Group          |                | Parent company |                |
|---------------------------------------------|----------------|----------------|----------------|----------------|
|                                             | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                                        |                |                |                |                |
| Loans before restructuring, carrying amount | 0              | 31             | 0              | 31             |
| Loans after restructuring, carrying amount  | 0              | 0              | 0              | 0              |

**Assets taken over for protection of claims<sup>1</sup>**

|                                  | Group          |                | Parent company |                |
|----------------------------------|----------------|----------------|----------------|----------------|
|                                  | 31 Dec<br>2012 | 31 Dec<br>2011 | 31 Dec<br>2012 | 31 Dec<br>2011 |
| EURm                             |                |                |                |                |
| Current assets, carrying amount: |                |                |                |                |
| Land and buildings               | 93             | 63             | 93             | 63             |
| Shares and other participations  | 0              | 0              | 0              | 0              |
| Other assets                     | 4              | 3              | 0              | 0              |
| <b>Total</b>                     | <b>97</b>      | <b>66</b>      | <b>93</b>      | <b>63</b>      |

<sup>1</sup> In accordance with Nordea's policy for taking over assets for protection of claims, which is in compliance with the local Banking Business Acts, wherever Nordea is located. Assets, used as collateral for the loan, are generally taken over when the customer is not able to fulfil its obligations to Nordea.

**Note 46 Credit risk disclosure, cont.**

The table below shows past due loans not impaired split by corporate and household customers. Past due loans to corporate customers that are not considered impaired were at end of 2012 EUR 316m up from EUR 205m one year ago, while past due loans to household customers decreased to EUR 405m (480).

**Past due loans, excl. impaired loans**

| EURm                                                                           | Group               |                     |                     |                     | Parent company      |                     |                     |                     |
|--------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                                | 31 Dec 2012         |                     | 31 Dec 2011         |                     | 31 Dec 2012         |                     | 31 Dec 2011         |                     |
|                                                                                | Corporate customers | Household customers | Corporate customers | Household customers | Corporate customers | Household customers | Corporate customers | Household customers |
| 6-30 days                                                                      | 110                 | 183                 | 91                  | 261                 | 37                  | 163                 | 46                  | 233                 |
| 31-60 days                                                                     | 62                  | 144                 | 58                  | 136                 | 23                  | 94                  | 31                  | 93                  |
| 61-90 days                                                                     | 26                  | 68                  | 22                  | 64                  | 17                  | 47                  | 16                  | 44                  |
| >90 days                                                                       | 118                 | 9                   | 34                  | 19                  | 112                 | 9                   | 33                  | 19                  |
| <b>Total</b>                                                                   | <b>316</b>          | <b>405</b>          | <b>205</b>          | <b>480</b>          | <b>189</b>          | <b>314</b>          | <b>126</b>          | <b>389</b>          |
| Past due not impaired loans divided by loans to the public after allowances, % | 0.50                | 1.08                | 0.33                | 1.32                | 0.32                | 0.91                | 0.22                | 1.15                |

The distribution of loans to corporate customers by size of loans, seen in the table below, shows a high degree of diversification where approximately 80% of the corporate volume represents loans up to EUR 50m per customer.

**Loans to corporate customers, by size of loan**

| EURm         | Group         |              |               |              | Parent company |              |               |              |
|--------------|---------------|--------------|---------------|--------------|----------------|--------------|---------------|--------------|
|              | 31 Dec 2012   |              | 31 Dec 2011   |              | 31 Dec 2012    |              | 31 Dec 2011   |              |
|              |               | %            |               | %            |                | %            |               | %            |
| 0-10         | 33,812        | 54.0         | 33,167        | 53.3         | 31,766         | 54.0         | 31,229        | 53.3         |
| 10-50        | 16,316        | 26.1         | 15,888        | 25.6         | 15,329         | 26.1         | 14,960        | 25.6         |
| 50-100       | 4,717         | 7.5          | 5,269         | 8.5          | 4,432          | 7.5          | 4,962         | 8.5          |
| 100-250      | 6,038         | 9.6          | 5,146         | 8.3          | 5,673          | 9.6          | 4,845         | 8.3          |
| 250-500      | 1,735         | 2.8          | 2,707         | 4.4          | 1,630          | 2.8          | 2,549         | 4.4          |
| 500-         | 0             | 0.0          | 0             | 0.0          | 0              | 0.0          | 0             | 0            |
| <b>Total</b> | <b>62,618</b> | <b>100.0</b> | <b>62,176</b> | <b>100.0</b> | <b>58,830</b>  | <b>100.0</b> | <b>58,544</b> | <b>100.0</b> |

**Interest-bearing securities**

| Group                                  | 31 Dec 2012   |                   |               | 31 Dec 2011   |                   |               |
|----------------------------------------|---------------|-------------------|---------------|---------------|-------------------|---------------|
|                                        | At fair value | At amortised cost | Total         | At fair value | At amortised cost | Total         |
|                                        | EURm          |                   |               | EURm          |                   |               |
| State and sovereigns                   | 6,483         | -                 | 6,483         | 6,111         | -                 | 6,111         |
| Municipalities and other public bodies | 97            | -                 | 97            | 7             | -                 | 7             |
| Mortgage institutions                  | 15,456        | -                 | 15,456        | 14,050        | 655               | 14,705        |
| Other credit institutions              | 10,475        | 2,373             | 12,848        | 7,390         | 2,138             | 9,528         |
| Corporates                             | 1,151         | -                 | 1,151         | 447           | -                 | 447           |
| Corporates, sub-investment grade       | 234           | -                 | 234           | 67            | -                 | 67            |
| Other                                  | 0             | -                 | 0             | 1             | -                 | 1             |
| <b>Total</b>                           | <b>33,896</b> | <b>2,373</b>      | <b>36,269</b> | <b>28,073</b> | <b>2,793</b>      | <b>30,866</b> |

| Parent company                         | 31 Dec 2012   |                   |               | 31 Dec 2011   |                   |               |
|----------------------------------------|---------------|-------------------|---------------|---------------|-------------------|---------------|
|                                        | At fair value | At amortised cost | Total         | At fair value | At amortised cost | Total         |
|                                        | EURm          |                   |               | EURm          |                   |               |
| State and sovereigns                   | 6,483         | -                 | 6,483         | 6,111         | -                 | 6,111         |
| Municipalities and other public bodies | 97            | -                 | 97            | 7             | -                 | 7             |
| Mortgage institutions                  | 15,456        | -                 | 15,456        | 14,050        | 655               | 14,705        |
| Other credit institutions              | 10,475        | 2,373             | 12,848        | 7,390         | 2,138             | 9,528         |
| Corporates                             | 1,151         | -                 | 1,151         | 447           | -                 | 447           |
| Corporates, sub-investment grade       | 234           | -                 | 234           | 67            | -                 | 67            |
| Other                                  | -             | -                 | -             | 1             | -                 | 1             |
| <b>Total</b>                           | <b>33,896</b> | <b>2,373</b>      | <b>36,269</b> | <b>28,073</b> | <b>2,793</b>      | <b>30,866</b> |

**Note 47 Nordea shares**

Nordea Bank Finland Plc does not possess own shares. During the year Nordea Bank Finland has bought and sold shares in its parent company Nordea Bank AB (publ) as part of its normal trading and market making activities. The trades are specified in the table enclosed.

**Acquisitions**

| Month     | Quantity  | Average acq. price | Amount, EUR   |
|-----------|-----------|--------------------|---------------|
| January   | 876,345   | 6.35               | 5,564,840.10  |
| February  | 48,371    | 7.07               | 330,277.74    |
| March     | 557,113   | 7.09               | 3,941,731.20  |
| April     | 201,344   | 6.49               | 1,332,043.22  |
| May       | 179,195   | 6.17               | 1,078,973.23  |
| June      | 188,075   | 6.38               | 1,220,438.56  |
| July      | 280,211   | 7.59               | 2,125,708.10  |
| August    | 279,644   | 7.66               | 2,151,920.72  |
| September | 66,321    | 7.61               | 510,298.02    |
| October   | 95,335    | 7.22               | 702,628.17    |
| November  | 114,663   | 6.97               | 784,575.68    |
| December  | 265,690   | 7.12               | 1,868,951.84  |
|           | 3,152,307 |                    | 21,612,386.58 |

**Sales**

| Month     | Quantity   | Average price | Amount, EUR    |
|-----------|------------|---------------|----------------|
| January   | -755,977   | 6.20          | -4,620,625.45  |
| February  | -128,623   | 6.90          | -886,622.39    |
| March     | -397,701   | 7.10          | -2,813,453.26  |
| April     | -361,053   | 6.47          | -2,307,889.83  |
| May       | -710,392   | 6.22          | -4,279,520.25  |
| June      | -349,118   | 6.34          | -2,247,150.94  |
| July      | -7,317     | 7.26          | -52,686.96     |
| August    | -1,654     | 7.68          | -12,745.86     |
| September | -60,745    | 7.70          | -462,572.90    |
| October   | -20,440    | 7.01          | -141,887.35    |
| November  | -167,987   | 7.00          | -1,178,551.88  |
| December  | -62,715    | 7.25          | -454,777.80    |
|           | -3,023,722 |               | -19,458,484.87 |

The quota value of the Nordea Bank AB (publ) share is EUR 1.00. The trades had an insignificant effect on the shareholding and voting-power in Nordea Bank AB (publ). At year-end 2012 NBF owned 282,292 shares of the parent company.

## The proposal of the Board of Directors to the Annual General Meeting

The parent company's distributable funds on 31 December 2012 were EUR 5,903,572,113.21, of which the profit for the year was EUR 1,121,552,595.60. The Board of Directors proposes that

1. a dividend of EUR 625,000,000.00 be paid
2. whereafter the distributable funds will be EUR 5,278,572,113.21.

Signatures of the Directors' report and of the Financial Statements:

Helsinki, 28 February 2013

Torsten Hagen Jørgensen

Casper von Koskull

Carl-Johan Granvik

Gunn Wærsted

Our auditors' report has been issued today.

Helsinki, 28 February 2013

KPMG OY AB

Raija-Leena Hankonen  
Authorised Public Accountant

# Auditors' report

*This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.*

## **To the Annual General Meeting of Nordea Bank Finland Plc**

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Nordea Bank Finland Plc for the year ended on 31 December 2012. The financial statements comprise both the consolidated and the parent company's statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the financial statements.

### *Responsibility of the Board of Directors and the Managing Director*

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Finnish Credit Institutions Act, the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion,

- both the consolidated and the parent company's financial statements give a true and fair view of their financial position, financial performance, and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland
- the information in the report of the Board of Directors is consistent with the information in the financial statements.



*Other opinions*

We support the adoption of the financial statements. The proposal by the Board of Directors regarding the treatment of distributable funds is in compliance with the Limited Liability Companies Act. We support that the Board of Directors of the parent company and the Managing Director be discharged from liability for the financial period audited by us.

Helsinki, 28 February 2013

KPMG OY AB

Raija-Leena Hankonen

*Authorized Public Accountant*

**ANNEX 3 - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF NBAB FOR THE  
YEAR ENDED 31 DECEMBER 2011, INCLUDING THE AUDITOR'S REPORT AND NOTES  
RELATING THERETO**

# Income statement, Group

| EURm                                                                                | Note         | 2011          | 2010          |
|-------------------------------------------------------------------------------------|--------------|---------------|---------------|
| <b>Operating income</b>                                                             |              |               |               |
| Interest income                                                                     |              | 11,955        | 9,687         |
| Interest expense                                                                    |              | -6,499        | -4,528        |
| <b>Net interest income</b>                                                          | G3           | <b>5,456</b>  | <b>5,159</b>  |
| Fee and commission income                                                           |              | 3,122         | 2,955         |
| Fee and commission expense                                                          |              | -727          | -799          |
| <b>Net fee and commission income</b>                                                | G4           | <b>2,395</b>  | <b>2,156</b>  |
| Net result from items at fair value                                                 | G5           | 1,517         | 1,837         |
| Profit from companies accounted for under the equity method                         | G20          | 42            | 66            |
| Other operating income                                                              | G6           | 91            | 116           |
| <b>Total operating income</b>                                                       |              | <b>9,501</b>  | <b>9,334</b>  |
| <b>Operating expenses</b>                                                           |              |               |               |
| General administrative expenses:                                                    |              |               |               |
| Staff costs                                                                         | G7           | -3,113        | -2,784        |
| Other expenses                                                                      | G8           | -1,914        | -1,862        |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | G9, G21, G22 | -192          | -170          |
| <b>Total operating expenses</b>                                                     |              | <b>-5,219</b> | <b>-4,816</b> |
| <b>Profit before loan losses</b>                                                    |              | <b>4,282</b>  | <b>4,518</b>  |
| Net loan losses                                                                     | G10          | -735          | -879          |
| <b>Operating profit</b>                                                             |              | <b>3,547</b>  | <b>3,639</b>  |
| Income tax expense                                                                  | G11          | -913          | -976          |
| <b>Net profit for the year</b>                                                      |              | <b>2,634</b>  | <b>2,663</b>  |
| <b>Attributable to:</b>                                                             |              |               |               |
| Shareholders of Nordea Bank AB (publ)                                               |              | 2,627         | 2,657         |
| Non-controlling interests                                                           |              | 7             | 6             |
| <b>Total</b>                                                                        |              | <b>2,634</b>  | <b>2,663</b>  |
| Basic earnings per share, EUR                                                       | G12          | 0.65          | 0.66          |
| Diluted earnings per share, EUR                                                     | G12          | 0.65          | 0.66          |

# Statement of comprehensive income, Group

| EURm                                                             | 2011         | 2010         |
|------------------------------------------------------------------|--------------|--------------|
| <b>Net profit for the year</b>                                   | <b>2,634</b> | <b>2,663</b> |
| Currency translation differences during the year                 | -28          | 669          |
| Currency hedging of net investments in foreign operations        | 0            | -407         |
| Tax on currency hedging of net investments in foreign operations | 0            | 107          |
| Available-for-sale investments: <sup>1</sup>                     |              |              |
| Valuation gains/losses during the year                           | 5            | 3            |
| Tax on valuation gains/losses during the year                    | -1           | -1           |
| Cash flow hedges:                                                |              |              |
| Valuation gains/losses during the year                           | 166          | 1            |
| Tax on valuation gains/losses during the year                    | -43          | 0            |
| <b>Other comprehensive income, net of tax</b>                    | <b>99</b>    | <b>372</b>   |
| <b>Total comprehensive income</b>                                | <b>2,733</b> | <b>3,035</b> |
| <b>Attributable to:</b>                                          |              |              |
| Shareholders of Nordea Bank AB (publ)                            | 2,726        | 3,029        |
| Non-controlling interests                                        | 7            | 6            |
| <b>Total</b>                                                     | <b>2,733</b> | <b>3,035</b> |

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

# Balance sheet, Group

| EURm                                                                            | Note     | 31 Dec 2011    | 31 Dec 2010    |
|---------------------------------------------------------------------------------|----------|----------------|----------------|
| <b>Assets</b>                                                                   |          |                |                |
| Cash and balances with central banks                                            |          | 3,765          | 10,023         |
| Treasury bills                                                                  | G13      | 11,105         | 13,112         |
| Loans to credit institutions                                                    | G14      | 51,865         | 15,788         |
| Loans to the public                                                             | G14      | 337,203        | 314,211        |
| Interest-bearing securities                                                     | G15      | 81,268         | 69,137         |
| Financial instruments pledged as collateral                                     | G16      | 8,373          | 9,494          |
| Shares                                                                          | G17      | 20,167         | 17,293         |
| Derivatives                                                                     | G18      | 171,943        | 96,825         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | G19      | -215           | 1,127          |
| Investments in associated undertakings                                          | G20      | 591            | 554            |
| Intangible assets                                                               | G21      | 3,321          | 3,219          |
| Property and equipment                                                          | G22, G23 | 469            | 454            |
| Investment property                                                             | G24      | 3,644          | 3,568          |
| Deferred tax assets                                                             | G11      | 169            | 278            |
| Current tax assets                                                              | G11      | 185            | 262            |
| Retirement benefit assets                                                       | G34      | 223            | 187            |
| Other assets                                                                    | G25      | 19,425         | 22,857         |
| Prepaid expenses and accrued income                                             | G26      | 2,703          | 2,450          |
| <b>Total assets</b>                                                             |          | <b>716,204</b> | <b>580,839</b> |
| <b>Liabilities</b>                                                              |          |                |                |
| Deposits by credit institutions                                                 | G27      | 55,316         | 40,736         |
| Deposits and borrowings from the public                                         | G28      | 190,092        | 176,390        |
| Liabilities to policyholders                                                    | G29      | 40,715         | 38,766         |
| Debt securities in issue                                                        | G30      | 179,950        | 151,578        |
| Derivatives                                                                     | G18      | 167,390        | 95,887         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | G19      | 1,274          | 898            |
| Current tax liabilities                                                         | G11      | 154            | 502            |
| Other liabilities                                                               | G31      | 43,368         | 38,590         |
| Accrued expenses and prepaid income                                             | G32      | 3,496          | 3,390          |
| Deferred tax liabilities                                                        | G11      | 1,018          | 885            |
| Provisions                                                                      | G33      | 483            | 581            |
| Retirement benefit obligations                                                  | G34      | 325            | 337            |
| Subordinated liabilities                                                        | G35      | 6,503          | 7,761          |
| <b>Total liabilities</b>                                                        |          | <b>690,084</b> | <b>556,301</b> |
| <b>Equity</b>                                                                   |          |                |                |
| Non-controlling interests                                                       |          | 86             | 84             |
| Share capital                                                                   |          | 4,047          | 4,043          |
| Share premium reserve                                                           |          | 1,080          | 1,065          |
| Other reserves                                                                  |          | -47            | -146           |
| Retained earnings                                                               |          | 20,954         | 19,492         |
| <b>Total equity</b>                                                             |          | <b>26,120</b>  | <b>24,538</b>  |
| <b>Total liabilities and equity</b>                                             |          | <b>716,204</b> | <b>580,839</b> |
| Assets pledged as security for own liabilities                                  | G36      | 146,894        | 149,117        |
| Other assets pledged                                                            | G37      | 6,090          | 5,972          |
| Contingent liabilities                                                          | G38      | 24,468         | 23,963         |
| Commitments                                                                     | G39      | 86,970         | 91,426         |

# Statement of changes in equity, Group

| EURm                                                             | Attributable to shareholders of Nordea Bank AB (publ) <sup>2</sup> |                       |                                   |                  |                                |                   |               |                           | Total equity  |
|------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------|-----------------------------------|------------------|--------------------------------|-------------------|---------------|---------------------------|---------------|
|                                                                  | Share capital <sup>1</sup>                                         | Share premium reserve | Translation of foreign operations | Cash flow hedges | Available-for-sale investments | Retained earnings | Total         | Non-controlling interests |               |
| <b>Balance at 1 Jan 2011</b>                                     | <b>4,043</b>                                                       | <b>1,065</b>          | <b>-148</b>                       | <b>—</b>         | <b>2</b>                       | <b>19,492</b>     | <b>24,454</b> | <b>84</b>                 | <b>24,538</b> |
| Net profit for the year                                          | —                                                                  | —                     | —                                 | —                | —                              | 2,627             | 2,627         | 7                         | 2,634         |
| Currency translation differences during the year                 | —                                                                  | —                     | -28                               | —                | —                              | —                 | -28           | —                         | -28           |
| Currency hedging of net investments in foreign operations        | —                                                                  | —                     | 0                                 | —                | —                              | —                 | 0             | —                         | 0             |
| Tax on currency hedging of net investments in foreign operations | —                                                                  | —                     | 0                                 | —                | —                              | —                 | 0             | —                         | 0             |
| Available-for-sale investments:                                  |                                                                    |                       |                                   |                  |                                |                   |               |                           |               |
| Valuation gains/losses during the year                           | —                                                                  | —                     | —                                 | —                | 5                              | —                 | 5             | —                         | 5             |
| Tax on valuation gains/losses during the year                    | —                                                                  | —                     | —                                 | —                | -1                             | —                 | -1            | —                         | -1            |
| Cash flow hedges:                                                |                                                                    |                       |                                   |                  |                                |                   |               |                           |               |
| Valuation gains/losses during the year                           | —                                                                  | —                     | —                                 | 166              | —                              | —                 | 166           | —                         | 166           |
| Tax on valuation gains/losses during the year                    | —                                                                  | —                     | —                                 | -43              | —                              | —                 | -43           | —                         | -43           |
| Other comprehensive income, net of tax                           | —                                                                  | —                     | -28                               | 123              | 4                              | —                 | 99            | —                         | 99            |
| <b>Total comprehensive income</b>                                | <b>—</b>                                                           | <b>—</b>              | <b>-28</b>                        | <b>123</b>       | <b>4</b>                       | <b>2,627</b>      | <b>2,726</b>  | <b>7</b>                  | <b>2,733</b>  |
| Issued C-shares <sup>3</sup>                                     | 4                                                                  | —                     | —                                 | —                | —                              | —                 | 4             | —                         | 4             |
| Repurchase of C-shares <sup>3</sup>                              | —                                                                  | —                     | —                                 | —                | —                              | -4                | -4            | —                         | -4            |
| Share-based payments                                             | —                                                                  | —                     | —                                 | —                | —                              | 11                | 11            | —                         | 11            |
| Dividend for 2010                                                | —                                                                  | —                     | —                                 | —                | —                              | -1,168            | -1,168        | —                         | -1,168        |
| Purchases of own shares <sup>4</sup>                             | —                                                                  | —                     | —                                 | —                | —                              | -4                | -4            | —                         | -4            |
| Other changes                                                    | —                                                                  | 15 <sup>5</sup>       | —                                 | —                | —                              | —                 | 15            | -5                        | 10            |
| <b>Balance at 31 Dec 2011</b>                                    | <b>4,047</b>                                                       | <b>1,080</b>          | <b>-176</b>                       | <b>123</b>       | <b>6</b>                       | <b>20,954</b>     | <b>26,034</b> | <b>86</b>                 | <b>26,120</b> |

1) Total shares registered were 4,047 million.

2) Restricted capital was 4,047m, unrestricted capital was EUR 21,987m.

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

4) Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares were 20.7 million.

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

|                                                                  | Attributable to shareholders of Nordea Bank AB (publ) <sup>2</sup> |                       |                                   |                  |                                |                   |               |                           |               |
|------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------|-----------------------------------|------------------|--------------------------------|-------------------|---------------|---------------------------|---------------|
|                                                                  |                                                                    |                       | Other reserves:                   |                  |                                |                   |               |                           |               |
| EURm                                                             | Share capital <sup>1</sup>                                         | Share premium reserve | Translation of foreign operations | Cash flow hedges | Available-for-sale investments | Retained earnings | Total         | Non-controlling interests | Total equity  |
| <b>Balance at 1 Jan 2010</b>                                     | <b>4,037</b>                                                       | <b>1,065</b>          | <b>-517</b>                       | <b>-1</b>        | <b>—</b>                       | <b>17,756</b>     | <b>22,340</b> | <b>80</b>                 | <b>22,420</b> |
| Net profit for the year                                          | —                                                                  | —                     | —                                 | —                | —                              | 2,657             | 2,657         | 6                         | 2,663         |
| Currency translation differences during the year                 | —                                                                  | —                     | 669                               | —                | —                              | —                 | 669           | —                         | 669           |
| Currency hedging of net investments in foreign operations        | —                                                                  | —                     | -407                              | —                | —                              | —                 | -407          | —                         | -407          |
| Tax on currency hedging of net investments in foreign operations | —                                                                  | —                     | 107                               | —                | —                              | —                 | 107           | —                         | 107           |
| Available-for-sale investments:                                  |                                                                    |                       |                                   |                  |                                |                   |               |                           |               |
| Valuation gains/losses during the year                           | —                                                                  | —                     | —                                 | —                | 3                              | —                 | 3             | —                         | 3             |
| Tax on valuation gains/losses during the year                    | —                                                                  | —                     | —                                 | —                | -1                             | —                 | -1            | —                         | -1            |
| Cash flow hedges:                                                |                                                                    |                       |                                   |                  |                                |                   |               |                           |               |
| Valuation gains/losses during the year                           | —                                                                  | —                     | —                                 | 1                | —                              | —                 | 1             | —                         | 1             |
| Tax on valuation gains/losses during the year                    | —                                                                  | —                     | —                                 | 0                | —                              | —                 | 0             | —                         | 0             |
| Other comprehensive income, net of tax                           | —                                                                  | —                     | 369                               | 1                | 2                              | —                 | 372           | —                         | 372           |
| <b>Total comprehensive income</b>                                | <b>—</b>                                                           | <b>—</b>              | <b>369</b>                        | <b>1</b>         | <b>2</b>                       | <b>2,657</b>      | <b>3,029</b>  | <b>6</b>                  | <b>3,035</b>  |
| Issued C-shares <sup>3</sup>                                     | 6                                                                  | —                     | —                                 | —                | —                              | —                 | 6             | —                         | 6             |
| Repurchase of C-shares <sup>3</sup>                              | —                                                                  | —                     | —                                 | —                | —                              | -6                | -6            | —                         | -6            |
| Share-based payments                                             | —                                                                  | —                     | —                                 | —                | —                              | 17                | 17            | —                         | 17            |
| Dividend for 2009                                                | —                                                                  | —                     | —                                 | —                | —                              | -1,006            | -1,006        | —                         | -1,006        |
| Divestment of own shares <sup>4</sup>                            | —                                                                  | —                     | —                                 | —                | —                              | 74                | 74            | —                         | 74            |
| Other changes                                                    | —                                                                  | —                     | —                                 | —                | —                              | —                 | —             | -2                        | -2            |
| <b>Balance at 31 Dec 2010</b>                                    | <b>4,043</b>                                                       | <b>1,065</b>          | <b>-148</b>                       | <b>—</b>         | <b>2</b>                       | <b>19,492</b>     | <b>24,454</b> | <b>84</b>                 | <b>24,538</b> |

1) Total shares registered were 4,043 million.

2) Restricted capital was 4,043m, unrestricted capital was EUR 20,411m.

3) Refers to the Long Term Incentive Programme (LTIP). LTIP 2010 was hedged by issuing 5,125,000 C-shares. The shares have been bought back and converted to ordinary shares. The total holding of own shares related to LTIP is 15.4 million.

4) Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares were 16.9 million.

### Dividends per share

See Statement of changes in equity for the parent company, page 165.

# Cash flow statement, Group

| EURm                                                                                          | 2011          | 2010          |
|-----------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Operating activities</b>                                                                   |               |               |
| Operating profit                                                                              | 3,547         | 3,639         |
| Adjustment for items not included in cash flow                                                | 537           | 1,619         |
| Income taxes paid                                                                             | -981          | -1,045        |
| <b>Cash flow from operating activities before changes in operating assets and liabilities</b> | <b>3,103</b>  | <b>4,213</b>  |
| <b>Changes in operating assets</b>                                                            |               |               |
| Change in treasury bills                                                                      | 3,400         | 1,156         |
| Change in loans to credit institutions                                                        | -20,784       | 4,476         |
| Change in loans to the public                                                                 | -23,749       | -18,960       |
| Change in interest-bearing securities                                                         | -19,900       | -15,672       |
| Change in financial assets pledged as collateral                                              | 1,100         | 2,118         |
| Change in shares                                                                              | -2,776        | -3,563        |
| Change in derivatives, net                                                                    | -2,151        | 1,610         |
| Change in investment properties                                                               | -77           | -63           |
| Change in other assets                                                                        | 3,438         | -8,563        |
| <b>Changes in operating liabilities</b>                                                       |               |               |
| Change in deposits by credit institutions                                                     | 14,307        | -12,863       |
| Change in deposits and borrowings from the public                                             | 13,341        | 16,076        |
| Change in liabilities to policyholders                                                        | 1,587         | 2,353         |
| Change in debt securities in issue                                                            | 27,205        | 12,472        |
| Change in other liabilities                                                                   | 5,686         | 13,012        |
| <b>Cash flow from operating activities</b>                                                    | <b>3,730</b>  | <b>-2,198</b> |
| <b>Investing activities</b>                                                                   |               |               |
| Acquisition of business operations                                                            | 0             | -38           |
| Sale of business operations                                                                   | 0             | 0             |
| Acquisition of associated undertakings                                                        | -16           | -18           |
| Sale of associated undertakings                                                               | 4             | 10            |
| Acquisition of property and equipment                                                         | -157          | -146          |
| Sale of property and equipment                                                                | 35            | 48            |
| Acquisition of intangible assets                                                              | -192          | -181          |
| Sale of intangible assets                                                                     | 0             | 0             |
| Net investments in debt securities, held to maturity                                          | 7,876         | 1,991         |
| Purchase/sale of other financial fixed assets                                                 | 15            | 1             |
| <b>Cash flow from investing activities</b>                                                    | <b>7,565</b>  | <b>1,667</b>  |
| <b>Financing activities</b>                                                                   |               |               |
| Issued subordinated liabilities                                                               | 891           | 1,750         |
| Amortised subordinated liabilities                                                            | -2,232        | -1,556        |
| New share issue                                                                               | 4             | 6             |
| Divestment of own shares incl change in trading portfolio                                     | —             | 74            |
| Repurchase of own shares incl change in trading portfolio                                     | -4            | —             |
| Dividend paid                                                                                 | -1,168        | -1,006        |
| <b>Cash flow from financing activities</b>                                                    | <b>-2,509</b> | <b>-732</b>   |
| <b>Cash flow for the year</b>                                                                 | <b>8,786</b>  | <b>-1,263</b> |
| Cash and cash equivalents at the beginning of year                                            | 13,706        | 13,962        |
| Translation difference                                                                        | 114           | 1,007         |
| Cash and cash equivalents at the end of year                                                  | 22,606        | 13,706        |
| <b>Change</b>                                                                                 | <b>8,786</b>  | <b>-1,263</b> |



### Comments on the cash flow statement

The cash flow statement has been prepared in accordance with IAS 7. The cash flow statement shows inflows and outflows of cash and cash equivalents during the year. Nordea's cash flow has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. The cash flows are classified by operating, investing and financing activities.

### Operating activities

Operating activities are the principal revenue-producing activities and cash flows are mainly derived from the operating profit for the year with adjustment for items not included in cash flow and income taxes paid. Adjustment for non-cash items includes:

| EURm                                                              | 2011       | 2010         |
|-------------------------------------------------------------------|------------|--------------|
| Depreciation                                                      | 190        | 166          |
| Impairment charges                                                | 2          | 4            |
| Loan losses                                                       | 811        | 957          |
| Unrealised gains/losses                                           | -2,419     | -931         |
| Capital gains/losses (net)                                        | -4         | -2           |
| Change in accruals and provisions                                 | -225       | 236          |
| Translation differences                                           | 62         | -718         |
| Change in bonus potential to policyholders                        | -575       | 159          |
| Change in fair value of the hedge items, assets/liabilities (net) | 1,842      | -346         |
| Other                                                             | 853        | 2,094        |
| <b>Total</b>                                                      | <b>537</b> | <b>1,619</b> |

Changes in operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans, deposits and debt securities in issue. Changes in derivatives are reported net.

Cash flow from operating activities includes interest payments received and interest expenses paid with the following amounts:

| EURm                       | 2011   | 2010  |
|----------------------------|--------|-------|
| Interest payments received | 11,896 | 9,933 |
| Interest expenses paid     | 6,376  | 4,542 |

### Investing activities

Investing activities include acquisitions and disposals of non-current assets, like property and equipment, intangible and financial assets. Aggregated cash flows arising from acquisition and sale of business operations are presented separately and consist of:

| EURm                                                                    | 2011     | 2010       |
|-------------------------------------------------------------------------|----------|------------|
| <b>Acquisition of business operations</b>                               |          |            |
| Cash and cash equivalents                                               | —        | 7          |
| Property & equipment and intangible assets                              | —        | 2          |
| Other assets                                                            | —        | 2          |
| <b>Total assets</b>                                                     | <b>—</b> | <b>11</b>  |
| Other liabilities and provisions                                        | —        | -2         |
| <b>Total liabilities</b>                                                | <b>—</b> | <b>-2</b>  |
| <b>Purchase price paid</b>                                              | <b>—</b> | <b>-9</b>  |
| Cash and cash equivalents in acquired business operations               | —        | 7          |
| Payment of the remaining settlement from the Fionia acquisition in 2009 | —        | -36        |
| <b>Net effect on cash flow</b>                                          | <b>—</b> | <b>-38</b> |

### Financing activities

Financing activities are activities that result in changes in equity and subordinated liabilities, such as new issues of shares, dividends and issued/amortised subordinated liabilities.

### Cash and cash equivalents

The following items are included in Cash and cash equivalents:

| EURm                                            | 31 Dec 2011   | 31 Dec 2010   |
|-------------------------------------------------|---------------|---------------|
| Cash and balances with central banks            | 3,765         | 10,023        |
| Loans to credit institutions, payable on demand | 18,841        | 3,683         |
|                                                 | <b>22,606</b> | <b>13,706</b> |

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

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

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

# Quarterly development, Group

| EURm                                                                                | Q4 2011       | Q3 2011       | Q2 2011       | Q1 2011       | Q4 2010       | Q3 2010       | Q2 2010       | Q1 2010       | 2011          | 2010          |
|-------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net interest income                                                                 | 1,427         | 1,379         | 1,326         | 1,324         | 1,365         | 1,310         | 1,249         | 1,235         | 5,456         | 5,159         |
| Net fee and commission income                                                       | 588           | 582           | 623           | 602           | 618           | 525           | 538           | 475           | 2,395         | 2,156         |
| Net result from items at fair value                                                 | 506           | 111           | 356           | 544           | 504           | 446           | 339           | 548           | 1,517         | 1,837         |
| Profit from companies accounted for under the equity method                         | 15            | -4            | 13            | 18            | 5             | 29            | 7             | 25            | 42            | 66            |
| Other income                                                                        | 22            | 23            | 24            | 22            | 15            | 53            | 28            | 20            | 91            | 116           |
| <b>Total operating income</b>                                                       | <b>2,558</b>  | <b>2,091</b>  | <b>2,342</b>  | <b>2,510</b>  | <b>2,507</b>  | <b>2,363</b>  | <b>2,161</b>  | <b>2,303</b>  | <b>9,501</b>  | <b>9,334</b>  |
| General administrative expenses:                                                    |               |               |               |               |               |               |               |               |               |               |
| Staff costs                                                                         | -714          | -887          | -744          | -768          | -675          | -721          | -701          | -687          | -3,113        | -2,784        |
| Other expenses                                                                      | -502          | -474          | -485          | -453          | -543          | -436          | -445          | -438          | -1,914        | -1,862        |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -50           | -52           | -46           | -44           | -52           | -39           | -40           | -39           | -192          | -170          |
| <b>Total operating expenses</b>                                                     | <b>-1,266</b> | <b>-1,413</b> | <b>-1,275</b> | <b>-1,265</b> | <b>-1,270</b> | <b>-1,196</b> | <b>-1,186</b> | <b>-1,164</b> | <b>-5,219</b> | <b>-4,816</b> |
| <b>Profit before loan losses</b>                                                    | <b>1,292</b>  | <b>678</b>    | <b>1,067</b>  | <b>1,245</b>  | <b>1,237</b>  | <b>1,167</b>  | <b>975</b>    | <b>1,139</b>  | <b>4,282</b>  | <b>4,518</b>  |
| Net loan losses                                                                     | -263          | -112          | -118          | -242          | -166          | -207          | -245          | -261          | -735          | -879          |
| <b>Operating profit</b>                                                             | <b>1,029</b>  | <b>566</b>    | <b>949</b>    | <b>1,003</b>  | <b>1,071</b>  | <b>960</b>    | <b>730</b>    | <b>878</b>    | <b>3,547</b>  | <b>3,639</b>  |
| Income tax expense                                                                  | -243          | -160          | -249          | -261          | -301          | -249          | -191          | -235          | -913          | -976          |
| <b>Net profit</b>                                                                   | <b>786</b>    | <b>406</b>    | <b>700</b>    | <b>742</b>    | <b>770</b>    | <b>711</b>    | <b>539</b>    | <b>643</b>    | <b>2,634</b>  | <b>2,663</b>  |
| Diluted earnings per share (DEPS), EUR                                              | 0.19          | 0.10          | 0.18          | 0.18          | 0.19          | 0.18          | 0.13          | 0.16          | 0.65          | 0.66          |
| DEPS, rolling 12 months up to period end, EUR                                       | 0.65          | 0.65          | 0.73          | 0.68          | 0.66          | 0.58          | 0.55          | 0.57          | 0.65          | 0.66          |

# 5 year overview, Group

## Income statement

| EURm                                                                                | 2011          | 2010          | 2009          | 2008          | 2007          |
|-------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Net interest income                                                                 | 5,456         | 5,159         | 5,281         | 5,093         | 4,282         |
| Net fee and commission income                                                       | 2,395         | 2,156         | 1,693         | 1,883         | 2,140         |
| Net result from items at fair value                                                 | 1,517         | 1,837         | 1,946         | 1,028         | 1,209         |
| Profit from companies accounted for under the equity method                         | 42            | 66            | 48            | 24            | 41            |
| Other income                                                                        | 91            | 116           | 105           | 172           | 217           |
| <b>Total operating income</b>                                                       | <b>9,501</b>  | <b>9,334</b>  | <b>9,073</b>  | <b>8,200</b>  | <b>7,889</b>  |
| General administrative expenses:                                                    |               |               |               |               |               |
| Staff costs                                                                         | -3,113        | -2,784        | -2,724        | -2,568        | -2,388        |
| Other expenses                                                                      | -1,914        | -1,862        | -1,639        | -1,646        | -1,575        |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -192          | -170          | -149          | -124          | -103          |
| <b>Total operating expenses</b>                                                     | <b>-5,219</b> | <b>-4,816</b> | <b>-4,512</b> | <b>-4,338</b> | <b>-4,066</b> |
| <b>Profit before loan losses</b>                                                    | <b>4,282</b>  | <b>4,518</b>  | <b>4,561</b>  | <b>3,862</b>  | <b>3,823</b>  |
| Net loan losses                                                                     | -735          | -879          | -1,486        | -466          | 60            |
| <b>Operating profit</b>                                                             | <b>3,547</b>  | <b>3,639</b>  | <b>3,075</b>  | <b>3,396</b>  | <b>3,883</b>  |
| Income tax expense                                                                  | -913          | -976          | -757          | -724          | -753          |
| <b>Net profit for the year</b>                                                      | <b>2,634</b>  | <b>2,663</b>  | <b>2,318</b>  | <b>2,672</b>  | <b>3,130</b>  |

## Balance sheet

| EURm                                           | 31 Dec 2011    | 31 Dec 2010    | 31 Dec 2009    | 31 Dec 2008    | 31 Dec 2007    |
|------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Treasury bills and interest-bearing securities | 92,373         | 82,249         | 69,099         | 51,375         | 43,975         |
| Loans to credit institutions                   | 51,865         | 15,788         | 18,555         | 23,903         | 24,262         |
| Loans to the public                            | 337,203        | 314,211        | 282,411        | 265,100        | 244,682        |
| Derivatives                                    | 171,943        | 96,825         | 75,422         | 86,838         | 31,498         |
| Other assets                                   | 62,820         | 71,766         | 62,057         | 46,858         | 44,637         |
| <b>Total assets</b>                            | <b>716,204</b> | <b>580,839</b> | <b>507,544</b> | <b>474,074</b> | <b>389,054</b> |
| Deposits by credit institutions                | 55,316         | 40,736         | 52,190         | 51,932         | 30,077         |
| Deposits and borrowings from the public        | 190,092        | 176,390        | 153,577        | 148,591        | 142,329        |
| Liabilities to policyholders                   | 40,715         | 38,766         | 33,831         | 29,238         | 32,280         |
| Debt securities in issue                       | 179,950        | 151,578        | 130,519        | 108,989        | 99,792         |
| Derivatives                                    | 167,390        | 95,887         | 73,043         | 85,538         | 33,023         |
| Subordinated liabilities                       | 6,503          | 7,761          | 7,185          | 8,209          | 7,556          |
| Other liabilities                              | 50,118         | 45,183         | 34,779         | 23,774         | 26,837         |
| Equity                                         | 26,120         | 24,538         | 22,420         | 17,803         | 17,160         |
| <b>Total liabilities and equity</b>            | <b>716,204</b> | <b>580,839</b> | <b>507,544</b> | <b>474,074</b> | <b>389,054</b> |

# Ratios and key figures, Group

|                                                                        | 2011   | 2010   | 2009   | 2008   | 2007   |
|------------------------------------------------------------------------|--------|--------|--------|--------|--------|
| Basic earnings per share, EUR                                          | 0.65   | 0.66   | 0.60   | 0.79   | 0.93   |
| Diluted earnings per share, EUR                                        | 0.65   | 0.66   | 0.60   | 0.79   | 0.93   |
| Share price <sup>1</sup> , EUR                                         | 5.98   | 8.16   | 7.10   | 3.90   | 8.90   |
| Total shareholders' return, %                                          | -24.4  | 3.7    | 78.6   | -46.9  | 6.4    |
| Proposed / actual dividend per share, EUR                              | 0.26   | 0.29   | 0.25   | 0.20   | 0.50   |
| Equity per share <sup>1</sup> , EUR                                    | 6.47   | 6.07   | 5.56   | 5.29   | 5.09   |
| Potential shares outstanding <sup>1,2</sup> , million                  | 4,047  | 4,043  | 4,037  | 2,600  | 2,597  |
| Weighted average number of diluted shares <sup>3</sup> , million       | 4,028  | 4,022  | 3,846  | 3,355  | 3,352  |
| Return on equity, %                                                    | 10.6   | 11.5   | 11.3   | 15.3   | 19.7   |
| Assets under management <sup>1</sup> , EURbn                           | 187.4  | 191.0  | 158.1  | 125.6  | 157.1  |
| Cost/income ratio, %                                                   | 55     | 52     | 50     | 53     | 52     |
| Loan loss ratio, basis points                                          | 23     | 31     | 56     | 19     | -3     |
| Core tier 1 capital ratio, excluding transition rules <sup>1</sup> , % | 11.2   | 10.3   | 10.3   | 8.5    | 7.5    |
| Tier 1 capital ratio, excluding transition rules <sup>1</sup> , %      | 12.2   | 11.4   | 11.4   | 9.3    | 8.3    |
| Total capital ratio, excluding transition rules <sup>1</sup> , %       | 13.4   | 13.4   | 13.4   | 12.1   | 10.9   |
| Core tier 1 capital ratio <sup>1</sup> , %                             | 9.2    | 8.9    | 9.3    | 6.7    | 6.3    |
| Tier 1 capital ratio <sup>1</sup> , %                                  | 10.1   | 9.8    | 10.2   | 7.4    | 7.0    |
| Total capital ratio <sup>1</sup> , %                                   | 11.1   | 11.5   | 11.9   | 9.5    | 9.1    |
| Core tier 1 capital <sup>1</sup> , EURm                                | 20,677 | 19,103 | 17,766 | 14,313 | 12,821 |
| Tier 1 capital <sup>1</sup> , EURm                                     | 22,641 | 21,049 | 19,577 | 15,760 | 14,230 |
| Risk-weighted assets, incl transition rules <sup>1</sup> , EURbn       | 224    | 215    | 192    | 213    | 205    |
| Number of employees (full-time equivalents) <sup>1</sup>               | 33,068 | 33,809 | 33,347 | 34,008 | 31,721 |
| Risk-adjusted profit, EURm                                             | 2,714  | 2,622  | 2,786  | 2,279  | 2,239  |
| Economic profit, EURm                                                  | 1,145  | 936    | 1,334  | 1,015  | 1,231  |
| Economic capital <sup>1</sup> , EURbn                                  | 17.7   | 17.5   | 16.7   | 15.8   | 13.4   |
| EPS, risk-adjusted, EUR                                                | 0.67   | 0.65   | 0.72   | 0.68   | 0.67   |
| RAROCAR, %                                                             | 15.5   | 15.0   | 17.3   | 15.6   | 17.8   |
| MCEV, EURm                                                             | 2,714  | 3,655  | 3,244  | 2,624  | 3,189  |

1) End of the year.

2) Increase between 2008 and 2009 due to Nordea's rights issue.

3) 2007-2009 restated due to the rights issue.

# Business definitions

These definitions apply to the descriptions in the Annual Report.

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

**Basic earnings per share** Net profit for the year divided by the weighted average number of outstanding shares, non-controlling interests excluded.

**Capital base** Capital base includes the sum of the Tier 1 capital and the supplementary capital consisting of subordinated loans, after deduction of the carrying amount of the shares in wholly owned insurance companies and the potential deduction for expected shortfall.

**Cost of equity (%)** Required return by investors on the Nordea share, measured as the long risk free euro rate plus required average risk premium to invest in equities multiplied by Beta, which reflects the Nordea share's volatility and correlation with market volatility.

Cost of equity in EUR is defined as Cost of equity (%) times Economic capital. The Cost of equity is set by management once a year as a parameter to manage risk appetite and investment level.

**Cost/income ratio** Total operating expenses divided by total operating income.

**Diluted earnings per share** Net profit for the year divided by the weighted average number of outstanding shares after full dilution, non-controlling interests excluded.

**Economic capital (EC)** Internal estimate of required capital and measures the capital required to cover unexpected losses in the course of its business with a certain probability. EC uses advanced internal models to provide a consistent measurement for Credit Risk, Market Risk, Operational Risk, Business Risk and Life Insurance Risk arising from activities in Nordea's various business areas.

The aggregation of risks across the group gives rise to diversification effects resulting from the differences in risk drivers and the improbability that unexpected losses occur simultaneously.

**Economic profit** Deducting Cost of equity from Risk-adjusted profit.

**Equity per share** Equity as shown in the balance sheet after full dilution and non-controlling interests excluded divided by the number of shares after full dilution.

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

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

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

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

**MCEV (Market Consistent Embedded Value)** Estimate of the value a shareholder would put on a portfolio of in-force life and pension business based on objective market return. No franchise value or other additional value is included in MCEV.

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

**Price to Book** Nordea's stock market value relative to its book value.

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

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

**Risk-adjusted profit** Total income minus total operating expenses, minus Expected losses and standard tax (26 % 2011). In addition, Risk-adjusted profit excludes major non-recurring items.

**Risk-weighted assets** Total assets and off-balance-sheet items valued on the basis of the credit and market risks, as well as operational risks of the Group's undertakings, in accordance with regulations governing capital adequacy, excluding assets in insurance companies, carrying amount of shares which have been deducted from the capital base and intangible assets.

**Tier 1 capital** Proportion of the capital base, which includes consolidated shareholders' equity excluding investments in insurance companies, proposed dividend, deferred tax assets, intangible assets in the banking operations and half of the expected shortfall deduction, – the negative difference between expected losses and provisions. Subsequent to the approval of the supervisory authorities, Tier 1 capital also includes qualified forms of subordinated loans (Tier 1 capital contributions and hybrid capital loans).

The Core tier 1 capital constitutes the Tier 1 capital excluding hybrid capital loans.

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

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

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

**Total capital ratio** Capital base as a percentage of risk-weighted assets.

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

## G1

## Accounting policies

**1. Basis for presentation**

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

The disclosures, required in the standards, recommendations and legislation above, have been included in the notes, the Risk, Liquidity and Capital management section or in other parts of the "Financial statements".

On 8 February 2012 the Board of Directors approved the financial statements, subject to final approval of the Annual General Meeting on 22 March 2012.

**2. Changed accounting policies and presentation**

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2010 Annual Report, except for the categorisation of lending related commissions within "Net fee and commission income" and the recognition of repurchase and reverse repurchase agreements. These changes are further described below. Below follows also a section covering other changes in IFRSs implemented in 2011, which have not had any significant impact on Nordea.

**Categorisation of lending related commissions**

The categorisation of lending related commissions within "Net fee and commission income" (Note G4) has been changed, in order to be better aligned with the purpose for which the fees are received. The change mainly relates to syndicated transactions. The comparable figures have been restated accordingly and the impact is disclosed in the below table.

| EURm                    | 2010       |            |
|-------------------------|------------|------------|
|                         | New policy | Old policy |
| Lending                 | 397        | 323        |
| Other commission income | 217        | 291        |

**Recognition of repurchase agreements and reverse repurchase agreements**

Repurchase agreements and reverse repurchase agreements have previously been recognised on the balance sheet on trade date, but are as from 2011 recognised on settlement date. This has not had any impact on the income statement. The comparative figures have not been restated as the impact is insignificant. The impact on the balance sheet as per 31 December 2011 and the impact, that has not been restated for, as per 31 December 2010 are disclosed in the below table.

| EURm                                    | 31 Dec 2011 |            | 31 Dec 2010 |            |
|-----------------------------------------|-------------|------------|-------------|------------|
|                                         | New policy  | Old policy | New policy  | Old policy |
| <b>Reverse repurchase agreements</b>    |             |            |             |            |
| Loans to credit institutions            | 51,865      | 53,212     | 15,268      | 15,788     |
| Loans to the public                     | 337,203     | 346,273    | 313,630     | 314,211    |
| Other liabilities                       | 43,368      | 53,785     | 37,489      | 38,590     |
| <b>Repurchase agreements</b>            |             |            |             |            |
| Deposits by credit institutions         | 55,316      | 59,145     | 38,264      | 40,736     |
| Deposits and borrowings from the public | 190,092     | 194,416    | 175,245     | 176,390    |
| Other assets                            | 19,425      | 27,578     | 19,240      | 22,857     |

**Changes in IFRSs implemented 2011**

The IASB has amended IAS 24 "Related Party Disclosures" (Relationships with the state), IAS 32 "Financial Instruments: Presentation" (Rights issues) and IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" as well as published "Improvements to IFRSs 2010" and IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments". These amended and published standards and improvements are effective for Nordea as from 1 January 2011, but have not had any significant impact on 2011. The amendment of IAS 32 may affect possible future rights issues involving different currencies, whilst the amendments to IAS 24 and IFRIC 14 as well as the published "Improvements to IFRSs 2010" and IFRIC 19 are not expected to have a significant impact on subsequent periods.

**3. Changes in IFRSs not yet effective for Nordea**  
**IFRS 9 "Financial instruments" (Phase 1)**

In 2009 the IASB published a new standard on financial instruments. The standard is the first step in the replacement of IAS 39 "Financial instruments: Recognition and Measurement" and this first phase covers the classification and measurement of financial assets and liabilities. The effective date for Nordea is as from 1 January 2015, but earlier application is permitted. The EU commission has not endorsed this standard for implementation in 2011.

The tentative assessment is that there will be an impact on the financial statements as the new standard will decrease the number of measurements categories and therefore have an impact on the presentation and disclosures covering financial instruments. The new standard is, on the other hand, not expected to have a significant impact on Nordea's income statement and balance sheet as the mixed measurement model will be maintained. No significant reclassifications between fair value and amortised cost or impact on the capital adequacy are expected, but this is naturally dependent on the financial instruments in Nordea's balance sheet at transition.

Nordea has, due to the fact that the standard is not yet endorsed by the EU commission, not finalised the investigation of the impact on the financial statements in the period of initial application or in subsequent periods.



**IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosures of Interests in Other entities”, IAS 27 “Separate Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”**

The IASB has published three new standards relating to consolidation, IFRS 10, IFRS 11 and IFRS 12, as well as amended IAS 27 and IAS 28. The effective date for these standards and amendments for Nordea is as from 1 January 2013, but earlier application is permitted. The EU commission has not endorsed these standards and amendments for implementation in 2011.

The tentative assessment is that the new standards and amendments are not expected to have any significant impact on Nordea's income statement. The main potential impact is that the new definition of control can potentially lead to consolidation of funds, for instance mutual funds. A potential consolidation of mutual funds would increase assets and liabilities in the balance sheet and reduce equity to the extent the consolidated fund holds shares in Nordea (Treasury shares). The new standards furthermore include more extensive disclosure requirements which will have an impact on Nordea's disclosures covering consolidated and unconsolidated entities. It is not expected that the new standards and amendments will have a significant impact on the capital adequacy.

Nordea has, due to the fact that the standards and amendments are not yet endorsed by the EU commission, not finalised the investigation of the impact on the financial statements in the period of initial application or in subsequent periods.

**IFRS 13 “Fair Value Measurement”**

The IASB has published IFRS 13. The effective date for Nordea is as from 1 January 2013, but earlier application is permitted. The EU commission has not endorsed this standard for implementation in 2011.

The tentative assessment is that the new standard will not have a significant impact on Nordea's financial statements nor on its capital adequacy.

Nordea has, due to the fact that the standard is not yet endorsed by the EU commission, not finalised the investigation of the impact on the financial statements in the period of initial application or in subsequent periods.

**IAS 19 “Employee Benefits”**

The IASB has amended IAS 19. The effective date for Nordea is as from 1 January 2013, but earlier application is permitted. The EU commission has not endorsed this amendment for implementation in 2011.

The tentative assessment is that the amended standard will have an impact on the financial statements in the period of initial application, as well as in subsequent periods. This is mainly related to defined benefit plans. The amended IAS 19 states that actuarial gains/losses shall be recognised immediately in equity through other comprehensive income, which will lead to higher volatility in equity compared to the current corridor approach.

The amended IAS 19 furthermore states that the expected return on plan assets shall be recognised using the same interest rate as the discount rate used when measuring the pension obligation. This will lead to higher pension expenses in the income statement as Nordea currently expects a higher return than the discount rate. Any difference between the actual return and the expected return will be a part of the actuarial gains/losses recognised immediately in equity through other comprehensive income.

The unrecognised actuarial losses as per 31 December 2011 amounts to EUR 534m excluding special wage tax and before deduction of income tax. If Nordea has unrecognised actuarial losses at transition there will be a negative impact on equity. See Note G34 “Retirement benefit obligations” for more information.

The Swedish Financial Reporting Board has furthermore withdrawn UFR 4 “Accounting for special wage tax and yield tax”. It is expected that this will lead to an increase in the total obligation when the amended IAS 19 is implemented.

As the amended IAS 19 has an impact on equity it is expected that there will be an impact also on the capital adequacy.

**Other forthcoming changes in IFRSs**

IAS 1 “Presentation of Financial Statements” has been amended. The amended standard changes the presentation of other comprehensive income. The effective date for Nordea is as from 1 January 2013, but earlier application is permitted. The EU commission has not endorsed this standard for implementation in 2011.

IFRS 7 “Financial instruments: Disclosures” has been amended and will lead to additional disclosures around transferred assets. The effective date for Nordea is as from 1 January 2012, but earlier application is permitted. The EU commission has endorsed this standard for implementation in 2011.

IAS 32 “Financial Instruments: Presentation” has been amended. The change relates to offsetting of financial assets and financial liabilities. The amendment is not intended to change the criteria for offsetting, but to give additional guidance on how to apply the existing criteria. IFRS 7 “Financial instruments: Disclosures” has furthermore been amended and will lead to additional disclosures around offsetting of financial assets and financial liabilities. The effective date for Nordea is as from 1 January 2014 for amendments to IAS 32 and from 1 January 2013 for amendments to IFRS 7, but earlier application is permitted. The EU commission has not endorsed these amendments for implementation in 2011.

The IASB has furthermore amended IFRS 1 “First-time Adoption of International Financial Reporting Standards” (Hyperinflation/Fixed dates) and IAS 12 “Income taxes” (Recovery of underlying asset) and published IFRIC 20 “Stripping costs”. The effective date for Nordea is as from 1 January 2012, but earlier application is permitted. The EU commission has not endorsed the amended standards and published interpretation for implementation in 2011.

The abovementioned amended standards and interpretation not yet adopted, within the section “Other forthcoming changes in IFRSs”, are not, in the period of initial application or in subsequent periods, expected to have any significant impact on the financial statements, apart from on disclosures, nor on the capital adequacy.

**4. Critical judgements and key sources of estimation uncertainty**

The preparation of financial statements in accordance with generally accepted accounting principles requires, in some cases, the use of estimates and assumptions by management. The estimates are based on past experience and assumptions that management believes are fair and reasonable. These estimates and the judgement behind them affect the reported amounts of assets, liabilities and off-balance sheet items, as well as income and expenses in the financial statements presented. Actual outcome can later, to some extent, differ from the estimates and the assumptions made.

Certain accounting policies are considered to be particularly important to the financial position of Nordea, since they require management to make difficult, complex or subjective judgements and estimates, the majority of which relate to matters that are inherently uncertain. These critical judgements and estimates are in particular associated with:

- the fair value measurement of certain financial instruments.
- the impairment testing of:
  - goodwill and
  - loans to the public/credit institutions.
- the actuarial calculations of pension liabilities and plan assets related to employees.
- the actuarial calculations of liabilities to policyholders.
- the valuation of deferred tax assets.
- the valuation of investment properties.
- claims in civil lawsuits.

#### **Fair value measurement of certain financial instruments**

Critical judgement is exercised when determining fair value of OTC derivatives and other financial instruments that lack quoted prices or recently observed market prices in the following areas:

- The choice of valuation techniques
- The determination of when quoted prices fail to represent fair value (including the judgement of whether markets are active)
- The construction of fair value adjustments in order to incorporate relevant risk factors such as credit risk, model risk and liquidity risk
- The judgement of which market parameters that are observable

In all of these instances, decisions are based upon professional judgement in accordance with Nordea's accounting and valuation policies. In order to ensure proper governance, Nordea has a Group Valuation Committee that on an ongoing basis reviews critical judgements that are deemed to have a significant impact on fair value measurements.

See also the separate section 11 "Determination of fair value of financial instruments" and Note G43 "Assets and liabilities at fair value".

#### **Impairment testing**

##### *Goodwill*

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. This consists of an analysis to assess whether the carrying amount of goodwill is fully recoverable. The determination of the recoverable amount involves establishing the value in use, measured as the present value of the cash flows expected from the cash-generating unit, to which the goodwill has been allocated.

The forecasts of future cash flows are based on Nordea's best estimates of future revenues and expenses for the cash-generating units to which goodwill has been allocated. A number of assumptions and estimates have significant impact on these calculations and include parameters like macroeconomic assumptions, market growth, business volumes, margins and cost effectiveness. Changes to any of these parameters, following changes in market conditions, competition, strategy or other, affects the forecasted cash flows. Under current market conditions such changes are not expected to lead to any significant impairment charges of goodwill, but may do so in subsequent periods.

See also the separate section 16 "Intangible assets" and Note G21 "Intangible assets".

##### *Loans to the public/credit institutions*

When testing individual loans for impairment, the most critical judgement, containing the highest uncertainty, relates to

the estimation of the most probable future cash flows generated from the customer.

When testing a group of loans collectively for impairment, the key aspect is to identify the events and/or the observable data that indicate that losses have been incurred in the group of loans. Assessing the net present value of the cash flows generated by the customers in the group contains a high degree of uncertainty when using historical data and the acquired experience when adjusting the assumptions based on historical data to reflect the current situation.

See also the separate section 14 "Loans to the public/credit institutions" and Note G14 "Loans and impairment".

#### **Actuarial calculations of pension liabilities and plan assets related to employees**

The Projected Benefit pension Obligation (PBO) for major pension plans is calculated by external actuaries using demographic assumptions based on the current population. As a basis for these calculations a number of actuarial and financial parameters are used. The most important financial parameter is the discount rate. Other parameters like assumptions about salary increases and inflation are based on the expected long-term development of these parameters. The fixing of these parameters at year-end is disclosed in Note G34 "Retirement benefit obligations".

The major part of the assets covering the pension liabilities is invested in liquid assets and valued at quoted prices at year-end. The expected return on plan assets is fixed taking into account the asset composition and based on long-term expectations on the return on the different asset classes. The expected return is also disclosed in Note G34 "Retirement benefit obligations".

See also the separate section 22 "Employee benefits" and Note G34 "Retirement benefit obligations".

#### **Actuarial calculations for liabilities to policyholders**

The liabilities to policyholders consist of long-term obligations with some insurance contracts having long durations. A valuation of these liabilities includes estimations and assumptions, both financial and actuarial. One of the important financial assumptions is the interest rate used for discounting future cash flows. Other important actuarial assumptions are mortality and disability assumptions, which affect the size and timing of the future cash flows. The financial and actuarial assumptions are, to a large extent, stipulated in local legislation and therefore not under Nordea's discretion. Also assumptions about future administrative and tax expenses have an impact on the calculation of policyholder liabilities.

See also the separate section 19 "Liabilities to policyholders" and Note G29 "Liabilities to policyholders".

#### **Valuation of deferred tax assets**

The valuation of deferred tax assets is influenced by management's assessment of Nordea's future profitability. This assessment is updated and reviewed at each balance sheet date, and is, if necessary, revised to reflect the current situation.

See also the separate section 20 "Taxes" and Note G11 "Taxes".

#### **Valuation of investment properties**

Investment properties are measured at fair value as described in section 18 "Investment property". As there normally are no active markets for investment properties, the fair values are estimated based on discounted cash flow models. These models are based on assumptions on future rents, vacancy levels, operating and maintenance costs, yield requirements and interest rates.



See also the separate section 18 “Investment property” and Note G24 “Investment property”.

### Claims in civil lawsuits

Within the framework of the normal business operations, Nordea faces a number of claims in civil lawsuits and disputes, most of which involve relatively limited amounts. Presently none of these disputes are considered likely to have any significant adverse effect on Nordea or its financial position. See also Note G33 “Provisions” and Note G38 “Contingent liabilities”.

## 5. Principles of consolidation

### Consolidated entities

The consolidated financial statements include the accounts of the parent company Nordea Bank AB (publ), and those entities that the parent company controls. Control is generally achieved when the parent company owns, directly or indirectly through group undertakings, more than 50 per cent of the voting rights or otherwise has the power to govern the financial and operating policies of the entity.

All Group undertakings are consolidated using the purchase method, except for the forming of Nordea in 1997–98 when the holding in Nordea Bank Finland Plc was consolidated using the pooling method. Under the purchase method, the acquisition is regarded as a transaction whereby the parent company indirectly acquires the subsidiary’s assets and assumes its liabilities and contingent liabilities. The Group’s acquisition cost is established in a purchase price allocation analysis. In such analysis, the cost of the business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for the identifiable net assets acquired. Costs directly attributable to the business combination are expensed. When the cost of the business combination exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities, the excess is reported as goodwill. If the difference is negative, such difference is recognised immediately in the income statement.

Intra-group transactions and balances between the consolidated group undertakings are eliminated.

The Group undertakings are included in the consolidated accounts as from the date on which control is transferred to Nordea and are no longer consolidated as from the date on which control ceases.

Equity and net income attributable to non-controlling interests are separately disclosed in the balance sheet, income statement and statement of comprehensive income.

In the consolidation process the reporting from the subsidiaries is adjusted to ensure consistency with the IFRS principles applied by Nordea.

### Investments in associated undertakings

The equity method of accounting is used for associated undertakings where the share of voting rights is between 20 and 50 per cent and/or where Nordea has significant influence. Investments within Nordea’s investment activities, which are classified as a venture capital organisation within Nordea, are measured at fair value in accordance with the rules set out in IAS 28 and IAS 39. Further information on the equity method is disclosed in section 6 “Recognition of operating income and impairment”.

Profits from companies accounted for under the equity method are reported post-taxes in the income statement. Consequently, the tax expense related to these profits is not included in the income tax expense for Nordea.

Internal transactions, in the income statement, between Nordea and its associated companies are not eliminated.

Nordea does not have any transactions including sales of assets with associated companies.

### Special Purpose Entities (SPE)

In accordance with IFRS Nordea does not consolidate SPEs’ assets and liabilities beyond its control. In order to determine whether Nordea controls a SPE or not, Nordea has to make judgements about risks and rewards and assess the ability to make operational decisions for the SPE in question.

When assessing whether Nordea shall consolidate a SPE, a range of factors are evaluated. These factors include whether the activities of the SPE are being in substance conducted on Nordea’s behalf or if Nordea has in substance the decision making powers, the rights to obtain the majority of the benefits or the majority of the residual- or ownership risks. Nordea consolidates all SPEs, where Nordea has retained the majority of the risks and rewards. For the SPEs that are not consolidated the rationale is that Nordea does not have any significant risks or rewards on these assets and liabilities.

Nordea has created a number of SPEs to allow clients to invest in assets invested in by the SPEs. Some SPEs invest in tradable financial instruments, such as shares and bonds (mutual funds). Other SPEs invest in structured credit products or acquire assets from customers of Nordea. Nordea is generally the investment manager and has sole discretion about investments and other administrative decisions. Typically, Nordea will receive service and commission fees in connection to the creation of the SPEs, or because it acts as investment manager, custodian or in some other function. This in itself does not constitute a beneficial interest triggering consolidation. In some SPEs Nordea has also supplied substantial parts of the funding in the form of fund units, loans or credit commitments. In these SPEs Nordea has a beneficial interest and retains the majority of the risks and rewards, which is why these SPEs are consolidated. Note P21 “Investments in group undertakings” lists the major subsidiaries in the Nordea Group, including consolidated SPEs.

### Currency translation of foreign entities

The consolidated financial statements are prepared in euro (EUR), the presentation currency of the parent company Nordea Bank AB (publ). The current method is used when translating the financial statements of foreign entities into EUR from their functional currency. The assets and liabilities of foreign entities have been translated at the closing rates, while items in the income statements and statements of comprehensive income are translated at the average exchange rate for the year. Translation differences are accounted for in other comprehensive income and are accumulated in the translation reserve in equity.

Goodwill and fair value adjustments arising from the acquisition of group undertakings are treated as items in the same functional currency as the cash generating unit to which they belong and are also translated at the closing rate.

Information on the most important exchange rates is disclosed in the separate section 27 “Exchange rates”.

## 6. Recognition of operating income and impairment

### Net interest income

Interest income and expense are calculated and recognised based on the effective interest rate method or, if considered appropriate, based on a method that results in an interest income or interest expense that is a reasonable approximation of using the effective interest rate method as basis for the calculation.

Interest income and interest expense related to all balance sheet items in Markets and Nordea Life & Pensions are recognised in the income statement on the line “Net result from

items at fair value". Interest income and expense connected to internal placements by and internal funding of Markets are replaced with the related Group external interest income and interest expense and recognised on the line "Net result from items at fair value".

Interest on derivatives used for hedging is also recognised in "Net interest income", as well as fees that are considered to be an integral part of the effective interest rate of a financial instrument.

#### Net fee and commission income

Nordea earns commission income from different services provided to its customers. The recognition of commission income depends on the purpose for which the fees are received. Fees are either recognised as revenue when services are provided or in connection to the execution of a significant act. Fees received in connection to performed services are recognised as income in the period these services are provided. A loan syndication fee received as payment for arranging a loan, as well as other fees received as payments for certain acts, are recognised as revenue when the act has been completed, i.e. when the syndication has been finalised.

Commission expenses are transaction based and recognised in the period when the services are received.

Income from issued financial guarantees and expenses from bought financial guarantees, including fees paid to state guarantees, are amortised over the duration of the instruments and classified as "Fee and commission income" and "Fee and commission expense" respectively.

#### Net result from items at fair value

Realised and unrealised gains and losses on financial instruments measured at fair value through profit or loss are recognised in the item "Net result from items at fair value".

Realised and unrealised gains and losses derive from:

- Shares/participations and other share-related instruments
- Interest-bearing securities and other interest-related instruments
- Other financial instruments, which contain credit derivatives as well as commodity instruments/derivatives
- Foreign exchange gains/losses
- Investment properties, which include realised and unrealised income, for instance revaluation gains and losses. This line also includes realised results from disposals as well as the running property yield stemming from the holding of investment properties.

Interest income and interest expense related to all balance sheet items in Markets and Nordea Life & Pensions, including the funding of these operations, are recognised in "Net result from items at fair value".

Also the ineffective portion of cash flow hedges and net investment hedges as well as recycled gains and losses on financial instruments classified into the category Available for sale are recognised in "Net result from items at fair value".

This item also includes realised gains and losses from financial instruments measured at amortised cost, such as interest compensation received and realised gains/losses on buy-backs of issued own debt.

"Net result from items at fair value" includes also losses from counterparty risk on instruments classified into the category Financial assets at fair value through profit or loss as well as impairment on instruments classified into the category Available for sale. Impairment losses from instruments within other categories are recognised in the items "Net loan losses" or "Impairment of securities held as financial non-current assets" (see also the sub-sections "Net loan losses" and "Impairment of securities held as financial non-current assets" below).

Dividends received are recognised in the income statement as "Net result from items at fair value" and classified as "Shares/participations and other share-related instruments" in the note. Income is recognised in the period in which the right to receive payment is established.

The income recognition and descriptions of the lines relating to life insurance are described in section 7 "Income recognition life insurance" below.

#### Profit from companies accounted for under the equity method

The profit from companies accounted for under the equity method is defined as the post-acquisition change in Nordea's share of net assets in the associated companies. Nordea's share of items accounted for in other comprehensive income in the associated companies is accounted for in other comprehensive income in Nordea. Profits from companies accounted for under the equity method are, as stated in section 5 "Principles of consolidation", reported in the income statement post-taxes. Consequently the tax expense related to these profits is excluded from the income tax expense for Nordea.

Fair values are, at acquisition, allocated to the associated company's identifiable assets, liabilities and contingent liabilities. Any difference between Nordea's share of the fair values of the acquired identifiable net assets and the purchase price is goodwill or negative goodwill. Goodwill is included in the carrying amount of the associated company. Subsequently the investment in the associated company increases/decreases with Nordea's share of the post-acquisition change in net assets in the associated company and decreases through received dividends and impairment. An impairment charge can be reversed in a subsequent period.

The change in Nordea's share of the net assets is generally based on monthly reporting from the associated companies. For some associated companies not individually significant the change in Nordea's share of the net assets is based on the external reporting of the associated companies and affects the financial statements of Nordea in the period in which the information is available. The reporting from the associated companies is, if applicable, adjusted to comply with Nordea's accounting policies.

#### Other operating income

Net gains from divestments of shares in subsidiaries and associated companies and net gains on sale of tangible assets as well as other operating income, not related to any other income line, are generally recognised when it is probable that the benefits associated with the transaction will flow to Nordea and if the significant risks and rewards have been transferred to the buyer (generally when the transactions are finalised).

#### Net loan losses

Impairment losses from financial assets classified into the category Loans and receivables (see section 13 "Financial instruments"), in the items "Loans to credit institutions" and "Loans to the public" in the balance sheet, are reported as "Net loan losses" together with losses from financial guarantees (including state guarantees in Denmark). Losses are reported net of any collateral and other credit enhancements. Nordea's accounting policies for the calculation of impairment losses on loans can be found in section 14 "Loans to the public/credit institutions".

Counterparty losses on instruments classified into the category Financial assets at fair value through profit or loss, including credit derivatives, as well as impairment on financial assets classified into the category Available for sale are reported under "Net result from items at fair value".

### Impairment of securities held as financial non-current assets

Impairment on investments in interest-bearing securities, classified into the categories Loans and receivables or Held to maturity, and on investments in associated companies are classified as “Impairment of securities held as financial non-current assets” in the income statement. The policies covering impairment of financial assets classified into the categories Loans and receivables and Held to maturity are disclosed in section 13 “Financial instruments” and section 14 “Loans to the public/credit institutions”.

Investments in associated companies are assessed for impairment annually. If observable indicators (loss events) indicate that an associated company is impaired, an impairment test is performed to assess whether there is objective evidence of impairment. The carrying amount of the investment in the associate is compared with the recoverable amount (higher of value in use and fair value less cost to sell) and the carrying amount is written down to the recoverable amount if required.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount, but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

### 7. Income recognition life insurance

Premiums received, and repayments to policyholders, related to the saving part of the life insurance contracts are reported as increases or decreases of liabilities to policyholders. See further information in section 19 “Liabilities to policyholders”.

The total income from life insurance mainly consists of the following components:

- Cost result
- Insurance risk result
- Risk and performance margin
- Investment return on additional capital in life insurance

The result from these components is, except for the cost result and the risk and performance margin relating to Unit Linked and Investment contracts, included in “Net result from items at fair value”.

The cost result is the result of expense loading from policyholders and is included in the item “Fee and commission income”, together with the risk and performance margin relating to Unit Linked and Investment contracts. The related expenses are included in the items “Fee and commission expense” and “Operating expenses”. The policyholder's part of a positive or negative cost result (profit sharing) is included in the note line “Change in technical provisions, Life” within Note G5 “Net result from items at fair value”.

The insurance risk result consists of income from individual risk products and from unbundled life insurance contracts as well as Health and personal accident insurance. The risk premiums are amortised over the coverage period as the provisions are reduced when insurance risk is released. A large part of the unbundled risk result from traditional life insurance is subject to profit sharing, which means that the policyholders receive a part of a net income or a net deficit. The risk income and the risk expenses are presented gross on the lines “Insurance risk income, Life” and “Insurance risk expense, Life” in Note G5 “Net result from items at fair value”. The policyholder's part of the result is included in the line “Change in technical provisions, Life” in the note.

Gains and losses derived from investments in Nordea Life & Pensions are split on the relevant lines in Note G5 “Net result from items at fair value” as for any other investments in Nordea. The lines include investment return on assets held to

cover liabilities to policyholders and return on the additional capital allocated to Nordea Life & Pensions (Shareholders capital in the Nordea Life & Pensions group).

The note line “Change in technical provisions, Life” in Note G5 “Net result from items at fair value” includes:

- Investment returns on assets held to cover liabilities to policyholders (including liabilities from traditional life insurance, unit linked insurance and investment contracts), individually transferred to policyholders' accounts according to the contracts.
- Additional bonus (discretionary participation feature) to policyholders concerning traditional life insurance contracts or any other transfers to the policyholders to cover a periodical deficit between the investment result and any agreed minimum benefit to the policyholders.
- Risk and performance margin regarding traditional life insurance products according to local allocation rules in each Nordea Life & Pensions unit and according to contracts with policyholders. The recognition of a risk and performance margin in the income statement is mainly conditional on a positive result for traditional life insurance contracts. Risk and performance margins not possible to recognise in the current period due to poor investment results, can, in some countries, partly or wholly be deferred to years with higher returns.
- The policyholders' part of the cost- and risk result regarding traditional life insurance contracts or unit linked contracts.

The note line “Change in collective bonus potential, Life” in Note G5 “Net result from items at fair value” relates only to traditional life insurance contracts. The line includes policyholders' share of investment returns not yet individualised. The line includes also additional bonus (discretionary participation feature) and amounts needed to cover a periodical deficit between the investment result and any minimum benefits to the policyholders.

### 8. Recognition and derecognition of financial instruments in the balance sheet

Derivative instruments, quoted securities and foreign exchange spot transactions are recognised on and derecognised (reclassified to the items “Other assets” or “Other liabilities” in the balance sheet between trade date and settlement date) from the balance sheet on the trade date. Other financial instruments are recognised on the balance sheet on settlement date.

Financial assets, other than those for which trade date accounting is applied, are derecognised from the balance sheet when the contractual rights to the cash flows from the financial asset expire or are transferred to another party. The rights to the cash flows normally expire or are transferred when the counterpart has performed by e.g. repaying a loan to Nordea, i.e. on settlement date.

In some cases, Nordea enters into transactions where it transfers assets that are recognised on the balance sheet, but retains either all or a portion of risks and rewards from the transferred assets. If all or substantially all risks and rewards are retained, the transferred assets are not derecognised from the balance sheet. If Nordea's counterpart can sell or repledge the transferred assets, the assets are reclassified to the item “Financial instruments pledged as collateral” in the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include e.g. security lending agreements and repurchase agreements.

Financial liabilities are derecognised from the balance sheet when the liability is extinguished. Normally this occurs when Nordea performs, for example when Nordea repays a deposit to the counterpart, i.e. on settlement date. Financial

liabilities under trade date accounting are generally reclassified to "Other liabilities" in the balance sheet on trade date.

For further information, see sections "Securities borrowing and lending agreements" and "Repurchase and reverse repurchase agreements" within 13 "Financial instruments", as well as Note G44 "Obtained collaterals which are permitted to be sold or repledged".

### 9. Translation of assets and liabilities denominated in foreign currencies

The functional currency of each entity is decided based upon the primary economic environment in which the entity operates. The parent company Nordea Bank AB (publ) uses two functional currencies, SEK and EUR, for reporting in consolidated accounts, based on the different activities in the underlying business.

Foreign currency is defined as any currency other than the functional currency of the entity. Foreign currency transactions are recorded at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealised translation differences on unsettled foreign currency monetary assets and liabilities, are recognised in the income statement in the item "Net result from items at fair value".

Translation differences on financial instruments that are designated hedging instruments in a hedge of a net investment in a group undertaking are recognised in other comprehensive income, to the extent the hedge is effective. This is performed in order to offset the translation differences affecting other comprehensive income when consolidating the group undertaking into Nordea. Any ineffectiveness is recognised in the income statement in the item "Net result from items at fair value".

### 10. Hedge accounting

IAS 39 includes principles and rules concerning accounting for hedging instruments and the underlying hedged item, so-called hedge accounting. Nordea applies the EU carve out version of IAS 39 for portfolio hedges of both assets and liabilities. The EU carve out macro hedging enables a group of derivatives (or proportions thereof) to be viewed in combination and designated as the hedging instrument and removes some of the limitations in fair value hedge accounting relating to hedging core deposits and under-hedging strategies.

The hedge accounting policy within Nordea has been developed to fulfil the requirements set out in IAS 39. Nordea uses hedge accounting in order to have a symmetrical accounting treatment of the changes in fair value of the hedged item and changes in fair value of the hedging instruments as well as to hedge the exposure to variability in future cash flows and the exposure to net investments in foreign operations. The overall purpose is to have a true and fair presentation of Nordea's economical hedges in the financial statements. The overall operational responsibility to hedge positions and for hedge accounting lies within Group Treasury.

There are three forms of hedge accounting:

- Fair value hedge accounting
- Cash flow hedge accounting
- Hedges of net investments

#### Fair value hedge accounting

Fair value hedge accounting is used when derivatives are hedging changes in fair value of a recognised asset or liability attributable to a specific risk. The risk of changes in fair value

of assets and liabilities in Nordea's financial statements originates mainly from loans, securities and deposits with a fixed interest rate, causing interest rate risk. Changes in fair value from derivatives as well as changes in fair value of the hedged item attributable to the risks being hedged will be recognised separately in the income statement in the item "Net result from items at fair value". Given an effective hedge, the two changes in fair value will more or less balance, meaning the net result will be close to zero. The changes in fair value of the hedged item attributable to the risks hedged with the derivative instrument are reflected in an adjustment to the carrying amount of the hedged item, which is also recognised in the income statement. The fair value change of the hedged item in a portfolio hedge of interest rate risks is reported separately from the portfolio in the item "Fair value changes of the hedged items in portfolio hedge of interest rate risk" in the balance sheet.

Fair value hedge accounting in Nordea is performed mainly on a portfolio basis. Any ineffectiveness is recognised in the income statement under the item "Net result from items at fair value".

#### Hedged items

A hedged item in a fair value hedge can be a recognised single asset or liability, an unrecognised firm commitment, or a portion thereof. The hedged item can also be a group of assets, liabilities or firm commitments with similar risk characteristics. Hedged items in Nordea consist of both individual assets or liabilities and portfolios of assets and/or liabilities.

#### Hedging instruments

The hedging instruments used in Nordea are predominantly interest rate swaps and cross currency interest rate swaps, which are always held at fair value. Cash instruments are only used in a few transactions as hedging instruments when hedging currency risk.

#### Cash flow hedge accounting

Cash flow hedge accounting can be used for the hedging of exposure to variations in future interest payments on instruments with variable interest rates and for the hedging of currency exposures. The portion of the gain or loss on the hedging instrument, that is determined to be an effective hedge, is recognised directly in other comprehensive income and accumulated in the fair value reserve (related to cash flow hedges) in equity. The ineffective portion of the gain or loss on the hedging instrument is recycled to the item "Net result from items at fair value" in the income statement.

Gains or losses on hedging instruments recognised in the fair value reserve (related to cash flow hedges) in equity through other comprehensive income are recycled and recognised in the income statement in the same period as the cash flow, normally the interest income or interest expense from the hedged asset or liability.

#### Hedged items

A hedged item in a cash flow hedge can be a recognised asset or liability or a highly probable forecast transaction. Nordea uses cash flow hedges when hedging currency risk in future payments of interest and principal in foreign currency.

#### Hedging instruments

The hedging instruments used in Nordea are predominantly cross currency interest rate swaps, which are always held at fair value, where the currency component is designated as a cash flow hedge of currency risk and the interest component as a fair value hedge of interest rate risk.



### Hedges of net investments

See separate section 9 "Translation of assets and liabilities denominated in foreign currencies".

### Hedge effectiveness

The application of hedge accounting requires the hedge to be highly effective. A hedge is regarded as highly effective if at inception and throughout its life it can be expected that changes in fair value of the hedged item as regards the hedged risk can be essentially offset by changes in fair value of the hedging instrument. The result should be within a range of 80–125 per cent. When assessing hedge effectiveness retrospectively Nordea measures the fair value of the hedging instruments and compares the change in fair value of the hedging instrument to the change in fair value of the hedged item. The effectiveness measurement is made on a cumulative basis.

If the hedge relationship does not fulfil the requirements, hedge accounting will be terminated. The change in the unrealised value of the derivatives will, prospectively from the last time it was last proven effective, be accounted for in the income statement. For fair value hedges, the change in the fair value on the hedged item, up to the point when the hedge relationship is terminated, is amortised to the income statement on a straight-line basis over the remaining maturity of the hedged item. In cash flow hedges, the cumulative gain or loss on the hedging instrument that has been recognised in the fair value reserve (related to cash flow hedges) in equity through other comprehensive income from the period when the hedge was effective is reclassified from equity to "Net result from items at fair value" in the income statement if the hedged item is derecognised, cancelled or the expected transaction no longer is expected to occur. If the expected transaction no longer is highly probable, but is still expected to occur, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective remains in other comprehensive income until the transaction occurs or is no longer expected to occur.

### 11. Determination of fair value of financial instruments

Financial assets and liabilities classified into the categories Financial assets/liabilities at fair value through profit or loss (including derivative instruments) are recorded at fair value on the balance sheet with changes in fair value recognised in the income statement in the item "Net result from items at fair value".

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The existence of published price quotations in an active market is the best evidence of fair value and when they exist they are used to measure financial assets and financial liabilities. Nordea is predominantly using published price quotations to establish fair value for items disclosed under the following balance sheet items:

- Treasury bills
- Interest-bearing securities
- Shares
- Derivatives (listed derivatives)
- Debt securities in issue (issued mortgage bonds in Nordea Kredit Realkreditatieselskab)

If quoted prices for a financial instrument fail to represent actual and regularly occurring market transactions or if quoted prices are not available, fair value is established by using an appropriate valuation technique. Valuation techniques can range from simple discounted cash flow analysis to complex option pricing models. Valuation models are

designed to apply observable market prices and rates as input whenever possible, but can also make use of unobservable model parameters. Nordea is predominantly using valuation techniques to establish fair value for items disclosed under the following balance sheet items:

- Treasury bills (when quoted prices in an active market are not available)
- Loans to the public (mortgage loans in the Danish subsidiary Nordea Kredit Realkreditatieselskab)
- Interest-bearing securities (when quoted prices in an active market are not available)
- Shares (when quoted prices in an active market are not available)
- Derivatives (OTC-derivatives)

Fair value is calculated as the theoretical net present value of the individual contracts, based on independently sourced market parameters and assuming no risks and uncertainties. This calculation is supplemented by a portfolio adjustment. The portfolio adjustment covers uncertainties associated with the valuation techniques, model assumptions and unobservable parameters as well as the portfolio's counterparty credit risk and liquidity risk. An important part of the portfolio adjustment serves to adjust the net open market risk exposures from mid-prices to ask or bid prices (depending on the net position). For different risk categories, exposures are aggregated and netted according to internal guidelines and aggregated market price information on bid-ask spreads are applied in the calculation. Spreads are updated on a regular basis.

The portfolio adjustment for uncertainties associated with model assumptions comprises two components (The calculation principles are defined as part of the internal approval process for valuation models):

- Benchmarking of the model output (market values) against market information or against results from alternative models, where available
- Sensitivity calculations where unobservable parameters are changed to other reasonable values

The portfolio adjustment for counterparty risk in OTC-derivatives is based on the current exposure towards each counterparty, the estimated potential future exposure as well as an estimate of the cost of hedging the counterparty risk. This cost of hedging is either based directly on market prices (where available) or on a theoretical calculation based on the internal credit rating of the counterparty.

For financial instruments, where fair value is estimated by a valuation technique, it is investigated whether the variables used in the valuation model are predominantly based on data from observable markets. By data from observable markets, Nordea considers data that can be collected from generally available external sources and where this data is judged to represent realistic market prices. If non-observable data has a significant impact on the valuation, the instrument cannot be recognised initially at the fair value estimated by the valuation technique and any upfront gains are thereby deferred and amortised through the income statement over the contractual life of the instrument. The deferred upfront gains are subsequently released to income if the non-observable data becomes observable.

Note G43 "Assets and liabilities at fair value" provides a breakdown of fair values of financial instruments measured on the basis of:

- quoted prices in active markets for the same instrument (level 1),
- valuation techniques using observable data (level 2), and
- valuation techniques using non-observable data (level 3).

The valuation models applied by Nordea are consistent with accepted economic methodologies for pricing financial instruments and incorporate the factors that market participants consider when setting a price.

New valuation models are subject to approval by Group Risk Management and all models are reviewed on a regular basis.

For further information, see Note G43 "Assets and liabilities at fair value".

## 12. Cash and cash equivalents

Cash and cash equivalents consist of cash and balances with central banks where the following conditions are fulfilled:

- The central bank is domiciled in a country where Nordea is operating under a banking licence
- The balance is readily available at any time

Cash and cash equivalents are financial instruments classified into the category Loans and receivables, see section 13 "Financial instruments".

Loans to credit institutions payable on demand are also recognised as "Cash and cash equivalents" in the cash flow statement.

## 13. Financial instruments

### Classification of financial instruments

Each financial instrument has been classified into one of the following categories:

#### *Financial assets:*

- Financial assets at fair value through profit or loss:
  - Held for trading
  - Designated at fair value through profit or loss (Fair Value Option)
- Loans and receivables
- Held to maturity
- Available for sale

#### *Financial liabilities:*

- Financial liabilities at fair value through profit or loss:
  - Held for trading
  - Designated at fair value through profit or loss (Fair Value Option)
- Other financial liabilities

All financial assets and liabilities are initially measured at fair value. The classification of financial instruments into different categories forms the basis for how each instrument is subsequently measured in the balance sheet and how changes in its value are recognised. In Note G42 "Classification of financial instruments" the classification of the financial instruments in Nordea's balance sheet into different categories is presented.

#### *Financial assets and financial liabilities at fair value through profit or loss*

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value, excluding transaction costs. All changes in fair values are recognised directly in the income statement in the item "Net result from items at fair value".

The category consists of two sub-categories; Held for trading and Designated at fair value through profit or loss (Fair value option).

The sub-category Held for trading mainly contains derivative instruments that are held for trading purposes, interest-bearing securities and shares within Markets and Treasury. It also contains trading liabilities such as short-selling positions.

The major parts of the financial assets/liabilities classified into the category Designated at fair value through profit or loss are mortgage loans and related issued bonds in the Danish subsidiary Nordea Kredit Realkreditaktieselskab and interest-bearing securities, shares and investment contracts in Nordea Life & Pensions. Assets and liabilities in Nordea Kredit Realkreditaktieselskab are classified into the category Designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. Interest-bearing securities, shares and investment contracts in Nordea Life & Pensions also belong to this category, as a consequence of that these assets and liabilities are managed on a fair value basis.

Nordea also applies the Fair value option on certain financial assets and financial liabilities related to Markets. The classification stems from that Markets is managing and measuring all its financial assets and liabilities to fair value. Consequently, all financial assets and financial liabilities in Markets are classified into the categories Financial assets/Financial liabilities at fair value through profit or loss.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets, with fixed or determinable payments, that are not quoted in an active market. These assets and their impairment are further described in the separate section 14 "Loans to the public/credit institutions".

#### *Held to maturity*

Financial assets that Nordea has chosen to classify into the category Held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity that Nordea has the positive intent and ability to hold to maturity. Financial assets classified into the category Held-to-maturity are initially recognised in the balance sheet at the acquisition price, including transaction costs. Subsequent to initial recognition, the instruments within this category are measured at amortised cost. In an amortised cost measurement, the difference between acquisition cost and redemption value is amortised in the income statement over the remaining term using the effective interest rate method.

If more than an insignificant amount of the Held to maturity portfolio is sold or transferred the Held to maturity category is tainted, except for if the sale or transfer either occur close to maturity, after substantially all of the original principal is already collected, or due to an isolated non-recurring event beyond the control of Nordea.

Nordea assesses at each reporting date whether there is any objective evidence that the asset is impaired. If there is such evidence, an impairment loss is recorded. The loss is calculated as the difference between the carrying amount and the present value of estimated future cash flows and is recognised as "Impairment of securities held as financial non-current assets" in the income statement. See section 14 "Loans to the public/credit institutions" for more information on the identification and measurement of objective evidence of impairment, which is applicable also for interest-bearing securities classified into the category Held to maturity.

#### *Available for sale*

Financial instruments classified into the category Available for sale are measured at fair value. Changes in fair values, except for interest, foreign exchange effects and impairment losses, are recognised in the fair value reserve in equity through other comprehensive income. Interest is recognised in the item "Interest income" and foreign exchange effects and impairment losses in the item "Net result from items at fair value" in the income statement.

When an instrument classified into the category Available for sale is disposed of, the fair value changes that previously have been accumulated in the fair value reserve (related to Available for sale investments) in other comprehensive income are removed from equity and recognised in the income statement in the item "Net result from items at fair value".

Financial assets classified into the category Available for sale are assessed at least annually in order to determine any need for impairment losses. If there is objective evidence of impairment, the accumulated loss that has been recognised in other comprehensive income is removed from equity and recognised as "Net result from items at fair value" in the income statement. The amount of the accumulated loss that is recycled from equity is the difference between the asset's acquisition cost and current fair value. For equity investments a prolonged and significant decline in the fair value, compared to the acquisition cost, is considered to be objective evidence of impairment. Objective evidence of impairment for a debt instrument is rather connected to a loss event, such as an issuer's financial difficulty.

#### *Other financial liabilities*

Financial liabilities, other than those classified into the category Financial liabilities at fair value through profit or loss, are measured at amortised cost. Interest from Other financial liabilities is recognised in the item "Interest expense" in the income statement.

#### **Hybrid (combined) financial instruments**

Hybrid (combined) financial instruments are contracts containing a host contract and an embedded derivative instrument. Such combinations arise predominantly from the issuance of structured debt instruments, such as issued index-linked bonds.

Index-linked bonds issued by Group Treasury are considered to be part of the funding activities. The zero coupon bond, is measured at amortised cost. The embedded derivatives in those instruments are separated from the host contract and accounted for as stand-alone derivatives at fair value, if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, and the embedded derivative meets the definition of a derivative instrument. Changes in fair values, of the embedded derivatives, are recognised in the income statement in the item "Net result from items at fair value".

Index-linked bonds issued by Markets as part of the trading portfolio are classified into the category Held for trading, and the entire combined instrument, host contract together with the embedded derivative, is measured at fair value through profit or loss. Changes in fair values are recognised in the income statement in the item "Net result from items at fair value".

#### **Securities borrowing and lending agreements**

Generally, securities borrowing and securities lending transactions are entered into on a collateralised basis. Unless the risks and rewards of ownership are transferred, the securities are not recognised on or derecognised from the balance sheet. In the cases where the counterpart is entitled to resell or repledge the securities, the securities are reclassified to the balance sheet item "Financial instruments pledged as collateral".

Securities in securities lending transactions are also disclosed in the item "Assets pledged as security for own liabilities".

Cash collateral advanced (securities borrowing) to the counterparts is recognised on the balance sheet as "Loans to credit institutions" or as "Loans to the public". Cash collateral received (securities lending) from the counterparts is recognised on the balance sheet as "Deposits by credit institutions" or as "Deposits and borrowings from the public".

#### **Repurchase and reverse repurchase agreements**

Securities delivered under repurchase agreements and securities received under reverse repurchase agreements are not derecognised from or recognised on the balance sheet. In the cases where the counterpart has the right to resell or repledge the securities, the securities are reclassified to the balance sheet line "Financial instruments pledged as collateral".

Securities delivered under repurchase agreements are also disclosed in the item "Assets pledged as security for own liabilities".

Cash received under repurchase agreements is recognised on the balance sheet as "Deposits by credit institutions" or as "Deposits and borrowings from the public". Cash delivered under reverse repurchase agreements is recognised on the balance sheet as "Loans to credit institutions" or as "Loans to the public".

Additionally, the sale of securities received in reverse repurchase agreements trigger the recognition of a trading liability (short sale).

#### **Derivatives**

All derivatives are recognised on the balance sheet and measured at fair value. Derivatives with total positive fair values, including any accrued interest, are recognised as assets in the item "Derivatives" on the asset side. Derivatives with total negative fair values, including any accrued interest, are recognised as liabilities in the item "Derivatives" on the liability side.

Realised and unrealised gains and losses from derivatives are recognised in the income statement in the item "Net result from items at fair value".

#### **14. Loans to the public/credit institutions**

Financial instruments classified as "Loans to the public/credit institutions" in the balance sheet and into the category Loans and receivables are measured at amortised cost (see also the separate section 8 "Recognition and derecognition of financial instruments in the balance sheet" as well as Note G42 "Classification of financial instruments").

Nordea monitors loans as described in the separate section on Risk, Liquidity and Capital management. Loans attached to individual customers or groups of customers are identified as impaired if the impairment tests indicate an objective evidence of impairment.

Also interest-bearing securities classified into the categories Loans and receivables and Held to maturity are held at amortised cost and the description below is valid also for the identification and measurement of impairment on these assets. Possible impairment losses on interest-bearing securities classified into the categories Loans and receivables and Held to maturity are recognised as "Impairment of securities held as non-current financial assets" in the income statement.

#### **Impairment test of individually assessed loans**

Nordea tests significant loans for impairment on an individual basis. The purpose of the impairment tests is to find out if the loans have become impaired. As a first step in the identification process for impaired loans, Nordea monitors whether there are indicators of impairment (loss event) and whether these loss events represent objective evidence of impairment. More information on the identification of loss events can be found in the Risk, Liquidity and Capital management section.

In the process to conclude whether there is objective evidence of impairment, an assessment is performed to estimate the most probable future cash flows generated by the customer. These cash flows are then discounted by the effective interest rate giving the net present value. Collaterals received to mitigate the credit risk will be assessed at fair value. If the

carrying amount of the loan is higher than the net present value of the estimated future cash flows, including the fair value of the collaterals, the loan is impaired.

Loans that are not individually impaired will be transferred to a group of loans with similar risk characteristics for a collective impairment test.

#### **Impairment test of collectively assessed loans**

All loans not impaired on an individual basis are collectively assessed for impairment, including individually insignificant loans. This means that significant loans not impaired on an individual level and insignificant loans that have not been tested on an individual level are collectively tested for impairment. The loans are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due according to the contractual terms. Nordea monitors its portfolio through rating migrations, the credit decision and annual review process supplemented by quarterly risk reviews. Through these processes Nordea identifies loss events indicating incurred losses in a group. A loss event is an event resulting in a deterioration of the expected future cash flows. Only loss events incurred up to the reporting date are included when performing the assessment of the group.

The objective for the group assessment process is to evaluate if there is a need to make a provision due to the fact that a loss event has occurred, which has not yet been identified on an individual basis. This period between the date when the loss event occurred and the date when it is identified on an individual basis is called "Emergence period". The impairment remains related to the group of loans until the losses have been identified on an individual basis. The identification of the loss is made through a default of the engagement or by other indicators.

For corporate customers and bank counterparts, Nordea uses the existing rating system as a basis when assessing the credit risk. Nordea uses historical data on probability of default to estimate the risk for a default in a rating class. These loans are rated and grouped mostly based on type of industry and/or sensitivity to certain macro parameters, e.g. dependency to oil prices etc.

Personal customers and small corporate customers are monitored through scoring models. These are based mostly on historical data, as default rates and loss rates given a default, and experienced judgement performed by management. Rating and scoring models are described in more detail in the separate section on Risk, Liquidity and Capital management.

The collective assessment is performed through a netting principle, i.e. when rated engagements are up-rated due to estimated increases in cash flows, this improvement will be netted against losses on loans that are down-rated due to estimated decreases in cash-flows. Netting is only performed within groups with similar risk characteristics where Nordea assesses that the customers' future cash flows are insufficient to serve the loans in full.

#### **Impairment loss**

If the carrying amount of the loans is higher than the sum of the net present value of estimated cash flows, including the fair value of the collaterals and other credit enhancements, the difference is the impairment loss.

If the impairment loss is not regarded as final, the impairment loss is accounted for on an allowance account representing the accumulated impairment losses. Changes in the credit risk and accumulated impairment losses are accounted for as changes in the allowance account and as "Net loan losses" in the income statement (see also section 6 "Recognition of operating income and impairment").

If the impairment loss is regarded as final, it is reported as a realised loss. A realised loss is recognised and the value of the loan and the related allowance for impairment loss are derecognised with a corresponding gain or loss recognised in the line item "Net loan losses" in the income statement. An impairment loss is regarded as final when the obligor is filed for bankruptcy and the administrator has declared the economic outcome of the bankruptcy procedure, or when Nordea forgives its claims either through a legal based or voluntary reconstruction or when Nordea, for other reasons, deem it unlikely that the claim will be recovered.

#### **Discount rate**

The discount rate used to measure impairment is the original effective interest rate for loans attached to an individual customer or, if applicable, to a group of loans. If considered appropriate, the discount rate can be based on a method that results in an impairment that is a reasonable approximation of using the effective interest rate method as basis for the calculation.

#### **Restructured loans**

In this context a restructured loan is defined as a loan where Nordea has granted concessions to the obligor due to its deteriorated financial situation and where this concession has resulted in an impairment loss for Nordea. After a reconstruction the loan is normally regarded as not impaired if it performs according to the new conditions. Concessions made in reconstructions are regarded as final losses unless Nordea retains the possibility to regain the realised loan losses incurred. In the event of a recovery the payment is reported as a recovery of realised loan losses.

#### **Assets taken over for protection of claims**

In a financial reconstruction the creditor may concede loans to the obligor and in exchange for this concession acquires an asset pledged for the conceded loans, shares issued by the obligor or other assets. Assets taken over for protection of claims are reported on the same balance sheet line as similar assets already held by Nordea. For example a property taken over, not held for Nordea's own use, is reported together with other investment properties.

At initial recognition, all assets taken over for protection of claims are recognised at fair value and the possible difference between the carrying amount of the loan and the fair value of the assets taken over is recognised as "Net loan losses". The fair value of the asset on the date of recognition becomes its cost or amortised cost value, as applicable. In subsequent periods, assets taken over for protection of claims are valued in accordance with the valuation principles for the appropriate type of asset. Investment properties are then measured at fair value. Financial assets that are foreclosed are generally classified into the categories Available for sale or Designated at fair value through profit or loss (Fair Value Option) (see section 13 "Financial instruments") and measured at fair value. Changes in fair values are recognised in other comprehensive income for assets classified into the category Available for sale. For assets classified into the category Designated at fair value through profit or loss, changes in fair value are recognised in the income statement under the line "Net result from items at fair value".

Any change in value, after the initial recognition of the asset taken over, is presented in the income statement in line with the Group's presentation policies for the appropriate asset. "Net loan losses" in the income statement is, after the initial recognition of the asset taken over, consequently not affected by any subsequent remeasurement of the asset.



## 15. Leasing

### Nordea as lessor

#### *Finance leases*

Nordea's leasing operations mainly comprise finance leases. A finance lease is reported as a receivable from the lessee in the balance sheet item "Loans to the public" at an amount equal to the net investment in the lease. The lease payment, excluding cost of services, is recorded as repayment of principal and interest income. The income allocation is based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of the finance lease.

#### *Operating leases*

Assets subject to operating leases in the balance sheet are reported in accordance with the nature of the assets, in general as property and equipment. Leasing income is recognised as income on a straight-line basis over the lease term and classified as "Net interest income". The depreciation of the leased assets is calculated on the basis of Nordea's depreciation policy for similar assets and reported as "Depreciation, amortisation and impairment charges of tangible and intangible assets" in the income statement.

### Nordea as lessee

#### *Finance leases*

Finance leases are recognised as assets and liabilities in the balance sheet at the amount equal to the fair value, or if lower, the present value of the minimum lease payments of the leased assets at the inception of the lease. The assets are reported in accordance with the nature of the assets. Lease payments are apportioned between finance charge and reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. A finance lease also gives rise to a depreciation expense for the leased asset. The depreciation policy is consistent with that of the assets in own use. Impairment testing of leased assets is performed following the same principles as for similar owned assets.

#### *Operating leases*

Operating leases are not recognised on Nordea's balance sheet. For operating leases the lease payments are recognised as expenses in the income statement on a straight-line basis over the lease term unless another systematic way better reflects the time pattern of Nordea's benefit. The original lease terms range between 3 to 25 years.

Operating leasing is mainly related to office premises contracts and office equipment contracts normal to the business.

The central district properties in Finland, Norway and Sweden that Nordea has divested are leased back. The duration of the lease agreements was initially 3-25 years with renewal options. The lease agreements include no transfers of ownerships of the asset by the end of the lease term, nor any economic benefits from appreciation in value of the leased property. In addition, the lease term is not for the major part of the assets' economic life. These leases are thus classified as operating leases. The rental expense for these premises is recognised on the basis of the time-pattern of Nordea's economic benefit which differs from the straight-line basis and better resembles an ordinary rental arrangement.

#### *Embedded leases*

Agreements can contain a right to use an asset in return for a payment, or a series of payments, although the agreement is not in the legal form of a leasing contract. If applicable, these assets are separated from the contract and accounted for as leased assets.

## 16. Intangible assets

Intangible assets are identifiable, non-monetary assets without physical substance. The assets are under Nordea's control, which means that Nordea has the power and rights to obtain the future economic benefits flowing from the underlying resource. The intangible assets in Nordea mainly consist of goodwill, IT-development/computer software and customer related intangible assets.

### Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of Nordea's share of net identifiable assets of the acquired group undertaking/associated undertaking at the date of acquisition. Goodwill on acquisition of group undertakings is included in "Intangible assets". Goodwill on acquisitions of associates is not recognised as a separate asset, but included in "Investments in associated undertakings". Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill cannot be reversed in subsequent periods. Goodwill related to associated companies is not tested for impairment separately, but included in the total carrying amount of the associated company. The policies covering impairment testing of associated companies is disclosed in section 6 "Recognition of operating income and impairment".

As part of its transition to IFRS, Nordea elected to restate only those business combinations that occurred on or after 1 January 2004. In respect to acquisitions prior to that date, goodwill represents the amount recognised under Nordea's previous accounting framework (Swedish generally accepted accounting principles) less any amortisation and impairment losses.

### IT-development/Computer software

Costs associated with maintaining computer software programs are expensed as incurred. Costs directly associated with major software development investments, with a useful life of three years or more and the ability to generate future economic benefits, are recognised as intangible assets. These costs include software development staff costs and overhead expenditures directly attributable to preparing the asset for use. Computer software includes also acquired software licenses not related to the function of a tangible asset.

Amortisation is calculated on a straight-line basis over the useful life of the software, generally a period of 3 to 10 years.

### Customer related intangible assets

In business combinations a portion of the purchase price is normally allocated to a customer related intangible asset, if the asset is identifiable and under Nordea's control. An intangible asset is identifiable if it arises from contractual or legal rights, or is separable. The asset is amortised over its useful life.

### Impairment

Goodwill and other intangible assets with indefinite useful lives are not amortised but tested for impairment annually irrespective of any indications of impairment. Impairment testing is also performed more frequently if required due to any indication of impairment. The impairment charge is calculated as the difference between the carrying amount and the recoverable amount.

At each balance sheet date, all intangible assets with definite useful lives are reviewed for indications of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the intangible asset is fully recoverable.

The recoverable amount is the higher of fair value less costs to sell and the value in use of the asset or the cash-generating unit, which is defined as the smallest identifiable group of assets that generates cash inflows in relation to the asset. For goodwill, the cash generating units are defined as the operating segments. The value in use is the present value of the cash flows expected to be realised from the asset or the cash-generating unit. The cash flows are assessed based on the asset or cash-generating unit in its current condition and discounted at a rate based on the long-term risk free interest rate plus a risk premium (post tax). If the recoverable amount is less than the carrying amount, an impairment loss is recognised. See Note G21 "Intangible assets" for more information on the impairment testing.

### 17. Property and equipment

Property and equipment includes own-used properties, leasehold improvements, IT equipment, furniture and other equipment. Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment comprise its purchase price, as well as any directly attributable costs of bringing the asset to the working condition for its intended use. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items.

Property and equipment is depreciated on a straight-line basis over the estimated useful life of the assets. The estimates of the useful life of different assets are reassessed on a yearly basis. Below follows the current estimates:

|                        |                                                                                                                                                                                                                                                                                                                  |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Buildings              | 30–75 years                                                                                                                                                                                                                                                                                                      |
| Equipment              | 3–5 years                                                                                                                                                                                                                                                                                                        |
| Leasehold improvements | Changes within buildings the shorter of 10 years and the remaining leasing term. New construction the shorter of the principles used for owned buildings and the remaining leasing term. Fixtures installed in leased properties are depreciated over the shorter of 10–20 years and the remaining leasing term. |

At each balance sheet date, Nordea assesses whether there is any indication that an item of property and equipment may be impaired. If any such indication exists, the recoverable amount of the asset is estimated and any impairment loss is recognised.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount, but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

### 18. Investment property

Investment properties are primarily properties held to earn rent and/or capital appreciation. The majority of the properties in Nordea are attributable to Nordea Life & Pensions. Nordea applies the fair value model for subsequent measurement of investment properties. The best evidence of a fair value is normally given by quoted prices in an active market for similar property in the same location and condition. As these prices are rarely available discounted cash flow projection models based on reliable estimates of future cash flows are also used.

Net rental income, gains and losses as well as fair value adjustments are recognised directly in the income statement as "Net result from items at fair value".

### 19. Liabilities to policyholders

Liabilities to policyholders include obligations according to insurance contracts and investment contracts with policyholders.

An insurance contract is defined as "a contract under which one party (the insurer) accepts significant insurance risks from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder".

Investment contracts are contracts with policyholders that have the legal form of insurance contracts but where the insurance risk transfer has been assessed to be insignificant.

The insurance risk is generally calculated as the risk sum payable as a percentage of the reserve behind the contract at the beginning of the contract period. It is Nordea's assessment that a risk percentage of five or higher is a significant insurance risk.

The contracts can be divided into the following classes:

- Insurance contracts:
  - Traditional life insurance contracts with and without discretionary participation feature
  - Unit-Linked contracts with significant insurance risk
  - Health and personal accident
- Investment contracts:
  - Investment contracts with discretionary participation feature
  - Investment contracts without discretionary participation feature

#### Insurance contracts

The measurement principles under local GAAP have been maintained consequently resulting in a non-uniform accounting policies method on consolidation.

Traditional life insurance provisions represent consolidated provisions for all the companies in Nordea Life & Pensions, including companies in Sweden, Norway, Finland, Denmark, Poland, Luxembourg, Isle of Man, Estonia and Lithuania.

In Denmark, Sweden and Finland the measurements are prepared by calculating the present value of future benefits, to which the policyholders are entitled. The calculation includes assumptions about market consistent discounting rates as well as expenses and life risk. The discount rate is based on the liabilities' current term. In Denmark, the provision, in addition, includes bonus potential on paid policies and on future premiums.

In Norway the provisions are mainly calculated on the basis of a prospective method. The discount rate used is equal to the original tariff rates and assumptions about expenses and risk.

The accounting policy for each company is based on the local structure of the business and is closely related to solvency rules and national regulation concerning profit sharing and other requirements about collective bonus potential.

Unit-Linked contracts represent life insurance provisions relating to Unit-Linked policies written either with or without an investment guarantee. Unit-Linked contracts classified as insurance contracts include the same insurance risk elements as traditional insurance contracts. These contracts are mainly recognised and measured at fair value on the basis of:

- the fair value of the assets linked to the Unit-Linked contracts, and
- the estimated present value of the insurance risk which is calculated in the same way as traditional insurance contracts considering the impact on every risk element included in the cash flows.

Health and personal accident provisions include premium reserves and claims outstanding. This item is recognised and measured on deferred basis in the same way as general insurance contracts.

#### Investment contracts

Investment contracts are contracts with policyholders, which do not transfer sufficient insurance risk to be classified as insurance contracts.

However, investment contracts with discretionary participation features are, in line with IFRS 4, accounted for as insurance contracts using local accounting principles. Nordea Life & Pension has only a small number of these contracts.

Investment contracts without discretionary participation features are recognised and measured at fair value in accordance with IAS 39 "Financial Instruments: Recognition and Measurement", equal to fair value of the assets linked to these contracts. These assets are classified into the category Designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

#### Discretionary participating features (DPF)

Some traditional life insurance contracts and investment contracts include a contractual right for the policyholder to receive significant benefits in addition to guaranteed benefits. Nordea has discretion to pay these additional benefits as bonus on risk result, expense result and interest rate. These DPF-features (Collective bonus potential) are classified as liabilities in the balance sheet.

Collective bonus potential includes amounts allocated but not attributed to the policyholders. In Finland, collective bonus potential includes the policyholder's part of the total unrealised investment gains and bonus potential on paid policies and future premiums (the difference between retrospective and market consistent prospective measurement principles of the insurance contracts). In Norway, collective bonus potential includes the policyholder's part of both the total unrealised investment gains and additional reserves. In Sweden and Denmark, the main valuation principle is fair value (insurance contracts). The policyholder's part of both realised and unrealised investment gains is therefore included in the balance sheet representing either Change in technical provisions, Life and/or Change in collective bonus potentials, Life, depending on whether the investment result is allocated or not. Both the mentioned lines are included in the balance sheet line "Liabilities to policyholders".

#### Liability adequacy test

The adequacy of insurance provisions is assessed at each reporting date to ensure that the carrying amount of the liabilities is higher than the best estimate of future cash flows discounted with current interest rates. If needed, additional provisions are accounted for and recognised in the income statement.

#### 20. Taxes

The item "Income tax expense" in the income statement comprises current- and deferred income tax. The income tax expense is recognised in the income statement, except to the extent the tax effect relates to items recognised in other comprehensive income or directly in equity, in which case the tax effect is recognised in other comprehensive income or in equity respectively.

Current tax is the expected tax expense on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised, using the balance sheet method, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits. Deferred tax is not recognised for temporary differences arising on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, nor for differences relating to investments in subsidiaries and associated companies to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, tax losses carry forward and unused tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when the legal right to offset exists. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities.

#### 21. Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to shareholders of Nordea Bank AB by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, consisting of rights to performance shares in the long term incentive programmes.

The potential ordinary shares are only considered to be dilutive, on the balance sheet date, if all performance conditions are fulfilled and if a conversion to ordinary shares would decrease earnings per share. The rights are furthermore considered dilutive only when the exercise price, with the addition of future services, is lower than the period's average share price.

#### 22. Employee benefits

All forms of consideration given by Nordea to its employees as compensation for services performed are employee benefits. Short-term benefits are to be settled within twelve months after the reporting period when the services have been performed. Post-employment benefits are benefits payable after the termination of the employment. Post-employment benefits in Nordea consist only of pensions. Termination benefits normally arise if an employment is terminated before the normal retirement date, or if an employee accepts an offer of voluntary redundancy.

#### Short-term benefits

Short term benefits consist mainly of fixed and variable salary. Both fixed and variable salaries are expensed in the period when the employees have performed services to Nordea. Nordea has also issued share-based payment programmes, which are further described in section 25 "Share-based payment".

More information can be found in Note G7 "Staff costs".

### Post-employment benefits

#### *Pension plans*

The companies within Nordea have various pension plans, consisting of both defined benefit plans and defined contribution plans, reflecting national practices and conditions in the countries where Nordea operates. Defined benefit plans are predominantly sponsored in Sweden, Norway and Finland. The major defined benefit plans are funded schemes covered by assets in pension funds/foundations. If the fair value of plan assets, associated with a specific pension plan, is lower than the gross present value of the defined benefit obligation, the net amount is, after adjusting for unrecognised actuarial gains/losses, recognised as a liability (defined benefit obligation). If not, the net amount is recognised as an asset (defined benefit asset). Non-funded pension plans are recognised as defined benefit obligations.

Most pensions in Denmark, but also plans in other countries, are based on defined contribution arrangements that hold no pension liability for Nordea. Nordea also contributes to public pension systems.

#### *Pension costs*

The pension calculations are carried out by country and by pension plan in accordance with IAS 19.

Obligations for defined contribution pension plans are recognised as an expense as the employee renders services to the entity and the contribution payable in exchange for that service becomes due. Nordea's net obligation for defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of any plan assets are deducted and unrecognised actuarial gains/losses adjusted for. Actuarial calculations, performed annually, are applied to assess the present value of defined benefit obligations and related costs, based on several actuarial and financial assumptions (as disclosed in Note G34 "Retirement benefit obligations").

When establishing the present value of the obligation and the fair value of any plan assets, actuarial gains and losses may arise as a result of changes in actuarial assumptions and experience effects (actual outcome compared to assumptions). The actuarial gains and losses are not recognised immediately in the income statement. Rather, only when the net cumulative unrecognised actuarial gain or loss exceeds a "corridor" equal to 10 percent of the greater of either the present value of the defined benefit obligation or the fair value of the plan assets, the excess is recognised in the income statement over the expected average remaining service period of the employees participating in the plan. Otherwise, actuarial gains and losses are not recognised.

When the calculation results in a benefit to the Nordea entity, the recognised asset is limited to the net total of any unrecognised actuarial losses, unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Social security contribution is calculated and accounted for based on the net recognised surplus or deficit by plan.

#### *Discount rate in Defined Benefit Plans*

The discount rate is determined by reference to high quality corporate bonds, where a deep enough market for such bonds exists. Covered bonds are in this context considered to be corporate bonds. In countries where no such market exists the discount rate is determined by reference to government bond yields. In Sweden, Finland and Denmark the discount rate is determined with reference to corporate bonds and in Norway with reference to government bonds.

### Termination benefits

As mentioned above termination benefits normally arise if an employment is terminated before the normal retirement date, or if an employee accepts an offer of voluntary redundancy. Termination benefits do not arise if the employees have to continue performing services and the termination benefits can be considered to be normal compensation for those services.

Termination benefits are expensed when Nordea has an obligation to make the payment. An obligation arises when there is a formal plan committed to on the appropriate organisational level and when Nordea is without realistic possibility of withdrawal, which normally occurs when the plan has been communicated to the group affected or to their representatives.

Termination benefits can include both short-term benefits, for instance a number of months' salary, and post-employment benefits, normally in the form of early retirement. Short-term benefits are classified as "Salaries and remuneration" and post-employment benefits as "Pension costs" in Note G7 "Staff costs".

## 23. Equity

### Non-controlling interests

Non-controlling interests comprise the portion of net assets of group undertakings not owned directly or indirectly by Nordea Bank AB (publ).

### Share premium reserve

The share premium reserve consists of the difference between the subscription price and the quota value of the shares in Nordea's rights issue. Transaction costs in connection to the rights issue have been deducted.

### Other reserves

Other reserves comprise income and expenses, net after tax effects, which are reported in equity through other comprehensive income in accordance with IFRS. These reserves include fair value reserves for cash flow hedges and financial assets classified into the category Available for sale as well as a reserve for translation differences.

### Retained earnings

Apart from undistributed profits from previous years, retained earnings include the equity portion of untaxed reserves. Untaxed reserves according to national rules are recorded as equity net of deferred tax at prevailing tax rates in the respective country.

In addition, Nordea's share of the earnings in associated companies, after the acquisition date, that have not been distributed is included in retained earnings.

### Treasury shares

Treasury shares are not accounted for as assets. Acquisitions of treasury shares are classified as deductions of "Retained earnings" in the balance sheet. Also own shares in trading portfolios are classified as treasury shares. Divested treasury shares are recognised as an increase of "Retained earnings".

Contracts on Nordea shares that can be settled net in cash are either a financial asset or financial liability.

## 24. Financial guarantee contracts and credit commitments

Upon initial recognition, premiums received in issued financial guarantee contracts and credit commitments are recognised as prepaid income on the balance sheet. The guarantees and irrevocable credit commitments are subsequently measured, and recognised on the balance sheet, at the higher of



either the received fee less amortisation, or a provision calculated as the discounted best estimate of the expenditure required to settle the present obligation. Changes in provisions are recognised in the income statement in the item "Net loan losses".

Premiums received for financial guarantees are, as stated in section 6 "Recognition of operating income and impairment", amortised over the guarantee period and recognised as "Fee and commission income" in the income statement. Premiums received on credit commitments are generally amortised over the loan commitment period. The contractual amounts are recognised off-balance sheet, financial guarantees in the item "Contingent liabilities" and irrevocable credit commitments in the item "Commitments".

## 25. Share-based payment

### Equity-settled programmes

Nordea has annually issued Long Term Incentive Programmes from 2007 through 2011. Employees participating in these programmes are granted share-based and equity-settled rights, i.e. rights to receive shares for free or to acquire shares in Nordea at a significant discount compared to the share price at grant date. The value of such rights shall be expensed. The expense is based on the estimated fair value of each right at grant date. The total fair value of these rights is determined based on the group's estimate of the number of rights that will eventually vest, which is reassessed at each reporting date, and is expensed on a straight-line basis over the vesting period. The vesting period is the period that the employees have to remain in service in Nordea in order for their rights to vest. Market performance conditions in D-rights/Performance Share II are reflected as a probability adjustment to the initial estimate of fair value at grant date. There is no adjustment (true-up) for differences between estimated and actual vesting due to market conditions.

Social security costs are also allocated over the vesting period, in accordance with statement UFR 7 issued by the Swedish Financial Reporting Board: "IFRS 2 and social security contributions for listed enterprises". The provision for social security costs is reassessed on each reporting occasion to ensure that the provision is based on the rights' fair value at the reporting date.

For more information see Note G7 "Staff costs".

### Cash-settled programmes

Nordea has to defer payment of variable salaries under Nordic FSA's regulations and general guidelines. The deferred amounts are to some extent indexed using Nordea's TSR (Total Shareholders' Return) and these "programmes" are cash-settled share-based programmes under IFRS. These programmes are fully vested when the variable salaries are initially deferred and the fair value of the obligation is remeasured on a continuous basis. The remeasurements are, together with the related social charges, recognised in the income statement in the item "Net result from items at fair value".

For more information see Note G7 "Staff costs".

## 26. Related party transactions

Nordea defines related parties as:

- Shareholders with significant influence
- Group undertakings
- Associated undertakings
- Key management personnel
- Other related parties

All transactions with related parties are made on an arm's length basis.

## Shareholders with significant influence

Shareholders with significant influence are shareholders that, by any means, have a significant influence over Nordea.

## Group undertakings

For the definition of Group undertakings see section 5 "Principles of consolidation". Further information on the undertakings included in the Nordea Group is found in Note P21 "Investments in group undertakings".

Group internal transactions between legal entities are performed according to arm's length principles in conformity with OECD requirements on transfer pricing. These transactions are eliminated in the consolidated accounts.

## Associated undertakings

For the definition of Associated undertakings see section 5 "Principles of consolidation".

Further information on the associated undertakings included in the Nordea Group is found in Note G20 "Investments in associated undertakings".

## Key management personnel

Key management personnel includes the following positions:

- The Board of Directors
- The Chief Executive Officer (CEO)
- The Group Executive Management (GEM)

For information about compensation, pensions and other transactions with key management personnel, see Note G7 "Staff costs".

## Other related parties

Other related parties comprise close family members to individuals in key management personnel. Other related parties also include companies significantly influenced by key management personnel in Nordea Group as well as companies significantly influenced by close family members to these key management personnel. Other related parties also include Nordea's pension foundations.

Information concerning transactions between Nordea and other related parties is found in Note G47 "Related-party transactions".

## 27. Exchange rates

|                                  | Jan-Dec<br>2011 | Jan-Dec<br>2010 |
|----------------------------------|-----------------|-----------------|
| <b>EUR 1 = SEK</b>               |                 |                 |
| Income statement (average)       | 9,0293          | 9,5463          |
| Balance sheet (at end of period) | 8,9120          | 8,9655          |
| <b>EUR 1 = DKK</b>               |                 |                 |
| Income statement (average)       | 7,4506          | 7,4472          |
| Balance sheet (at end of period) | 7,4342          | 7,4535          |
| <b>EUR 1 = NOK</b>               |                 |                 |
| Income statement (average)       | 7,7946          | 8,0080          |
| Balance sheet (at end of period) | 7,7540          | 7,8000          |
| <b>EUR 1 = PLN</b>               |                 |                 |
| Income statement (average)       | 4,1203          | 3,9957          |
| Balance sheet (at end of period) | 4,4580          | 3,9750          |
| <b>EUR 1 = RUB</b>               |                 |                 |
| Income statement (average)       | 40,8809         | 40,2749         |
| Balance sheet (at end of period) | 41,7650         | 40,8200         |

## Operating segments

### Measurement of Operating segments' performance

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

### Changes in basis of segmentation

A new organisation has been established, developed around the three main business areas Retail Banking, Wholesale Banking and Wealth Management. In addition a business unit called Group Operations & Other Lines of Business has been established. As from the third quarter 2011 the segment reporting has been changed as a consequence of these organisational changes. Group Corporate Centre and the separate divisions within the three main business areas and within the business unit Group Operations & Other Lines of Business have, based on the new organisation, been identified as operating segments. The changes compared to the previous segment reporting are mainly that Nordic Banking has been renamed Retail Banking Nordic, that the banking activities in Russia, that were previously included in New European Markets, are now reported as an own operating segment within the main business area Wholesale Banking and that the service units and support functions within the main business areas Retail Banking and Wholesale Banking are now disclosed separately as operating segments named Retail Banking Other and Wholesale Banking Other. A new operating segment named Corporate & Institutional Banking has been established, including the former division Corporate Merchant Banking, previ-

ously included in Nordic Banking, and the former operating segment Financial Institutions. Capital Markets unallocated and Group Corporate Centre are furthermore disclosed separately as operating segments. Other operating segments, below the quantitative thresholds in IFRS 8, are included in Other operating segments. Comparative information has been restated accordingly.

### Reportable Operating segments

Retail Banking conducts a full service banking operation and offers a wide range of products. It is Nordea's largest customer area and serves household customers and corporate customers in the Nordic markets (Retail Banking Nordic) as well as in Poland and the Baltic countries (Retail Banking Poland & Baltic countries). Wholesale Banking provides banking and other financial solutions to large Nordic and international corporate, institutional and public companies. The division Corporate & Institutional Banking is a customer oriented organisation serving the largest globally operating corporates. This division is also responsible for Nordea's customers within the financial sector, and offers single products such as funds, equity products etcetera as well as consulting services within asset allocation and fund sales. The division Shipping, Oil Services & International is responsible for Nordea's customers within the shipping, offshore and oil services industries and provides tailor made solutions and syndicated loan transactions. Nordea Bank Russia offers a full range of bank services to corporate and private customers in Russia. Capital Markets unallocated includes the result in Capital Markets which is not allocated to the main business areas. Group Corporate Centre's main objective is to manage the Group's funding and to support the management and control of the Nordea Group. The main income in Group Corporate Centre originates from Group Treasury.

|                                                                                     | Retail Banking |               | Wholesale Banking |              | Group Corporate Centre |             | Other Operating segments <sup>1</sup> |             | Total operating segments |               | Reconciliation |             | Total Group   |               |
|-------------------------------------------------------------------------------------|----------------|---------------|-------------------|--------------|------------------------|-------------|---------------------------------------|-------------|--------------------------|---------------|----------------|-------------|---------------|---------------|
| <b>Income statement, EURm</b>                                                       | 2011           | 2010          | 2011              | 2010         | 2011                   | 2010        | 2011                                  | 2010        | 2011                     | 2010          | 2011           | 2010        | 2011          | 2010          |
| Net interest income                                                                 | 3,883          | 3,396         | 1,288             | 1,231        | 359                    | 488         | -178                                  | -64         | 5,352                    | 5,051         | 104            | 108         | 5,456         | 5,159         |
| Net fee and commission income                                                       | 1,406          | 1,335         | 544               | 496          | -11                    | -7          | 571                                   | 593         | 2,510                    | 2,417         | -115           | -261        | 2,395         | 2,156         |
| Net result from items at fair value                                                 | 426            | 423           | 820               | 1,004        | 10                     | -13         | 287                                   | 291         | 1,543                    | 1,705         | -26            | 132         | 1,517         | 1,837         |
| Profit from companies accounted for under the equity method                         | 22             | 29            | 0                 | 0            | 0                      | 1           | 19                                    | 32          | 41                       | 62            | 1              | 4           | 42            | 66            |
| Other income                                                                        | 22             | 35            | 5                 | 35           | 0                      | 7           | 118                                   | 137         | 145                      | 214           | -54            | -98         | 91            | 116           |
| <b>Total operating income</b>                                                       | <b>5,759</b>   | <b>5,218</b>  | <b>2,657</b>      | <b>2,766</b> | <b>358</b>             | <b>476</b>  | <b>817</b>                            | <b>989</b>  | <b>9,591</b>             | <b>9,449</b>  | <b>-90</b>     | <b>-115</b> | <b>9,501</b>  | <b>9,334</b>  |
| Staff costs                                                                         | -1,353         | -1,348        | -723              | -681         | -61                    | -65         | -671                                  | -621        | -2,808                   | -2,715        | -305           | -69         | -3,113        | -2,784        |
| Other expenses                                                                      | -1,944         | -1,926        | -130              | -166         | -116                   | -129        | 39                                    | -74         | -2,151                   | -2,295        | 237            | 433         | -1,914        | -1,862        |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -52            | -52           | -8                | -4           | 0                      | 0           | -62                                   | -69         | -122                     | -125          | -70            | -45         | -192          | -170          |
| <b>Total operating expenses</b>                                                     | <b>-3,349</b>  | <b>-3,326</b> | <b>-861</b>       | <b>-851</b>  | <b>-177</b>            | <b>-194</b> | <b>-694</b>                           | <b>-764</b> | <b>-5,081</b>            | <b>-5,135</b> | <b>-138</b>    | <b>319</b>  | <b>-5,219</b> | <b>-4,816</b> |
| <b>Profit before loan losses</b>                                                    | <b>2,410</b>   | <b>1,892</b>  | <b>1,796</b>      | <b>1,915</b> | <b>181</b>             | <b>282</b>  | <b>123</b>                            | <b>225</b>  | <b>4,510</b>             | <b>4,314</b>  | <b>-228</b>    | <b>204</b>  | <b>4,282</b>  | <b>4,518</b>  |
| Net loan losses                                                                     | -586           | -682          | -170              | -221         | 0                      | —           | -16                                   | -8          | -772                     | -911          | 37             | 32          | -735          | -879          |
| <b>Operating profit</b>                                                             | <b>1,824</b>   | <b>1,210</b>  | <b>1,626</b>      | <b>1,694</b> | <b>181</b>             | <b>282</b>  | <b>107</b>                            | <b>217</b>  | <b>3,738</b>             | <b>3,403</b>  | <b>-191</b>    | <b>236</b>  | <b>3,547</b>  | <b>3,639</b>  |
| Income tax expense                                                                  | -486           | -342          | -419              | -441         | -47                    | -73         | -32                                   | -60         | -984                     | -916          | 71             | -60         | -913          | -976          |
| <b>Net profit for the year</b>                                                      | <b>1,338</b>   | <b>868</b>    | <b>1,207</b>      | <b>1,253</b> | <b>134</b>             | <b>209</b>  | <b>75</b>                             | <b>157</b>  | <b>2,754</b>             | <b>2,487</b>  | <b>-120</b>    | <b>176</b>  | <b>2,634</b>  | <b>2,663</b>  |
| <b>Balance sheet, EURbn</b>                                                         |                |               |                   |              |                        |             |                                       |             |                          |               |                |             |               |               |
| Loans to the public <sup>2</sup>                                                    | 221            | 225           | 48                | 49           | —                      | —           | 0                                     | 0           | 269                      | 274           | 68             | 40          | 337           | 314           |
| Deposits and borrowings from the public <sup>2</sup>                                | 111            | 113           | 35                | 29           | —                      | —           | 0                                     | 0           | 146                      | 142           | 44             | 34          | 190           | 176           |

1) Including the main business area Wealth Management.

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

## G2 Segment reporting, cont.

### Break-down of Retail Banking and Wholesale Banking

|                                                                                     | Retail Banking Nordic <sup>1</sup> |               | Retail Banking Poland & Baltic countries <sup>1</sup> |             | Retail Banking Other <sup>2</sup> |            | Retail Banking |               |
|-------------------------------------------------------------------------------------|------------------------------------|---------------|-------------------------------------------------------|-------------|-----------------------------------|------------|----------------|---------------|
| <b>Income statement, EURm</b>                                                       | 2011                               | 2010          | 2011                                                  | 2010        | 2011                              | 2010       | 2011           | 2010          |
| Net interest income                                                                 | 3,528                              | 3,071         | 293                                                   | 254         | 62                                | 71         | 3,883          | 3,396         |
| Net fee and commission income                                                       | 1,346                              | 1,286         | 75                                                    | 74          | -15                               | -25        | 1,406          | 1,335         |
| Net result from items at fair value                                                 | 371                                | 374           | 56                                                    | 53          | -1                                | -4         | 426            | 423           |
| Profit from companies accounted for under the equity method                         | 22                                 | 29            | —                                                     | —           | 0                                 | 0          | 22             | 29            |
| Other income                                                                        | 4                                  | 12            | 8                                                     | 8           | 10                                | 15         | 22             | 35            |
| <b>Total operating income</b>                                                       | <b>5,271</b>                       | <b>4,772</b>  | <b>432</b>                                            | <b>389</b>  | <b>56</b>                         | <b>57</b>  | <b>5,759</b>   | <b>5,218</b>  |
| Staff costs                                                                         | -1,012                             | -1,025        | -83                                                   | -72         | -258                              | -251       | -1,353         | -1,348        |
| Other expenses                                                                      | -2,012                             | -1,991        | -113                                                  | -104        | 181                               | 169        | -1,944         | -1,926        |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -35                                | -33           | -9                                                    | -11         | -8                                | -8         | -52            | -52           |
| <b>Total operating expenses</b>                                                     | <b>-3,059</b>                      | <b>-3,049</b> | <b>-205</b>                                           | <b>-187</b> | <b>-85</b>                        | <b>-90</b> | <b>-3,349</b>  | <b>-3,326</b> |
| <b>Profit before loan losses</b>                                                    | <b>2,212</b>                       | <b>1,723</b>  | <b>227</b>                                            | <b>202</b>  | <b>-29</b>                        | <b>-33</b> | <b>2,410</b>   | <b>1,892</b>  |
| Net loan losses                                                                     | -509                               | -579          | -68                                                   | -97         | -9                                | -6         | -586           | -682          |
| <b>Operating profit</b>                                                             | <b>1,703</b>                       | <b>1,144</b>  | <b>159</b>                                            | <b>105</b>  | <b>-38</b>                        | <b>-39</b> | <b>1,824</b>   | <b>1,210</b>  |
| Income tax expense                                                                  | -446                               | -310          | -48                                                   | -41         | 8                                 | 9          | -486           | -342          |
| <b>Net profit for the year</b>                                                      | <b>1,257</b>                       | <b>834</b>    | <b>111</b>                                            | <b>64</b>   | <b>-30</b>                        | <b>-30</b> | <b>1,338</b>   | <b>868</b>    |

### Balance sheet, EURbn

|                                         |     |     |    |    |   |   |     |     |
|-----------------------------------------|-----|-----|----|----|---|---|-----|-----|
| Loans to the public                     | 208 | 204 | 13 | 21 | — | — | 221 | 225 |
| Deposits and borrowings from the public | 107 | 107 | 4  | 6  | — | — | 111 | 113 |

|                                                                                     | Corporate & Institutional Banking |              | Shipping, Offshore & Oil Services |            | Nordea Bank Russia |            | Capital Markets unallocated |             | Wholesale Banking Other <sup>3</sup> |            | Wholesale Banking |              |
|-------------------------------------------------------------------------------------|-----------------------------------|--------------|-----------------------------------|------------|--------------------|------------|-----------------------------|-------------|--------------------------------------|------------|-------------------|--------------|
| <b>Income statement, EURm</b>                                                       | 2011                              | 2010         | 2011                              | 2010       | 2011               | 2010       | 2011                        | 2010        | 2011                                 | 2010       | 2011              | 2010         |
| Net interest income                                                                 | 777                               | 756          | 320                               | 300        | 185                | 165        | 2                           | 11          | 4                                    | -1         | 1,288             | 1,231        |
| Net fee and commission income                                                       | 537                               | 536          | 81                                | 62         | 14                 | 13         | -92                         | -118        | 4                                    | 3          | 544               | 496          |
| Net result from items at fair value                                                 | 421                               | 463          | 28                                | 32         | 13                 | 13         | 358                         | 492         | 0                                    | 4          | 820               | 1,004        |
| Profit from companies accounted for under the equity method                         | 0                                 | 0            | —                                 | —          | 0                  | 0          | 0                           | 0           | —                                    | 0          | 0                 | 0            |
| Other income                                                                        | 0                                 | 0            | 0                                 | 0          | 1                  | 1          | 1                           | 1           | 3                                    | 33         | 5                 | 35           |
| <b>Total operating income</b>                                                       | <b>1,735</b>                      | <b>1,755</b> | <b>429</b>                        | <b>394</b> | <b>213</b>         | <b>192</b> | <b>269</b>                  | <b>386</b>  | <b>11</b>                            | <b>39</b>  | <b>2,657</b>      | <b>2,766</b> |
| Staff costs                                                                         | -39                               | -35          | -25                               | -20        | -57                | -55        | -401                        | -374        | -201                                 | -197       | -723              | -681         |
| Other expenses                                                                      | -422                              | -416         | -40                               | -37        | -34                | -31        | 179                         | 131         | 187                                  | 187        | -130              | -166         |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | 0                                 | 0            | 0                                 | 0          | -6                 | -2         | -1                          | -1          | -1                                   | -1         | -8                | -4           |
| <b>Total operating expenses</b>                                                     | <b>-461</b>                       | <b>-451</b>  | <b>-65</b>                        | <b>-57</b> | <b>-97</b>         | <b>-88</b> | <b>-223</b>                 | <b>-244</b> | <b>-15</b>                           | <b>-11</b> | <b>-861</b>       | <b>-851</b>  |
| <b>Profit before loan losses</b>                                                    | <b>1,274</b>                      | <b>1,304</b> | <b>364</b>                        | <b>337</b> | <b>116</b>         | <b>104</b> | <b>46</b>                   | <b>142</b>  | <b>-4</b>                            | <b>28</b>  | <b>1,796</b>      | <b>1,915</b> |
| Net loan losses                                                                     | -31                               | -174         | -133                              | -45        | -7                 | -4         | 0                           | 0           | 1                                    | 2          | -170              | -221         |
| <b>Operating profit</b>                                                             | <b>1,243</b>                      | <b>1,130</b> | <b>231</b>                        | <b>292</b> | <b>109</b>         | <b>100</b> | <b>46</b>                   | <b>142</b>  | <b>-3</b>                            | <b>30</b>  | <b>1,626</b>      | <b>1,694</b> |
| Income tax expense                                                                  | -296                              | -296         | -87                               | -77        | -27                | -24        | -12                         | -37         | 3                                    | -7         | -419              | -441         |
| <b>Net profit for the year</b>                                                      | <b>947</b>                        | <b>834</b>   | <b>144</b>                        | <b>215</b> | <b>82</b>          | <b>76</b>  | <b>34</b>                   | <b>105</b>  | <b>0</b>                             | <b>23</b>  | <b>1,207</b>      | <b>1,253</b> |

### Balance sheet, EURbn

|                                         |    |    |   |   |   |   |   |   |   |   |    |    |
|-----------------------------------------|----|----|---|---|---|---|---|---|---|---|----|----|
| Loans to the public                     | 43 | 45 | — | — | 5 | 4 | — | — | — | — | 48 | 49 |
| Deposits and borrowings from the public | 34 | 28 | — | — | 1 | 1 | — | — | — | — | 35 | 29 |

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

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

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

## G2

## Segment reporting, cont.

## Reconciliation between total operating segments and financial statements

|                                                 | Total operating income, EURm |              | Operating profit, EURm |              | Loans to the public, EURbn |             | Deposits and borrowings from the public, EURbn |             |
|-------------------------------------------------|------------------------------|--------------|------------------------|--------------|----------------------------|-------------|------------------------------------------------|-------------|
|                                                 | 2011                         | 2010         | 2011                   | 2010         | 31 Dec 2011                | 31 Dec 2010 | 31 Dec 2011                                    | 31 Dec 2010 |
| Total Operating segments                        | 9,591                        | 9,449        | 3,738                  | 3,403        | 269                        | 274         | 146                                            | 142         |
| Group functions <sup>1</sup>                    | 7                            | 6            | -40                    | -80          | 0                          | 0           | 0                                              | 0           |
| Unallocated items                               | 28                           | 124          | -335                   | 155          | 60                         | 45          | 27                                             | 30          |
| Eliminations                                    | -180                         | -180         | —                      | —            | —                          | —           | —                                              | —           |
| Differences in accounting policies <sup>2</sup> | 55                           | -65          | 184                    | 161          | 8                          | -5          | 17                                             | 4           |
| <b>Total</b>                                    | <b>9,501</b>                 | <b>9,334</b> | <b>3,547</b>           | <b>3,639</b> | <b>337</b>                 | <b>314</b>  | <b>190</b>                                     | <b>176</b>  |

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

2) Impact on operating profit from internally developed and bought software expensed as incurred in the operating segments, but capitalised as required by IAS 38 in the Group's balance sheet, EUR 172m (EUR 165m). Impact on total operating income EUR 55m (EUR -65m) and on operating profit EUR 12m (EUR -4m) from plan rates used in the segment reporting.

Total operating income split on product groups  
EURm

|                                     | 2011         | 2010 <sup>1</sup> |
|-------------------------------------|--------------|-------------------|
| Banking products                    | 5,951        | 5,367             |
| Capital Markets products            | 1,986        | 2,012             |
| Savings products & Asset management | 691          | 670               |
| Life & Pensions                     | 417          | 556               |
| Other                               | 456          | 729               |
| <b>Total</b>                        | <b>9,501</b> | <b>9,334</b>      |

1) Restated due to the organisational changes described above.

Banking products consists of three different product types. Account products includes account based products such as lending, deposits and cards and Netbank services. Transaction products consists of cash management, trade and project finance services. Financing products includes asset based financing through leasing, hire purchase and factoring as well as offering sales to finance partners such as dealers, vendors and retailers. Capital Markets products contains financial instruments, or arrangement for a financial instrument, that are available in the financial marketplace, including currencies, commodities, stocks, bonds, and existing arrangements. Savings products & Asset management includes Investment funds, Discretionary Management, Portfolio Advice and Pension Accounts. Investment Funds is a bundled product where the fund company invests in stocks, bonds, derivatives or other standardised products on behalf of the fund's shareholders. Discretionary Management is a service providing the management of an investment portfolio on behalf of the customer and Portfolio Advise is a service provided to support the customers investment decision. Life & Pensions includes life insurance and pension products and services.

## Geographical information

|                  | Total operating income, EURm |              | Assets, EURbn |             |
|------------------|------------------------------|--------------|---------------|-------------|
|                  | 2011                         | 2010         | 31 Dec 2011   | 31 Dec 2010 |
| Sweden           | 2,290                        | 1,968        | 146           | 133         |
| Finland          | 1,573                        | 1,363        | 78            | 94          |
| Norway           | 1,983                        | 1,753        | 89            | 71          |
| Denmark          | 2,680                        | 3,245        | 320           | 220         |
| Baltic countries | 28                           | 158          | 1             | 8           |
| Poland           | 252                          | 218          | 9             | 7           |
| Russia           | 180                          | 223          | 6             | 4           |
| Other            | 515                          | 406          | 67            | 44          |
| <b>Total</b>     | <b>9,501</b>                 | <b>9,334</b> | <b>716</b>    | <b>581</b>  |

Nordea's main geographical market comprises the Nordic countries, the Baltic countries, Poland and Russia. Revenues and assets are distributed to geographical areas based on the location of the operations. Goodwill is allocated to different countries based on the location of the business activities of the acquired entities.

## G3

## Net interest income

| EURm                                    | 2011          | 2010          |
|-----------------------------------------|---------------|---------------|
| <b>Interest income</b>                  |               |               |
| Loans to credit institutions            | 282           | 231           |
| Loans to the public                     | 10,318        | 7,961         |
| Interest-bearing securities             | 904           | 1,107         |
| Other interest income                   | 451           | 388           |
| <b>Interest income</b>                  | <b>11,955</b> | <b>9,687</b>  |
| <b>Interest expense</b>                 |               |               |
| Deposits by credit institutions         | -240          | -166          |
| Deposits and borrowings from the public | -2,158        | -1,437        |
| Debt securities in issue                | -3,586        | -3,040        |
| Subordinated liabilities                | -330          | -285          |
| Other interest expenses <sup>1</sup>    | -185          | 400           |
| <b>Interest expense</b>                 | <b>-6,499</b> | <b>-4,528</b> |
| <b>Net interest income</b>              | <b>5,456</b>  | <b>5,159</b>  |

1) The net interest income from derivatives, measured at fair value and related to Nordea's funding. This can have both a positive and negative impact on other interest expense, for further information see Note G1.

Interest income from financial instruments not measured at fair value through profit and loss amounts to EUR 9,178m (EUR 6,955m). Interest expenses from financial instruments not measured at fair value through profit and loss amounts to EUR -4,819m (EUR -3,387m).

## Net interest income

| EURm                | 2011         | 2010         |
|---------------------|--------------|--------------|
| Interest income     | 11,662       | 9,429        |
| Leasing income, net | 293          | 258          |
| Interest expense    | -6,499       | -4,528       |
| <b>Total</b>        | <b>5,456</b> | <b>5,159</b> |



## G4 Net fee and commission income

| EURm                                        | 2011         | 2010         |
|---------------------------------------------|--------------|--------------|
| Asset management commissions                | 754          | 698          |
| Life insurance                              | 306          | 305          |
| Brokerage                                   | 200          | 198          |
| Custody                                     | 90           | 77           |
| Deposits                                    | 44           | 45           |
| <b>Total savings related commissions</b>    | <b>1,394</b> | <b>1,323</b> |
| Payments                                    | 421          | 412          |
| Cards                                       | 446          | 397          |
| <b>Total payment commissions</b>            | <b>867</b>   | <b>809</b>   |
| Lending                                     | 437          | 397          |
| Guarantees and documentary payment          | 214          | 209          |
| <b>Total lending related to commissions</b> | <b>651</b>   | <b>606</b>   |
| Other commission income                     | 210          | 217          |
| <b>Fee and commission income</b>            | <b>3,122</b> | <b>2,955</b> |
| Life insurance                              | -68          | -62          |
| Payment expenses                            | -305         | -300         |
| State guarantee fees                        | -55          | -162         |
| Other commission expenses                   | -299         | -275         |
| <b>Fee and commission expense</b>           | <b>-727</b>  | <b>-799</b>  |
| <b>Net fee and commission income</b>        | <b>2,395</b> | <b>2,156</b> |

Fee income, not included in determining the effective interest rate, from financial assets and liabilities not measured at fair value through profit or loss amounts to EUR 468m (EUR 345m).

Fee income, not included in determining the effective interest rate, from fiduciary activities that result in the holding or investing of assets on behalf of customers amount to EUR 1,260m (EUR 1,202m). The corresponding amount for fee expenses is EUR -67m (EUR -62m).

## G5 Net result from items at fair value

| EURm                                                               | 2011         | 2010         |
|--------------------------------------------------------------------|--------------|--------------|
| Shares/participations and other share-related instruments          | -518         | 2,394        |
| Interest-bearing securities and other interest-related instruments | 1,452        | 2,051        |
| Other financial instruments                                        | 163          | -230         |
| Foreign exchange gains/losses                                      | 546          | -20          |
| Investment properties                                              | 158          | 161          |
| Change in technical provisions, Life <sup>2</sup>                  | -937         | -2,423       |
| Change in collective bonus potential, Life                         | 607          | -160         |
| Insurance risk income, Life                                        | 217          | 312          |
| Insurance risk expense, Life                                       | -171         | -248         |
| <b>Total</b>                                                       | <b>1,517</b> | <b>1,837</b> |

### Net result from categories of financial instruments<sup>1</sup>

| EURm                                                                  | 2011         | 2010         |
|-----------------------------------------------------------------------|--------------|--------------|
| Available for sale assets, realised                                   | 0            | 49           |
| Financial instruments designated at fair value through profit or loss | 20           | 132          |
| Financial instruments held for trading <sup>3</sup>                   | 988          | 1,088        |
| Financial instruments under hedge accounting                          | 10           | 24           |
| – of which net gains/losses on hedging instruments                    | 1,940        | -330         |
| – of which net gains/losses on hedged items                           | -1,930       | 354          |
| Financial assets measured at amortised cost                           | 10           | 18           |
| Financial liabilities measured at amortised cost                      | -8           | —            |
| Foreign exchange gains/losses excl currency hedges                    | 317          | 220          |
| Other                                                                 | 1            | 1            |
| Financial risk income, net Life <sup>2</sup>                          | 132          | 241          |
| Insurance risk income, net Life                                       | 47           | 64           |
| <b>Total</b>                                                          | <b>1,517</b> | <b>1,837</b> |

1) The figures disclosed for Life (financial risk income and insurance risk income) are disclosed on gross basis, ie before eliminations of intra-group transactions.

2) Premium income amounts to EUR 2,544m (EUR 1,733m).

3) Of which amortised deferred day one profits amounts to EUR 14m (EUR 16m).

## G6 Other operating income

| EURm                                       | 2011      | 2010       |
|--------------------------------------------|-----------|------------|
| Sale of global custody operations          | 2         | 30         |
| Income from real estate                    | 3         | 8          |
| Disposal of tangible and intangible assets | 10        | 2          |
| Other                                      | 76        | 76         |
| <b>Total</b>                               | <b>91</b> | <b>116</b> |

## G7

## Staff costs

| EURm                                                         | 2011          | 2010          |
|--------------------------------------------------------------|---------------|---------------|
| Salaries and remuneration (specification below) <sup>1</sup> | -2,343        | -2,130        |
| Pension costs (specification below)                          | -299          | -262          |
| Social security contributions                                | -388          | -333          |
| Other staff costs                                            | -83           | -59           |
| <b>Total<sup>2</sup></b>                                     | <b>-3,113</b> | <b>-2,784</b> |

**Salaries and remuneration**To executives<sup>3</sup>

|                                    |            |            |
|------------------------------------|------------|------------|
| – Fixed compensation and benefits  | -20        | -18        |
| – Performance-related compensation | -7         | -5         |
| – Allocation to profit sharing     | 0          | 0          |
| <b>Total</b>                       | <b>-27</b> | <b>-23</b> |

|                    |               |               |
|--------------------|---------------|---------------|
| To other employees | -2,316        | -2,107        |
| <b>Total</b>       | <b>-2,343</b> | <b>-2,130</b> |

1) Of which allocation to profit-sharing 2011 EUR 37m (EUR 19m) consisting of a new allocation of EUR 43m (EUR 24m) and a release related to prior years of EUR 6m (EUR 5m).

2) Of which EUR 111m related to New Normal in 2011.

3) Executives include the Board of Directors (including deputies), CEO, deputy CEO, executive vice presidents and Group Executive Management in the parent company as well as the Board of Directors (including deputies), managing directors and executive vice presidents in operating subsidiaries. Former board members (including deputies), CEOs, deputy CEOs, managing directors and executive vice presidents, in the parent company and operating subsidiaries, are included. Executives amount to 315 (282) positions. Comparative figures for compensation to executives and number of executives have been restated as a consequence of a widened definition of executives.

| EURm                                           | 2011        | 2010        |
|------------------------------------------------|-------------|-------------|
| <b>Pension costs<sup>1</sup></b>               |             |             |
| Defined benefits plans (Note G34) <sup>2</sup> | -104        | -27         |
| Defined contribution plans <sup>3</sup>        | -195        | -235        |
| <b>Total</b>                                   | <b>-299</b> | <b>-262</b> |

1) Pension cost for executives as defined in footnote 3 above, amounts to EUR 8m (EUR 5m) and pension obligations to EUR 56m (EUR 54m).

2) Excluding social security contributions. Including social security contributions EUR 124m (EUR 37m).

3) Last year the pension cost for defined contribution plans included an expense of EUR 46m for contributions payable to the Avtalefestet Pensjon plan in Norway.

**Additional disclosures on remuneration under Nordic FSAs' regulations and general guidelines**

The qualitative disclosures under these regulations can be found in the separate section on remuneration in the Board of Directors' Report, while the quantitative disclosures will be published in a separate report on Nordea's homepage ([www.nordea.com](http://www.nordea.com)) in due time before the Annual General Meeting 2012.

**Remuneration to the Board of Directors, CEO and Group Executive Management****Board remuneration**

The remuneration for the Board was decided to be unchanged by the Annual General Meeting (AGM) 2011. The remuneration was EUR 252,000 for the Chairman, EUR 97,650 for the Vice Chairman and EUR 75,600 for other members. The annual remuneration for committee meetings is as from the AGM 2011 EUR 16,600 for the chairman of the committee and EUR 12,900 for other members. Board members employed by Nordea do not receive separate compensation for their Board membership. There are no commitments for severance pay, pension or other compensation to the members of the Board, except for pension commitments to one board member previously employed by Nordea.

Pension to the former Chairman of the Board, Hans Dalborg, is fully covered by an external pension institute and paid in full by Nordea. Hence Nordea does not have any pension obligation towards Hans Dalborg.

**Salary and benefits  
CEO**

The fixed salary, variable salary part and contract terms for the CEO are proposed by the Board Remuneration Committee (BRC) and approved by the Board. Variable salary part, which is based on agreed, specific targets, can amount to a maximum of 35% of the fixed salary.

The fixed salary was increased to EUR 1,162,884 (SEK 10,500,000) as from 1 January 2011, which was announced at the AGM in 2011. The increase followed a period of close to

three years, from April 2008 until the end of 2010, where the CEO had taken a voluntary initiative prolonged by the requirements in the rights issue of new shares to keep the fixed salary unchanged and abstain from the variable salary part in 2009 and 2010. From 2011 the CEO has earned variable salary part and the fixed salary has been adjusted to be in line with market levels in accordance with Nordea's remuneration guidelines approved by the AGM. The CEO takes part of the Long Term Incentive Programmes as described in the separate section on remuneration in the Board of Directors' report and below. Benefits for the CEO include primarily car and housing.

**Group Executive Management (GEM)**

The BRC prepares alterations in salary levels and outcome of variable salary part as well as other changes in the compensation package for members of GEM, for resolution by the Board. Variable salary part, which is based on agreed, specific targets, can be a maximum of 35% of the fixed salary.

Also most GEM members have been part of the voluntary initiative prolonged by the requirements in the rights issue of new shares to abstain from variable salary part 2009 and 2010 and to keep fixed salary unchanged from April 2008 until the end of 2010. The increase from 2010 to 2011 is explained by the adjustment of the fixed salary levels as from 1 January 2011, the possibility for all members of GEM to earn variable salary part in accordance with Nordea's remuneration guidelines and the increased number of GEM members. As for the CEO, GEM members take part of the Long Term Incentive Programmes. Benefits include primarily car and/or housing.

## G7 Staff costs, cont.

| EUR                                          | Fixed salary/<br>Board fee <sup>1</sup> |                   | Variable salary part |                 | Long Term<br>Incentive<br>Programmes <sup>2</sup> |                 | Benefits        |                 | Total             |                   |
|----------------------------------------------|-----------------------------------------|-------------------|----------------------|-----------------|---------------------------------------------------|-----------------|-----------------|-----------------|-------------------|-------------------|
|                                              | 2011                                    | 2010              | 2011                 | 2010            | 2011                                              | 2010            | 2011            | 2010            | 2011              | 2010              |
| <b>Chairman of the Board:</b>                |                                         |                   |                      |                 |                                                   |                 |                 |                 |                   |                   |
| Björn Wahlroos <sup>3</sup>                  | -227,219                                | -103,998          | —                    | —               | —                                                 | —               | —               | —               | -227,219          | -103,998          |
| <b>Vice Chairman of the Board:</b>           |                                         |                   |                      |                 |                                                   |                 |                 |                 |                   |                   |
| Marie Ehrling <sup>4</sup>                   | -112,839                                | -91,244           | —                    | —               | —                                                 | —               | —               | —               | -112,839          | -91,244           |
| <b>Former chairman of the Board:</b>         |                                         |                   |                      |                 |                                                   |                 |                 |                 |                   |                   |
| Hans Dalborg <sup>5</sup>                    | -74,199                                 | -275,427          | —                    | —               | —                                                 | —               | —               | —               | -74,199           | -275,427          |
| <b>Other Board members:<sup>6</sup></b>      |                                         |                   |                      |                 |                                                   |                 |                 |                 |                   |                   |
| Tom Knutzen                                  | -93,278                                 | -85,890           | —                    | —               | —                                                 | —               | —               | —               | -93,278           | -85,890           |
| Lars G Nordström                             | -87,767                                 | -83,927           | —                    | —               | —                                                 | —               | —               | —               | -87,767           | -83,927           |
| Björn Savén <sup>7</sup>                     | -93,278                                 | -85,890           | —                    | —               | —                                                 | —               | —               | —               | -93,278           | -85,890           |
| Svein Jacobsen                               | -98,201                                 | -95,960           | —                    | —               | —                                                 | —               | —               | —               | -98,201           | -95,960           |
| Stine Bosse                                  | -89,590                                 | -80,286           | —                    | —               | —                                                 | —               | —               | —               | -89,590           | -80,286           |
| Sarah Russell                                | -93,278                                 | -60,030           | —                    | —               | —                                                 | —               | —               | —               | -93,278           | -60,030           |
| Kari Stadigh                                 | -96,089                                 | -66,305           | —                    | —               | —                                                 | —               | —               | —               | -96,089           | -66,305           |
| Timo Peltola <sup>7</sup>                    | —                                       | -26,818           | —                    | —               | —                                                 | —               | —               | —               | —                 | -26,818           |
| Heidi M Petersen <sup>7</sup>                | —                                       | -23,043           | —                    | —               | —                                                 | —               | —               | —               | —                 | -23,043           |
| <b>CEO:</b>                                  |                                         |                   |                      |                 |                                                   |                 |                 |                 |                   |                   |
| Christian Clausen <sup>8</sup>               | -1,162,884                              | -860,564          | -308,164             | —               | -144,782                                          | -232,178        | -22,411         | -30,817         | -1,638,241        | -1,123,559        |
| <b>Group Executive Management (GEM):</b>     |                                         |                   |                      |                 |                                                   |                 |                 |                 |                   |                   |
| 7 (6) individuals excluding CEO <sup>9</sup> | -4,637,433                              | -3,663,331        | -1,084,710           | -588,563        | -507,492                                          | -734,778        | -222,780        | -273,739        | -6,452,415        | -5,260,411        |
| <b>Total</b>                                 | <b>-6,866,055</b>                       | <b>-5,602,713</b> | <b>-1,392,874</b>    | <b>-588,563</b> | <b>-652,274</b>                                   | <b>-966,956</b> | <b>-245,191</b> | <b>-304,556</b> | <b>-9,156,394</b> | <b>-7,462,788</b> |

1) The Board fee is a fixed annual fee as from the Annual General Meeting (AGM) 2011. These are accounted for in SEK and translated into EUR based on the average exchange rate each year.

2) CEO and members of GEM hold 12,253 A-rights, 12,253 B-rights and 4,901 D-rights in LTIP 2009, have a conditional right to maximum 61,158 matching shares, 122,316 performance shares I and 61,158 performance shares II in LTIP 2010 and 110,711 matching shares, 221,422 performance shares I and 110,711 performance shares II in LTIP 2011. For more information on the valuation of the Long Term Incentive Programmes, see below. The disclosed expense is calculated in accordance with IFRS 2 "Share-based Payment".

3) New Chairman of the Board as from the AGM 2011.

4) New Vice Chairman of the Board as from the AGM 2011.

5) Resigned as Chairman of the Board as from the AGM 2011.

6) Employee representatives excluded.

7) Resigned as Board member during 2010 or 2011.

8) The increase in 2011 is due to an actual salary increase of EUR 254,727, as communicated at the AGM 2011, and exchange rate effects. In 2010 the CEO abstained from variable salary part. Benefits are included at taxable values after salary reduction.

9) GEM members included for the period they have been appointed. As disclosed in the Annual Report 2010 two members of GEM earned variable salary part in 2010 and the variable salary part also included a guaranteed variable salary part for one new GEM member. Benefits are included at taxable values.

### Pension

#### CEO

The retirement age for the CEO is 60 and his pension amounts to 50% of the pensionable income for life. From 1 January 2011 fixed salary is the pensionable income while variable salary part is no longer included in pensionable income. The maximum pensionable income is from 1 January 2011 increased from 190 to 200 Swedish Income Base Amounts. This has led to a retroactive adjustment affecting pension cost in 2011, but the impact on the pension cost as from 2012 will be significantly lower. The pension obligation is fully funded, meaning that it is covered in full by plan assets. At retirement the pension risk is transferred to the CEO. Pension payments are to be made in accordance with local legislations and pension insurance conditions.

### Group Executive Management (GEM)

The pension agreements vary due to local country practices.

GEM members are entitled to retire with pension at the age of 60, 62 or 70. Pension agreements are Defined Benefit Plans (DBP), Defined Contribution Plans (DCP) or a combination of such plans.

Two members have DBPs not based on collective agreements. One of these DBPs provides retirement pension amounting to 50% of pensionable income for life from age 62, including national pension benefits. The second DBP not based on a collective agreement provides a retirement pension from age 60, including both national pension benefits and previously earned pension. The retirement pension benefit in this plan decreased from 70% to 66% of pensionable income for future earnings as from 1 January 2011. Two members have DBPs in accordance with the Swedish collective agreement and complementing DCPs. Three members have DCPs only. Fixed salary is pensionable income for all GEM-members. Variable salary part is included for two members.

G7

## Staff costs, cont.

| EUR                                           | 2011                      |                                 | 2010                      |                                 |
|-----------------------------------------------|---------------------------|---------------------------------|---------------------------|---------------------------------|
|                                               | Pension cost <sup>4</sup> | Pension obligation <sup>5</sup> | Pension cost <sup>4</sup> | Pension obligation <sup>5</sup> |
| <b>Board members<sup>1</sup>:</b>             |                           |                                 |                           |                                 |
| Lars G Nordström                              | —                         | 430,549                         | —                         | 419,686                         |
| <b>CEO:</b>                                   |                           |                                 |                           |                                 |
| Christian Clausen <sup>2</sup>                | -1,514,941                | 11,466,681                      | -652,473                  | 8,805,485                       |
| <b>Group Executive Management:</b>            |                           |                                 |                           |                                 |
| 7 (6) individuals excluding CEO <sup>3</sup>  | -2,184,289                | 4,606,923                       | -1,926,401                | 13,813,359                      |
| <b>Former Chairman of the Board and CEOs:</b> |                           |                                 |                           |                                 |
| Vesa Vainio and Thorleif Krarup <sup>6</sup>  | —                         | 18,271,060                      | —                         | 17,382,662                      |
| <b>Total</b>                                  | <b>-3,699,230</b>         | <b>34,775,213</b>               | <b>-2,578,874</b>         | <b>40,421,192</b>               |

1) Employee representatives excluded.

2) The main reason behind the increase in pension obligation and pension cost is the increase of the maximum pensionable income, from 190 Swedish Income Base Amounts to 200 Swedish Income Base Amounts. The main effect is in Past service cost which explains EUR 838,042 of the pension cost for 2011 (Past service cost zero in 2010). The Past service cost constitutes the retroactive adjustment of the pension earned in earlier periods following the increase in the maximum pensionable income. A change in the exchange rate has had an increasing impact on the new pension rights earned in 2011, affecting pension cost, and changed actuarial assumptions (mainly the discount rate) have had an increasing impact on the pension obligation.

3) Members of GEM included for the period they have been appointed. The pension obligation is the obligation towards the members of GEM as of 31 December. The increase in pension costs 2011 is partly due to exchange rate effects.

4) Pension costs are related to pension premiums paid in DCP agreements and pension rights earned during the year in DBP agreements (Service cost, Past service cost and Curtailments and settlements as defined in IAS 19). Of the total pension cost EUR 1,029,988 relates to DCP agreements.

5) Pension obligations calculated in accordance with IAS 19. These obligations are dependent of changes in actuarial assumptions and inter annual variations can therefore be significant. IAS 19 includes an assumption about future increases in salary, which leads to that the pension obligations disclosed are the earned pension rights calculated using the expected salary levels at retirement. The pension plans are funded, meaning that these obligations are backed with plan assets with fair value generally on a similar level as the obligations. The main reason behind the decrease in pension obligation is that the composition of GEM has changed, with a larger portion of the members having DCPs.

6) The pension obligation for Vesa Vainio and Thorleif Krarup is mainly due to pension rights earned in, and funded by, banks forming Nordea. The increase in 2011 is related to changes in actuarial assumptions.

**Notice period and severance pay**

In accordance with their employment contracts CEO and three GEM members have a notice period of 12 months and a severance pay equal to 12 months' salary to be reduced by the salary the executive receives as a result of any other employment during these 12 months. Four GEM members are entitled to 6 months' salary during the notice period, and with regard to severance pay 18 months' salary to be reduced by the salary they receive as a result of any other employment during these 18 months.

**Loans to key management personnel**

Loans to key management personnel, as defined in Note G1 section 26, amounts to EUR 4m (EUR 5m). Interest income on these loans amounts to EUR 0m (EUR 0m).

For key management personnel who are employed by Nordea the same credit terms apply as for other employees, except for key management personnel in Denmark whose loans are granted on the same term as for external customers. In Norway the employee interest rate for loans is 100 basis points lower than the best corresponding interest rate for external customers, with a cap on the loan amount of 3 times salary grade 55 plus NOK 100,000. In Finland the employee interest rate for loans corresponds to Nordea's funding cost with a margin of 10 basis points up to EUR 400,000, and 30 basis points for loans over EUR 400,000. In Sweden the employee interest rate on fixed- and variable interest rate loans is 215 basis points lower than the corresponding interest rate for external customers (with a lower limit of 50 basis points for variable interest rate loans and 150 basis points for fixed interest rate loans). There is currently a cap of 57 Swedish price base amounts both on fixed- and variable interest rate loans. Interest on loans above the defined caps are set on market terms. Loans to family members of key management personnel are granted on normal market terms, as well as loans to key management personnel who are not employed by Nordea.

**Long Term Incentive Programmes**

|                                     | 2011           |                     |                      |
|-------------------------------------|----------------|---------------------|----------------------|
|                                     | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional rights LTIP 2011</b> |                |                     |                      |
| Granted                             | 950,056        | 1,900,112           | 950,056              |
| Forfeited                           | —              | —                   | —                    |
| <b>Outstanding at end of year</b>   | <b>950,056</b> | <b>1,900,112</b>    | <b>950,056</b>       |
| – of which currently exercisable    | —              | —                   | —                    |

|                                      | 2011           |                     |                      | 2010           |                     |                      |
|--------------------------------------|----------------|---------------------|----------------------|----------------|---------------------|----------------------|
|                                      | Matching Share | Performance Share I | Performance Share II | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional rights LTIP 2010</b>  |                |                     |                      |                |                     |                      |
| Outstanding at the beginning of year | 896,645        | 1,793,290           | 896,645              | —              | —                   | —                    |
| Granted                              | —              | —                   | —                    | 903,490        | 1,806,980           | 903,490              |
| Forfeited                            | -7,482         | -14,964             | -7,482               | -6,845         | -13,690             | -6,845               |
| <b>Outstanding at end of year</b>    | <b>889,163</b> | <b>1,778,326</b>    | <b>889,163</b>       | <b>896,645</b> | <b>1,793,290</b>    | <b>896,645</b>       |
| – of which currently exercisable     | —              | —                   | —                    | —              | —                   | —                    |

## G7 Staff costs, cont.

|                                      | 2011           |                |                | 2010           |                |                |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                      | A-rights       | B-C-rights     | D-rights       | A-rights       | B-C-rights     | D-rights       |
| <b>Conditional rights LTIP 2009</b>  |                |                |                |                |                |                |
| Outstanding at the beginning of year | 959,006        | 959,006        | 383,602        | 981,332        | 1,962,664      | 981,332        |
| Forfeited                            | —              | —              | —              | –22,326        | –1,003,658     | –597,730       |
| Exercised <sup>1</sup>               | –642,508       | –652,666       | –263,658       | —              | —              | —              |
| <b>Outstanding at end of year</b>    | <b>316,498</b> | <b>306,340</b> | <b>119,944</b> | <b>959,006</b> | <b>959,006</b> | <b>383,602</b> |
| – of which currently exercisable     | 316,498        | 306,340        | 119,944        | —              | —              | —              |
|                                      |                |                |                |                |                |                |
|                                      | 2011           |                |                | 2010           |                |                |
|                                      | A-rights       | B-C-rights     | D-rights       | A-rights       | B-C-rights     | D-rights       |
| <b>Conditional rights LTIP 2008</b>  |                |                |                |                |                |                |
| Outstanding at the beginning of year | 98,255         | 100,383        | 80,695         | 485,466        | 485,466        | 388,373        |
| Forfeited                            | –500           | –500           | –500           | –4,461         | –4,461         | –3,569         |
| Exercised <sup>1</sup>               | –45,101        | –45,532        | –36,622        | –382,750       | –380,622       | –304,109       |
| <b>Outstanding at end of year</b>    | <b>52,654</b>  | <b>54,351</b>  | <b>43,573</b>  | <b>98,255</b>  | <b>100,383</b> | <b>80,695</b>  |
| – of which currently exercisable     | 52,654         | 54,351         | 43,573         | 98,255         | 100,383        | 80,695         |
|                                      |                |                |                |                |                |                |
|                                      | 2011           |                |                | 2010           |                |                |
|                                      | A-rights       | B-C-rights     | D-rights       | A-rights       | B-C-rights     | D-rights       |
| <b>Conditional rights LTIP 2007</b>  |                |                |                |                |                |                |
| Outstanding at the beginning of year | 51,542         | 32,327         | 47,979         | 141,575        | 134,139        | 160,390        |
| Forfeited                            | –1,274         | –1,274         | –1,274         | —              | —              | —              |
| Exercised <sup>1</sup>               | –50,268        | –31,053        | –46,705        | –90,033        | –101,812       | –112,411       |
| <b>Outstanding at end of year</b>    | <b>—</b>       | <b>—</b>       | <b>—</b>       | <b>51,542</b>  | <b>32,327</b>  | <b>47,979</b>  |
| – of which currently exercisable     | —              | —              | —              | 51,542         | 32,327         | 47,979         |

1) Weighted average share price during the exercise period amounts to EUR 7.45 (EUR 7.34).

Participation in the Long Term Incentive Programmes (LTIPs) requires that the participants take direct ownership by investing in Nordea shares.

|                          | LTIP 2011              |                     |                      | LTIP 2010              |                     |                      | LTIP 2009      |                     |                      |
|--------------------------|------------------------|---------------------|----------------------|------------------------|---------------------|----------------------|----------------|---------------------|----------------------|
|                          | Matching Share         | Performance Share I | Performance Share II | Matching Share         | Performance Share I | Performance Share II | Matching Share | Performance Share I | Performance Share II |
| Ordinary share per right | 1.00                   | 1.00                | 1.00                 | 1.00                   | 1.00                | 1.00                 | 1.00           | 1.00                | 1.00                 |
| Exercise price           | —                      | —                   | —                    | —                      | —                   | —                    | EUR 0.77       | EUR 0.38            | EUR 0.38             |
| Grant date               | 13 May 2011            | 13 May 2011         | 13 May 2011          | 13 May 2010            | 13 May 2010         | 13 May 2010          | 14 May 2009    | 14 May 2009         | 14 May 2009          |
| Vesting period           | 36 months              | 36 months           | 36 months            | 36 months              | 36 months           | 36 months            | 24 months      | 24 months           | 24 months            |
| Contractual life         | 36 months              | 36 months           | 36 months            | 36 months              | 36 months           | 36 months            | 48 months      | 48 months           | 48 months            |
| Allotment                | April/May 2014         | April/May 2014      | April/May 2014       | April/May 2013         | April/May 2013      | April/May 2013       | 29 April 2011  | 29 April 2011       | 29 April 2011        |
| Fair value at grant date | EUR 8.21               | EUR 8.21            | EUR 2.97             | EUR 6.75               | EUR 6.75            | EUR 2.45             | EUR 4.66       | EUR 5.01            | EUR 1.75             |
|                          |                        |                     |                      |                        |                     |                      |                |                     |                      |
|                          | LTIP 2008 <sup>1</sup> |                     |                      | LTIP 2007 <sup>1</sup> |                     |                      |                |                     |                      |
|                          | A-rights               | B-C-rights          | D-rights             | A-rights               | B-C-rights          | D-rights             |                |                     |                      |
| Ordinary share per right | 1.30                   | 1.30                | 1.30                 | 1.30                   | 1.30                | 1.30                 |                |                     |                      |
| Exercise price           | EUR 2.30               | EUR 1.53            | EUR 1.53             | EUR 2.53               | EUR 1.00            | EUR 1.00             |                |                     |                      |
| Grant date               | 13 May 2008            | 13 May 2008         | 13 May 2008          | 17 May 2007            | 17 May 2007         | 17 May 2007          |                |                     |                      |
| Vesting period           | 24 months              | 24 months           | 24 months            | 24 months              | 24 months           | 24 months            |                |                     |                      |
| Contractual life         | 48 months              | 48 months           | 48 months            | 48 months              | 48 months           | 48 months            |                |                     |                      |
| First day of exercise    | 29 April 2010          | 29 April 2010       | 29 April 2010        | 30 April 2009          | 30 April 2009       | 30 April 2009        |                |                     |                      |
| Fair value at grant date | EUR 7.53               | EUR 8.45            | EUR 4.14             | EUR 8.76               | EUR 10.49           | EUR 7.76             |                |                     |                      |

1) The new rights issue, which was resolved on an extra ordinary general meeting on 12 March 2009, triggered recalculations of some of the parameters in LTIP 2007 and LTIP 2008, in accordance with the agreements of the programmes. The recalculations were performed with the purpose of putting the participants in an equivalent financial position as the one being at hand immediately prior to the new rights issue.

## G7

## Staff costs, cont.

**Conditions and requirements**

For each ordinary share the participants lock in to the LTIPs, they are granted a conditional A-right/Matching Share to acquire or receive ordinary shares based on continued employment, with certain exemptions, and the conditional B-D-rights/Performance Share I and II to acquire or receive additional ordinary shares also based on fulfilment of certain performance conditions. The performance conditions for B- and C-rights and for Performance Share I comprise a target growth in risk adjusted profit per share (RAPPS). Should the reported earnings per share (EPS) be lower than a predetermined level the participants are not entitled to exercise any

B- or C-rights or Performance Share I. The performance conditions for D-rights and Performance Share II are market related and comprise growth in total shareholder return (TSR) in comparison with a peer group's TSR.

When the performance conditions are not fulfilled in full, the rights that are no longer exercisable are shown as forfeited in the previous tables, together with shares forfeited due to participants leaving the Nordea Group.

The exercise price, where applicable, for the ordinary shares is adjusted for dividends, however never adjusted below a predetermined price. Furthermore the profit for each right is capped.

|                                                                         | LTIP 2011                                                                                                                                                                                        | LTIP 2010                                                                                                                                                                                       | LTIP 2009 <sup>1</sup>                                                                                                   | LTIP 2008 <sup>1</sup>                                                                                                   | LTIP 2007 <sup>1</sup>                                                                                                                              |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Service condition, A-D-rights/Matching Share/Performance Share I and II | Employed, with certain exemptions, within the Nordea Group during the three year vesting period.                                                                                                 | Employed, with certain exemptions, within the Nordea Group during the three year vesting period.                                                                                                | Employed, with certain exemptions, within the Nordea Group during the two year vesting period.                           | Employed, with certain exemptions, within the Nordea Group during the two year vesting period.                           | Employed, with certain exemptions, within the Nordea Group during the two year vesting period.                                                      |
| Performance condition, B-rights/Performance Share I                     | Compound Annual Growth Rate in RAPPS from year 2010 (base year) to and including year 2013. Full right to exercise will be obtained if the Compound Annual Growth Rate amounts to or exceed 10%. | Compound Annual Growth Rate in RAPPS from year 2009 (base year) to and including year 2012. Full right to exercise will be obtained if the Compound Annual Growth Rate amounts to or exceed 9%. | Increase in RAPPS 2009 compared to 2008. Full right to exercise was obtained if RAPPS increased by 8% or more.           | Increase in RAPPS 2008 compared to 2007. Full right to exercise was obtained if RAPPS increased by 12% or more.          | Increase in RAPPS 2007 compared to 2006. Full right to exercise was obtained if RAPPS increased by 15% or more.                                     |
| EPS knock out, B-rights/Performance Share I                             | Average reported EPS for 2011-2013 lower than EUR 0.26.                                                                                                                                          | Average reported EPS for 2010-2012 lower than EUR 0.26.                                                                                                                                         | Reported EPS for 2009 lower than EUR 0.26.                                                                               | Reported EPS for 2008 lower than EUR 0.80.                                                                               | Reported EPS for 2007 lower than EUR 0.80.                                                                                                          |
| Performance condition, C-rights                                         | —                                                                                                                                                                                                | —                                                                                                                                                                                               | Increase in RAPPS 2010 compared to 2009. Full right to exercise was obtained if RAPPS increased by 8% or more.           | Increase in RAPPS 2009 compared to 2008. Full right to exercise was obtained if RAPPS increased by 12% or more.          | Increase in RAPPS 2008 compared to 2007. Full right to exercise was obtained if RAPPS increased by 12% or more.                                     |
| EPS knock out, C-rights                                                 | —                                                                                                                                                                                                | —                                                                                                                                                                                               | Reported EPS for 2010 lower than EUR 0.26.                                                                               | Reported EPS for 2009 lower than EUR 0.52.                                                                               | Reported EPS for 2008 lower than EUR 0.80.                                                                                                          |
| Performance condition, D-rights/Performance Share II                    | TSR during 2011-2013 in comparison with a peer group. Full right to exercise will be obtained if Nordea is ranked number 1-5.                                                                    | TSR during 2010-2012 in comparison with a peer group. Full right to exercise will be obtained if Nordea is ranked number 1-5.                                                                   | TSR during 2009-2010 in comparison with a peer group. Full right to exercise was obtained if Nordea was ranked number 1. | TSR during 2008-2009 in comparison with a peer group. Full right to exercise was obtained if Nordea was ranked number 1. | TSR during 2007-2008 in comparison with a peer group. Full right to exercise was obtained if Nordea's TSR exceeded peer group index by 10% or more. |
| Cap                                                                     | The market value of the allotted shares is capped to the participants' annual salary for year-end 2010.                                                                                          | The market value of the allotted shares is capped to the participants' annual salary for year-end 2009.                                                                                         | The profit per A-D-right is capped to EUR 9.59 per right.                                                                | The profit per A-D-right is capped to EUR 21.87 per right.                                                               | The profit per A-D-right is capped to EUR 19.18 per right.                                                                                          |
| Exercise price adjustments                                              | —                                                                                                                                                                                                | —                                                                                                                                                                                               | The exercise price will be adjusted for dividends during the exercise period, however never adjusted below EUR 0.10.     | The exercise price will be adjusted for dividends during the exercise period, however never adjusted below EUR 0.10.     | The exercise price will be adjusted for dividends during the vesting and the exercise period, however never adjusted below EUR 0.10.                |

1) RAPPS for the financial year 2008 and 2009 used for LTIP 2008 (C-rights) and LTIP 2009 (B- and C-rights), EPS knock out in LTIP 2008 (C-rights) and LTIP 2009 (B- and C-rights) and the cap in LTIP 2009, LTIP 2008 and LTIP 2007 have been adjusted due to the financial effects of the new rights issue in 2009.



## G7 Staff costs, cont.

### Fair value calculations

The fair value is measured through the use of generally accepted valuation models with the following input factors:

|                                 | LTIP 2011 | LTIP 2010 | LTIP 2009 | LTIP 2008 | LTIP 2007 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|
| Weighted average share price    | EUR 8.39  | EUR 6.88  | EUR 5.79  | EUR 11.08 | EUR 12.23 |
| Right life                      | 3.0 years | 3.0 years | 2.5 years | 2.5 years | 3.0 years |
| Deduction of expected dividends | No        | No        | Yes       | Yes       | Yes       |
| Risk free rate                  | 1.48%     | 1.99%     | 1.84%     | 3.83%     | 4.20%     |
| Expected volatility             | 36%       | 40%       | 29%       | 21%       | 20%       |

Expected volatility is based on historical values. As the exercise price (zero for LTIP 2010 and LTIP 2011) is significantly below the share price at grant date, the value has a limited sensitivity to expected volatility and risk-free interest. The fair value calculations are also based on estimated early exercise behaviour during the programmes' exercise windows, however not applicable for LTIP 2010 and LTIP 2011.

The value of the D-rights/Performance Share II are based on market related conditions and fulfilment of the TSR targets have been taken into consideration when calculating the rights' fair value at grant date. When calculating the impact from the TSR targets it has been assumed that all possible outcomes have equal possibilities.

### Expenses<sup>1</sup>

| EURm               | LTIP 2011 | LTIP 2010 | LTIP 2009 | LTIP 2008 | LTIP 2007 |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| Expected expense   | -16       | -10       | -11       | -10       | -12       |
| Maximum expense    | -26       | -20       | -11       | -10       | -12       |
| Total expense 2011 | -3        | -4        | -2        | —         | —         |
| Total expense 2010 | —         | -2        | -6        | -3        | —         |

1) All amounts excluding social security contribution.

When calculating the expected expense an expected annual employee turnover of 5% has been used in LTIP 2010 and LTIP 2011. The expected expense is recognised over the vesting period of 36 months (LTIP 2010 and LTIP 2011) and 24 months (LTIP 2009, 2008 and 2007).

### Cash-settled share-based payment transactions

Nordea operates share-linked deferrals on parts of variable compensation for certain employee categories, indexed with Nordea Total Shareholder Returns (TSR) and either vesting after three years or vesting in equal instalments over a three to five year period. Since 2011 Nordea also operates TSR-linked retention on part of variable compensation for certain

employee categories. The below table only includes deferred amounts indexed with Nordea TSR. Nordea also operates deferrals not being TSR-linked, which are not included in the table below. Further information regarding all deferred amounts can be found in the separate report on remuneration published on Nordea's homepage ([www.nordea.com](http://www.nordea.com)).

| EURm                                                                           | 2011      | 2010      |
|--------------------------------------------------------------------------------|-----------|-----------|
| Deferred TSR-linked compensation at beginning of the year                      | 13        | —         |
| Accrued deferred/retained TSR-linked compensation during the year <sup>1</sup> | 5         | 11        |
| TSR indexation during the year                                                 | -3        | 1         |
| Payments during the year <sup>2</sup>                                          | -4        | —         |
| Translation differences                                                        | -1        | 1         |
| <b>Deferred TSR-linked compensation at end of year</b>                         | <b>10</b> | <b>13</b> |

1) Of which EUR 4m is available for disposal by the employees in 2012. Additional deferrals not being TSR-linked amount to EUR 13m (EUR 0m). Due to that the allocation of variable compensation is not finally decided during the current year, the deferred amount during the year relates to variable compensation earned the previous year.

2) There have been no adjustments due to forfeitures in 2011.

## G7

## Staff costs, cont.

## Average number of employees

|                                                        | Total         |               | Men           |               | Women         |               |
|--------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                        | 2011          | 2010          | 2011          | 2010          | 2011          | 2010          |
| <b>Full-time equivalents</b>                           |               |               |               |               |               |               |
| Denmark                                                | 8,475         | 8,881         | 4,248         | 4,042         | 4,227         | 4,839         |
| Finland                                                | 7,785         | 7,957         | 1,957         | 1,913         | 5,828         | 6,044         |
| Sweden                                                 | 7,530         | 7,654         | 3,320         | 3,344         | 4,210         | 4,310         |
| Norway                                                 | 3,536         | 3,548         | 1,896         | 1,905         | 1,640         | 1,643         |
| Poland                                                 | 2,118         | 2,099         | 664           | 725           | 1,454         | 1,374         |
| Russia                                                 | 1,659         | 1,659         | 593           | 692           | 1,066         | 967           |
| Estonia                                                | 469           | 452           | 76            | 106           | 393           | 346           |
| Latvia                                                 | 433           | 504           | 99            | 127           | 334           | 377           |
| Luxembourg                                             | 354           | 399           | 336           | 249           | 18            | 150           |
| Lithuania                                              | 345           | 368           | 91            | 106           | 254           | 262           |
| United States                                          | 89            | 81            | 46            | 44            | 43            | 37            |
| United Kingdom                                         | 71            | 67            | 42            | 40            | 29            | 27            |
| Singapore                                              | 59            | 58            | 23            | 24            | 36            | 34            |
| Germany                                                | 39            | 43            | 20            | 22            | 19            | 21            |
| Other countries                                        | 21            | 21            | 9             | 9             | 12            | 12            |
| <b>Total average</b>                                   | <b>32,983</b> | <b>33,791</b> | <b>13,420</b> | <b>13,348</b> | <b>19,563</b> | <b>20,443</b> |
| <b>Total number of employees (FTEs), end of period</b> | <b>33,068</b> | <b>33,809</b> |               |               |               |               |

## Gender distribution

In the Board of Directors of the Nordea Group companies, 84% (84%) were men and 16% (16%) were women. The corresponding numbers for Other executives were 68% (85%) men and 32% (15%) women. Internal Boards consist mainly of management in Nordea.



## G8

## Other expenses

| EURm                                                   | 2011          | 2010          |
|--------------------------------------------------------|---------------|---------------|
| Information technology                                 | -647          | -639          |
| Marketing and entertainment                            | -131          | -144          |
| Postage, transportation, telephone and office expenses | -232          | -227          |
| Rents, premises and real estate                        | -444          | -400          |
| Other <sup>1</sup>                                     | -460          | -452          |
| <b>Total</b>                                           | <b>-1,914</b> | <b>-1,862</b> |

1) Including fees and remuneration to auditors distributed as follows.

## Auditors' fee

| EURm                          | 2011       | 2010       |
|-------------------------------|------------|------------|
| <b>KPMG</b>                   |            |            |
| Auditing assignments          | -5         | -4         |
| Audit-related services        | -2         | -4         |
| Tax advisory services         | 0          | -1         |
| Other assignments             | -5         | -2         |
| <b>PriceWaterhouseCoopers</b> |            |            |
| Auditing assignments          | —          | 0          |
| Audit-related services        | —          | 0          |
| Other assignments             | —          | 0          |
| <b>Total</b>                  | <b>-12</b> | <b>-11</b> |

## G9

## Depreciation, amortisation and impairment charges of tangible and intangible assets

| EURm                                     | 2011        | 2010        |
|------------------------------------------|-------------|-------------|
| <b>Depreciation/amortisation</b>         |             |             |
| <b>Property and equipment (Note G22)</b> |             |             |
| Equipment                                | -110        | -98         |
| Buildings                                | -1          | -1          |
| <b>Intangible assets (Note G21)</b>      |             |             |
| Computer software                        | -55         | -43         |
| Other intangible assets                  | -24         | -24         |
| <b>Total</b>                             | <b>-190</b> | <b>-166</b> |

## Impairment charges/Reversed impairment charges

|                                          |             |             |
|------------------------------------------|-------------|-------------|
| <b>Property and equipment (Note G22)</b> |             |             |
| Equipment                                | —           | —           |
| <b>Intangible assets (Note G21)</b>      |             |             |
| Other intangible assets                  | -2          | -4          |
| <b>Total</b>                             | <b>-2</b>   | <b>-4</b>   |
| <b>Total</b>                             | <b>-192</b> | <b>-170</b> |

## G10

## Net loan losses

| EURm                                      | 2011        | 2010        |
|-------------------------------------------|-------------|-------------|
| <b>Divided by class</b>                   |             |             |
| Loans to credit institutions              | 2           | 0           |
| – of which provisions                     | -1          | -1          |
| – of which write-offs                     | -7          | -3          |
| – of which allowances to cover write-offs | 7           | 3           |
| – of which reversals                      | 1           | 1           |
| – of which recoveries                     | 2           | —           |
| Loans to the public                       | -659        | -738        |
| – of which provisions                     | -1,154      | -1,185      |
| – of which write-offs                     | -800        | -535        |
| – of which allowances to cover write-offs | 625         | 378         |
| – of which reversals                      | 596         | 531         |
| – of which recoveries                     | 74          | 73          |
| Off-balance sheet items <sup>1</sup>      | -78         | -141        |
| – of which provisions                     | -148        | -156        |
| – of which write-offs                     | -315        | -52         |
| – of which allowances to cover write-offs | 315         | 52          |
| – of which reversals                      | 70          | 15          |
| – of which recoveries                     | —           | 0           |
| <b>Total</b>                              | <b>-735</b> | <b>-879</b> |

## Specification

|                                                                        |             |             |
|------------------------------------------------------------------------|-------------|-------------|
| Changes of allowance accounts in the balance sheet                     | -636        | -795        |
| – of which Loans, individually assessed <sup>2</sup>                   | -761        | -720        |
| – of which Loans, collectively assessed <sup>2</sup>                   | 203         | 66          |
| – of which Off-balance sheet items, individually assessed <sup>1</sup> | -87         | -143        |
| – of which Off-balance sheet items, collectively assessed <sup>1</sup> | 9           | 2           |
| Changes directly recognised in the income statement                    | -99         | -84         |
| – of which realised loan losses, individually assessed                 | -175        | -157        |
| – of which realised recoveries, individually assessed                  | 76          | 73          |
| <b>Total</b>                                                           | <b>-735</b> | <b>-879</b> |

1) Included in Note G33 Provisions as "Transfer risk, off-balance", "Individually assessed, guarantees and other commitments".

2) Included in Note G14 Loans and impairment.

## G11

## Taxes

## Income tax expense

| EURm                                | 2011        | 2010        |
|-------------------------------------|-------------|-------------|
| Current tax <sup>1</sup>            | -709        | -1,022      |
| Deferred tax                        | -204        | 46          |
| <b>Total</b>                        | <b>-913</b> | <b>-976</b> |
| 1) Of which relating to prior years | 27          | -38         |

The tax on the Group's operating profit differs from the theoretical amount that would arise using the tax rate of Sweden as follows:

| EURm                                                   | 2011        | 2010        |
|--------------------------------------------------------|-------------|-------------|
| Profit before tax                                      | 3,547       | 3,639       |
| Tax calculated at a tax rate of 26.3%                  | -933        | -957        |
| Effect of different tax rates in other countries       | 14          | 11          |
| Tax not related to profit                              | -9          | -10         |
| Income from associated undertakings                    | 9           | 12          |
| Tax-exempt income                                      | 48          | 86          |
| Non-deductible expenses                                | -69         | -79         |
| Adjustments relating to prior years                    | 27          | -38         |
| Income tax due to tax assets previously not recognised | 0           | 0           |
| Change of tax rate                                     | 2           | —           |
| Not creditable foreign taxes                           | -2          | -1          |
| <b>Tax charge</b>                                      | <b>-913</b> | <b>-976</b> |
| Average effective tax rate                             | 26%         | 27%         |

## Deferred tax

| EURm                                                     | Deferred tax assets |            | Deferred tax liabilities |            |
|----------------------------------------------------------|---------------------|------------|--------------------------|------------|
|                                                          | 2011                | 2010       | 2011                     | 2010       |
| <b>Deferred tax related to:</b>                          |                     |            |                          |            |
| Tax losses carry-forward                                 | 16                  | 22         | —                        | —          |
| Untaxed reserves                                         | —                   | —          | 139                      | 122        |
| Loans to the public                                      | 29                  | 29         | 441                      | 345        |
| Derivatives                                              | 147                 | 125        | 212                      | 2          |
| Intangible assets                                        | 5                   | —          | 85                       | 71         |
| Property and equipment                                   | 8                   | 12         | 2                        | 26         |
| Investment property                                      | —                   | —          | 176                      | 192        |
| Retirement benefit obligations                           | 60                  | 59         | 69                       | 41         |
| Hedge of net investments in foreign operations           | 57                  | 54         | 14                       | 43         |
| Liabilities/provisions                                   | 70                  | 32         | 103                      | 98         |
| Netting between deferred tax assets and liabilities      | -223                | -55        | -223                     | -55        |
| <b>Total</b>                                             | <b>169</b>          | <b>278</b> | <b>1,018</b>             | <b>885</b> |
| – of which expected to be settled after more than 1 year | 96                  | 111        | 891                      | 746        |

| EURm                                                                    | 2011        | 2010        |
|-------------------------------------------------------------------------|-------------|-------------|
| <b>Movements in deferred tax assets/liabilities (net)</b>               |             |             |
| Amount at beginning of year (net)                                       | -607        | -745        |
| Deferred tax relating to items recognised in other comprehensive income | -44         | 106         |
| Translation differences                                                 | 6           | -31         |
| Acquisitions and others                                                 | 0           | 17          |
| Deferred tax in the income statement                                    | -204        | 46          |
| <b>Amount at end of year (net)</b>                                      | <b>-849</b> | <b>-607</b> |

## Current and deferred tax recognised in other comprehensive income

|                                                                              |            |            |
|------------------------------------------------------------------------------|------------|------------|
| Deferred tax liability due to hedge of net investments in foreign operations | 0          | 107        |
| Deferred tax relating to available-for-sale investments                      | -1         | -1         |
| Deferred tax relating to cash flow hedges                                    | -43        | 0          |
| <b>Total</b>                                                                 | <b>-44</b> | <b>106</b> |

## G11

## Taxes, cont.

| EURm                                                     | 2011       | 2010       |
|----------------------------------------------------------|------------|------------|
| <b>Current tax assets</b>                                | <b>185</b> | <b>262</b> |
| – of which expected to be settled after more than 1 year | 17         | 19         |
| <b>Current tax liabilities</b>                           | <b>154</b> | <b>502</b> |
| – of which expected to be settled after more than 1 year | 36         | 34         |
| <b>Unrecognised deferred tax assets</b>                  |            |            |
| Unused tax losses carry-forward                          | 54         | 54         |
| Unused tax credits                                       | —          | 2          |
| <b>Total</b>                                             | <b>54</b>  | <b>56</b>  |
| Expire date 2011                                         | —          | 1          |
| Expire date 2012                                         | 1          | 1          |
| Expire date 2013                                         | 0          | 0          |
| No expiry date                                           | 53         | 54         |
| <b>Total</b>                                             | <b>54</b>  | <b>56</b>  |

## G12

## Earnings per share

|                                                                                                          | 2011         | 2010         |
|----------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Earnings:</b>                                                                                         |              |              |
| Profit attributable to shareholders of Nordea Bank AB (publ) (EURm)                                      | 2,627        | 2,657        |
| <b>Number of shares (in millions):</b>                                                                   |              |              |
| Number of shares outstanding at beginning of year                                                        | 4,043        | 4,037        |
| Average number of issued C-shares <sup>1</sup>                                                           | 3            | 3            |
| Average number of repurchased own C-shares <sup>1</sup>                                                  | –3           | –3           |
| Average number of own shares in trading portfolio                                                        | –16          | –16          |
| <b>Basic weighted average number of shares outstanding</b>                                               | <b>4,027</b> | <b>4,021</b> |
| Adjustment for diluted weighted average number of additional ordinary shares outstanding <sup>1, 2</sup> | 1            | 1            |
| <b>Diluted weighted average number of shares outstanding</b>                                             | <b>4,028</b> | <b>4,022</b> |
| Basic earnings per share, EUR                                                                            | 0.65         | 0.66         |
| Diluted earnings per share, EUR                                                                          | 0.65         | 0.66         |

1) Relates to the Long Term Incentive Programmes (LTIP).

2) Contingently issuable shares not included, that can potentially dilute basic earnings per share in future periods, exist in the Long Term Incentive Programmes.

## G13

## Treasury bills

| EURm                                                                 | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------------------------------------|----------------|----------------|
| State and sovereigns                                                 | 10,827         | 18,140         |
| Municipalities and other public bodies                               | 1,637          | 25             |
| <b>Total</b>                                                         | <b>12,464</b>  | <b>18,165</b>  |
| – of which Financial instruments pledged<br>as collateral (Note G16) | 1,359          | 5,053          |
| <b>Total</b>                                                         | <b>11,105</b>  | <b>13,112</b>  |

## G14

## Loans and impairment

| EURm                                                | Credit institutions |               | The public <sup>1</sup> |                | Total          |                |
|-----------------------------------------------------|---------------------|---------------|-------------------------|----------------|----------------|----------------|
|                                                     | 31 Dec 2011         | 31 Dec 2010   | 31 Dec 2011             | 31 Dec 2010    | 31 Dec 2011    | 31 Dec 2010    |
| Loans, not impaired                                 | 51,867              | 15,791        | 334,234                 | 311,893        | 386,101        | 327,684        |
| Impaired loans                                      | 26                  | 33            | 5,412                   | 4,816          | 5,438          | 4,849          |
| – of which performing                               | —                   | 4             | 3,287                   | 2,834          | 3,287          | 2,838          |
| – of which non-performing                           | 26                  | 29            | 2,125                   | 1,982          | 2,151          | 2,011          |
| <b>Loans before allowances</b>                      | <b>51,893</b>       | <b>15,824</b> | <b>339,646</b>          | <b>316,709</b> | <b>391,539</b> | <b>332,533</b> |
| Allowances for individually assessed impaired loans | –26                 | –33           | –1,866                  | –1,719         | –1,892         | –1,752         |
| – of which performing                               | —                   | –4            | –1,080                  | –965           | –1,080         | –969           |
| – of which non-performing                           | –26                 | –29           | –786                    | –754           | –812           | –783           |
| Allowances for collectively assessed impaired loans | –2                  | –3            | –577                    | –779           | –579           | –782           |
| <b>Allowances</b>                                   | <b>–28</b>          | <b>–36</b>    | <b>–2,443</b>           | <b>–2,498</b>  | <b>–2,471</b>  | <b>–2,534</b>  |
| <b>Loans, carrying amount</b>                       | <b>51,865</b>       | <b>15,788</b> | <b>337,203</b>          | <b>314,211</b> | <b>389,068</b> | <b>329,999</b> |

1) Finance leases, where Nordea Group is a lessor, are included in Loans to the public, see Note G23 Leasing.

Reconciliation of allowance accounts for impaired loans<sup>1</sup>

| EURm                                        | Credit institutions   |                       |            | The public            |                       |               | Total                 |                       |               |
|---------------------------------------------|-----------------------|-----------------------|------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|---------------|
|                                             | Individually assessed | Collectively assessed | Total      | Individually assessed | Collectively assessed | Total         | Individually assessed | Collectively assessed | Total         |
| <b>Opening balance at 1 Jan 2011</b>        | <b>–33</b>            | <b>–3</b>             | <b>–36</b> | <b>–1,719</b>         | <b>–779</b>           | <b>–2,498</b> | <b>–1,752</b>         | <b>–782</b>           | <b>–2,534</b> |
| Provisions                                  | 0                     | 0                     | 0          | –1,065                | –90                   | –1,155        | –1,065                | –90                   | –1,155        |
| Reversals                                   | 0                     | 1                     | 1          | 304                   | 292                   | 596           | 304                   | 293                   | 597           |
| <b>Changes through the income statement</b> | <b>0</b>              | <b>1</b>              | <b>1</b>   | <b>–761</b>           | <b>202</b>            | <b>–559</b>   | <b>–761</b>           | <b>203</b>            | <b>–558</b>   |
| Allowances used to cover write-offs         | 7                     | —                     | 7          | 625                   | —                     | 625           | 632                   | —                     | 632           |
| Translation differences                     | 0                     | 0                     | 0          | –11                   | 0                     | –11           | –11                   | 0                     | –11           |
| <b>Closing balance at 31 Dec 2011</b>       | <b>–26</b>            | <b>–2</b>             | <b>–28</b> | <b>–1,866</b>         | <b>–577</b>           | <b>–2,443</b> | <b>–1,892</b>         | <b>–579</b>           | <b>–2,471</b> |
| <b>Opening balance at 1 Jan 2010</b>        | <b>–35</b>            | <b>–3</b>             | <b>–38</b> | <b>–1,350</b>         | <b>–835</b>           | <b>–2,185</b> | <b>–1,385</b>         | <b>–838</b>           | <b>–2,223</b> |
| Provisions                                  | 0                     | 0                     | 0          | –966                  | –220                  | –1,186        | –966                  | –220                  | –1,186        |
| Reversals                                   | 0                     | 1                     | 1          | 246                   | 285                   | 531           | 246                   | 286                   | 532           |
| <b>Changes through the income statement</b> | <b>0</b>              | <b>1</b>              | <b>1</b>   | <b>–720</b>           | <b>65</b>             | <b>–655</b>   | <b>–720</b>           | <b>66</b>             | <b>–654</b>   |
| Allowances used to cover write-offs         | 3                     | —                     | 3          | 378                   | —                     | 378           | 381                   | —                     | 381           |
| Reclassification                            | —                     | —                     | —          | 12                    | —                     | 12            | 12                    | —                     | 12            |
| Translation differences                     | –1                    | –1                    | –2         | –39                   | –9                    | –48           | –40                   | –10                   | –50           |
| <b>Closing balance at 31 Dec 2010</b>       | <b>–33</b>            | <b>–3</b>             | <b>–36</b> | <b>–1,719</b>         | <b>–779</b>           | <b>–2,498</b> | <b>–1,752</b>         | <b>–782</b>           | <b>–2,534</b> |

1) See Note G10 Net loan losses.

## Allowances and provisions

| EURm                                      | Credit institutions |             | The public    |               | Total         |               |
|-------------------------------------------|---------------------|-------------|---------------|---------------|---------------|---------------|
|                                           | 31 Dec 2011         | 31 Dec 2010 | 31 Dec 2011   | 31 Dec 2010   | 31 Dec 2011   | 31 Dec 2010   |
| Allowances for items in the balance sheet | –28                 | –36         | –2,443        | –2,498        | –2,471        | –2,534        |
| Provisions for off balance sheet items    | –13                 | –20         | –80           | –311          | –93           | –331          |
| <b>Total allowances and provisions</b>    | <b>–41</b>          | <b>–56</b>  | <b>–2,523</b> | <b>–2,809</b> | <b>–2,564</b> | <b>–2,865</b> |

Key ratios<sup>1</sup>

|                                                   | 31 Dec 2011 | 31 Dec 2010 |
|---------------------------------------------------|-------------|-------------|
| Impairment rate, gross, basis points              | 139         | 146         |
| Impairment rate, net, basis points                | 91          | 93          |
| Total allowance rate, basis points                | 63          | 76          |
| Allowances in relation to impaired loans, %       | 35          | 36          |
| Total allowances in relation to impaired loans, % | 45          | 52          |
| Non-performing loans, not impaired, EURm          | 405         | 316         |

1) For definitions, see Business definitions on page 93.

## G15

## Interest-bearing securities

| EURm                                                                                   | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------------------------------------------------------|----------------|----------------|
| Issued by public bodies                                                                | 8,715          | 11,118         |
| Issued by other borrowers                                                              | 78,917         | 61,940         |
| <b>Total</b>                                                                           | <b>87,632</b>  | <b>73,058</b>  |
| – of which Financial instruments pledged as collateral (Note G16)                      |                |                |
|                                                                                        | 6,364          | 3,921          |
| <b>Total</b>                                                                           | <b>81,268</b>  | <b>69,137</b>  |
| <b>Listed and unlisted securities incl Financial instruments pledged as collateral</b> |                |                |
| Listed securities                                                                      | 78,869         | 55,797         |
| Unlisted securities                                                                    | 8,763          | 17,261         |
| <b>Total</b>                                                                           | <b>87,632</b>  | <b>73,058</b>  |

## G16

## Financial instruments pledged as collateral

## Financial instruments pledged as collateral

In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral. When the counterpart receiving the collateral has the right to sell or repledge the assets, the assets are reclassified in the balance sheet to the item Financial instruments pledged as collateral.

| EURm                        | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-----------------------------|----------------|----------------|
| Treasury bills              | 1,359          | 5,053          |
| Interest-bearing securities | 6,364          | 3,921          |
| Shares                      | 650            | 520            |
| <b>Total</b>                | <b>8,373</b>   | <b>9,494</b>   |

## Transferred assets that are still recognised in the balance sheet and associated liabilities

All assets transferred and the liabilities associated with these transactions are specified in the following tables. The assets continue to be recognised on the balance sheet since Nordea is still exposed to changes in the fair value of the assets. Therefore, these assets and its associated liabilities are included in the following tables.

## G16

## Financial instruments pledged as collateral, cont.

| EURm                                 | 31 Dec<br>2011 | 31 Dec<br>2010 |
|--------------------------------------|----------------|----------------|
| <b>Repurchase agreements</b>         |                |                |
| Treasury bills                       | 1,359          | 5,053          |
| Interest-bearing securities          | 6,364          | 3,921          |
| Shares                               | 650            | 32             |
| <b>Securities lending agreements</b> |                |                |
| Shares                               | —              | 488            |
| <b>Total</b>                         | <b>8,373</b>   | <b>9,494</b>   |

## Liabilities associated with the assets

| EURm                                    | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-----------------------------------------|----------------|----------------|
| <b>Repurchase agreements</b>            |                |                |
| Deposits by credit institutions         | 3,821          | 7,421          |
| Deposits and borrowings from the public | 3,368          | 1,661          |
| <b>Securities lending agreements</b>    |                |                |
| Other                                   | 1              | —              |
| <b>Total</b>                            | <b>7,190</b>   | <b>9,082</b>   |

For information on reverse repos, see Note G44.

## G17

## Shares

| EURm                                       | 31 Dec<br>2011 | 31 Dec<br>2010 |
|--------------------------------------------|----------------|----------------|
| Shares                                     | 10,509         | 10,858         |
| Shares taken over for protection of claims | 4              | 18             |
| Fund units, equity related                 | 5,034          | 5,961          |
| Fund units, interest related               | 5,270          | 976            |
| <b>Total</b>                               | <b>20,817</b>  | <b>17,813</b>  |

|                                                                   |               |               |
|-------------------------------------------------------------------|---------------|---------------|
| – of which Financial instruments pledged as collateral (Note G16) | 650           | 520           |
| <b>Total</b>                                                      | <b>20,167</b> | <b>17,293</b> |

|                                                          |        |     |
|----------------------------------------------------------|--------|-----|
| – of which expected to be settled after more than 1 year | 15,894 | 588 |
|----------------------------------------------------------|--------|-----|

## Listed and unlisted shares incl Financial instruments pledged as collateral

|                 |               |               |
|-----------------|---------------|---------------|
| Listed shares   | 15,283        | 13,413        |
| Unlisted shares | 5,534         | 4,400         |
| <b>Total</b>    | <b>20,817</b> | <b>17,813</b> |

G18

## Derivatives and Hedge accounting

| 31 Dec 2011, EURm                                  | Fair value     |                | Total nom<br>amount |
|----------------------------------------------------|----------------|----------------|---------------------|
|                                                    | Positive       | Negative       |                     |
| <b>Derivatives held for trading</b>                |                |                |                     |
| <b>Interest rate derivatives</b>                   |                |                |                     |
| Interest rate swaps                                | 136,856        | 133,660        | 3,655,420           |
| FRAs                                               | 76             | 92             | 79,776              |
| Futures and forwards                               | 1,084          | 873            | 1,451,249           |
| Options                                            | 11,320         | 11,915         | 515,269             |
| Other                                              | 0              | —              | 15                  |
| <b>Total</b>                                       | <b>149,336</b> | <b>146,540</b> | <b>5,701,729</b>    |
| <b>Equity derivatives</b>                          |                |                |                     |
| Equity swaps                                       | 113            | 16             | 1,780               |
| Futures and forwards                               | 55             | 32             | 544                 |
| Options                                            | 470            | 640            | 14,820              |
| <b>Total</b>                                       | <b>638</b>     | <b>688</b>     | <b>17,144</b>       |
| <b>Foreign exchange derivatives</b>                |                |                |                     |
| Currency and interest rate swaps                   | 15,140         | 15,466         | 859,021             |
| Currency forwards                                  | 1,086          | 814            | 61,414              |
| Options                                            | 301            | 255            | 33,758              |
| <b>Total</b>                                       | <b>16,527</b>  | <b>16,535</b>  | <b>954,193</b>      |
| <b>Credit derivatives</b>                          |                |                |                     |
| Credit default swaps                               | 1,483          | 1,493          | 61,889              |
| <b>Total</b>                                       | <b>1,483</b>   | <b>1,493</b>   | <b>61,889</b>       |
| <b>Commodity derivatives</b>                       |                |                |                     |
| Swaps                                              | 1,228          | 1,152          | 13,182              |
| Futures and forwards                               | 79             | 76             | 1,137               |
| Options                                            | 69             | 68             | 2,228               |
| <b>Total</b>                                       | <b>1,376</b>   | <b>1,296</b>   | <b>16,547</b>       |
| <b>Other derivatives</b>                           |                |                |                     |
| Swaps                                              | 38             | 201            | 1,247               |
| Futures and forwards                               | 0              | 0              | 0                   |
| Options                                            | 3              | 3              | 98                  |
| Other                                              | 1              | 7              | 825                 |
| <b>Total</b>                                       | <b>42</b>      | <b>211</b>     | <b>2,170</b>        |
| <b>Total derivatives held for trading</b>          | <b>169,402</b> | <b>166,763</b> | <b>6,753,672</b>    |
| <b>Derivatives used for hedge accounting</b>       |                |                |                     |
| <b>Interest rate derivatives</b>                   |                |                |                     |
| Interest rate swaps                                | 1,941          | 492            | 59,149              |
| Options                                            | 0              | 1              | 954                 |
| <b>Total</b>                                       | <b>1,941</b>   | <b>493</b>     | <b>60,103</b>       |
| <b>Foreign exchange derivatives</b>                |                |                |                     |
| Currency and interest rate swaps                   | 600            | 134            | 10,505              |
| <b>Total</b>                                       | <b>600</b>     | <b>134</b>     | <b>10,505</b>       |
| <b>Total derivatives used for hedge accounting</b> | <b>2,541</b>   | <b>627</b>     | <b>70,608</b>       |
| <b>Total derivatives</b>                           | <b>171,943</b> | <b>167,390</b> | <b>6,824,280</b>    |

G18

## Derivatives and Hedge accounting, cont.

| 31 Dec 2010, EURm                         | Fair value    |               | Total nom<br>amount |
|-------------------------------------------|---------------|---------------|---------------------|
|                                           | Positive      | Negative      |                     |
| <b>Derivatives held for trading</b>       |               |               |                     |
| <b>Interest rate derivatives</b>          |               |               |                     |
| Interest rate swaps                       | 70,576        | 69,121        | 2,951,621           |
| FRAs                                      | 574           | 605           | 1,192,366           |
| Futures and forwards                      | 495           | 87            | 69,145              |
| Options                                   | 8,034         | 7,993         | 525,945             |
| Other                                     | 4             | 4             | 22,102              |
| <b>Total</b>                              | <b>79,683</b> | <b>77,810</b> | <b>4,761,179</b>    |
| <b>Equity derivatives</b>                 |               |               |                     |
| Equity swaps                              | 9             | 31            | 253                 |
| Futures and forwards                      | 39            | 31            | 1,407               |
| Options                                   | 731           | 742           | 20,343              |
| <b>Total</b>                              | <b>779</b>    | <b>804</b>    | <b>22,003</b>       |
| <b>Foreign exchange derivatives</b>       |               |               |                     |
| Currency and interest rate swaps          | 5,797         | 6,092         | 326,883             |
| Currency forwards                         | 6,743         | 7,108         | 489,883             |
| Options                                   | 629           | 648           | 41,924              |
| Other                                     | 1             | 7             | 1,608               |
| <b>Total</b>                              | <b>13,170</b> | <b>13,855</b> | <b>860,298</b>      |
| <b>Credit derivatives</b>                 |               |               |                     |
| Credit default swaps                      | 908           | 929           | 51,224              |
| <b>Total</b>                              | <b>908</b>    | <b>929</b>    | <b>51,224</b>       |
| <b>Commodity derivatives</b>              |               |               |                     |
| Swaps                                     | 1,385         | 1,395         | 13,725              |
| Futures and forwards                      | 82            | 67            | 706                 |
| Options                                   | 67            | 63            | 1,392               |
| <b>Total</b>                              | <b>1,534</b>  | <b>1,525</b>  | <b>15,823</b>       |
| <b>Other derivatives</b>                  |               |               |                     |
| Swaps                                     | 21            | 276           | 750                 |
| Options                                   | 4             | 2             | 100                 |
| Other                                     | 0             | 25            | 2,054               |
| <b>Total</b>                              | <b>25</b>     | <b>303</b>    | <b>2,904</b>        |
| <b>Total derivatives held for trading</b> | <b>96,099</b> | <b>95,226</b> | <b>5,713,431</b>    |

## G18

## Derivatives and Hedge accounting, cont.

## Derivatives used for hedge accounting

## Interest rate derivatives

|                     |            |            |               |
|---------------------|------------|------------|---------------|
| Interest rate swaps | 461        | 417        | 29,001        |
| Options             | 0          | 5          | 642           |
| <b>Total</b>        | <b>461</b> | <b>422</b> | <b>29,643</b> |

## Equity derivatives

|              |          |          |          |
|--------------|----------|----------|----------|
| Options      | 0        | 1        | 9        |
| <b>Total</b> | <b>0</b> | <b>1</b> | <b>9</b> |

## Foreign exchange derivatives

|                                  |            |            |              |
|----------------------------------|------------|------------|--------------|
| Currency and interest rate swaps | 265        | 238        | 4,526        |
| <b>Total</b>                     | <b>265</b> | <b>238</b> | <b>4,526</b> |

|                                                    |               |               |                  |
|----------------------------------------------------|---------------|---------------|------------------|
| <b>Total derivatives used for hedge accounting</b> | <b>726</b>    | <b>661</b>    | <b>34,178</b>    |
| <b>Total derivatives</b>                           | <b>96,825</b> | <b>95,887</b> | <b>5,747,609</b> |

## G19

## Fair value changes of the hedged items in portfolio hedge of interest rate risk

| <b>EURm</b>                           | 31 Dec       | 31 Dec       |
|---------------------------------------|--------------|--------------|
| <b>Assets</b>                         | 2011         | 2010         |
| Carrying amount at beginning of year  | 1,127        | 763          |
| Changes during the year               |              |              |
| Revaluation of hedged items           | -1,343       | 335          |
| Translation differences               | 1            | 29           |
| <b>Carrying amount at end of year</b> | <b>-215</b>  | <b>1,127</b> |
| <b>Liabilities</b>                    |              |              |
| Carrying amount at beginning of year  | 898          | 874          |
| Changes during the year               |              |              |
| Revaluation of hedged items           | 366          | -33          |
| Translation differences               | 10           | 57           |
| <b>Carrying amount at end of year</b> | <b>1,274</b> | <b>898</b>   |

The carrying amount at end of year represents accumulated changes in the fair value for those repricing time periods in which the hedged item is an asset respectively a liability. When the hedged item is an asset, the change in the fair value of the hedged item is presented within assets and when the hedged item is a liability, the change is presented as a liability.



## G20

## Investments in associated undertakings

| EURm                                                 | 31 Dec<br>2011 | 31 Dec<br>2010 |
|------------------------------------------------------|----------------|----------------|
| Acquisition value at beginning of year               | 564            | 481            |
| Acquisitions during the year                         | 16             | 18             |
| Sales during the year                                | -4             | -10            |
| Share in earnings <sup>1</sup>                       | 60             | 72             |
| Dividend received                                    | -35            | -51            |
| Reclassifications                                    | 1              | 42             |
| Translation differences                              | 1              | 12             |
| <b>Acquisition value at end of year</b>              | <b>603</b>     | <b>564</b>     |
| Accumulated impairment charges at beginning of year  | -10            | -11            |
| Impairment charges during the year                   | -1             | 0              |
| Reclassifications                                    | -1             | 0              |
| Translation differences                              | 0              | 1              |
| <b>Accumulated impairment charges at end of year</b> | <b>-12</b>     | <b>-10</b>     |
| <b>Total</b>                                         | <b>591</b>     | <b>554</b>     |
| – of which, listed shares                            | —              | —              |

1) Share in earnings

| EURm                                                                             | 2011      | 2010      |
|----------------------------------------------------------------------------------|-----------|-----------|
| Profit from companies accounted for under the equity method                      | 42        | 66        |
| Portfolio hedge, Eksportfinans ASA                                               | 6         | -5        |
| Associated undertakings in Life, reported as Net result from items at fair value | 12        | 11        |
| <b>Share in earnings</b>                                                         | <b>60</b> | <b>72</b> |

The total amount is expected to be settled after more than 1 year.

Nordea's share of the associated undertakings' aggregated balance sheets and income statements can be summarised as follows:

| EURm              | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-------------------|----------------|----------------|
| Total assets      | 8,091          | 8,108          |
| Total liabilities | 6,664          | 7,506          |
| Operating income  | 194            | 194            |
| Operating profit  | 84             | 66             |

Nordea has issued contingent liabilities of EUR 940m (EUR 1,688m) on behalf of associated undertakings.

| 31 Dec 2011                       | Registration number | Domicile   | Carrying amount<br>2011, EURm | Carrying amount<br>2010, EURm | Voting power of<br>holding % |
|-----------------------------------|---------------------|------------|-------------------------------|-------------------------------|------------------------------|
| Eksportfinans ASA                 | 816521432           | Oslo       | 145                           | 133                           | 23                           |
| Ejendomspartnerskabet af 1/7 2003 | 27134971            | Ballerup   | 190                           | 180                           | 49                           |
| Luottokunta                       | 0201646-0           | Helsinki   | 49                            | 42                            | 27                           |
| LR Realkredit A/S                 | 26045304            | Copenhagen | 4                             | 12                            | 39                           |
| Oy Realinvest Ab                  | 0680035-9           | Helsinki   | 0                             | 5                             | 49                           |
| Realia Holding Oy                 | 2106796-8           | Helsinki   | 20                            | 5                             | 25                           |
| Samajet Nymøllevej 59-91          | 24247961            | Ballerup   | 20                            | 21                            | 25                           |
| E-nettet Holding A/S              | 28308019            | Copenhagen | 1                             | 2                             | 20                           |
| Hovedbanens Forretningscenter K/S | 16301671            | Ballerup   | 14                            | 14                            | 50                           |
| Ejendomsselskabet Axelborg I/S    | 79334413            | Copenhagen | 9                             | 9                             | 33                           |
| Axel IKU Invest A/S               | 24981800            | Copenhagen | 1                             | 1                             | 33                           |
| Automatia Pankkiautomaatit Oy     | 0974651-1           | Helsinki   | 8                             | 8                             | 33                           |
| KIFU-AX II A/S                    | 25893662            | Copenhagen | 3                             | 3                             | 25                           |
| Bankernas Kontantsservice A/S     | 33077599            | Copenhagen | 3                             | 3                             | 20                           |
| Multidata Holding A/S             | 27226027            | Ballerup   | 9                             | 10                            | 29                           |
| Samejet Lautruphøj I/S            | 50857859            | Ballerup   | 6                             | 6                             | 50                           |
| Nets Holding A/S                  | 27225993            | Ballerup   | 91                            | 79                            | 21                           |
| NorVega SGR S.p.A.                | 1060050156          | Milano     | 3                             | 4                             | 40                           |
| Upplysningscentralen UC AB        | 556137-5113         | Stockholm  | 0                             | 3                             | 26                           |
| BAB Bankernas Automatbolag AB     | 556817-9716         | Stockholm  | 3                             | 2                             | 20                           |
| Other                             |                     |            | 12                            | 12                            |                              |
| <b>Total</b>                      |                     |            | <b>591</b>                    | <b>554</b>                    |                              |

## G21

## Intangible assets

| EURm                                                           | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------------------------------|----------------|----------------|
| <b>Goodwill allocated to cash generating units<sup>1</sup></b> |                |                |
| Retail Banking Norway                                          | 909            | 904            |
| Retail Banking Denmark                                         | 592            | 591            |
| Retail Banking Sweden                                          | 230            | 229            |
| Retail Banking Poland                                          | 60             | 68             |
| Life & Pensions                                                | 306            | 311            |
| Banking Russia                                                 | 268            | 274            |
| Shipping, Offshore & Oil services                              | 210            | 208            |
| <b>Goodwill, total</b>                                         | <b>2,575</b>   | <b>2,585</b>   |
| <b>Other intangible assets</b>                                 |                |                |
| Computer software                                              | 651            | 515            |
| Other intangible assets                                        | 95             | 119            |
| <b>Other intangible assets, total</b>                          | <b>746</b>     | <b>634</b>     |
| <b>Intangible assets, total</b>                                | <b>3,321</b>   | <b>3,219</b>   |
| 1) Excluding goodwill in associated undertakings.              |                |                |
| <b>Goodwill</b>                                                |                |                |
| Acquisition value at beginning of year                         | 2,586          | 2,447          |
| Acquisitions during the year                                   | —              | 3              |
| Reclassifications                                              | —              | 31             |
| Translation differences                                        | -10            | 105            |
| <b>Acquisition value at end of year</b>                        | <b>2,576</b>   | <b>2,586</b>   |
| Accumulated impairment charges at beginning of year            | -1             | -1             |
| Translation differences                                        | 0              | 0              |
| <b>Accumulated impairment charges at end of year</b>           | <b>-1</b>      | <b>-1</b>      |
| <b>Total</b>                                                   | <b>2,575</b>   | <b>2,585</b>   |
| <b>Computer software</b>                                       |                |                |
| Acquisition value at beginning of year                         | 660            | 476            |
| Acquisitions during the year                                   | 191            | 163            |
| Sales/disposals during the year                                | -1             | -5             |
| Translation differences                                        | 4              | 26             |
| <b>Acquisition value at end of year</b>                        | <b>854</b>     | <b>660</b>     |
| Accumulated amortisation at beginning of year                  | -140           | -95            |
| Amortisation according to plan for the year                    | -55            | -43            |
| Accumulated amortisation on sales/disposals during the year    | 0              | 4              |
| Reclassifications                                              | 1              | 1              |
| Translation differences                                        | -1             | -7             |
| <b>Accumulated amortisation at end of year</b>                 | <b>-195</b>    | <b>-140</b>    |
| Accumulated impairment charges at beginning of year            | -5             | -6             |
| Impairment charges during the year                             | -2             | —              |
| Translation differences                                        | -1             | 1              |
| <b>Accumulated impairment charges at end of year</b>           | <b>-8</b>      | <b>-5</b>      |
| <b>Total</b>                                                   | <b>651</b>     | <b>515</b>     |

## G21

## Intangible assets, cont.

| EURm                                                        | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-------------------------------------------------------------|----------------|----------------|
| <b>Other intangible assets</b>                              |                |                |
| Acquisition value at beginning of year                      | 221            | 208            |
| Acquisitions during the year                                | 1              | 17             |
| Sales/disposals during the year                             | -1             | -13            |
| Translation differences                                     | -5             | 9              |
| <b>Acquisition value at end of year</b>                     | <b>216</b>     | <b>221</b>     |
| Accumulated amortisation at beginning of year               | -98            | -82            |
| Amortisation according to plan for the year                 | -24            | -24            |
| Accumulated amortisation on sales/disposals during the year | 1              | 13             |
| Reclassifications                                           | 1              | 0              |
| Translation differences                                     | 3              | -5             |
| <b>Accumulated amortisation at end of year</b>              | <b>-117</b>    | <b>-98</b>     |
| Accumulated impairment charges at beginning of year         | -4             | —              |
| Impairment charges during the year                          | —              | -4             |
| <b>Accumulated impairment charges at end of year</b>        | <b>-4</b>      | <b>-4</b>      |
| <b>Total</b>                                                | <b>95</b>      | <b>119</b>     |

The total amount is expected to be settled after more than 1 year.

### Impairment test

A cash generating unit, defined as the operating segment, is the basis for the goodwill impairment test.

The impairment test is performed for each cash generating unit by comparing the carrying amount of the net assets, including goodwill, with the recoverable amount. The recoverable amount is the value in use and is estimated based on discounted cash flows. Cash flows have been estimated for 30 years.

Cash flows in the near future (between 2-3 years) are based on financial forecasts, derived from forecasted margins, volumes, sales and cost development. These input variables are based on historical data adjusted to reflect Nordea's assumptions about the future. Cash flows for the period beyond the forecasting period are based on estimated sector growth rates. For impairment testing, a growth rate of 4% has been used for all cash generating units.

Growth rates are based on historical data, updated to reflect the current situation. Cash flows are risk adjusted using normalised loan losses.

The derived cash flows are discounted at a rate based on the long-term risk free interest rate plus a risk premium. The post-tax discount rate used for the impairment test 2011 is 9% (9.5%), which equals a pre-tax rate of 11.9% (12.4%). For operations in Russia, an additional risk premium of 200 basis points has been applied. The impairment tests conducted in 2011 did not indicate any need for goodwill impairment. See Note G1 section 4 for more information. A reasonably possible change in key assumptions, an increase in the discount rate of 1 percentage point or a reduction in the future growth rate of 2 percentage points, would not result in an impairment in any of the cash generating units.

G22

## Property and equipment

| EURm                                                              | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-------------------------------------------------------------------|----------------|----------------|
| Property and equipment                                            | 469            | 454            |
| – of which buildings for own use                                  | 72             | 70             |
| <b>Total</b>                                                      | <b>469</b>     | <b>454</b>     |
| <b>Equipment</b>                                                  |                |                |
| Acquisition value at beginning of year                            | 891            | 857            |
| Acquisitions during the year                                      | 154            | 143            |
| Sales/disposals during the year                                   | –70            | –153           |
| Reclassifications                                                 | –16            | –7             |
| Translation differences                                           | 1              | 51             |
| <b>Acquisition value at end of year</b>                           | <b>960</b>     | <b>891</b>     |
| Accumulated depreciation at beginning of year                     | –497           | –472           |
| Accumulated depreciation on sales/disposals during the year       | 43             | 90             |
| Reclassifications                                                 | 18             | 10             |
| Depreciations according to plan for the year                      | –110           | –98            |
| Translation differences                                           | –5             | –27            |
| <b>Accumulated depreciation at end of year</b>                    | <b>–551</b>    | <b>–497</b>    |
| Accumulated impairment charges at beginning of year               | –10            | –22            |
| Accumulated impairment charges on sales/disposals during the year | —              | 13             |
| Reclassification                                                  | –2             | —              |
| Translation differences                                           | 0              | –1             |
| <b>Accumulated impairment charges at end of year</b>              | <b>–12</b>     | <b>–10</b>     |
| <b>Total</b>                                                      | <b>397</b>     | <b>384</b>     |
| <b>Land and buildings</b>                                         |                |                |
| Acquisition value at beginning of year                            | 79             | 97             |
| Acquisitions during the year                                      | 3              | 3              |
| Sales/disposals during the year                                   | 0              | 0              |
| Reclassifications                                                 | 0              | –22            |
| Translation differences                                           | –1             | 1              |
| <b>Acquisition value at end of year</b>                           | <b>81</b>      | <b>79</b>      |
| Accumulated depreciation at beginning of year                     | –9             | –8             |
| Accumulated depreciation on sales/disposals during the year       | 0              | 0              |
| Depreciation according to plan for the year                       | –1             | –1             |
| Translation differences                                           | 1              | 0              |
| <b>Accumulated depreciation at end of year</b>                    | <b>–9</b>      | <b>–9</b>      |
| <b>Total</b>                                                      | <b>72</b>      | <b>70</b>      |

The total amount is expected to be settled after more than 1 year.

## G23

## Leasing

**Nordea as a lessor****Finance leases**

Nordea owns assets leased to customers under finance lease agreements. Finance lease agreements are reported as receivables from the lessee included in "Loans to the public" (see Note G14) at an amount equal to the net investment in the lease. The leased assets mainly comprise vehicles, machinery and other equipment.

Reconciliation of gross investments and present value of future minimum lease payments:

| EURm                                                                      | 31 Dec<br>2011 | 31 Dec<br>2010 |
|---------------------------------------------------------------------------|----------------|----------------|
| Gross investments                                                         | 7,681          | 6,946          |
| Less unearned finance income                                              | -648           | -444           |
| <b>Net investments in finance leases</b>                                  | <b>7,034</b>   | <b>6,502</b>   |
| Less unguaranteed residual values accruing to the benefit of the lessor   | -29            | -60            |
| <b>Present value of future minimum lease payments receivable</b>          | <b>7,005</b>   | <b>6,442</b>   |
| Accumulated allowance for uncollectible minimum lease payments receivable | 7              | 8              |

As of 31 December 2011 the gross investment and the net investment by remaining maturity was distributed as follows:

| EURm         | 31 Dec, 2011     |                |
|--------------|------------------|----------------|
|              | Gross Investment | Net Investment |
| 2012         | 1,630            | 1,541          |
| 2013         | 1,487            | 1,414          |
| 2014         | 1,400            | 1,331          |
| 2015         | 1,007            | 955            |
| 2016         | 636              | 598            |
| Later years  | 1,521            | 1,195          |
| <b>Total</b> | <b>7,681</b>     | <b>7,034</b>   |

**Operating leases**

Assets subject to operating leases mainly comprise real estate, vehicles, aeroplanes and other equipment. In the balance sheet they are reported as tangible assets.

| Carrying amount of leased assets, EURm                  | 31 Dec<br>2011 | 31 Dec<br>2010 |
|---------------------------------------------------------|----------------|----------------|
| Acquisition value                                       | 102            | 125            |
| Accumulated depreciations                               | -41            | -43            |
| Accumulated impairment charges                          | —              | —              |
| <b>Carrying amount at end of year</b>                   | <b>61</b>      | <b>82</b>      |
| - of which repossessed leased property, carrying amount | —              | —              |

**Carrying amount distributed on groups of assets, EURm**

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| Equipment                             | 61        | 82        |
| <b>Carrying amount at end of year</b> | <b>61</b> | <b>82</b> |

Depreciation for 2011 amounted to EUR 18m (EUR 19m).

Under non-cancellable operating leases, the future minimum lease payments receivable are distributed as follows:

| EURm         | 31 Dec 2011 |
|--------------|-------------|
| 2012         | 14          |
| 2013         | 7           |
| 2014         | 4           |
| 2015         | 2           |
| 2016         | 1           |
| Later years  | 0           |
| <b>Total</b> | <b>28</b>   |

**Nordea as a lessee****Finance leases**

Nordea has only to a minor extent entered into finance lease agreements. The carrying amount of assets subject to finance leases amounts to EUR 28m (EUR 8m).

**Operating leases**

Nordea has entered into operating lease agreements for premises and office equipment.

| Leasing expenses during the year, EURm                     | 31 Dec<br>2011 | 31 Dec<br>2010 |
|------------------------------------------------------------|----------------|----------------|
| Leasing expenses during the year                           | -295           | -262           |
| - of which minimum lease payments                          | -288           | -259           |
| - of which contingent rents                                | -7             | -3             |
| Leasing income during the year regarding sublease payments | 7              | 6              |

Future minimum lease payments under non-cancellable operating leases amounted to and are distributed as follows:

| EURm         | 31 Dec 2011 |
|--------------|-------------|
| 2012         | 249         |
| 2013         | 193         |
| 2014         | 149         |
| 2015         | 95          |
| 2016         | 75          |
| Later years  | 203         |
| <b>Total</b> | <b>964</b>  |

Total sublease payments expected to be received under non-cancellable subleases amounts to EUR 19m.

## G24

## Investment property

## Movement in the balance sheet

| EURm                                                     | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------------------------|----------------|----------------|
| Carrying amount at beginning of year                     | 3,535          | 3,505          |
| Acquisitions during the year                             | 129            | 87             |
| Sales/disposals during the year                          | -48            | -60            |
| Net gains or losses from fair value adjustments          | -17            | 62             |
| Transfers/reclassifications during the year              | 32             | 8              |
| Translation differences                                  | 13             | -34            |
| <b>Carrying amount at end of year</b>                    | <b>3,644</b>   | <b>3,568</b>   |
| – of which expected to be settled after more than 1 year | 3,591          | 3,538          |

Amounts recognised in the income statement<sup>1</sup>

| EURm                                                          | 2011 | 2010 |
|---------------------------------------------------------------|------|------|
| Rental income                                                 | 251  | 241  |
| Direct operating expenses that generate rental income         | -68  | -65  |
| Direct operating expenses that did not generate rental income | -11  | -3   |

1) Together with fair value adjustments included in Net result from items at fair value.

The method applied when calculating fair value is a rate of return calculation, based on internal models. As a supplement to these values, appraisals were obtained from independent external valuers for parts of the investment property.

Approximately 80% of the investment properties are valued using internal models based on a rate of return calculation. For the remaining 20% of the investment properties, appraisals were obtained from independent external valuers.

## Geographical information

| EURm         | Carrying amount |
|--------------|-----------------|
| Denmark      | 1,909           |
| Norway       | 899             |
| Finland      | 759             |
| Other        | 77              |
| <b>Total</b> | <b>3,644</b>    |

| Yield requirements, average                           | Denmark | Norway | Finland |
|-------------------------------------------------------|---------|--------|---------|
| Department stores, multi-storey, car parks and hotels | 7.4%    | 6.1%   | 4.6%    |
| Office buildings                                      | 6.1%    | 6.5%   | 5.6%    |
| Apartment buildings                                   | 5.3%    | 6.2%   | 7.1%    |
| Other                                                 | —       | 7.4%   | 5.9%    |

## G25

## Other assets

| EURm                                                     | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------------------------|----------------|----------------|
| Claims on securities settlement proceeds                 | 11,587         | 17,725         |
| Reinsurance recoverables                                 | 4              | 4              |
| Cash/margin receivables                                  | 6,273          | 3,130          |
| Other                                                    | 1,561          | 1,998          |
| <b>Total</b>                                             | <b>19,425</b>  | <b>22,857</b>  |
| – of which expected to be settled after more than 1 year | 6              | 218            |

## G26

## Prepaid expenses and accrued income

| EURm                                                     | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------------------------|----------------|----------------|
| Accrued interest income                                  | 1,552          | 1,518          |
| Other accrued income                                     | 374            | 315            |
| Prepaid expenses                                         | 777            | 617            |
| <b>Total</b>                                             | <b>2,703</b>   | <b>2,450</b>   |
| – of which expected to be settled after more than 1 year | 541            | 615            |

## G27

## Deposits by credit institutions

| EURm                      | 31 Dec<br>2011 | 31 Dec<br>2010 |
|---------------------------|----------------|----------------|
| Central banks             | 17,161         | 6,910          |
| Other banks               | 34,515         | 32,221         |
| Other credit institutions | 3,640          | 1,605          |
| <b>Total</b>              | <b>55,316</b>  | <b>40,736</b>  |

## G28

## Deposits and borrowings from the public

| EURm                       | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------|----------------|----------------|
| Deposits from the public   | 174,609        | 163,870        |
| Borrowings from the public | 15,483         | 12,520         |
| <b>Total</b>               | <b>190,092</b> | <b>176,390</b> |

Deposits are defined as funds in deposit accounts covered by the government deposit guarantee but also including amounts in excess of the individual amount limits. Individual pension savings (IPS) are also included. Portfolio schemes in Nordea Bank Danmark A/S of EUR 3,932m (EUR 3,868m) are also included in Deposits.

## G29

## Liabilities to policyholders

| EURm                                   | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------|----------------|----------------|
| Traditional life insurance provisions  | 23,572         | 21,819         |
| – of which guaranteed provisions       | 23,450         | 21,708         |
| – of which non-guaranteed provisions   | 122            | 111            |
| Unit-linked insurance provisions       | 4,899          | 5,202          |
| – of which guaranteed provisions       | 1,061          | 609            |
| – of which non-guaranteed provisions   | 3,838          | 4,593          |
| Insurance claims provision             | 428            | 434            |
| Provisions, Health & personal accident | 277            | 181            |
| <b>Total insurance contracts</b>       | <b>29,176</b>  | <b>27,636</b>  |
| Investment contracts                   | 10,226         | 9,339          |
| – of which guaranteed provisions       | 3,319          | 2,953          |
| – of which non-guaranteed provisions   | 6,907          | 6,386          |
| Collective bonus potential             | 1,313          | 1,791          |
| <b>Total</b>                           | <b>40,715</b>  | <b>38,766</b>  |

Liabilities to policyholders are obligations related to insurance contracts. These contracts are divided into contracts containing insurance risk and contracts without insurance risk. The latter are pure investments contracts.

Insurance contracts consists of Life insurance provisions and other insurance related items.

Life insurance contracts are measured and recognised in accordance with IFRS 4, i.e. the measurement and recognition principle under previous GAAP has been maintained consequently resulting in non-uniform accounting policies method on consolidation. Each market represented by Nordic and European entities measure and recognises insurance contracts using local accounting policies.

| 31 Dec 2011, EURm                                          | Traditional<br>life insurance<br>provisions | Unit-linked<br>insurance<br>provisions | Insurance<br>claims<br>provisions | Provisions,<br>Health & per-<br>sonal accident | Investment<br>contracts<br>provisions | Collective<br>bonus<br>potentials | Total         |
|------------------------------------------------------------|---------------------------------------------|----------------------------------------|-----------------------------------|------------------------------------------------|---------------------------------------|-----------------------------------|---------------|
| <b>Provisions/ bonus potentials,<br/>beginning of year</b> | <b>21,819</b>                               | <b>5,202</b>                           | <b>434</b>                        | <b>181</b>                                     | <b>9,339</b>                          | <b>1,791</b>                      | <b>38,766</b> |
| Gross premiums written                                     | 2,153                                       | 781                                    | —                                 | —                                              | 2,626                                 | —                                 | 5,560         |
| Transfers                                                  | -177                                        | 126                                    | —                                 | —                                              | -19                                   | —                                 | -70           |
| Addition of interest/Investment<br>return                  | 702                                         | -230                                   | —                                 | —                                              | -355                                  | —                                 | 117           |
| Claims and benefits                                        | -2,160                                      | -343                                   | -5                                | 81                                             | -1,269                                | —                                 | -3,696        |
| Expense loading including<br>addition of expense bonus     | -110                                        | -40                                    | —                                 | —                                              | -71                                   | —                                 | -221          |
| Change in provisions/bonus potential                       | -92                                         | —                                      | —                                 | 14                                             | —                                     | -484                              | -562          |
| Other                                                      | 1,375                                       | -591                                   | —                                 | —                                              | —                                     | —                                 | 784           |
| Translation differences                                    | 62                                          | -6                                     | -1                                | 1                                              | -25                                   | 6                                 | 37            |
| <b>Provisions/ bonus potentials,<br/>end of year</b>       | <b>23,572</b>                               | <b>4,899</b>                           | <b>428</b>                        | <b>277</b>                                     | <b>10,226</b>                         | <b>1,313</b>                      | <b>40,715</b> |

Provision relating to bonus schemes/  
discretionary participation feature:

98%

26%

| 31 Dec 2010, EURm                                          | Traditional<br>life insurance<br>provisions | Unit-linked<br>insurance<br>provisions | Insurance<br>claims<br>provisions | Provisions,<br>Health & per-<br>sonal accident | Investment<br>contracts<br>provisions | Collective<br>bonus<br>potentials | Total         |
|------------------------------------------------------------|---------------------------------------------|----------------------------------------|-----------------------------------|------------------------------------------------|---------------------------------------|-----------------------------------|---------------|
| <b>Provisions/ bonus potentials,<br/>beginning of year</b> | <b>21,166</b>                               | <b>4,480</b>                           | <b>394</b>                        | <b>179</b>                                     | <b>6,178</b>                          | <b>1,434</b>                      | <b>33,831</b> |
| Gross premiums written                                     | 1,493                                       | 656                                    | —                                 | —                                              | 2,898                                 | —                                 | 5,047         |
| Transfers                                                  | -60                                         | 60                                     | —                                 | —                                              | -23                                   | —                                 | -23           |
| Addition of interest/Investment<br>return                  | 715                                         | 578                                    | —                                 | —                                              | 806                                   | —                                 | 2,099         |
| Claims and benefits                                        | -1,869                                      | -444                                   | 36                                | -4                                             | -836                                  | —                                 | -3,117        |
| Expense loading including<br>addition of expense bonus     | -142                                        | -47                                    | —                                 | —                                              | -64                                   | —                                 | -253          |
| Change in provisions/bonus potential                       | —                                           | —                                      | —                                 | 6                                              | —                                     | 275                               | 281           |
| Other                                                      | 271                                         | -98                                    | —                                 | —                                              | -34                                   | 24                                | 163           |
| Translation differences                                    | 245                                         | 17                                     | 4                                 | 0                                              | 414                                   | 58                                | 738           |
| <b>Provisions/ bonus potentials,<br/>end of year</b>       | <b>21,819</b>                               | <b>5,202</b>                           | <b>434</b>                        | <b>181</b>                                     | <b>9,339</b>                          | <b>1,791</b>                      | <b>38,766</b> |

Provision relating to bonus schemes/  
discretionary participation feature:

99%

24%

## G29

## Liabilities to policyholders, cont.

## Insurance risks

Insurance risk is described in the Risk, Liquidity and Capital management section of the Board of Directors' Report. Additional quantitative information is found below.

## Life insurance risk and market risks in the Life insurance operations

| Sensitivites EURm                        | 31 Dec 2011             |                                | 31 Dec 2010             |                                |
|------------------------------------------|-------------------------|--------------------------------|-------------------------|--------------------------------|
|                                          | Effect on policyholders | Effect on Nordea's own account | Effect on policyholders | Effect on Nordea's own account |
| Mortality – increased living with 1 year | -148.1                  | -92.1                          | -133.1                  | -73.4                          |
| Mortality – decreased living with 1 year | 226.9                   | 18.3                           | 189.5                   | 8.1                            |
| Disability – 10% increase                | -33.7                   | -6.5                           | -27.7                   | -5.0                           |
| Disability – 10% decrease                | 33.6                    | 6.5                            | 27.5                    | 5.0                            |
| 50 bp increase in interest rates         | -207.5                  | 83.3                           | -77.9                   | -0.2                           |
| 50 bp decrease in interest rates         | 200.4                   | -97.2                          | 32.1                    | 0.2                            |
| 12% decrease in all shareprices          | -712.8                  | -81.7                          | -457.4                  | -5.7                           |
| 8% decrease in property value            | -194.4                  | -46.3                          | -262.7                  | -8.3                           |
| 8% loss on counterparts                  | -39.0                   | -0.2                           | -32.7                   | 0.0                            |

## Liabilities to policyholders divided in guarantee levels (technical interest rate)

| 31 Dec 2011, EURm   | non    | 0 pct. | 0 to 3 pct. | 3 to 5 pct. | Over 5 pct. | Total liabilities |
|---------------------|--------|--------|-------------|-------------|-------------|-------------------|
| Technical provision | 10,867 | 3,647  | 13,627      | 10,380      | 176         | 38,697            |

| 31 Dec 2010, EURm   | non    | 0 pct. | 0 to 3 pct. | 3 to 5 pct. | Over 5 pct. | Total liabilities |
|---------------------|--------|--------|-------------|-------------|-------------|-------------------|
| Technical provision | 11,089 | 3,267  | 11,665      | 10,169      | 170         | 36,360            |

## Risk profiles on insurance

| Product                      | Risk types          | Material effect |
|------------------------------|---------------------|-----------------|
| Traditional                  | – Mortality         | Yes             |
|                              | – Disability        | Yes             |
|                              | – Return guaranties | Yes             |
| Unit-Link                    | – Mortality         | Yes             |
|                              | – Disability        | Yes             |
|                              | – Return guaranties | No              |
| Health and personal accident | – Mortality         | No              |
|                              | – Disability        | Yes             |
|                              | – Return guaranties | No              |
| Financial contract           | – Mortality         | No              |
|                              | – Disability        | No              |
|                              | – Return guaranties | No              |

## G30

## Debt securities in issue

| EURm                    | 31 Dec 2011    | 31 Dec 2010    |
|-------------------------|----------------|----------------|
| Certificates of deposit | 35,459         | 43,265         |
| Commercial papers       | 31,381         | 12,792         |
| Bond loans              | 112,954        | 95,369         |
| Other                   | 156            | 152            |
| <b>Total</b>            | <b>179,950</b> | <b>151,578</b> |

## G31

## Other liabilities

| EURm                                                     | 31 Dec 2011   | 31 Dec 2010   |
|----------------------------------------------------------|---------------|---------------|
| Liabilities on securities settlement proceeds            | 14,355        | 17,516        |
| Sold, not held, securities                               | 13,539        | 14,048        |
| Accounts payable                                         | 230           | 267           |
| Cash/margin payable                                      | 4,374         | 2,896         |
| Other                                                    | 10,870        | 3,863         |
| <b>Total</b>                                             | <b>43,368</b> | <b>38,590</b> |
| – of which expected to be settled after more than 1 year | 164           | 51            |



## G32

## Accrued expenses and prepaid income

| EURm                                                     | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------------------------|----------------|----------------|
| Accrued interest                                         | 2,113          | 1,993          |
| Other accrued expenses                                   | 1,027          | 1,074          |
| Prepaid income                                           | 356            | 323            |
| <b>Total</b>                                             | <b>3,496</b>   | <b>3,390</b>   |
| – of which expected to be settled after more than 1 year | 25             | 3              |

## G33

## Provisions

| EURm                                                    | 31 Dec<br>2011 | 31 Dec<br>2010 |
|---------------------------------------------------------|----------------|----------------|
| Reserve for restructuring costs                         | 152            | 20             |
| Transfer risk, off-balance                              | 13             | 22             |
| Individually assessed, guarantees and other commitments | 80             | 309            |
| Tax                                                     | 112            | 111            |
| Other                                                   | 126            | 119            |
| <b>Total</b>                                            | <b>483</b>     | <b>581</b>     |

|                                                          | Restructuring | Transfer risk | Off-balance<br>sheet | Tax        | Other      | Total      |
|----------------------------------------------------------|---------------|---------------|----------------------|------------|------------|------------|
| At beginning of year                                     | 20            | 22            | 309                  | 111        | 119        | 581        |
| New provisions made                                      | 155           | 1             | 86                   | 0          | 57         | 299        |
| Provisions utilised                                      | –20           | —             | –247                 | —          | –35        | –302       |
| Reversals                                                | –3            | –10           | –60                  | —          | –15        | –88        |
| Reclassifications                                        | —             | —             | –8                   | —          | 0          | –8         |
| Discount effect                                          | —             | —             | —                    | —          | 0          | 0          |
| Translation differences                                  | 0             | 0             | 0                    | 1          | 0          | 1          |
| <b>At end of year</b>                                    | <b>152</b>    | <b>13</b>     | <b>80</b>            | <b>112</b> | <b>126</b> | <b>483</b> |
| – of which expected to be settled after more than 1 year | 25            | 13            | 57                   | 111        | 53         | 259        |

Provision for restructuring costs amounts to EUR 152m and relates mainly to New Normal. The New Normal provision relates to termination benefits (EUR 120m) as well as other provisions mainly related to redundant premises (EUR 20m) arising from the so called New Normal initiative. The New Normal initiative has been launched to reach the anticipated cost efficiency and profitability, and as a part of this Nordea plans to reduce the number of employees, partly through close down of branches. The majority of the provision is expected to be used during 2012. As with any other provision there is an uncertainty around timing and amount, which is expected to be decreased as the plan is being executed during 2012.

Provision for Transfer risk of EUR 13m is related to off-balance sheet items. Transfer risk relating to loans is included in the item Allowances for collectively assessed impaired loans in Note G14. Provision for transfer risk is depending on the volume of business with different countries.

Loan loss provisions for individually assessed guarantees and other commitments amounted to EUR 80m. The significant decrease compared to the opening balance is due to that significant payments have been made in relation to Danish state guarantees.

Nordea has an on-going tax litigation related to the sales gain in respect of the divestment of Nordea's owner occupied properties in Sweden, which has been provided for with EUR 111m. Nordea is of the opinion that all tax rules and regulations have been complied with and is contesting the claim in court. The court procedures are expected to have a duration of several years.

Other provisions refers to the following provisions: Provision for premiums in Defined Contribution Plans EUR 44m (EUR 11m expected to be settled 2012), provision for state guarantee fees EUR 57m to be settled 2012 and other provisions amounting to EUR 25m (EUR 5m expected to be settled 2012). The provision related to Defined Contribution Plans is expected to be settled over the following 5–10 years.

## G34

## Retirement benefit obligations

| EURm                       | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------|----------------|----------------|
| Defined benefit plans, net | 102            | 150            |
| <b>Total</b>               | <b>102</b>     | <b>150</b>     |

Nordea has pension obligations from defined benefit plans (DBP) in all Nordic countries with the predominant share in Sweden, Norway and Finland. The plans in Finland, and Norway as from 2011, are closed to new employees and pensions for new employees are instead based on defined contribution plan (DCP) arrangements as is also the case in Denmark. DCPs are not reflected on the balance sheet, except when earned pensions rights have not yet been paid for. Nordea also contributes to public pension plans.

IAS 19 secures that the market based value of pension obligations net of plan assets backing these obligations will be reflected in the Group's balance sheet. The major plans in each country are funded schemes covered by assets in pension funds/foundations.

| Funded schemes     | Swe    | Nor   | Fin    | Den |
|--------------------|--------|-------|--------|-----|
| <b>2011</b>        |        |       |        |     |
| Members            | 22,191 | 5,191 | 18,988 | 57  |
| Average member age | 56     | 60    | 64     | 74  |
| <b>2010</b>        |        |       |        |     |
| Members            | 21,979 | 6,068 | 19,208 | 59  |
| Average member age | 56     | 56    | 61     | 73  |

#### Changes in pension plans 2011

In 2010 the Norwegian Parliament decided to change the AFP (Avtalefestet Pensjon) plan in Norway as from 2011. The change gave rise to a new multiemployer DBP plan that cannot be calculated as DBP by year end 2011, as information on Nordea's share of the liabilities and pension costs in the plan is not available from Fellesordningen (the administrator). Consequently the new AFP plan has to be accounted for as a DCP in accordance with IAS 19. Information on the funded status in the plan is not available. However, Fellesordningen has increased the premium rate from 1.60% of the salary basis in 2011 to 1.75% in 2012, and the rate is expected to increase further in the future.

#### IAS 19 pension calculations and assumptions

Calculations on major plans are performed by external liability calculators and are based on the actuarial assumptions fixed for each of the Group's pension plans.

| Assumptions                            | Swe  | Nor  | Fin  | Den  |
|----------------------------------------|------|------|------|------|
| <b>2011</b>                            |      |      |      |      |
| Discount rate                          | 3.5% | 3.0% | 4.5% | 3.5% |
| Salary increase                        | 3.0% | 3.0% | 3.0% | 3.5% |
| Inflation                              | 2.0% | 2.0% | 2.0% | 2.0% |
| Expected return on assets before taxes | 4.5% | 4.0% | 5.5% | 4.5% |
| <b>2010</b>                            |      |      |      |      |
| Discount rate                          | 4.0% | 4.0% | 4.5% | 4.0% |
| Salary increase                        | 3.5% | 3.5% | 3.5% | 3.5% |
| Inflation                              | 2.0% | 2.0% | 2.0% | 2.0% |
| Expected return on assets before taxes | 5.0% | 5.0% | 5.5% | 5.0% |

The expected return on assets is based on long term expectations for return on the different asset classes. On bonds, this is linked to the discount rate while equities and real estate have an added risk premium.

The discount rate has the most significant impact on the obligation and pension cost. If the discount rate is reduced the pension obligation will increase and vice versa. A one percentage point increase in the discount rate would lead to a decrease in pension obligation of 13% and in service cost of 22%. A one percentage point decrease in the discount rate would lead to an increase in pension obligation of 16% and in service cost of 29%.

#### Asset composition

The combined return on assets in 2011 was 3.5% (8.0%) mainly driven by the negative development in government bond holdings.

At the end of the year, the equity exposure in pension funds/foundations represented 17% (19%) of total assets.

## G34 Retirement benefit obligations, cont.

| Asset composition in funded schemes | Swe<br>2011 | Nor<br>2011 | Fin<br>2011 | Den<br>2011 | Total<br>2011 | Total<br>2010 |
|-------------------------------------|-------------|-------------|-------------|-------------|---------------|---------------|
| Equity                              | 17%         | 17%         | 18%         | 8%          | 17%           | 19%           |
| Bonds                               | 82%         | 65%         | 70%         | 69%         | 74%           | 74%           |
| Real estate                         | —           | 17%         | 10%         | —           | 7%            | 5%            |
| – of which Nordea real estate       | —           | —           | 3%          | —           | 1%            | 1%            |
| Other plan assets                   | 1%          | 1%          | 2%          | 23%         | 2%            | 2%            |

### Amounts recognised in the balance sheet

| EURm                                               | Swe<br>2011 | Nor<br>2011 | Fin<br>2011 | Den<br>2011 | Total<br>2011 | Total<br>2010 |
|----------------------------------------------------|-------------|-------------|-------------|-------------|---------------|---------------|
| Pension Benefit Obligation (PBO)                   | 1,574       | 1,005       | 774         | 131         | 3,484         | 3,305         |
| Plan assets                                        | 1,249       | 633         | 837         | 129         | 2,848         | 2,766         |
| <b>Total surplus/deficit (–)</b>                   | <b>–325</b> | <b>–372</b> | <b>63</b>   | <b>–2</b>   | <b>–636</b>   | <b>–539</b>   |
| – of which unrecognised actuarial gains/losses (–) | –269        | –205        | –31         | –29         | –534          | –389          |
| <b>Of which recognised in the balance sheet</b>    | <b>–56</b>  | <b>–167</b> | <b>94</b>   | <b>27</b>   | <b>–102</b>   | <b>–150</b>   |
| – of which retirement benefit assets               | 64          | 7           | 121         | 31          | 223           | 187           |
| – of which retirement benefit obligations          | 120         | 174         | 27          | 4           | 325           | 337           |
| – of which related to unfunded plans (PBO)         | 137         | 207         | 20          | 4           | 368           | 346           |

### Overview of surplus or deficit in the plans

| EURm                       | Total<br>2011 | Total<br>2010 | Total<br>2009 | Total<br>2008 | Total<br>2007 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| PBO                        | 3,484         | 3,305         | 3,087         | 2,830         | 2,775         |
| Plan Assets                | 2,848         | 2,766         | 2,397         | 2,099         | 2,407         |
| <b>Surplus/deficit (–)</b> | <b>–636</b>   | <b>–539</b>   | <b>–690</b>   | <b>–731</b>   | <b>–368</b>   |

### Changes in the PBO

| EURm                                         | Swe<br>2011  | Nor<br>2011  | Fin<br>2011 | Den<br>2011 | Total<br>2011 | Total<br>2010 |
|----------------------------------------------|--------------|--------------|-------------|-------------|---------------|---------------|
| PBO at 1 Jan                                 | 1,463        | 941          | 785         | 116         | 3,305         | 3,087         |
| Service cost                                 | 35           | 25           | 3           | 0           | 63            | 73            |
| Interest cost                                | 57           | 35           | 34          | 5           | 131           | 132           |
| Pensions paid                                | –67          | –50          | –41         | –8          | –166          | –148          |
| Curtailements and settlements                | —            | –16          | —           | —           | –16           | –106          |
| Past service cost                            | 14           | 17           | —           | 0           | 31            | 3             |
| Actuarial gains (–)/losses                   | 66           | 48           | –9          | 18          | 123           | 30            |
| Translation differences                      | 10           | 6            | 2           | 0           | 18            | 249           |
| Change in provision for SWT/SSC <sup>1</sup> | –4           | –1           | —           | —           | –5            | –15           |
| <b>PBO at 31 Dec</b>                         | <b>1,574</b> | <b>1,005</b> | <b>774</b>  | <b>131</b>  | <b>3,484</b>  | <b>3,305</b>  |

1) Change in provision for special wage tax (SWT) and social security contribution (SSC) in Sweden and Norway calculated on recognised amounts in the balance sheet.

### Changes in the fair value of plan assets

| EURm                                | Swe<br>2011  | Nor<br>2011 | Fin<br>2011 | Den<br>2011 | Total<br>2011 | Total<br>2010 |
|-------------------------------------|--------------|-------------|-------------|-------------|---------------|---------------|
| Assets at 1 Jan                     | 1,155        | 614         | 872         | 125         | 2,766         | 2,397         |
| Expected return on assets           | 53           | 31          | 45          | 5           | 134           | 120           |
| Pensions paid                       | —            | –49         | –41         | –7          | –97           | –83           |
| Curtailements and settlements       | —            | –10         | —           | —           | –10           | 0             |
| Contributions                       | 4            | 58          | 10          | 7           | 79            | 87            |
| Actuarial gains/losses (–)          | 29           | –15         | –51         | –1          | –38           | 71            |
| Translation differences             | 8            | 4           | 2           | 0           | 14            | 174           |
| <b>Plan assets at 31 Dec</b>        | <b>1,249</b> | <b>633</b>  | <b>837</b>  | <b>129</b>  | <b>2,848</b>  | <b>2,766</b>  |
| <b>Actual return on plan assets</b> | <b>82</b>    | <b>16</b>   | <b>–6</b>   | <b>4</b>    | <b>96</b>     | <b>191</b>    |

## G34

## Retirement benefit obligations, cont.

## Overview of actuarial gains/losses

| EURm                                        | Total<br>2011 | Total<br>2010 | Total<br>2009 | Total<br>2008 | Total<br>2007 |
|---------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Effects of changes in actuarial assumptions | -130          | -44           | 51            | -337          | 230           |
| Experience adjustments                      | -31           | 85            | 84            | -268          | -41           |
| – of which on plan assets                   | -38           | 71            | 73            | -225          | -34           |
| – of which on plan liabilities              | 7             | 14            | 11            | -43           | -7            |
| <b>Actuarial gains/losses</b>               | <b>-161</b>   | <b>41</b>     | <b>135</b>    | <b>-605</b>   | <b>189</b>    |

## Defined benefit pension cost

The total net pension cost related to defined benefit plans recognised in the Group's income statement (as staff costs) for the year is EUR 124m (EUR 37m). Total pension costs comprise defined benefit pension costs as well as costs related to defined contribution plans (see specification in Note G7).

| Recognised net defined benefit cost, EURm    | Swe<br>2011 | Nor<br>2011 | Fin<br>2011 | Den<br>2011 | Total<br>2011 | Total<br>2010 |
|----------------------------------------------|-------------|-------------|-------------|-------------|---------------|---------------|
| Service cost                                 | 35          | 25          | 3           | 0           | 63            | 73            |
| Interest cost                                | 57          | 35          | 34          | 5           | 131           | 132           |
| Expected return on assets                    | -53         | -31         | -45         | -5          | -134          | -120          |
| Curtailments and settlements <sup>1</sup>    | —           | -4          | —           | —           | -4            | -81           |
| Recognised past service cost <sup>2</sup>    | 14          | 17          | —           | 0           | 31            | 3             |
| Recognised actuarial gains (-)/losses        | 10          | 6           | 1           | 0           | 17            | 20            |
| SWT/SSC <sup>3</sup>                         | 13          | 7           | —           | —           | 20            | 10            |
| <b>Pension cost on defined benefit plans</b> | <b>76</b>   | <b>55</b>   | <b>-7</b>   | <b>0</b>    | <b>124</b>    | <b>37</b>     |

1) Includes recognised actuarial losses of EUR 2m (EUR 25m) related to the curtailment.

2) Of which EUR 30m related to New Normal in 2011.

3) Cost related to special wage tax (SWT) in Sweden and social security contribution (SSC) in Norway.

The pension cost is higher than expected in the beginning of the year, mainly due to the New Normal initiative further described in the Board of Directors' report. The pension cost on defined benefit plans is expected to decrease in 2012, mainly as a consequence of that past service cost is expected to decrease.

The Group expects to contribute EUR 61m to its defined benefit plans in 2012.

## Key management personnel

The Group's total pension obligations relating to key management personnel amounted to EUR 35m (EUR 40m) at the end of the year. These obligations are to a high degree covered by plan assets. Defined benefit pension costs (Service cost, Past service cost and Curtailments and settlements as defined in IAS 19) relating to key management personnel in 2011 were EUR 3m (EUR 2m). Complete information concerning key management personnel is disclosed in Note G7.

## G35

## Subordinated liabilities

| EURm                                 | 31 Dec<br>2011 | 31 Dec<br>2010 |
|--------------------------------------|----------------|----------------|
| Dated subordinated debenture loans   | 3,818          | 5,173          |
| Undated subordinated debenture loans | 658            | 626            |
| Hybrid capital loans                 | 2,027          | 1,962          |
| <b>Total</b>                         | <b>6,503</b>   | <b>7,761</b>   |

These debenture loans are subordinated to other liabilities. Dated debenture loans entitle the lender to payment before undated subordinated loans and hybrid capital loans. Within each respective category, the loans entitle lenders to equal payment rights.

## G36

## Assets pledged as security for own liabilities

| EURm                                      | 31 Dec<br>2011 | 31 Dec<br>2010 <sup>3</sup> |
|-------------------------------------------|----------------|-----------------------------|
| <b>Assets pledged for own liabilities</b> |                |                             |
| Lease agreements <sup>1</sup>             | 78             | 128                         |
| Securities etc <sup>2</sup>               | 23,239         | 23,533                      |
| Loans to the public                       | 103,451        | 103,453                     |
| Other pledged assets                      | 20,126         | 22,003                      |
| <b>Total</b>                              | <b>146,894</b> | <b>149,117</b>              |

## The above pledges pertain to the following liabilities

|                                         |                |                |
|-----------------------------------------|----------------|----------------|
| Deposits by credit institutions         | 10,263         | 18,728         |
| Deposits and borrowings from the public | 2,379          | 12,585         |
| Derivatives                             | 639            | 417            |
| Debt securities in issue                | 78,208         | 67,756         |
| Other liabilities and commitments       | 36,970         | 13,294         |
| <b>Total</b>                            | <b>128,459</b> | <b>112,780</b> |

- 1) The agreements are financial lease agreements where Nordea is the lessor. The associated assets are Loans to the public.  
 2) Relates only to securities recognised in the balance sheet. Securities borrowed or bought under reverse repurchase agreements are not recognised in the balance sheet and thus not included in the amount. Such transactions are disclosed in Note G44, Obtained collaterals which are permitted to be sold or repledged.  
 3) The comparative figures for 2010 have been restated to ensure consistency between years.

Assets pledged for own liabilities contain securities pledged as security in repurchase agreement and in securities lending. The transactions are conducted under standard agreements employed by financial markets participants. Counterparts in those transactions are credit institutions and the public. The transactions are typically short term with maturity within three months.

Securities in the Life operations are also pledged as security for the corresponding insurance liabilities.

Loans to the public have been registered as collateral for issued covered bonds and mortgage bonds in line with local legislation. In the event of the company's insolvency, the holders of these bonds have priority to the assets registered as collateral.

Other relates to certificate of deposits pledged by Nordea to comply with authority requirements and assets funded by finance lease agreements.

## G38

## Contingent liabilities

| EURm                         | 31 Dec<br>2011 | 31 Dec<br>2010 |
|------------------------------|----------------|----------------|
| <b>Guarantees</b>            |                |                |
| – Loan guarantees            | 4,897          | 5,644          |
| – Other guarantees           | 16,730         | 15,646         |
| Documentary credits          | 2,626          | 2,515          |
| Other contingent liabilities | 215            | 158            |
| <b>Total</b>                 | <b>24,468</b>  | <b>23,963</b>  |

In the normal business of Nordea, the bank issues various forms of guarantees in favour of the bank's customers. Loan guarantees are given for customers to guarantee obligations in other credit- and pension institutions. Other guarantees consist mainly of commercial guarantees such as bid guarantees, advance payment guarantees, warranty guarantees and export related guarantees. Contingent liabilities also include unutilised irrevocable import documentary credits and confirmed export documentary credits. These transactions are part of the bank services and support the bank's customers. Guarantees and documentary credits are off-balance sheet items, unless there is a need for a provision to cover a probable loan loss that arises from the judgement that reimbursement will not be received.

Nordea Bank AB (publ) has issued a guarantee covering all commitments in Nordea Investment Management AB, org no 556060-2301 and Nordea Fastigheter AB, org no 556021-4917.

Nordea Bank AB (publ) has undertaken, in relation to certain individuals and on certain conditions, to be responsible for the potential payment liability against them in their capacity as managing directors or board member in subsidiaries to Nordea Bank AB (publ).

A limited number of employees are entitled to severance pay if they are dismissed before reaching their normal retirement age. For further disclosures, see Note G7.

## Legal proceedings

Within the framework of the normal business operations, the Group faces a number of claims in civil lawsuits and disputes, most of which involve relatively limited amounts. Presently none of the current disputes is considered likely to have any significant adverse effect on the Group or its financial position.

## G37

## Other assets pledged

| EURm                                    | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-----------------------------------------|----------------|----------------|
| <b>Other assets pledged<sup>1</sup></b> |                |                |
| Lease agreements                        | 0              | 0              |
| Securities etc                          | 6,063          | 5,951          |
| Other assets pledged                    | 27             | 21             |
| <b>Total</b>                            | <b>6,090</b>   | <b>5,972</b>   |

- 1) Collaterals pledged on behalf of other items other than the company's own liabilities, eg, on behalf of a third party or on behalf of the company's own contingent liabilities are accounted for under this item.

Securities etc. includes interest-bearing securities pledged as security for payment settlements within the Central bank of Sweden. The terms and conditions require day to day security and relate to liquidity intraday/over night. Other pledged assets relate to pledged deposits.

## G39

## Commitments

| EURm                            | 31 Dec<br>2011 | 31 Dec<br>2010 <sup>2</sup> |
|---------------------------------|----------------|-----------------------------|
| Future payment obligations      | 996            | 1,589                       |
| Credit commitments <sup>1</sup> | 85,319         | 88,740                      |
| Other commitments               | 655            | 1,097                       |
| <b>Total</b>                    | <b>86,970</b>  | <b>91,426</b>               |

1) Including unutilised portion of approved overdraft facilities of EUR 47,607m (EUR 50,522m).

2) The comparative figures for 2010 have been restated to ensure consistency between the years.

Reverse repurchase agreements are recognised on and derecognised from the balance sheet on settlement date. Nordea has as per 31 December 2011 signed reverse repurchase agreements that have not yet been settled and consequently are not recognised on the balance sheet. On settlement date these reverse repurchase agreements will, to the utmost extent, replace existing reverse repurchase agreements not yet derecognised as per 31 December 2011. The net impact on the balance sheet is minor. These instruments have not been disclosed as commitments.

For information about derivatives, see Note G18 and about reverse repos, see Note G44.

## G40

Insurance activities<sup>1</sup>

## Operating profit, insurance

| EURm                                                                                | 2011        | 2010        |
|-------------------------------------------------------------------------------------|-------------|-------------|
| <b>Operating income<sup>1</sup></b>                                                 |             |             |
| Fee and commission income                                                           | 340         | 336         |
| Fee and commission expense                                                          | -132        | -126        |
| <b>Net fee and commission income</b>                                                | <b>208</b>  | <b>210</b>  |
| Net result on items at fair value                                                   | 179         | 305         |
| <b>Operating income</b>                                                             | <b>387</b>  | <b>515</b>  |
| Operating expenses                                                                  |             |             |
| Staff costs                                                                         | -128        | -124        |
| Other expenses                                                                      | -83         | -81         |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -6          | -6          |
| <b>Total operating expenses</b>                                                     | <b>-217</b> | <b>-211</b> |
| <b>Operating profit, insurance</b>                                                  | <b>170</b>  | <b>304</b>  |

1) Before allocations and elimination of intra-group transactions.

## Operating profit, insurance

| EURm                                                 | 2011       | 2010       |
|------------------------------------------------------|------------|------------|
| <b>Technical result</b>                              |            |            |
| Premiums written                                     | 5,576      | 5,113      |
| Investment income, investment contracts              | 782        | 806        |
| Investment income, insurance contracts               | -354       | 1,984      |
| Other technical income                               | 139        | -20        |
| Claims paid                                          | -3,823     | -3,163     |
| Change in technical provisions, investment contracts | -910       | -2,778     |
| Change in technical provisions, insurance contracts  | -1,499     | -1,180     |
| Change in collective bonus potential                 | 575        | -159       |
| Operating expenses                                   | -350       | -333       |
| <b>Technical result</b>                              | <b>136</b> | <b>270</b> |
| Non-technical investment income                      | 34         | 34         |
| <b>Operating profit</b>                              | <b>170</b> | <b>304</b> |

## Balance sheet

| EURm                                 | 31 Dec<br>2011 | 31 Dec<br>2010 |
|--------------------------------------|----------------|----------------|
| <b>Assets</b>                        |                |                |
| Cash and balances with central banks | 1              | 66             |
| Loans to the public                  | 877            | 614            |
| Loans to credit institutions         | 1,922          | 1,538          |
| Interest bearing securities          | 25,789         | 25,591         |
| Shares and participations            | 15,559         | 13,184         |
| Derivatives                          | 463            | 313            |
| Participating interests              | 233            | 223            |
| Intangible assets                    | 335            | 341            |
| Tangible assets                      | 26             | 28             |
| Investment property                  | 3,523          | 3,506          |
| Deferred tax assets                  | —              | 12             |
| Current tax assets                   | —              | 3              |
| Other assets                         | 439            | 426            |
| Prepaid expenses and accrued income  | 432            | 404            |
| <b>Total assets</b>                  | <b>49,599</b>  | <b>46,249</b>  |
| – of which intra-group transactions  | 4,879          | 3,455          |

## Liabilities

|                                                   |               |               |
|---------------------------------------------------|---------------|---------------|
| Deposits by credit institutions and central banks | 3,941         | 3,840         |
| Deposits and borrowings from the public           | 630           | 173           |
| Liabilities to Life insurance policyholders       | 40,715        | 38,766        |
| Derivatives                                       | 117           | 356           |
| Current tax liabilities                           | 22            | 24            |
| Other liabilities                                 | 1,766         | 680           |
| Accrued expenses and deferred income              | 128           | 160           |
| Deferred tax liabilities                          | 282           | 266           |
| Retirement benefit obligation                     | 9             | 7             |
| Subordinated liabilities                          | 523           | 522           |
| <b>Total liabilities</b>                          | <b>48,133</b> | <b>44,794</b> |
| <b>Equity</b>                                     | <b>1,466</b>  | <b>1,455</b>  |
| <b>Total liabilities and equity</b>               | <b>49,599</b> | <b>46,249</b> |
| – of which intra-group transactions               | 5,796         | 4,182         |

## G41

## Capital adequacy

## Calculation of total capital base

| EURm                                                   | 31 Dec 2011   | 31 Dec 2010   |
|--------------------------------------------------------|---------------|---------------|
| Equity                                                 | 26,120        | 24,538        |
| Proposed/actual dividend                               | -1,048        | -1,168        |
| Hybrid capital loans                                   | 1,964         | 1,946         |
| Deferred tax assets                                    | -169          | -266          |
| Intangible assets                                      | -2,986        | -2,878        |
| IRB provisions excess (+)/shortfall (-)                | -243          | -234          |
| Deduction for investments in credit institutions (50%) | -117          | -106          |
| Other items, net                                       | -880          | -783          |
| <b>Tier 1 capital (net after deduction)</b>            | <b>22,641</b> | <b>21,049</b> |
| – of which hybrid capital                              | 1,964         | 1,946         |
| <b>Tier 2 capital</b>                                  | <b>3,924</b>  | <b>5,305</b>  |
| – of which perpetual subordinated loans                | 723           | 710           |
| IRB provisions excess (+)/shortfall (-)                | -243          | -234          |
| Deduction for investments in credit institutions (50%) | -117          | -106          |
| Other deduction                                        | -1,367        | -1,280        |
| <b>Total</b>                                           | <b>24,838</b> | <b>24,734</b> |

## Capital requirements and RWA

| EURm                                                         | 31 Dec 2011         |                | 31 Dec 2010         |                |
|--------------------------------------------------------------|---------------------|----------------|---------------------|----------------|
|                                                              | Capital requirement | Basel II RWA   | Capital requirement | Basel II RWA   |
| <b>Credit risk</b>                                           | <b>12,929</b>       | <b>161,604</b> | <b>13,173</b>       | <b>164,662</b> |
| IRB foundation                                               | 9,895               | 123,686        | 10,028              | 125,346        |
| – of which corporate                                         | 6,936               | 86,696         | 7,204               | 90,047         |
| – of which institutions                                      | 897                 | 11,215         | 722                 | 9,021          |
| – of which retail                                            | 1,949               | 24,367         | 1,964               | 24,556         |
| – of which other                                             | 113                 | 1,408          | 138                 | 1,722          |
| Standardised                                                 | 3,034               | 37,918         | 3,145               | 39,316         |
| – of which sovereign                                         | 43                  | 536            | 35                  | 434            |
| – of which retail                                            | 795                 | 9,934          | 781                 | 9,760          |
| – of which corporate and institutions                        | 2,196               | 27,448         | 2,329               | 29,122         |
| <b>Market risk<sup>1</sup></b>                               | <b>652</b>          | <b>8,144</b>   | <b>461</b>          | <b>5,765</b>   |
| – of which trading book, Internal Approach                   | 390                 | 4,875          | 105                 | 1,317          |
| – of which trading book, Standardised Approach               | 206                 | 2,571          | 278                 | 3,469          |
| – of which banking book, Standardised Approach               | 56                  | 698            | 78                  | 979            |
| <b>Operational risk</b>                                      | <b>1,236</b>        | <b>15,452</b>  | <b>1,176</b>        | <b>14,704</b>  |
| – of which standardised                                      | 1,236               | 15,452         | 1,176               | 14,704         |
| <b>Sub total</b>                                             | <b>14,817</b>       | <b>185,200</b> | <b>14,810</b>       | <b>185,131</b> |
| <b>Adjustment for transition rules</b>                       |                     |                |                     |                |
| Additional capital requirement according to transition rules | 3,087               | 38,591         | 2,370               | 29,629         |
| <b>Total</b>                                                 | <b>17,904</b>       | <b>223,791</b> | <b>17,180</b>       | <b>214,760</b> |

1) Note that the comparison figures are not restated with respect to CRD III.

More Capital Adequacy information can be found in the Risk, Liquidity and Capital management section page 67.

Generally, Nordea Group has the ability to transfer capital within its legal entities without material restrictions. International transfers of capital between legal entities are normally possible after approval by of the local regulator and

are of importance when governing the capital position within the Group. The guarantee schemes introduced within EU during 2008 has under certain circumstances limited the transferability of capital with impact on crossborder financial groups. There are no such restrictions directly affecting Nordea as per end of 2011.

G42

## Classification of financial instruments

|                                                                                 |                       |                  | Financial assets at fair value through profit or loss      |                                                 |                              |                             |                           |         |  |
|---------------------------------------------------------------------------------|-----------------------|------------------|------------------------------------------------------------|-------------------------------------------------|------------------------------|-----------------------------|---------------------------|---------|--|
|                                                                                 | Loans and receivables | Held to maturity | Held for trading                                           | Designated at fair value through profit or loss | Derivatives used for hedging | Available for sale          | Non-financial assets      | Total   |  |
| 31 Dec 2011, EURm                                                               |                       |                  |                                                            |                                                 |                              |                             |                           |         |  |
| Assets                                                                          |                       |                  |                                                            |                                                 |                              |                             |                           |         |  |
| Cash and balances with central banks                                            | 3,765                 | —                | —                                                          | —                                               | —                            | —                           | —                         | 3,765   |  |
| Treasury bills                                                                  | 300                   | 361              | 9,838                                                      | —                                               | —                            | 606                         | —                         | 11,105  |  |
| Loans to credit institutions                                                    | 43,026                | —                | 5,312                                                      | 3,527                                           | —                            | —                           | —                         | 51,865  |  |
| Loans to the public                                                             | 264,272               | —                | 23,718                                                     | 49,213                                          | —                            | —                           | —                         | 337,203 |  |
| Interest-bearing securities                                                     | 100                   | 7,532            | 33,300                                                     | 21,138                                          | —                            | 19,198                      | —                         | 81,268  |  |
| Financial instruments pledged as collateral                                     | —                     | —                | 8,373                                                      | —                                               | —                            | —                           | —                         | 8,373   |  |
| Shares                                                                          | —                     | —                | 4,474                                                      | 15,683                                          | —                            | 10                          | —                         | 20,167  |  |
| Derivatives                                                                     | —                     | —                | 169,402                                                    | —                                               | 2,541                        | —                           | —                         | 171,943 |  |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -215                  | —                | —                                                          | —                                               | —                            | —                           | —                         | -215    |  |
| Investments in associated undertakings                                          | —                     | —                | —                                                          | —                                               | —                            | —                           | 591                       | 591     |  |
| Intangible assets                                                               | —                     | —                | —                                                          | —                                               | —                            | —                           | 3,321                     | 3,321   |  |
| Property and equipment                                                          | —                     | —                | —                                                          | —                                               | —                            | —                           | 469                       | 469     |  |
| Investment property                                                             | —                     | —                | —                                                          | —                                               | —                            | —                           | 3,644                     | 3,644   |  |
| Deferred tax assets                                                             | —                     | —                | —                                                          | —                                               | —                            | —                           | 169                       | 169     |  |
| Current tax assets                                                              | —                     | —                | —                                                          | —                                               | —                            | —                           | 185                       | 185     |  |
| Retirement benefit assets                                                       | —                     | —                | —                                                          | —                                               | —                            | —                           | 223                       | 223     |  |
| Other assets                                                                    | 12,548                | —                | —                                                          | 6,854                                           | —                            | —                           | 23                        | 19,425  |  |
| Prepaid expenses and accrued income                                             | 2,124                 | —                | 169                                                        | 36                                              | —                            | —                           | 374                       | 2,703   |  |
| Total                                                                           | 325,920               | 7,893            | 254,586                                                    | 96,451                                          | 2,541                        | 19,814                      | 8,999                     | 716,204 |  |
|                                                                                 |                       |                  |                                                            |                                                 |                              |                             |                           |         |  |
|                                                                                 |                       |                  | Financial liabilities at fair value through profit or loss |                                                 |                              |                             |                           |         |  |
|                                                                                 |                       |                  | Held for trading                                           | Designated at fair value through profit or loss | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities | Total   |  |
| 31 Dec 2011, EURm                                                               |                       |                  |                                                            |                                                 |                              |                             |                           |         |  |
| Liabilities                                                                     |                       |                  |                                                            |                                                 |                              |                             |                           |         |  |
| Deposits by credit institutions                                                 |                       |                  | 12,934                                                     | 7,204                                           | —                            | 35,178                      | —                         | 55,316  |  |
| Deposits and borrowings from the public                                         |                       |                  | 14,092                                                     | 6,962                                           | —                            | 169,038                     | —                         | 190,092 |  |
| Liabilities to policyholders                                                    |                       |                  | —                                                          | 10,226                                          | —                            | —                           | 30,489                    | 40,715  |  |
| Debt securities in issue                                                        |                       |                  | 6,087                                                      | 31,756                                          | —                            | 142,107                     | —                         | 179,950 |  |
| Derivatives                                                                     |                       |                  | 166,763                                                    | —                                               | 627                          | —                           | —                         | 167,390 |  |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk |                       |                  | —                                                          | —                                               | —                            | 1,274                       | —                         | 1,274   |  |
| Current tax liabilities                                                         |                       |                  | —                                                          | —                                               | —                            | —                           | 154                       | 154     |  |
| Other liabilities                                                               |                       |                  | 13,539                                                     | 5,024                                           | —                            | 24,677                      | 128                       | 43,368  |  |
| Accrued expenses and prepaid income                                             |                       |                  | —                                                          | 664                                             | —                            | 1,805                       | 1,027                     | 3,496   |  |
| Deferred tax liabilities                                                        |                       |                  | —                                                          | —                                               | —                            | —                           | 1,018                     | 1,018   |  |
| Provisions                                                                      |                       |                  | —                                                          | —                                               | —                            | —                           | 483                       | 483     |  |
| Retirement benefit obligations                                                  |                       |                  | —                                                          | —                                               | —                            | —                           | 325                       | 325     |  |
| Subordinated liabilities                                                        |                       |                  | —                                                          | —                                               | —                            | 6,503                       | —                         | 6,503   |  |
| Total                                                                           |                       |                  | 213,415                                                    | 61,836                                          | 627                          | 380,582                     | 33,624                    | 690,084 |  |



G42

## Classification of financial instruments, cont.

| 31 Dec 2010, EURm                                                                     | Loans and<br>receivables | Held to<br>maturity | Financial assets at fair value<br>through profit or loss |                                                          | Derivatives<br>used for<br>hedging | Available<br>for sale | Non-financial<br>assets | Total          |
|---------------------------------------------------------------------------------------|--------------------------|---------------------|----------------------------------------------------------|----------------------------------------------------------|------------------------------------|-----------------------|-------------------------|----------------|
|                                                                                       |                          |                     | Held for<br>trading                                      | Designated at<br>fair value<br>through<br>profit or loss |                                    |                       |                         |                |
| <b>Assets</b>                                                                         |                          |                     |                                                          |                                                          |                                    |                       |                         |                |
| Cash and balances with central<br>banks                                               | 10,023                   | —                   | —                                                        | —                                                        | —                                  | —                     | —                       | 10,023         |
| Treasury bills                                                                        | —                        | 638                 | 9,776                                                    | 2,698                                                    | —                                  | —                     | —                       | 13,112         |
| Loans to credit institutions                                                          | 7,619                    | —                   | 7,413                                                    | 756                                                      | —                                  | —                     | —                       | 15,788         |
| Loans to the public                                                                   | 251,090                  | —                   | 17,256                                                   | 45,865                                                   | —                                  | —                     | —                       | 314,211        |
| Interest-bearing securities                                                           | —                        | 15,417              | 28,536                                                   | 19,425                                                   | —                                  | 5,759                 | —                       | 69,137         |
| Financial instruments pledged<br>as collateral                                        | —                        | —                   | 9,494                                                    | —                                                        | —                                  | —                     | —                       | 9,494          |
| Shares                                                                                | —                        | —                   | 3,976                                                    | 13,311                                                   | —                                  | 6                     | —                       | 17,293         |
| Derivatives                                                                           | —                        | —                   | 96,099                                                   | —                                                        | 726                                | —                     | —                       | 96,825         |
| Fair value changes of the<br>hedged items in portfolio<br>hedge of interest rate risk | 1,127                    | —                   | —                                                        | —                                                        | —                                  | —                     | —                       | 1,127          |
| Investments in associated<br>undertakings                                             | —                        | —                   | —                                                        | —                                                        | —                                  | —                     | 554                     | 554            |
| Intangible assets                                                                     | —                        | —                   | —                                                        | —                                                        | —                                  | —                     | 3,219                   | 3,219          |
| Property and equipment                                                                | —                        | —                   | —                                                        | —                                                        | —                                  | —                     | 454                     | 454            |
| Investment property                                                                   | —                        | —                   | —                                                        | —                                                        | —                                  | —                     | 3,568                   | 3,568          |
| Deferred tax assets                                                                   | —                        | —                   | —                                                        | —                                                        | —                                  | —                     | 278                     | 278            |
| Current tax assets                                                                    | —                        | —                   | —                                                        | —                                                        | —                                  | —                     | 262                     | 262            |
| Retirement benefit assets                                                             | —                        | —                   | —                                                        | —                                                        | —                                  | —                     | 187                     | 187            |
| Other assets                                                                          | 19,208                   | —                   | 55                                                       | 3,573                                                    | —                                  | —                     | 21                      | 22,857         |
| Prepaid expenses<br>and accrued income                                                | 2,086                    | —                   | 8                                                        | 41                                                       | —                                  | —                     | 315                     | 2,450          |
| <b>Total</b>                                                                          | <b>291,153</b>           | <b>16,055</b>       | <b>172,613</b>                                           | <b>85,669</b>                                            | <b>726</b>                         | <b>5,765</b>          | <b>8,858</b>            | <b>580,839</b> |

|                                                                                 | Financial liabilities at fair value through profit or loss |                                                 | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities | Total          |
|---------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------|------------------------------|-----------------------------|---------------------------|----------------|
| 31 Dec 2010, EURm                                                               | Held for trading                                           | Designated at fair value through profit or loss |                              |                             |                           |                |
| <b>Liabilities</b>                                                              |                                                            |                                                 |                              |                             |                           |                |
| Deposits by credit institutions                                                 | 11,827                                                     | 7,545                                           | —                            | 21,364                      | —                         | 40,736         |
| Deposits and borrowings from the public                                         | 12,180                                                     | 6,064                                           | —                            | 158,146                     | —                         | 176,390        |
| Liabilities to policyholders                                                    |                                                            | 9,339                                           | —                            | —                           | 29,427                    | 38,766         |
| Debt securities in issue                                                        | 5,907                                                      | 30,963                                          | —                            | 114,708                     | —                         | 151,578        |
| Derivatives                                                                     | 95,226                                                     | —                                               | 661                          | —                           | —                         | 95,887         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | —                                                          | —                                               | —                            | 898                         | —                         | 898            |
| Current tax liabilities                                                         | —                                                          | —                                               | —                            | —                           | 502                       | 502            |
| Other liabilities                                                               | 14,048                                                     | 3,510                                           | —                            | 20,954                      | 78                        | 38,590         |
| Accrued expenses and prepaid income                                             | —                                                          | 546                                             | —                            | 1,770                       | 1,074                     | 3,390          |
| Deferred tax liabilities                                                        | —                                                          | —                                               | —                            | —                           | 885                       | 885            |
| Provisions                                                                      | —                                                          | —                                               | —                            | —                           | 581                       | 581            |
| Retirement benefit obligations                                                  | —                                                          | —                                               | —                            | —                           | 337                       | 337            |
| Subordinated liabilities                                                        | —                                                          | —                                               | —                            | 7,761                       | —                         | 7,761          |
| <b>Total</b>                                                                    | <b>139,188</b>                                             | <b>57,967</b>                                   | <b>661</b>                   | <b>325,601</b>              | <b>32,884</b>             | <b>556,301</b> |

## G42

## Classification of financial instruments, cont.

## Loans designated at fair value through profit or loss

| EURm                                                                   | 31 Dec 2011 | 31 Dec 2010 |
|------------------------------------------------------------------------|-------------|-------------|
| Carrying amount                                                        | 49,332      | 46,621      |
| Maximum exposure to credit risk                                        | 49,332      | 46,621      |
| Carrying amount of credit derivatives used to mitigate the credit risk | —           | —           |

## Financial liabilities designated at fair value through profit or loss

## Changes in fair values attributable to changes in credit risk

The financial liabilities designated at fair value through profit or loss are issued bonds in the Danish subsidiary Nordea Kredit Realkreditaktieselskab, EUR 31,756m (EUR 30,963m), the funding of the Markets operation, EUR 19,852m (EUR 17,665m) and investment contracts in Life, EUR 10,226m (EUR 9,339m). The funding of Markets is generally of such a short term nature that the effect of changes in own credit risk is not significant. The value of the investment contracts in Life is directly linked to the assets in the contracts and there is consequently no effect from changes in own credit risk in these contracts.

The fair value of bonds issued by Nordea Kredit Realkreditaktieselskab decreased by EUR 210m (decreased EUR 289m) in 2011 due to changes in own credit risk. The cumulative change since designation is a decrease of EUR 718m (decrease EUR 508m). The calculation method of the fair value changes attributable to changes in market conditions are based on relevant benchmark interest rates, which are the average yields on Danish and German (EUR) government bonds. For the issued mortgage bonds a change in the liability's credit risk and price will have a corresponding effect on the value of the loans. The reason is that a change in the price of the bonds will be offset by the opposite change in the value of the prepayment option of the loan.

## Comparison of carrying amount and contractual amount to be paid at maturity

| 2011, EURm                                                            | Carrying amount | Amount to be paid at maturity |
|-----------------------------------------------------------------------|-----------------|-------------------------------|
| Financial liabilities designated at fair value through profit or loss | 45,641          | 44,225                        |

| 2010, EURm                                                            | Carrying amount | Amount to be paid at maturity |
|-----------------------------------------------------------------------|-----------------|-------------------------------|
| Financial liabilities designated at fair value through profit or loss | 57,967          | 57,954                        |

Liabilities to policyholders have no fixed maturities and there is no fixed amount to be paid. The amount disclosed to be paid at maturity has been set to the carrying amount.

## G43

## Assets and liabilities at fair value

| EURm                                                                            | 31 Dec 2011     |                | 31 Dec 2010     |                |
|---------------------------------------------------------------------------------|-----------------|----------------|-----------------|----------------|
|                                                                                 | Carrying amount | Fair value     | Carrying amount | Fair value     |
| <b>Assets</b>                                                                   |                 |                |                 |                |
| Cash and balances with central banks                                            | 3,765           | 3,765          | 10,023          | 10,023         |
| Treasury bills                                                                  | 11,105          | 11,105         | 13,112          | 13,109         |
| Loans to credit institutions                                                    | 51,865          | 51,886         | 15,788          | 15,827         |
| Loans to the public                                                             | 337,203         | 337,354        | 314,211         | 314,212        |
| Interest-bearing securities                                                     | 81,268          | 81,530         | 69,137          | 69,119         |
| Financial instruments pledged as collateral                                     | 8,373           | 8,373          | 9,494           | 9,494          |
| Shares                                                                          | 20,167          | 20,247         | 17,293          | 17,293         |
| Derivatives                                                                     | 171,943         | 171,943        | 96,825          | 96,825         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -215            | -215           | 1,127           | 1,127          |
| Investments in associated undertakings                                          | 591             | 591            | 554             | 554            |
| Intangible assets                                                               | 3,321           | 3,321          | 3,219           | 3,219          |
| Property and equipment                                                          | 469             | 469            | 454             | 454            |
| Investment property                                                             | 3,644           | 3,644          | 3,568           | 3,568          |
| Deferred tax assets                                                             | 169             | 169            | 278             | 278            |
| Current tax assets                                                              | 185             | 186            | 262             | 262            |
| Retirement benefit assets                                                       | 223             | 223            | 187             | 187            |
| Other assets                                                                    | 19,425          | 19,425         | 22,857          | 22,857         |
| Prepaid expenses and accrued income                                             | 2,703           | 2,703          | 2,450           | 2,450          |
| <b>Total assets</b>                                                             | <b>716,204</b>  | <b>716,719</b> | <b>580,839</b>  | <b>580,858</b> |
| <b>Liabilities</b>                                                              |                 |                |                 |                |
| Deposits by credit institutions                                                 | 55,316          | 55,302         | 40,736          | 40,729         |
| Deposits and borrowings from the public                                         | 190,092         | 190,047        | 176,390         | 176,418        |
| Liabilities to policyholders                                                    | 40,715          | 40,715         | 38,766          | 38,766         |
| Debt securities in issue                                                        | 179,950         | 179,902        | 151,578         | 152,088        |
| Derivatives                                                                     | 167,390         | 167,390        | 95,887          | 95,887         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 1,274           | 1,274          | 898             | 898            |
| Current tax liabilities                                                         | 154             | 154            | 502             | 502            |
| Other liabilities                                                               | 43,368          | 43,368         | 38,590          | 38,590         |
| Accrued expenses and prepaid income                                             | 3,496           | 3,496          | 3,390           | 3,390          |
| Deferred tax liabilities                                                        | 1,018           | 1,018          | 885             | 885            |
| Provisions                                                                      | 483             | 483            | 581             | 581            |
| Retirement benefit obligations                                                  | 325             | 325            | 337             | 337            |
| Subordinated liabilities                                                        | 6,503           | 6,502          | 7,761           | 7,760          |
| <b>Total liabilities</b>                                                        | <b>690,084</b>  | <b>689,976</b> | <b>556,301</b>  | <b>556,831</b> |

## G43

## Assets and liabilities at fair value, cont.

**Estimation of fair value for assets and liabilities**

Financial assets and financial liabilities in the balance sheet are generally measured at fair value, with the exception of loans, deposits and borrowings and issued securities.

The carrying amounts on loans, deposits and borrowings and issued securities are adjusted for the value of the fixed interest term, unless the interest risk is hedged, in order to estimate the fair values that are presented in the tables above. The value of the fixed interest term is a result of changes in the relevant market interest rates. The discount rates used are based on current market rates for each term. The fair value of the hedged interest rate risk is included in the balance sheet item "Fair value changes of the hedged items in portfolio hedge of interest rate risk".

Fair value is estimated to be equal to the carrying amount for short-term financial assets and financial liabilities. The carrying amount is a reasonable approximation of fair value due to limited credit risk and short time to maturity.

Fair value is set to carrying amount, in the tables above, for assets and liabilities for which no reliable fair value has been possible to estimate. This is valid for the line items investments in associated undertakings, investments in group undertakings, intangible assets, property and equipment and provisions.

Nordea holds very limited amounts of financial instruments with discretionary participating features in the Life business, which are recognised in the balance sheet in the line "Liabilities to policyholders". These instruments can not be reliably measured at fair value and consequently the fair value for these instruments are set to carrying amount.

Nordea holds very limited amounts of equity instruments measured at cost. Fair value is set to carrying amount for these instruments as the fair value can not be measured reliably.

For further information about valuation of items normally measured at fair value, see Note G1.

**Deferred Day 1 profit or loss**

In accordance with the Group's accounting policy as described in Note G1, if there are significant unobservable inputs used in the valuation technique, the financial instrument is recognised at the transaction price and any trade date profit is deferred. The table below shows the aggregate difference yet to be recognised in the income statement at the beginning and end of the period and a reconciliation of changes in the balance of this difference (movement of deferred Day 1 profit or loss).

| EURm                                               | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------------------|----------------|----------------|
| Amount at beginning of year                        | 42             | 44             |
| Deferred profit/loss on new transactions           | 1              | 14             |
| Recognised in the income statement during the year | -14            | -16            |
| <b>Amount at end of year</b>                       | <b>29</b>      | <b>42</b>      |

**Determination of fair value from quoted market prices or valuation techniques**

Fair value measurements are categorised using a fair value hierarchy. The financial instruments carried at fair value have been categorised under the three levels of the IFRS fair value hierarchy that reflects the significance of inputs. The categorisation of these instruments is based on the lowest level input that is significant to the fair value measurement in its entirety. To categorise the instruments into the three levels, the relevant pricing models for each product is considered in combination with used input market data, the significance of derived input data, the complexity of the model and the accessible pricing data to verify model input. Although the complexity of the model is considered, a high complexity does not by default require that products are categorised into level 3. It is the use of model parameters and the extent of unobservability that defines the fair value hierarchy levels.

For bonds the categorisation into the three levels is based on the internal pricing methodology. The bonds can either be directly quoted in active markets (level 1) or measured using a methodology giving a quote based on observable inputs (level 2). Level 3 bonds are characterised by illiquidity.

Valuation of Private Equity Funds (PEF) and unlisted equities will in nature be more uncertain than valuations of more actively traded equity instruments. Emphasis is put on using a consistent approach across all assets and over time. The methods are consistent with the guideline "International Private Equity and Venture Capital Valuation Guidelines" issued by EVCA (European Venture Capital Association). The EVCA guidelines are considered as best practice in the PEF industry. For US based funds, similar methods are applied.

Level 1 consists of financial assets and financial liabilities valued using unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. This category includes listed derivatives, listed equities, government bonds in developed countries, and most liquid mortgage bonds and corporate bonds where direct tradable price quotes exists.

Level 2 consists of financial assets and financial liabilities which do not have directly quoted market prices available from an active market. The fair values are estimated using a valuation technique or valuation model based on market prices or rates prevailing at the balance sheet date and any unobservable inputs are insignificant in the fair values. This is the case for the majority of Nordea's OTC derivatives, securities purchased/sold under resale/repurchase agreements, securities borrowed/loaned and other instruments where an active market supplies the input to the valuation technique or model.

Level 3 consists of those types of financial instruments which fair values cannot be obtained directly from quoted market prices or indirectly using valuation techniques or models supported by observable market prices or rates. This is generally the case for investments in unlisted securities, private equity funds, hedge funds, and both more complex or less active markets supplying input to the technique or model for OTC derivatives, certain complex or structured financial instruments such as CLNs and CDOs, and illiquid bonds.

The following table presents the valuation methods used to determine fair values of financial instruments carried at fair value.

## G43

## Assets and liabilities at fair value, cont

| 31 Dec 2011, EURm                       | Quoted prices in<br>active markets for<br>same instrument<br>(Level 1) | – of<br>which<br>Life | Valuation<br>technique using<br>observable data<br>(Level 2) | – of<br>which<br>Life | Valuation<br>technique using<br>non-observable data<br>(Level 3) | – of<br>which<br>Life | Total   |
|-----------------------------------------|------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------|-----------------------|------------------------------------------------------------------|-----------------------|---------|
| <b>Assets</b>                           |                                                                        |                       |                                                              |                       |                                                                  |                       |         |
| Loans to credit institutions            | 48                                                                     | —                     | 8,791                                                        | —                     | —                                                                | —                     | 8,839   |
| Loans to the public                     | —                                                                      | —                     | 72,931                                                       | —                     | —                                                                | —                     | 72,931  |
| Debt securities <sup>1</sup>            | 71,424                                                                 | 14,443                | 19,230                                                       | 5,944                 | 1,149                                                            | 750                   | 91,803  |
| Shares <sup>2</sup>                     | 15,893                                                                 | 12,134                | 3                                                            | —                     | 4,921                                                            | 3,425                 | 20,817  |
| Derivatives                             | 551                                                                    | 3                     | 170,435                                                      | 11                    | 957                                                              | —                     | 171,943 |
| Other assets                            | —                                                                      | —                     | 6,854                                                        | —                     | —                                                                | —                     | 6,854   |
| Prepaid expenses and accrued income     | —                                                                      | —                     | 205                                                          | —                     | —                                                                | —                     | 205     |
| <b>Liabilities</b>                      |                                                                        |                       |                                                              |                       |                                                                  |                       |         |
| Deposits by credit institutions         | —                                                                      | —                     | 20,138                                                       | —                     | —                                                                | —                     | 20,138  |
| Deposits and borrowings from the public | —                                                                      | —                     | 21,054                                                       | —                     | —                                                                | —                     | 21,054  |
| Liabilities to policy holders           | —                                                                      | —                     | 10,226                                                       | 10,226                | —                                                                | —                     | 10,226  |
| Debt securities in issue                | 31,756                                                                 | —                     | 6,087                                                        | —                     | —                                                                | —                     | 37,843  |
| Derivatives                             | 396                                                                    | 38                    | 165,748                                                      | 17                    | 1,246                                                            | 5                     | 167,390 |
| Other liabilities                       | 8,212                                                                  | —                     | 10,351                                                       | —                     | —                                                                | —                     | 18,563  |
| Accrued expenses and prepaid income     | —                                                                      | —                     | 664                                                          | —                     | —                                                                | —                     | 664     |

1) Of which EUR 10,444m Treasury bills and EUR 73,636m Interest-bearing securities (the portion held at fair value in Note G42). EUR 7,723m relates to the balance sheet item Financial instruments pledged as collateral.

2) EUR 650m relates to the balance sheet item Financial instruments pledged as collateral.

| 31 Dec 2010, EURm                       | Quoted prices in<br>active markets for<br>same instrument<br>(Level 1) | – of<br>which<br>Life | Valuation<br>technique using<br>observable data<br>(Level 2) | – of<br>which<br>Life | Valuation<br>technique using<br>non-observable data<br>(Level 3) | – of<br>which<br>Life | Total  |
|-----------------------------------------|------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------|-----------------------|------------------------------------------------------------------|-----------------------|--------|
| <b>Assets</b>                           |                                                                        |                       |                                                              |                       |                                                                  |                       |        |
| Loans to credit institutions            | —                                                                      | —                     | 8,169                                                        | —                     | —                                                                | —                     | 8,169  |
| Loans to the public                     | —                                                                      | —                     | 63,121                                                       | —                     | —                                                                | —                     | 63,121 |
| Debt securities <sup>1</sup>            | 54,916                                                                 | 17,502                | 18,404                                                       | 2,835                 | 1,848                                                            | 1,787                 | 75,168 |
| Shares <sup>2</sup>                     | 13,483                                                                 | 10,674                | 93                                                           | 85                    | 4,237                                                            | 2,425                 | 17,813 |
| Derivatives                             | 700                                                                    | 7                     | 93,928                                                       | 17                    | 2,197                                                            | —                     | 96,825 |
| Other assets                            | —                                                                      | —                     | 3,628                                                        | —                     | —                                                                | —                     | 3,628  |
| Prepaid expenses and accrued income     | —                                                                      | —                     | 49                                                           | —                     | —                                                                | —                     | 49     |
| <b>Liabilities</b>                      |                                                                        |                       |                                                              |                       |                                                                  |                       |        |
| Deposits by credit institutions         | —                                                                      | —                     | 19,372                                                       | —                     | —                                                                | —                     | 19,372 |
| Deposits and borrowings from the public | —                                                                      | —                     | 18,244                                                       | —                     | —                                                                | —                     | 18,244 |
| Liabilities to policy holders           | —                                                                      | —                     | 9,339                                                        | 9,339                 | —                                                                | —                     | 9,339  |
| Debt securities in issue                | 30,963                                                                 | —                     | 5,907                                                        | —                     | —                                                                | —                     | 36,870 |
| Derivatives                             | 421                                                                    | 2                     | 93,204                                                       | 15                    | 2,262                                                            | —                     | 95,887 |
| Other liabilities                       | 7,501                                                                  | —                     | 10,057                                                       | —                     | —                                                                | —                     | 17,558 |
| Accrued expenses and prepaid income     | —                                                                      | —                     | 546                                                          | —                     | —                                                                | —                     | 546    |

1) Of which EUR 12,474m Treasury bills and EUR 53,720m Interest-bearing securities (the portion held at fair value in Note G42). EUR 8,974m relates to the balance sheet item Financial instruments pledged as collateral.

2) EUR 520m relates to the balance sheet item Financial instruments pledged as collateral.

## G43

## Assets and liabilities at fair value, cont

**Transfers between level 1 and 2**

During the year, Nordea Group transferred debt securities of EUR 3,057m (EUR 31m) from level 1 to level 2 and EUR 496m (EUR 949m) from level 2 to level 1 of the fair value hierarchy for financial assets and liabilities at fair value. The reason for transfers from level 1 to level 2 was that the

instruments ceased to be actively traded during the year and fair values have now been obtained using valuation techniques with observable market inputs. The reason for transfers from level 2 to level 1 was that the instruments have again been actively traded during the year and reliable quoted prices are obtained in the markets.

**Movements in level 3**

The following table shows a reconciliation of the opening and closing carrying amounts of level 3 financial assets and liabilities recognised at fair value.

| 31 Dec 2011, EURm                           | 1 Jan 2011 | Fair value gains/losses recognised in the income statement during the year |                         | Purchases | Sales  | Settlements | Net transfers into/out of level 3 | Translation differences | 31 Dec 2011 |
|---------------------------------------------|------------|----------------------------------------------------------------------------|-------------------------|-----------|--------|-------------|-----------------------------------|-------------------------|-------------|
|                                             |            | Realised                                                                   | Unrealised <sup>1</sup> |           |        |             |                                   |                         |             |
| Debt securities                             | 1,848      | -13                                                                        | 149                     | 417       | -671   | —           | -587                              | 6                       | 1,149       |
| – of which Life                             | 1,787      | -13                                                                        | -16                     | 110       | -536   | —           | -587                              | 5                       | 750         |
| Shares                                      | 4,237      | 65                                                                         | -79                     | 1,819     | -1,533 | —           | 599                               | -187                    | 4,921       |
| – of which life                             | 2,425      | 43                                                                         | 2                       | 1,434     | -1,084 | —           | 599                               | 6                       | 3,425       |
| Derivatives (net of assets and liabilities) | -65        | 485                                                                        | -228                    | —         | —      | -485        | 4                                 | 0                       | -289        |

1) Relates to those assets and liabilities held at the end of the reporting period.

| 31 Dec 2010, EURm                           | 1 Jan 2010 | Realised | Unrealised <sup>1</sup> | Purchases | Sales  | Settlements | Net transfers into/out of level 3 | Translation differences | 31 Dec 2010 |
|---------------------------------------------|------------|----------|-------------------------|-----------|--------|-------------|-----------------------------------|-------------------------|-------------|
|                                             |            |          |                         |           |        |             |                                   |                         |             |
| Debt securities                             | 1,556      | 42       | 145                     | 997       | -919   | —           | 15                                | 12                      | 1,848       |
| – of which Life                             | 1,436      | 49       | 115                     | 980       | -821   | —           | 29                                | -1                      | 1,787       |
| Shares                                      | 3,705      | 237      | 377                     | 2,048     | -2,139 | —           | —                                 | 9                       | 4,237       |
| – of which life                             | 2,288      | 310      | 96                      | 1,171     | -1,450 | —           | —                                 | 10                      | 2,425       |
| Derivatives (net of assets and liabilities) | 56         | 8        | -121                    | —         | —      | -8          | —                                 | 0                       | -65         |

1) Relates to those assets and liabilities held at the end of the reporting period.

Fair value gains/losses recognised in the income statement during the year are included in “Net result from items at fair value” (see Note G5).

## G43

## Assets and liabilities at fair value, cont

**Sensitivity of level 3 financial instruments measured at fair value to changes in key assumptions**

Included in the fair value of financial instruments carried at fair value on the balance sheet are those estimated in full or in part using valuation techniques based on assumptions that are not supported by market observable prices or rates. There may be uncertainty about a valuation, resulting from the choice of valuation technique or model used, the assumptions embedded in those models, the extent to which inputs are not market observable, or as a result of other elements affecting the valuation technique. Portfolio adjustments are applied to reflect such uncertainties and are deducted from the fair values produced by the models or other valuation techniques (for further information see Note G1 section 11 "Determination of fair value of financial instruments").

This disclosure shows the potential impact from the relative uncertainty in the fair value of financial instruments for which the valuation is dependent on unobservable input parameters. The estimates disclosed below are likely to be greater than the true uncertainty in fair value of these instruments, as it is unlikely in practice that all unobservable parameters would be simultaneously at the extremes of their ranges of reasonably possible alternatives. The disclosure is neither predictive nor indicative of future movements in fair value.

The following table shows the sensitivity of the fair value of level 3 instruments to changes in key assumptions, by class of instruments. Where the exposure to an unobservable parameter is offset across different instruments only the net impact is disclosed in the table.

| 31 Dec 2011, EURm        | Carrying amount | Effect of reasonably possible alternative assumptions |              |
|--------------------------|-----------------|-------------------------------------------------------|--------------|
|                          |                 | Favourable                                            | Unfavourable |
| Debt securities          | 1,149           | 58                                                    | -58          |
| – of which Life          | 750             | 28                                                    | -28          |
| Shares                   | 4,921           | 444                                                   | -444         |
| – of which Life          | 3,425           | 342                                                   | -342         |
| Derivatives              | -289            | 20                                                    | -43          |
| <b>31 Dec 2010, EURm</b> |                 |                                                       |              |
| Debt securities          | 1,848           | 92                                                    | -92          |
| – of which Life          | 1,787           | 89                                                    | -89          |
| Shares                   | 4,237           | 389                                                   | -389         |
| – of which Life          | 2,425           | 242                                                   | -242         |
| Derivatives              | -65             | 22                                                    | -29          |

In order to calculate the effect on level 3 fair values, from altering the assumptions of the valuation technique or model, the sensitivity to unobservable input data is assessed. For the derivatives portfolio key inputs, that are based on pricing model assumptions or unobservability of market data inputs, are replaced by alternative estimates or assumptions and the impact on the valuation computed. The majority of the effect

on the derivatives is related to various types of correlations or correlation related inputs in credit derivatives, in interest rate OTC derivatives or OTC structured equity derivatives. For the level 3 portfolios of shares and debt securities the fair value was increased and decreased within a range of 3–10 percentage units, which are assessed to be reasonable changes in market movements.

## G44

**Obtained collaterals which are permitted to be sold or repledged**

Nordea obtains collaterals under reverse repurchase and securities borrowing agreements which, under the terms of the agreements, can be sold or repledged. The transactions are conducted under standard agreements employed by financial markets participants. Generally, the agreements require additional collateral to be provided if the value of the securities falls below a predetermined level. Under standard terms for most repurchase transactions, the recipient of collateral has an unrestricted right to sell or repledge it, subject to returning equivalent securities on settlement of the transactions. The fair value of the securities obtained as collateral under reverse repurchase and securities borrowing agreements are disclosed below.

| EURm                                                | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-----------------------------------------------------|----------------|----------------|
| <b>Reverse repurchase agreements</b>                |                |                |
| Received collaterals which can be repledged or sold | 32,700         | 29,575         |
| – of which repledged or sold                        | 10,499         | 21,844         |
| <b>Securities borrowing agreements</b>              |                |                |
| Received collaterals which can be repledged or sold | 2,261          | 1,493          |
| – of which repledged or sold                        | 2,206          | 1,501          |
| <b>Total</b>                                        | <b>34,961</b>  | <b>31,068</b>  |

## G45

**Investments, customer bearing the risk**

Life Group and Nordea Bank Danmark A/S have assets and liabilities included in their balance sheet where customers are bearing the risk. Since the assets and liabilities legally belong to the entities, these assets and liabilities are included in the Group's balance sheet.

| EURm                                    | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-----------------------------------------|----------------|----------------|
| <b>Assets</b>                           |                |                |
| Interest-bearing securities             | 2,262          | 1,860          |
| Shares                                  | 13,649         | 13,766         |
| Other assets                            | 259            | 604            |
| <b>Total assets</b>                     | <b>16,170</b>  | <b>16,230</b>  |
| <b>Liabilities</b>                      |                |                |
| Deposits and borrowings from the public | 3,932          | 3,868          |
| Insurance contracts                     | 4,900          | 5,202          |
| Investment contracts                    | 7,338          | 6,738          |
| Other liabilities                       | —              | 422            |
| <b>Total liabilities</b>                | <b>16,170</b>  | <b>16,230</b>  |

## G46

## Maturity analysis for assets and liabilities

## Remaining maturity

| 31 Dec 2011, EURm                                                               | Note | Payable on demand | Maximum 3 months | 3–12 months   | 1–5 years      | More than 5 years | Without fixed maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------|------------------|---------------|----------------|-------------------|------------------------|----------------|
| Cash and balances with central banks                                            |      | 3,765             | —                | —             | —              | —                 | —                      | 3,765          |
| Treasury bills                                                                  | G13  | —                 | 1,092            | 856           | 8,305          | 852               | —                      | 11,105         |
| Loans to credit institutions                                                    | G14  | 18,840            | 28,306           | 271           | 4,070          | 377               | —                      | 51,865         |
| Loans to the public                                                             | G14  | 25,293            | 78,608           | 17,138        | 74,826         | 141,338           | —                      | 337,203        |
| Interest-bearing securities                                                     | G15  | 3,713             | 16,098           | 17,912        | 30,172         | 13,373            | —                      | 81,268         |
| Financial instruments pledged as collateral                                     | G16  | —                 | 1,013            | 3,632         | 2,240          | 1,488             | —                      | 8,373          |
| Derivatives                                                                     | G18  | —                 | 9,660            | 7,452         | 39,854         | 114,978           | —                      | 171,943        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | G19  | 55                | –644             | 93            | 298            | –17               | —                      | –215           |
| <b>Total assets with fixed maturities</b>                                       |      | <b>51,666</b>     | <b>134,133</b>   | <b>47,354</b> | <b>159,765</b> | <b>272,389</b>    | <b>—</b>               | <b>665,307</b> |
| Other assets                                                                    |      | —                 | —                | —             | —              | —                 | 50,897                 | 50,897         |
| <b>Total assets</b>                                                             |      | <b>51,666</b>     | <b>134,133</b>   | <b>47,354</b> | <b>159,765</b> | <b>272,389</b>    | <b>50,897</b>          | <b>716,204</b> |
| Deposits by credit institutions                                                 | G27  | 7,025             | 42,675           | 1,800         | 3,153          | 663               | —                      | 55,316         |
| Deposits and borrowings from the public                                         | G28  | 131,019           | 42,054           | 9,200         | 966            | 6,853             | —                      | 190,092        |
| – of which Deposits                                                             |      | 129,845           | 28,126           | 8,935         | 932            | 6,771             | —                      | 174,609        |
| – of which Borrowings                                                           |      | 1,174             | 13,928           | 265           | 34             | 82                | —                      | 15,483         |
| Liabilities to policyholders                                                    | G29  | 656               | 446              | 1,100         | 7,010          | 31,503            | —                      | 40,715         |
| Debt securities in issue                                                        | G30  | 0                 | 61,467           | 26,019        | 63,791         | 28,673            | —                      | 179,950        |
| – of which Debt securities in issue                                             |      | —                 | 61,311           | 26,019        | 63,791         | 28,673            | —                      | 179,794        |
| – of which Other                                                                |      | 0                 | 156              | —             | —              | —                 | —                      | 156            |
| Derivatives                                                                     | G18  | —                 | 8,157            | 7,535         | 41,420         | 110,278           | —                      | 167,390        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | G19  | 80                | –12              | 166           | 1,782          | –742              | —                      | 1,274          |
| Subordinated liabilities                                                        | G35  | —                 | —                | —             | 903            | 5,600             | —                      | 6,503          |
| <b>Total liabilities with fixed maturities</b>                                  |      | <b>138,780</b>    | <b>154,787</b>   | <b>45,820</b> | <b>119,025</b> | <b>182,828</b>    | <b>—</b>               | <b>641,240</b> |
| Other liabilities                                                               |      | —                 | —                | —             | —              | —                 | 48,844                 | 48,844         |
| Equity                                                                          |      | —                 | —                | —             | —              | —                 | 26,120                 | 26,120         |
| <b>Total liabilities and equity</b>                                             |      | <b>138,780</b>    | <b>154,787</b>   | <b>45,820</b> | <b>119,025</b> | <b>182,828</b>    | <b>74,964</b>          | <b>716,204</b> |

| 31 Dec 2010, EURm                                                               | Note | Payable on demand | Maximum 3 months | 3–12 months   | 1–5 years      | More than 5 years | Without fixed maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------|------------------|---------------|----------------|-------------------|------------------------|----------------|
| Cash and balances with central banks                                            |      | 10,023            | —                | —             | —              | —                 | —                      | 10,023         |
| Treasury bills                                                                  | G13  | —                 | 533              | 1,127         | 8,057          | 3,395             | —                      | 13,112         |
| Loans to credit institutions                                                    | G14  | 3,683             | 9,685            | 974           | 1,380          | 66                | —                      | 15,788         |
| Loans to the public                                                             | G14  | 22,965            | 75,677           | 18,509        | 73,079         | 123,981           | —                      | 314,211        |
| Interest-bearing securities                                                     | G15  | 512               | 9,609            | 15,298        | 26,577         | 17,141            | —                      | 69,137         |
| Financial instruments pledged as collateral                                     | G16  | 31                | 975              | 1,666         | 4,878          | 1,944             | —                      | 9,494          |
| Derivatives                                                                     | G18  | —                 | 7,030            | 6,605         | 28,804         | 54,386            | —                      | 96,825         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | G19  | —                 | 73               | 16            | 426            | 612               | —                      | 1,127          |
| <b>Total assets with fixed maturities</b>                                       |      | <b>37,214</b>     | <b>103,582</b>   | <b>44,195</b> | <b>143,201</b> | <b>201,525</b>    | <b>—</b>               | <b>529,717</b> |
| Other assets                                                                    |      | —                 | —                | —             | —              | —                 | 51,122                 | 51,122         |
| <b>Total assets</b>                                                             |      | <b>37,214</b>     | <b>103,582</b>   | <b>44,195</b> | <b>143,201</b> | <b>201,525</b>    | <b>51,122</b>          | <b>580,839</b> |



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## Maturity analysis for assets and liabilities, cont.

| 31 Dec 2010, EURm                                                               | Note | Payable on demand | Maximum 3 months | 3–12 months   | 1–5 years     | More than 5 years | Without fixed maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------|------------------|---------------|---------------|-------------------|------------------------|----------------|
| Deposits by credit institutions                                                 | G27  | 10,462            | 27,199           | 2,176         | 255           | 644               | —                      | 40,736         |
| Deposits and borrowings from the public                                         | G28  | 126,893           | 34,237           | 7,222         | 1,056         | 6,982             | —                      | 176,390        |
| – of which Deposits                                                             |      | 126,738           | 22,020           | 7,221         | 909           | 6,982             | —                      | 163,870        |
| – of which Borrowings                                                           |      | 155               | 12,217           | 1             | 147           | 0                 | —                      | 12,520         |
| Liabilities to policyholders                                                    | G29  | 608               | 446              | 1,147         | 4,706         | 31,859            | —                      | 38,766         |
| Debt securities in issue                                                        | G30  | 2                 | 54,608           | 17,355        | 48,178        | 31,435            | —                      | 151,578        |
| – of which Debt securities in issue                                             |      | —                 | 54,486           | 17,327        | 48,178        | 31,435            | —                      | 151,426        |
| – of which Other                                                                |      | 2                 | 122              | 28            | —             | —                 | —                      | 152            |
| Derivatives                                                                     | G18  | —                 | 7,255            | 6,944         | 29,858        | 51,830            | —                      | 95,887         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | G19  | —                 | 5                | 58            | 341           | 494               | —                      | 898            |
| Subordinated liabilities                                                        | G35  | —                 | —                | 598           | 2,545         | 4,618             | —                      | 7,761          |
| <b>Total liabilities with fixed maturities</b>                                  |      | <b>137,965</b>    | <b>123,750</b>   | <b>35,500</b> | <b>86,939</b> | <b>127,862</b>    | <b>—</b>               | <b>512,016</b> |
| Other liabilities                                                               |      | —                 | —                | —             | —             | —                 | 44,285                 | 44,285         |
| Equity                                                                          |      | —                 | —                | —             | —             | —                 | 24,538                 | 24,538         |
| <b>Total liabilities and equity</b>                                             |      | <b>137,965</b>    | <b>123,750</b>   | <b>35,500</b> | <b>89,939</b> | <b>127,862</b>    | <b>68,823</b>          | <b>580,839</b> |

## Cash flow analysis

| 31 Dec 2011, EURm                          | Payable on demand | Maximum 3 months | 3–12 months     | 1–5 years      | More than 5 years | Total          |
|--------------------------------------------|-------------------|------------------|-----------------|----------------|-------------------|----------------|
| Interest-bearing financial assets          | 38,971            | 111,528          | 46,072          | 164,943        | 223,354           | 584,868        |
| Non interest-bearing financial assets      | —                 | —                | —               | —              | 227,040           | 227,040        |
| <b>Total financial assets</b>              | <b>38,971</b>     | <b>111,528</b>   | <b>46,072</b>   | <b>164,943</b> | <b>450,394</b>    | <b>811,908</b> |
| Interest-bearing financial liabilities     | 122,570           | 170,894          | 37,066          | 83,267         | 45,811            | 459,608        |
| Non interest-bearing financial liabilities | —                 | —                | —               | —              | 284,343           | 284,343        |
| <b>Total financial liabilities</b>         | <b>122,570</b>    | <b>170,894</b>   | <b>37,066</b>   | <b>83,267</b>  | <b>330,154</b>    | <b>743,951</b> |
| Derivatives, cash inflow                   | —                 | 472,043          | 237,136         | 258,547        | 80,731            | 1,048,457      |
| Derivatives, cash outflow                  | —                 | 498,215          | 232,090         | 241,188        | 75,374            | 1,046,867      |
| <b>Net exposure</b>                        | <b>—</b>          | <b>–26,172</b>   | <b>5,046</b>    | <b>17,359</b>  | <b>5,357</b>      | <b>1,590</b>   |
| <b>Exposure</b>                            | <b>–83,599</b>    | <b>–85,538</b>   | <b>14,052</b>   | <b>99,035</b>  | <b>125,597</b>    | <b>69,547</b>  |
| <b>Cumulative exposure</b>                 | <b>–83,599</b>    | <b>–169,137</b>  | <b>–155,085</b> | <b>–56,050</b> | <b>69,547</b>     | <b>—</b>       |

| 31 Dec 2010, EURm                          | Payable on demand | Maximum 3 months | 3–12 months     | 1–5 years      | More than 5 years | Total          |
|--------------------------------------------|-------------------|------------------|-----------------|----------------|-------------------|----------------|
| Interest-bearing financial assets          | 43,027            | 55,280           | 49,582          | 157,977        | 214,917           | 520,783        |
| Non interest-bearing financial assets      | —                 | —                | —               | —              | 149,593           | 149,593        |
| <b>Total financial assets</b>              | <b>43,027</b>     | <b>55,280</b>    | <b>49,582</b>   | <b>157,977</b> | <b>364,510</b>    | <b>670,376</b> |
| Interest-bearing financial liabilities     | 126,133           | 136,049          | 36,425          | 72,019         | 72,473            | 443,099        |
| Non interest-bearing financial liabilities | —                 | —                | —               | —              | 204,374           | 204,374        |
| <b>Total financial liabilities</b>         | <b>126,133</b>    | <b>136,049</b>   | <b>36,425</b>   | <b>72,019</b>  | <b>276,847</b>    | <b>647,473</b> |
| Derivatives, cash inflow                   | —                 | 459,741          | 173,362         | 195,877        | 67,016            | 895,996        |
| Derivatives, cash outflow                  | —                 | 458,386          | 169,376         | 191,621        | 65,686            | 885,069        |
| <b>Net exposure</b>                        | <b>—</b>          | <b>1,355</b>     | <b>3,986</b>    | <b>4,256</b>   | <b>1,330</b>      | <b>10,927</b>  |
| <b>Exposure</b>                            | <b>–83,106</b>    | <b>–79,414</b>   | <b>17,143</b>   | <b>90,214</b>  | <b>88,993</b>     | <b>33,830</b>  |
| <b>Cumulative exposure</b>                 | <b>–83,106</b>    | <b>–162,520</b>  | <b>–145,377</b> | <b>–55,163</b> | <b>33,830</b>     | <b>—</b>       |

## G46

## Maturity analysis for assets and liabilities, cont.

The table is based on contractual maturities for on balance sheet financial instruments. For derivatives, the expected cash inflows and outflows are disclosed for both derivative assets and derivative liabilities, as derivatives are managed on a net basis. In addition to the on balance sheet and derivative instruments, Nordea has credit commitments amounting

to EUR 85,319m (EUR 88,740m), which could be drawn on at any time. Nordea has also issued guarantees of EUR 21,627m (EUR 21,290m) which may lead to future cash outflows if certain events occur. For further information about remaining maturity, see also the section of Risk, Liquidity and Capital management.

## G47

## Related-party transactions

The information below is presented from a Nordea perspective, meaning that the information shows the effect from related party transactions on the Nordea figures.

| EURm                                   | Associated undertakings |              | Other related parties <sup>1</sup> |             |
|----------------------------------------|-------------------------|--------------|------------------------------------|-------------|
|                                        | 31 Dec 2011             | 31 Dec 2010  | 31 Dec 2011                        | 31 Dec 2010 |
| <b>Assets</b>                          |                         |              |                                    |             |
| Loans                                  | 275                     | 272          | 12                                 | 8           |
| Interest-bearing securities            | 14                      | —            | —                                  | —           |
| Derivatives                            | 246                     | 154          | —                                  | —           |
| Investments in associated undertakings | 591                     | 554          | —                                  | —           |
| <b>Total assets</b>                    | <b>1,126</b>            | <b>980</b>   | <b>12</b>                          | <b>8</b>    |
| <b>Liabilities</b>                     |                         |              |                                    |             |
| Deposits                               | 71                      | 121          | 44                                 | 71          |
| Debt securities in issue               | 30                      | 30           | —                                  | —           |
| Derivatives                            | 93                      | 89           | —                                  | —           |
| <b>Total liabilities</b>               | <b>194</b>              | <b>240</b>   | <b>44</b>                          | <b>71</b>   |
| <b>Off balance<sup>2</sup></b>         | <b>10,519</b>           | <b>9,358</b> | <b>—</b>                           | <b>—</b>    |

| EURm                                        | Associated undertakings |          | Other related parties <sup>1</sup> |          |
|---------------------------------------------|-------------------------|----------|------------------------------------|----------|
|                                             | 2011                    | 2010     | 2011                               | 2010     |
| <b>Interest income and interest expense</b> |                         |          |                                    |          |
| Interest income                             | 7                       | 5        | —                                  | —        |
| Interest expense                            | 0                       | 0        | 0                                  | 0        |
| <b>Net interest income and expense</b>      | <b>7</b>                | <b>5</b> | <b>0</b>                           | <b>0</b> |

1) Shareholders with significant influence and companies significantly influenced by key management personnel in Nordea Group as well as companies significantly influenced by close family members to these key management personnel are considered to be related parties to Nordea. Included in this group of related parties are Sampo Oyj, PostNord AB, Danisco A/S, Svenska Försäkringskapital AB and Tryg A/S. Transactions with related companies, that are made in Nordea's and the related companies' ordinary course of business and on the same criteria and terms as those for comparable transactions with companies of similar standing, are not included in the table.

2) Including nominal values on derivatives.

### Compensation and loans to key management personnel

Compensation and loans to key management personnel are specified in Note G7.

### Other related-party transactions

Starting in March 2008 Nordea takes part in a guarantee consortium to support Norwegian Eksportfinans ASA in relation to its securities portfolio. Nordea owns 23% of the company with other owners being the Norwegian state and other Nordic banks. Nordea's share of the negative fair value of the contract as of the balance sheet date amounts to approx. EUR 29m. The agreement's expiring date corresponds with the maturity dates of the bonds included in the guarantee. The latest maturity is on 31 December 2023.

In 2009 Nordea entered into one transaction with a company under significant influence by a member of key management personnel, which is disclosed separately in this note due to the transaction's significance for the related company. The related company has a credit limit of EUR 26m, of which EUR 12m was utilised as of 31 December 2011. The latest maturity is 30 June 2012, with the possibility of yearly prolongation after a new credit review. Nordea has collateral in securities (shares) corresponding to 200 percent of the utilised credit limit. The transaction is made on the same criteria and terms as those for comparable transactions with companies of similar standing.

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## Credit risk disclosures

Credit risk management and credit risk analysis are described in the Risk, Liquidity and Capital management section of the Board of Directors' Report. Additional information on credit risk is also disclosed in the Capital and Risk management Report (Pillar III) 2011, which is available on [www.nordea.com](http://www.nordea.com). Much of the information in this note is collected from the Pillar III report in order to fulfil the disclosure requirement regarding credit risk in the Annual report.

The Pillar III report contains the disclosures required by the Capital Requirements Directive (CRD), which is based on the Basel II framework. The Pillar III disclosure is aligned to how Nordea manages credit risk and is believed to be the best way to explain the credit risk exposures in Nordea. Credit risk exposures occur in different forms and are divided into the following types:

| Exposure types, EURm             | 31 Dec 2011    | 31 Dec 2010    |
|----------------------------------|----------------|----------------|
| On-balance sheet items           | 419,603        | 369,839        |
| Off-balance sheet items          | 51,719         | 57,887         |
| Securities financing             | 2,084          | 1,197          |
| Derivatives                      | 42,959         | 28,174         |
| <b>Exposure At Default (EAD)</b> | <b>516,365</b> | <b>457,097</b> |

Tables presented in this note, containing exposure, are presented as Exposure At Default (EAD). EAD is the exposure after applying credit conversion factors (CCF).

#### Reconciliation of exposure types to the balance sheet

The CRD concept of EAD is different from the accounting framework. The tables below show reconciliations from the recognised amount in the accounts to EAD. Capital requirement for credit risk is only calculated for the banking book. The counterparty risk from derivatives and repos are included in the credit exposure, while assets related to the trading book are included in market risk. Assets in the Life operations are not part of the capital requirement calculation and consequently not included in the trading or banking books. The table below shows the reconciliation of the balance sheet assets to the EAD for credit risk. Assets outside the banking book contains credit risk, but from a CRD perspective these assets are measured in other risk classes.

#### On-balance sheet items

| 31 Dec 2011, EURm                                                         | Original exposure | Items related to market risk | Repos, derivatives, securities lending | Life insurance operations | Other        | Balance sheet  |
|---------------------------------------------------------------------------|-------------------|------------------------------|----------------------------------------|---------------------------|--------------|----------------|
| Cash and balances with central banks                                      | 3,764             | —                            | —                                      | 1                         | —            | 3,765          |
| Treasury bills, other interest-bearing securities and pledged instruments | 51,308            | 26,019                       | —                                      | 23,419                    | —            | 100,746        |
| Loans to credit institutions                                              | 45,789            | —                            | 5,513                                  | —                         | 563          | 51,865         |
| Loans to the public                                                       | 312,288           | —                            | 26,784                                 | 878                       | -2,748       | 337,202        |
| Derivatives <sup>1</sup>                                                  | —                 | —                            | 171,929                                | 14                        | —            | 171,943        |
| Intangible assets                                                         | —                 | —                            | —                                      | 335                       | 2,986        | 3,321          |
| Other assets and prepaid expenses                                         | 6,693             | 20,122                       | 30                                     | 20,073                    | 443          | 47,361         |
| <b>Total assets</b>                                                       | <b>419,842</b>    | <b>46,141</b>                | <b>204,256</b>                         | <b>44,720</b>             | <b>1,244</b> | <b>716,203</b> |

#### Exposure at default<sup>2</sup>

1) Derivatives are included in banking and trading books, but not at book values. Counterparty risk in trading derivatives are included in the credit risk.

2) The on-balance exposure have a CCF of 100% but can still have a lower EAD due to provisions in the standardised approach, that are deducted from the original exposure when calculating EAD.

| 31 Dec 2010, EURm                                                         | Original exposure | Items related to market risk | Repos, derivatives, securities lending | Life insurance operations | Other      | Balance sheet  |
|---------------------------------------------------------------------------|-------------------|------------------------------|----------------------------------------|---------------------------|------------|----------------|
| Cash and balances with central banks                                      | 9,957             | —                            | —                                      | 66                        | —          | 10,023         |
| Treasury bills, other interest-bearing securities and pledged instruments | 48,918            | 18,446                       | —                                      | 24,379                    | —          | 91,743         |
| Loans to credit institutions                                              | 7,965             | —                            | 7,825                                  | —                         | -2         | 15,788         |
| Loans to the public                                                       | 296,756           | —                            | 19,701                                 | 327                       | -2,573     | 314,211        |
| Derivatives <sup>1</sup>                                                  | —                 | —                            | 96,801                                 | 24                        | —          | 96,825         |
| Intangible assets                                                         | —                 | —                            | —                                      | 341                       | 2,878      | 3,219          |
| Other assets and prepaid expenses                                         | 6,846             | 24,217                       | 83                                     | 17,657                    | 227        | 49,030         |
| <b>Total assets</b>                                                       | <b>370,442</b>    | <b>42,663</b>                | <b>124,410</b>                         | <b>42,794</b>             | <b>530</b> | <b>580,839</b> |
| <b>Exposure at default<sup>2</sup></b>                                    | <b>369,839</b>    |                              |                                        |                           |            |                |

1) Derivatives are included in banking and trading books, but not at book values. Counterparty risk in trading derivatives are included in the credit risk.

2) The on-balance exposure have a CCF of 100% but can still have a lower EAD due to provisions in the standardised approach, that are deducted from the original exposure when calculating EAD.

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## Credit risk disclosures, cont.

## Off-balance sheet items

|                          | Credit risk<br>in Basel II<br>calculation | Life<br>insurance<br>operations | Included in<br>derivatives<br>and securities<br>financing | Off-<br>balance<br>sheet |
|--------------------------|-------------------------------------------|---------------------------------|-----------------------------------------------------------|--------------------------|
| <b>31 Dec 2011, EURm</b> |                                           |                                 |                                                           |                          |
| Contingent liabilities   | 24,292                                    | 176                             | —                                                         | 24,468                   |
| Commitments              | 85,773                                    | 201                             | 996                                                       | 86,970                   |
| <b>Total</b>             | <b>110,065</b>                            | <b>377</b>                      | <b>996</b>                                                | <b>111,438</b>           |

|                          | Credit risk<br>in Basel II<br>calculation | Items not<br>included in<br>accounts | Original<br>exposure | Average<br>conversion<br>factor | Exposure<br>at default<br>EAD |
|--------------------------|-------------------------------------------|--------------------------------------|----------------------|---------------------------------|-------------------------------|
| <b>31 Dec 2011, EURm</b> |                                           |                                      |                      |                                 |                               |
| Credit facilities        | 47,600                                    | 5,557                                | 53,157               | 48%                             | 25,343                        |
| Checking accounts        | 25,038                                    | —                                    | 25,038               | 23%                             | 5,636                         |
| Loan commitments         | 13,112                                    | 1,674                                | 14,786               | 41%                             | 6,085                         |
| Guarantees               | 23,114                                    | 1                                    | 23,115               | 62%                             | 14,315                        |
| Other                    | 1,201                                     | —                                    | 1,201                | 28%                             | 340                           |
| <b>Total</b>             | <b>110,065</b>                            | <b>7,232</b>                         | <b>117,297</b>       |                                 | <b>51,719</b>                 |

|                          | Credit risk<br>in Basel II<br>calculation | Life<br>insurance<br>operations | Included in<br>derivatives<br>and securities<br>financing | Off-<br>balance<br>sheet |
|--------------------------|-------------------------------------------|---------------------------------|-----------------------------------------------------------|--------------------------|
| <b>31 Dec 2010, EURm</b> |                                           |                                 |                                                           |                          |
| Contingent liabilities   | 23,852                                    | 111                             | —                                                         | 23,963                   |
| Commitments              | 89,574                                    | 1,033                           | 2,142                                                     | 92,749                   |
| <b>Total</b>             | <b>113,426</b>                            | <b>1,144</b>                    | <b>2,142</b>                                              | <b>116,712</b>           |

|                          | Credit risk<br>in Basel II<br>calculation | Items not<br>included in<br>accounts | Original<br>exposure | Average<br>conversion<br>factor | Exposure<br>at default<br>EAD |
|--------------------------|-------------------------------------------|--------------------------------------|----------------------|---------------------------------|-------------------------------|
| <b>31 Dec 2010, EURm</b> |                                           |                                      |                      |                                 |                               |
| Credit facilities        | 48,446                                    | 31,173                               | 79,619               | 35%                             | 28,034                        |
| Checking accounts        | 25,188                                    | —                                    | 25,188               | 23%                             | 5,751                         |
| Loan commitments         | 15,181                                    | 2,379                                | 17,560               | 49%                             | 8,555                         |
| Guarantees               | 23,088                                    | —                                    | 23,088               | 64%                             | 14,852                        |
| Other                    | 1,523                                     | —                                    | 1,523                | 46%                             | 695                           |
| <b>Total</b>             | <b>113,426</b>                            | <b>33,552</b>                        | <b>146,978</b>       |                                 | <b>57,887</b>                 |

## Exposure classes split by exposure type

|                                                 | On-balance<br>sheet items | Off-balance<br>sheet items | Securities<br>financing | Derivatives   | Total<br>exposure |
|-------------------------------------------------|---------------------------|----------------------------|-------------------------|---------------|-------------------|
| <b>31 Dec 2011, EURm</b>                        |                           |                            |                         |               |                   |
| Government, local authorities and central banks | 72,815                    | 1,866                      | 227                     | 2,727         | 77,635            |
| Institutions                                    | 42,209                    | 1,990                      | 1,159                   | 28,338        | 73,696            |
| Corporate                                       | 138,686                   | 37,005                     | 688                     | 11,531        | 187,910           |
| Retail                                          | 155,261                   | 10,841                     | —                       | 121           | 166,223           |
| Other                                           | 10,632                    | 17                         | 10                      | 242           | 10,901            |
| <b>Total exposure</b>                           | <b>419,603</b>            | <b>51,719</b>              | <b>2,084</b>            | <b>42,959</b> | <b>516,365</b>    |

|                                                 | On-balance<br>sheet items | Off-balance<br>sheet items | Securities<br>financing | Derivatives   | Total<br>exposure |
|-------------------------------------------------|---------------------------|----------------------------|-------------------------|---------------|-------------------|
| <b>31 Dec 2010, EURm</b>                        |                           |                            |                         |               |                   |
| Government, local authorities and central banks | 40,906                    | 978                        | 114                     | 1,657         | 43,655            |
| Institutions                                    | 39,750                    | 2,307                      | 664                     | 18,474        | 61,195            |
| Corporate                                       | 133,564                   | 41,195                     | 419                     | 7,691         | 182,869           |
| Retail                                          | 146,909                   | 13,362                     | 0                       | 59            | 160,330           |
| Other                                           | 8,710                     | 45                         | —                       | 293           | 9,048             |
| <b>Total exposure</b>                           | <b>369,839</b>            | <b>57,887</b>              | <b>1,197</b>            | <b>28,174</b> | <b>457,097</b>    |

## G48

## Credit risk disclosures, cont.

## Exposure split by geography and exposure classes

| 31 Dec 2011, EURm                               | Nordic countries | – of which Denmark | – of which Finland | – of which Norway | – of which Sweden | Baltic countries | Poland       | Russia       | Other         | Total          |
|-------------------------------------------------|------------------|--------------------|--------------------|-------------------|-------------------|------------------|--------------|--------------|---------------|----------------|
| Government, local authorities and central banks | 62,874           | 12,094             | 32,515             | 5,693             | 12,572            | 833              | 1,798        | 607          | 11,523        | 77,635         |
| Institutions                                    | 69,297           | 5,890              | 36,979             | 6,698             | 19,730            | 240              | 924          | 117          | 3,118         | 73,696         |
| Corporate                                       | 165,040          | 39,378             | 44,263             | 36,182            | 45,217            | 4,466            | 1,831        | 4,603        | 11,970        | 187,910        |
| Retail                                          | 161,018          | 51,231             | 34,541             | 30,783            | 44,463            | 1,025            | 4,060        | 49           | 71            | 166,223        |
| Other                                           | 6,326            | 1,690              | 1,551              | 379               | 2,706             | 2,470            | 298          | 1,174        | 633           | 10,901         |
| <b>Total exposure</b>                           | <b>464,555</b>   | <b>110,283</b>     | <b>149,849</b>     | <b>79,735</b>     | <b>124,688</b>    | <b>9,034</b>     | <b>8,911</b> | <b>6,550</b> | <b>27,315</b> | <b>516,365</b> |

| 31 Dec 2010, EURm                               | Nordic countries | – of which Denmark | – of which Finland | – of which Norway | – of which Sweden | Baltic countries | Poland       | Russia       | Other         | Total          |
|-------------------------------------------------|------------------|--------------------|--------------------|-------------------|-------------------|------------------|--------------|--------------|---------------|----------------|
| Government, local authorities and central banks | 39,726           | 4,195              | 16,137             | 2,272             | 17,122            | 835              | 922          | 288          | 1,884         | 43,655         |
| Institutions                                    | 54,380           | 10,355             | 26,871             | 2,412             | 14,742            | 79               | 593          | 185          | 5,958         | 61,195         |
| Corporate                                       | 160,056          | 39,915             | 39,067             | 34,634            | 46,440            | 4,385            | 1,526        | 4,387        | 12,515        | 182,869        |
| Retail                                          | 155,036          | 48,944             | 35,071             | 28,389            | 42,632            | 1,490            | 3,373        | 276          | 155           | 160,330        |
| Other                                           | 6,337            | 1,967              | 1,024              | 607               | 2,739             | 1,510            | 288          | 137          | 776           | 9,048          |
| <b>Total exposure</b>                           | <b>415,534</b>   | <b>105,376</b>     | <b>118,170</b>     | <b>68,314</b>     | <b>123,675</b>    | <b>8,299</b>     | <b>6,702</b> | <b>5,273</b> | <b>21,289</b> | <b>457,097</b> |

## Exposure split by industry group

| EURm                                               | 31 Dec 2011    | 31 Dec 2010    |
|----------------------------------------------------|----------------|----------------|
| Retail mortgage                                    | 127,488        | 119,593        |
| Other retail                                       | 39,111         | 40,081         |
| Central and local governments                      | 36,141         | 25,122         |
| Banks                                              | 94,411         | 43,725         |
| Construction and engineering                       | 5,893          | 4,830          |
| Consumer durables (cars, appliances etc)           | 5,651          | 6,294          |
| Consumer staples (food, agriculture etc)           | 12,621         | 12,629         |
| Energy (oil, gas etc)                              | 4,433          | 4,186          |
| Health care and pharmaceuticals                    | 2,635          | 2,607          |
| Industrial capital goods                           | 5,840          | 5,584          |
| Industrial commercial services                     | 19,636         | 19,353         |
| IT software, hardware and services                 | 1,598          | 2,169          |
| Media and leisure                                  | 2,973          | 3,136          |
| Metals and mining materials                        | 1,289          | 1,124          |
| Paper and forest materials                         | 3,529          | 4,085          |
| Real estate management and investment              | 45,036         | 41,611         |
| Retail trade                                       | 13,617         | 13,029         |
| Shipping and offshore                              | 13,441         | 13,105         |
| Telecommunication equipment                        | 622            | 613            |
| Telecommunication operators                        | 2,080          | 2,836          |
| Transportation                                     | 4,711          | 4,526          |
| Utilities (distribution and production)            | 8,685          | 7,394          |
| Other financial companies                          | 35,804         | 47,140         |
| Other materials (chemical, building materials etc) | 7,613          | 8,184          |
| Other                                              | 21,507         | 24,141         |
| <b>Total exposure</b>                              | <b>516,365</b> | <b>457,097</b> |

## G48

## Credit risk disclosures, cont.

## Exposure secured by collaterals, guarantees and credit derivatives

| 31 Dec 2011, EURm                               | Original exposure | EAD            | – of which secured by guarantees and credit derivatives | – of which secured by collateral |
|-------------------------------------------------|-------------------|----------------|---------------------------------------------------------|----------------------------------|
| Government, local authorities and central banks | 74,474            | 77,635         | 290                                                     | 2                                |
| Institutions                                    | 76,428            | 73,696         | 532                                                     | 6,387                            |
| Corporate                                       | 242,455           | 187,910        | 7,812                                                   | 58,473                           |
| Retail                                          | 177,118           | 166,223        | 3,062                                                   | 124,971                          |
| Other                                           | 11,709            | 10,901         | 2                                                       | 3,473                            |
| <b>Total exposure</b>                           | <b>582,184</b>    | <b>516,365</b> | <b>11,698</b>                                           | <b>193,306</b>                   |

| 31 Dec 2010, EURm                               | Original exposure | EAD            | – of which secured by guarantees and credit derivatives | – of which secured by collateral |
|-------------------------------------------------|-------------------|----------------|---------------------------------------------------------|----------------------------------|
| Government, local authorities and central banks | 43,913            | 43,655         | 352                                                     | —                                |
| Institutions                                    | 65,233            | 61,195         | 933                                                     | 3,328                            |
| Corporate                                       | 256,668           | 182,869        | 6,475                                                   | 50,699                           |
| Retail                                          | 171,463           | 160,330        | 2,811                                                   | 117,674                          |
| Other                                           | 9,514             | 9,048          | 2                                                       | 2,428                            |
| <b>Total exposure</b>                           | <b>546,791</b>    | <b>457,097</b> | <b>10,573</b>                                           | <b>174,129</b>                   |

## Collateral distribution

|                           | 31 Dec 2011 | 31 Dec 2010 |
|---------------------------|-------------|-------------|
| Other Physical Collateral | 5.9%        | 5.4%        |
| Receivables               | 1.2%        | 1.1%        |
| Residential Real Estate   | 71.5%       | 74.4%       |
| Commercial Real Estate    | 17.3%       | 16.6%       |
| Financial Collateral      | 4.1%        | 2.5%        |

## Loan-to-value distribution

|                          | 31 Dec 2011  |            | 31 Dec 2010  |            |
|--------------------------|--------------|------------|--------------|------------|
| Retail mortgage exposure | EURbn        | %          | EURbn        | %          |
| <50%                     | 90.3         | 75         | 85.7         | 75         |
| 50–70%                   | 21.6         | 18         | 20.0         | 18         |
| 70–80%                   | 6.0          | 5          | 5.3          | 5          |
| 80–90%                   | 1.6          | 1          | 1.8          | 1          |
| >90%                     | 0.6          | 1          | 0.8          | 1          |
| <b>Total</b>             | <b>120.1</b> | <b>100</b> | <b>113.6</b> | <b>100</b> |

Collateralised Debt Obligations (CDO) – Exposure<sup>1</sup>

|                              | 31 Dec 2011            |                          | 31 Dec 2010            |                          |
|------------------------------|------------------------|--------------------------|------------------------|--------------------------|
| Nominal, EURm                | Bought protection      | Sold protection          | Bought protection      | Sold protection          |
| CDOs, gross                  | 1,575                  | 2,792                    | 1,535                  | 2,999                    |
| Hedged exposures             | 1,394                  | 1,394                    | 1,322                  | 1,322                    |
| <b>CDOs, net<sup>2</sup></b> | <b>181<sup>3</sup></b> | <b>1,398<sup>4</sup></b> | <b>213<sup>3</sup></b> | <b>1,677<sup>4</sup></b> |
| – of which Equity            | 114                    | 385                      | 108                    | 406                      |
| – of which Mezzanine         | 65                     | 400                      | 104                    | 459                      |
| – of which Senior            | 2                      | 613                      | 1                      | 812                      |

1) First-to-Default swaps are not classified as CDOs and are therefore not included in the table. Net bought protection amounts to EUR 218m (EUR 71m) and net sold protection to EUR 53m (EUR 80m). Both bought and sold protection are, to the predominant part, investment grade.

2) Net exposure disregards exposure where tranches are completely identical in terms of reference pool attachment, detachment, maturity and currency.

3) Of which investment grade EUR 181m (EUR 209m) and sub investment grade EUR 0m (EUR 4m).

4) Of which investment grade EUR 1,279m (EUR 1,497m) and sub investment grade EUR 22m (EUR 22m) and not rated EUR 167m (EUR 158m).

## G48

## Credit risk disclosures, cont.

When Nordea sells protection in a CDO transaction, Nordea carries the risk of losses in the reference portfolio on the occurrence of a credit event. When Nordea buys protection in a CDO transaction, any losses in the reference portfolio, in which Nordea has not necessarily invested, triggered by a credit event is then carried by the seller of protection.

The risk from CDOs is hedged with a portfolio of CDSs. The risk positions are subject to various types of market risk limits, including VaR, and the CDO valuations are subject to fair value adjustments for model risk. These fair value adjustments are recognised in the income statement.

## Restructured loans and receivables current year

| EURm                                        | 31 Dec 2011 | 31 Dec 2010 |
|---------------------------------------------|-------------|-------------|
| Loans before restructuring, carrying amount | 81          | 119         |
| Loans after restructuring, carrying amount  | 37          | 66          |

Assets taken over for protection of claims<sup>1</sup>

| EURm                             | 31 Dec 2011 | 31 Dec 2010 |
|----------------------------------|-------------|-------------|
| Current assets, carrying amount: |             |             |
| Land and buildings               | 105         | 50          |
| Shares and other participations  | 26          | 29          |
| Other assets                     | 6           | 6           |
| <b>Total</b>                     | <b>137</b>  | <b>85</b>   |

1) In accordance with Nordea's policy for taking over assets for protection of claims, which is in compliance with the local Banking Business Acts, wherever Nordea is located. Assets, used as collateral for the loan, are generally taken over when the customer is not able to fulfil its obligations to Nordea. The assets taken over are, at the latest, disposed when full recovery is reached.

## Past due loans, excl. impaired loans

| EURm                                                                           | 31 Dec 2011         |                     | 31 Dec 2010         |                     |
|--------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                                | Corporate customers | Household customers | Corporate customers | Household customers |
| 6–30 days                                                                      | 920                 | 991                 | 1,021               | 841                 |
| 31–60 days                                                                     | 186                 | 329                 | 491                 | 349                 |
| 61–90 days                                                                     | 114                 | 127                 | 91                  | 114                 |
| >90 days                                                                       | 222                 | 306                 | 222                 | 298                 |
| <b>Total</b>                                                                   | <b>1,442</b>        | <b>1,753</b>        | <b>1,825</b>        | <b>1,602</b>        |
| Past due not impaired loans divided by loans to the public after allowances, % | 0.85                | 1.25                | 1.08                | 1.14                |

## Loans to corporate customers, by size of loan

| Size in EURm | 31 Dec 2011  |            | 31 Dec 2010  |            |
|--------------|--------------|------------|--------------|------------|
|              | Loans EUR bn | %          | Loans EURbn  | %          |
| 0–10         | 75.6         | 42         | 68.8         | 41         |
| 10–50        | 44.9         | 25         | 37.7         | 22         |
| 50–100       | 21.6         | 12         | 18.5         | 11         |
| 100–250      | 24.0         | 13         | 21.3         | 12         |
| 250–500      | 13.2         | 7          | 11.1         | 7          |
| 500–         | 1.9          | 1          | 11.7         | 7          |
| <b>Total</b> | <b>181.2</b> | <b>100</b> | <b>169.1</b> | <b>100</b> |

## Interest-bearing securities and Treasury bills

| EURm                                   | 31 Dec 2011   |                    |               | 31 Dec 2010   |                    |               |
|----------------------------------------|---------------|--------------------|---------------|---------------|--------------------|---------------|
|                                        | At fair value | At amor-tised cost | Total         | At fair value | At amor-tised cost | Total         |
| State and sovereigns                   | 22,165        | 343                | 22,508        | 18,575        | 604                | 19,179        |
| Municipalities and other public bodies | 5,217         | 431                | 5,648         | 3,541         | 434                | 3,975         |
| Mortgage institutions                  | 27,362        | 2,669              | 30,031        | 18,964        | 8,746              | 27,710        |
| Other credit institutions              | 20,110        | 4,458              | 24,568        | 15,554        | 6,100              | 21,654        |
| Corporates                             | 5,350         | 392                | 5,742         | 4,925         | 171                | 5,096         |
| Corporates, sub-investment grade       | 784           | —                  | 784           | 1,673         | —                  | 1,673         |
| Other                                  | 3,092         | —                  | 3,092         | 2,962         | —                  | 2,962         |
| <b>Total</b>                           | <b>84,080</b> | <b>8,293</b>       | <b>92,373</b> | <b>66,194</b> | <b>16,055</b>      | <b>82,249</b> |

# Income statement, Parent company

| EURm                                                                                | Note          | 2011          | 2010          |
|-------------------------------------------------------------------------------------|---------------|---------------|---------------|
| <b>Operating income</b>                                                             |               |               |               |
| Interest income                                                                     |               | 2,626         | 1,641         |
| Interest expense                                                                    |               | -1,946        | -1,057        |
| <b>Net interest income</b>                                                          | P3            | <b>680</b>    | <b>584</b>    |
| Fee and commission income                                                           |               | 777           | 735           |
| Fee and commission expense                                                          |               | -217          | -164          |
| <b>Net fee and commission income</b>                                                | P4            | <b>560</b>    | <b>571</b>    |
| Net result from items at fair value                                                 | P5            | 234           | 157           |
| Dividends                                                                           | P6            | 1,534         | 2,203         |
| Other operating income                                                              | P7            | 122           | 123           |
| <b>Total operating income</b>                                                       |               | <b>3,130</b>  | <b>3,638</b>  |
| <b>Operating expenses</b>                                                           |               |               |               |
| General administrative expenses:                                                    |               |               |               |
| Staff costs                                                                         | P8            | -823          | -745          |
| Other expenses                                                                      | P9            | -561          | -526          |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | P10, P23, P24 | -112          | -112          |
| <b>Total operating expenses</b>                                                     |               | <b>-1,496</b> | <b>-1,383</b> |
| <b>Profit before loan losses</b>                                                    |               | <b>1,634</b>  | <b>2,255</b>  |
| Net loan losses                                                                     | P11           | -20           | -33           |
| Impairment of securities held as financial non-current assets                       | P21           | -9            | -105          |
| <b>Operating profit</b>                                                             |               | <b>1,605</b>  | <b>2,117</b>  |
| Appropriations                                                                      | P12           | 1             | 0             |
| Income tax expense                                                                  | P13           | -114          | -115          |
| <b>Net profit for the year</b>                                                      |               | <b>1,492</b>  | <b>2,002</b>  |



# Statement of comprehensive income, Parent company

| EURm                                          | 2011         | 2010         |
|-----------------------------------------------|--------------|--------------|
| <b>Net profit for the year</b>                | <b>1,492</b> | <b>2,002</b> |
| Available-for-sale investments: <sup>1</sup>  |              |              |
| Valuation gains/losses during the year        | 8            | 1            |
| Tax on valuation gains/losses during the year | -2           | 0            |
| Cash flow hedges:                             |              |              |
| Valuation gains/losses during the year        | -27          | 1            |
| Tax on valuation gains/losses during the year | 7            | 0            |
| <b>Other comprehensive income, net of tax</b> | <b>-14</b>   | <b>2</b>     |
| <b>Total comprehensive income</b>             | <b>1,478</b> | <b>2,004</b> |

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

# Balance sheet, Parent company

| EURm                                                                            | Note | 31 Dec<br>2011 | 31 Dec<br>2010 |
|---------------------------------------------------------------------------------|------|----------------|----------------|
| <b>Assets</b>                                                                   |      |                |                |
| Cash and balances with central banks                                            |      | 152            | 182            |
| Treasury bills                                                                  | P14  | 3,730          | 4,858          |
| Loans to credit institutions                                                    | P15  | 59,379         | 48,151         |
| Loans to the public                                                             | P15  | 36,421         | 33,800         |
| Interest-bearing securities                                                     | P16  | 14,584         | 15,848         |
| Financial instruments pledged as collateral                                     | P17  | 1,237          | 6,160          |
| Shares                                                                          | P18  | 1,135          | 320            |
| Derivatives                                                                     | P19  | 4,339          | 2,611          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | P20  | -632           | 795            |
| Investments in group undertakings                                               | P21  | 16,713         | 16,690         |
| Investments in associated undertakings                                          | P22  | 5              | 4              |
| Intangible assets                                                               | P23  | 658            | 671            |
| Property and equipment                                                          | P24  | 81             | 77             |
| Deferred tax assets                                                             | P13  | 26             | 8              |
| Current tax assets                                                              | P13  | 12             | 1              |
| Other assets                                                                    | P25  | 2,262          | 2,620          |
| Prepaid expenses and accrued income                                             | P26  | 1,279          | 1,009          |
| <b>Total assets</b>                                                             |      | <b>141,381</b> | <b>133,805</b> |
| <b>Liabilities</b>                                                              |      |                |                |
| Deposits by credit institutions                                                 | P27  | 22,441         | 28,644         |
| Deposits and borrowings from the public                                         | P28  | 44,389         | 39,620         |
| Debt securities in issue                                                        | P29  | 45,367         | 33,424         |
| Derivatives                                                                     | P19  | 3,014          | 2,174          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | P20  | 147            | 749            |
| Current tax liabilities                                                         | P13  | 71             | 110            |
| Other liabilities                                                               | P30  | 1,776          | 4,458          |
| Accrued expenses and prepaid income                                             | P31  | 851            | 721            |
| Deferred tax liabilities                                                        | P13  | 2              | 0              |
| Provisions                                                                      | P32  | 90             | 35             |
| Retirement benefit obligations                                                  | P33  | 153            | 149            |
| Subordinated liabilities                                                        | P34  | 6,154          | 7,135          |
| <b>Total liabilities</b>                                                        |      | <b>124,455</b> | <b>117,219</b> |
| <b>Untaxed reserves</b>                                                         | P35  | <b>5</b>       | <b>6</b>       |
| <b>Equity</b>                                                                   |      |                |                |
| Share capital                                                                   |      | 4,047          | 4,043          |
| Share premium reserve                                                           |      | 1,080          | 1,065          |
| Other reserves                                                                  |      | -13            | 1              |
| Retained earnings                                                               |      | 11,807         | 11,471         |
| <b>Total equity</b>                                                             |      | <b>16,921</b>  | <b>16,580</b>  |
| <b>Total liabilities and equity</b>                                             |      | <b>141,381</b> | <b>133,805</b> |
| Assets pledged as security for own liabilities                                  | P36  | 3,530          | 6,843          |
| Other assets pledged                                                            | P37  | 7,264          | 7,259          |
| Contingent liabilities                                                          | P38  | 24,720         | 23,903         |
| Commitments                                                                     | P39  | 25,098         | 29,874         |

# Statement of changes in equity, Parent company

| EURm                                          | Restricted equity | Unrestricted equity <sup>1</sup> |                  |                                |                   |               |
|-----------------------------------------------|-------------------|----------------------------------|------------------|--------------------------------|-------------------|---------------|
|                                               | Share capital     | Share premium reserve            | Other reserves:  |                                |                   | Total equity  |
|                                               |                   |                                  | Cash flow hedges | Available-for-sale investments | Retained earnings |               |
| <b>Balance at 1 Jan 2011</b>                  | <b>4,043</b>      | <b>1,065</b>                     | —                | <b>1</b>                       | <b>11,471</b>     | <b>16,580</b> |
| Net profit for the year                       | —                 | —                                | —                | —                              | 1,492             | 1,492         |
| Available-for-sale investments:               | —                 | —                                | —                | —                              | —                 | —             |
| Valuation gains/losses during the year        | —                 | —                                | —                | 8                              | —                 | 8             |
| Tax on valuation gains/losses during the year | —                 | —                                | —                | -2                             | —                 | -2            |
| Cash flow hedges:                             | —                 | —                                | —                | —                              | —                 | —             |
| Valuation gains/losses during the year        | —                 | —                                | -27              | —                              | —                 | -27           |
| Tax on valuation gains/losses during the year | —                 | —                                | 7                | —                              | —                 | 7             |
| Other comprehensive income, net of tax        | —                 | —                                | -20              | 6                              | —                 | -14           |
| Total comprehensive income                    | —                 | —                                | -20              | 6                              | 1,492             | 1,478         |
| Issued C-shares <sup>2</sup>                  | 4                 | —                                | —                | —                              | —                 | 4             |
| Repurchase of C-shares <sup>2</sup>           | —                 | —                                | —                | —                              | -4                | -4            |
| Share-based payments                          | —                 | —                                | —                | —                              | 11                | 11            |
| Dividend for 2010                             | —                 | —                                | —                | —                              | -1,168            | -1,168        |
| Divestment of own shares                      | —                 | —                                | —                | —                              | 5                 | 5             |
| Other changes                                 | —                 | 15 <sup>3</sup>                  | —                | —                              | —                 | 15            |
| <b>Balance at 31 Dec 2011</b>                 | <b>4,047</b>      | <b>1,080</b>                     | <b>-20</b>       | <b>7</b>                       | <b>11,807</b>     | <b>16,921</b> |
| <b>Balance at 1 Jan 2010</b>                  | <b>4,037</b>      | <b>1,065</b>                     | <b>-1</b>        | —                              | <b>10,399</b>     | <b>15,500</b> |
| Net profit for the year                       | —                 | —                                | —                | —                              | 2,002             | 2,002         |
| Available-for-sale investments:               | —                 | —                                | —                | —                              | —                 | —             |
| Valuation gains/losses during the year        | —                 | —                                | —                | 1                              | —                 | 1             |
| Tax on valuation gains/losses during the year | —                 | —                                | —                | 0                              | —                 | 0             |
| Cash flow hedges:                             | —                 | —                                | —                | —                              | —                 | —             |
| Valuation gains/losses during the year        | —                 | —                                | 1                | —                              | —                 | 1             |
| Tax on valuation gains/losses during the year | —                 | —                                | 0                | —                              | —                 | 0             |
| Other comprehensive income, net of tax        | —                 | —                                | 1                | 1                              | —                 | 2             |
| Total comprehensive income                    | —                 | —                                | 1                | 1                              | 2,002             | 2,004         |
| Issued C-shares <sup>2</sup>                  | 6                 | —                                | —                | —                              | —                 | 6             |
| Repurchase of C-shares <sup>2</sup>           | —                 | —                                | —                | —                              | -6                | -6            |
| Share-based payments                          | —                 | —                                | —                | —                              | 16                | 16            |
| Dividend for 2009                             | —                 | —                                | —                | —                              | -1,006            | -1,006        |
| Divestment of own shares                      | —                 | —                                | —                | —                              | 66                | 66            |
| <b>Balance at 31 Dec 2010</b>                 | <b>4,043</b>      | <b>1,065</b>                     | —                | <b>1</b>                       | <b>11,471</b>     | <b>16,580</b> |

1) Apart from retained earnings, unrestricted equity consists of a free fund to the amount of EUR 2,762m (31 Dec 2010: EUR 2,762m).

2) Refers to the Long Term Incentive Programme (LTIP). LTIP 2011 was hedged by issuing 4,730,000 C-shares (LTIP 2010 5,125,000), the shares have been bought back and converted to ordinary shares. The total holding of own shares related to LTIP is 18.2 million (31 Dec 2010 15.4 million).

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

Description of items in equity is included in Note G1 Accounting policies.

**Share capital**

|                               | Quota value per share, EUR | Total number of shares | Share capital, EUR   |
|-------------------------------|----------------------------|------------------------|----------------------|
| <b>Balance at 1 Jan 2010</b>  | <b>1.0</b>                 | <b>4,037,417,751</b>   | <b>4 037,417,751</b> |
| New issue <sup>1</sup>        | 1.0                        | 5,125,000              | 5,125,000            |
| <b>Balance at 31 Dec 2010</b> | <b>1.0</b>                 | <b>4,042,542,751</b>   | <b>4,042,542,751</b> |
| New issue <sup>1</sup>        | 1.0                        | 4,730,000              | 4,730,000            |
| <b>Balance at 31 Dec 2011</b> | <b>1.0</b>                 | <b>4,047,272,751</b>   | <b>4,047,272,751</b> |

1) Refers to the Long Term Incentive Programme (LTIP).

**Dividends per share**

Final dividends are not accounted for until they have been ratified at the Annual General Meeting (AGM). At the AGM on 22 March 2012, a dividend in respect of 2011 of EUR 0.26 per share (2010 actual dividend EUR 0.29 per share) amount-

ing to a total of EUR 1,047,546,038 (2010 actual: EUR 1,167,867,606) is to be proposed. The financial statements for the year ended 31 December 2011 do not reflect this resolution, which will be accounted for in equity as an appropriation of retained earnings in the year ending 31 December 2012.

# Cash flow statement, Parent company

| EURm                                                                                          | 2011          | 2010        |
|-----------------------------------------------------------------------------------------------|---------------|-------------|
| <b>Operating activities</b>                                                                   |               |             |
| Operating profit                                                                              | 1,605         | 2,117       |
| Adjustment for items not included in cash flow                                                | -1,109        | -1,344      |
| Income taxes paid                                                                             | -166          | 5           |
| <b>Cash flow from operating activities before changes in operating assets and liabilities</b> | <b>330</b>    | <b>778</b>  |
| <b>Changes in operating assets</b>                                                            |               |             |
| Change in treasury bills                                                                      | 1,401         | -1,201      |
| Change in loans to credit institutions                                                        | -8,644        | -5,005      |
| Change in loans to the public                                                                 | -2,663        | -4,994      |
| Change in interest-bearing securities                                                         | -1,301        | 691         |
| Change in financial assets pledged as collateral                                              | 4,923         | -3,884      |
| Change in shares                                                                              | -876          | 386         |
| Change in derivatives, net                                                                    | -283          | -85         |
| Change in other assets                                                                        | 1,732         | 893         |
| <b>Changes in operating liabilities</b>                                                       |               |             |
| Change in deposits by credit institutions                                                     | -6,202        | -1,543      |
| Change in deposits and borrowings from the public                                             | 4,768         | 5,003       |
| Change in debt securities in issue                                                            | 11,943        | 11,305      |
| Change in other liabilities                                                                   | -2,682        | -1,844      |
| <b>Cash flow from operating activities</b>                                                    | <b>2,446</b>  | <b>500</b>  |
| <b>Investing activities</b>                                                                   |               |             |
| Acquisition of business operations                                                            | —             | -442        |
| Sale of business operations                                                                   | 2             | —           |
| Acquisition of associated undertakings                                                        | -1            | -2          |
| Acquisition of property and equipment                                                         | -32           | -24         |
| Sale of property and equipment                                                                | 1             | 1           |
| Acquisition of intangible assets                                                              | -74           | -57         |
| Sale of intangible assets                                                                     | —             | 0           |
| Net investments in debt securities, held to maturity                                          | 2,841         | 400         |
| Purchase/sale of other financial fixed assets                                                 | -279          | 0           |
| <b>Cash flow from investing activities</b>                                                    | <b>2,458</b>  | <b>-124</b> |
| <b>Financing activities</b>                                                                   |               |             |
| Issued subordinated liabilities                                                               | 957           | 1,740       |
| Amortised subordinated liabilities                                                            | -2,160        | -1,556      |
| New share issue                                                                               | 19            | 6           |
| Divestment of own shares incl change in trading portfolio                                     | 1             | 60          |
| Dividend paid                                                                                 | -1,168        | -1,006      |
| <b>Cash flow from financing activities</b>                                                    | <b>-2,351</b> | <b>-756</b> |
| <b>Cash flow for the year</b>                                                                 | <b>2,553</b>  | <b>-380</b> |
| Cash and cash equivalents at the beginning of year                                            | 5,499         | 5,879       |
| Translation difference                                                                        | 0             | 0           |
| Cash and cash equivalents at the end of year                                                  | 8,052         | 5,499       |
| <b>Change</b>                                                                                 | <b>2,553</b>  | <b>-380</b> |

### Comments on the cash flow statement

The cash flow statement has been prepared in accordance with IAS 7. The cash flow statement shows inflows and outflows of cash and cash equivalents during the year. Nordea's cash flow has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. The cash flows are classified by operating, investing and financing activities.

### Operating activities

Operating activities are the principal revenue-producing activities and cash flows are mainly derived from the operating profit for the year with adjustment for items not included in cash flow and income taxes paid. Adjustment for non-cash items includes:

| EURm                                                               | 2011          | 2010          |
|--------------------------------------------------------------------|---------------|---------------|
| Depreciation                                                       | 110           | 112           |
| Impairment charges                                                 | 11            | 105           |
| Loan losses                                                        | 41            | 54            |
| Unrealised gains/losses                                            | -832          | -47           |
| Capital gains/losses (net)                                         | 0             | 0             |
| Change in accruals and provisions                                  | -89           | 55            |
| Anticipated dividends                                              | -1,055        | -1,598        |
| Group contributions                                                | -355          | -305          |
| Translation differences                                            | 86            | 320           |
| Change in fair value of the hedged items, assets/liabilities (net) | 962           | 26            |
| Other                                                              | 12            | -66           |
| <b>Total</b>                                                       | <b>-1,109</b> | <b>-1,344</b> |

Changes in operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans, deposits and debt securities in issue. Changes in derivatives are reported net.

Cash flow from operating activities includes interest payments received and interest expenses paid with the following amounts:

| EURm                       | 2011  | 2010  |
|----------------------------|-------|-------|
| Interest payments received | 2,502 | 1,558 |
| Interest expenses paid     | 1,820 | 905   |

### Investing activities

Investing activities include acquisitions and disposals of non-current assets, like property and equipment, intangible and financial assets.

### Financing activities

Financing activities are activities that result in changes in equity and subordinated liabilities, such as new issues of shares, dividends and issued/amortised subordinated liabilities.

### Cash and cash equivalents

The following items are included in Cash and cash equivalents:

| EURm                                            | 31 Dec 2011  | 31 Dec 2010  |
|-------------------------------------------------|--------------|--------------|
| Cash and balances with central banks            | 152          | 182          |
| Loans to credit institutions, payable on demand | 7,900        | 5,317        |
|                                                 | <b>8,052</b> | <b>5,499</b> |

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

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

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

# 5 year overview, Parent company

## Income statement

| EURm                                                                                | 2011         | 2010          | 2009          | 2008          | 2007          |
|-------------------------------------------------------------------------------------|--------------|---------------|---------------|---------------|---------------|
| Net interest income                                                                 | 680          | 584           | 666           | 523           | 360           |
| Net fee and commission income                                                       | 560          | 571           | 456           | 468           | 463           |
| Net result from items at fair value                                                 | 234          | 157           | 152           | -13           | 194           |
| Dividends                                                                           | 1,534        | 2,203         | 973           | 2,063         | 1,323         |
| Other income                                                                        | 122          | 123           | 123           | 190           | 127           |
| <b>Total operating income</b>                                                       | <b>3,130</b> | <b>3,638</b>  | <b>2,370</b>  | <b>3,231</b>  | <b>2,467</b>  |
| General administrative expenses:                                                    |              |               |               |               |               |
| Staff costs                                                                         | -823         | -745          | -644          | -676          | -638          |
| Other expenses                                                                      | -561         | -526          | -443          | -473          | -514          |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -112         | -112          | -106          | -103          | -101          |
| <b>Total operating expenses</b>                                                     | <b>1,496</b> | <b>-1,383</b> | <b>-1,193</b> | <b>-1,252</b> | <b>-1,253</b> |
| <b>Profit before loan losses</b>                                                    | <b>1,634</b> | <b>2,255</b>  | <b>1,177</b>  | <b>1,979</b>  | <b>1,214</b>  |
| Net loan losses                                                                     | -20          | -33           | -165          | -80           | 25            |
| Impairment of securities held as financial non-current assets                       | -9           | -105          | —             | -26           | —             |
| <b>Operating profit</b>                                                             | <b>1,605</b> | <b>2,117</b>  | <b>1,012</b>  | <b>1,873</b>  | <b>1,239</b>  |
| Appropriations                                                                      | 1            | 0             | -3            | 4             | -2            |
| Income tax expense                                                                  | -114         | -115          | -24           | 11            | -34           |
| <b>Net profit for the year</b>                                                      | <b>1,492</b> | <b>2,002</b>  | <b>985</b>    | <b>1,888</b>  | <b>1,203</b>  |

## Balance sheet

| EURm                                           | 31 Dec 2011    | 31 Dec 2010    | 31 Dec 2009    | 31 Dec 2008    | 31 Dec 2007   |
|------------------------------------------------|----------------|----------------|----------------|----------------|---------------|
| Treasury bills and interest-bearing securities | 18,314         | 20,706         | 20,675         | 12,178         | 5,783         |
| Loans to credit institutions                   | 59,379         | 48,151         | 43,501         | 43,855         | 36,824        |
| Loans to the public                            | 36,421         | 33,800         | 28,860         | 29,240         | 26,640        |
| Investments in group undertakings              | 16,713         | 16,690         | 16,165         | 15,866         | 15,488        |
| Other assets                                   | 10,554         | 14,458         | 9,125          | 11,895         | 9,743         |
| <b>Total assets</b>                            | <b>141,381</b> | <b>133,805</b> | <b>118,326</b> | <b>113,034</b> | <b>94,478</b> |
| Deposits by credit institutions                | 22,441         | 28,644         | 30,187         | 34,713         | 24,275        |
| Deposits and borrowings from the public        | 44,389         | 39,620         | 34,617         | 33,457         | 32,296        |
| Debt securities in issue                       | 45,367         | 33,424         | 22,119         | 17,949         | 13,839        |
| Subordinated liabilities                       | 6,154          | 7,135          | 6,605          | 6,829          | 6,151         |
| Other liabilities/untaxed reserves             | 6,109          | 8,402          | 9,298          | 7,615          | 6,007         |
| Equity                                         | 16,921         | 16,580         | 15,500         | 12,471         | 11,910        |
| <b>Total liabilities and equity</b>            | <b>141,381</b> | <b>133,805</b> | <b>118,326</b> | <b>113,034</b> | <b>94,478</b> |

## P1

## Accounting policies

**1. Basis for presentation**

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

The Group's accounting policies described in Note G1 "Accounting policies" are applicable also for the parent company, considering also the information provided below.

**Changed accounting policies and presentation**

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2010 Annual Report, except for the categorisation of lending related commissions within "Net fee and commission income" and the accounting for group contributions.

More information on other changes in IFRSs implemented in 2011, which have not had any significant impact on the parent company, as well as on forthcoming changes in IFRSs not yet implemented by Nordea, can be found in section 2 "Changed accounting policies and presentation" and section 3 "Changes in IFRSs not yet effective for Nordea" respectively in Note G1 "Accounting policies". The conclusions within these sections are, where applicable, relevant also for the parent company.

**Categorisation of lending related commissions**

The categorisation of lending related commissions within "Net fee and commission income" (Note P4) has been changed, in order to be better aligned with the purpose for which the fees are received. The change mainly relates to syndicated transactions. The comparable figures have been restated accordingly and the impact is disclosed in the below table.

| EURm                    | 2010       |            |
|-------------------------|------------|------------|
|                         | New policy | Old policy |
| Lending                 | 151        | 97         |
| Other commission income | 42         | 96         |

**Accounting for group contributions**

The accounting for group contribution has been changed as a result of the withdrawal of UFR 2 "Group contributions and shareholders' contributions", issued by the Swedish Financial Reporting Board. Previously, group contributions paid or received for the purpose of optimising the tax expense were reported as a decrease/increase of unrestricted equity (after adjustment for tax), through other comprehensive income. Group contributions regarded as substitutes for dividends were accounted for as dividends.

As from 2011 group contributions paid to subsidiaries are recognised as an increase in the value of investments in group undertakings, net of tax. Group contributions received from subsidiaries are recognised as dividends. The possible

tax effects on group contributions received are classified as "Income tax expense" in the income statement. The comparable figures have been restated accordingly and the impact is disclosed in the below table.

| EURm                              | 2011       |            | 2010       |            |
|-----------------------------------|------------|------------|------------|------------|
|                                   | New policy | Old policy | New policy | Old policy |
| Investments in group undertakings | 16,713     | 16,604     | 16,690     | 16,607     |
| Retained earnings                 | 11,807     | 11,698     | 11,471     | 11,388     |
| Other comprehensive income        | -14        | -40        | 2          | -81        |

**Accounting policies applicable for the parent company only****Investments in group undertakings and associated undertakings**

The parent company's investments in subsidiaries and associated companies are recognised under the cost model. Impairment tests are performed according to IAS 36 "Impairment of Assets". At each balance sheet date, all shares in subsidiaries and associated companies are reviewed for indications of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of each holding of shares is fully recoverable. The recoverable amount is the higher of fair value less costs to sell and the value in use. Any impairment charge is calculated as the difference between the carrying amount and the recoverable amount and is classified as "Impairment of securities held as financial non-current assets" in the income statement.

**Dividends**

Dividends paid to the shareholders of Nordea Bank AB (publ) are recorded as a liability following the approval of the Annual General Meeting.

Dividends paid by group undertakings to the parent company are anticipated if the parent alone can decide on the size of the dividend and if the formal decision has been made before the financial report is published. Dividends from group- and associated undertakings are recognised on the separate income line "Dividends".

**Differences compared to IFRS**

The accounting principles applied differ from IFRS mainly in the following aspects:

**Amortisation of goodwill**

Under IAS 38, goodwill and other intangible assets with indefinite useful lives are not amortised in the consolidated financial statements. In the parent company financial statements goodwill is amortised as any other intangible asset in accordance with the rules set out in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), i.e. normally over a period of five years unless, under exceptional circumstances, a longer amortisation period is justified.

**Functional currency**

The functional and presentation currency of Nordea Bank AB (publ) is EUR. All transactions in other currencies are converted to EUR in accordance with the policies disclosed in section 9 "Translation of assets and liabilities denominated in foreign currencies" in note G1 "Accounting policies".



## P1

## Accounting policies, cont.

**Pensions**

The accounting principle for defined benefit obligations follows the Swedish rules ("Tryggandelagen") and the regulations of the Swedish Financial Supervisory Authority as this is the condition for tax deductibility. The significant differences compared with IAS 19 consist of how the discount rate is determined, that the calculation of the defined benefit obligation is based on current salary level without assumptions about future salary increases and that all actuarial gains and losses are recognised in the income statement when they occur.

In Sweden, actuarial pension commitments are guaranteed by a pension foundation or recognised as a liability. No net defined benefit assets are recognised. The pension cost in the parent company, classified as "Staff cost" in the income state-

ment, consists of changes in recognised pension provisions (including special wage tax) for active employees, pension benefits paid, contributions made to or received from the pension foundation and related special wage tax.

**Group contributions**

See section "Changed accounting policies and presentation", sub-section "Accounting for group contributions".

**Untaxed reserves**

The parent company reports untaxed reserves, related to accelerated depreciation under tax regulations, including the deferred tax component. In the consolidated financial statements, untaxed reserves are split on the items "Retained earnings" and "Deferred tax liabilities" in the balance sheet.

## P2

## Segment reporting

**Operating segments**

| Income statement<br>EURm | Retail Banking |       | Group Corporate Centre |       | Other Operating segments |      | Total operating segments |       | Reconciliation |      | Total |       |
|--------------------------|----------------|-------|------------------------|-------|--------------------------|------|--------------------------|-------|----------------|------|-------|-------|
|                          | 2011           | 2010  | 2011                   | 2010  | 2011                     | 2010 | 2011                     | 2010  | 2011           | 2010 | 2011  | 2010  |
| Total operating income   | 1,335          | 1,067 | 1,589                  | 2,225 | 215                      | 381  | 3,139                    | 3,673 | -9             | -35  | 3,130 | 3,638 |

**Geographical information**

| EURm                   | Sweden |       | Finland <sup>1</sup> |      | Norway <sup>1</sup> |      | Denmark <sup>1</sup> |      | Others <sup>1</sup> |      | Total |       |
|------------------------|--------|-------|----------------------|------|---------------------|------|----------------------|------|---------------------|------|-------|-------|
|                        | 2011   | 2010  | 2011                 | 2010 | 2011                | 2010 | 2011                 | 2010 | 2011                | 2010 | 2011  | 2010  |
| Total operating income | 2,017  | 1,905 | 1,018                | 717  | 29                  | 503  | 7                    | 456  | 59                  | 57   | 3,130 | 3,638 |

1) Regards dividends from subsidiaries.

## P3

## Net interest income

| EURm                                    | 2011          | 2010          |
|-----------------------------------------|---------------|---------------|
| <b>Interest income</b>                  |               |               |
| Loans to credit institutions            | 950           | 430           |
| Loans to the public                     | 1,164         | 721           |
| Interest-bearing securities             | 460           | 456           |
| Other interest income                   | 52            | 34            |
| <b>Interest income</b>                  | <b>2,626</b>  | <b>1,641</b>  |
| <b>Interest expense</b>                 |               |               |
| Deposits by credit institutions         | -275          | -161          |
| Deposits and borrowings from the public | -549          | -155          |
| Debt securities in issue                | -888          | -576          |
| Subordinated liabilities                | -294          | -272          |
| Other interest expenses <sup>1</sup>    | 60            | 107           |
| <b>Interest expense</b>                 | <b>-1,946</b> | <b>-1,057</b> |
| <b>Net interest income</b>              | <b>680</b>    | <b>584</b>    |

1) The net interest income from derivatives, measured at fair value and related to Nordea's funding. This can have both a positive and negative impact on other interest expense, for further information see Note G1.

Interest income from financial instruments not measured at fair value through profit and loss amounts to EUR 2,260m (EUR 1,300m). Interest expenses from financial instruments not measured at fair value through profit and loss amounts to EUR -1,990m (EUR -1,167m).

## P4 Net fee and commission income

| EURm                                     | 2011        | 2010        |
|------------------------------------------|-------------|-------------|
| Asset management commissions             | 90          | 89          |
| Life insurance                           | 10          | 10          |
| Brokerage                                | 104         | 88          |
| Custody                                  | 11          | 8           |
| Deposits                                 | 25          | 27          |
| <b>Total savings related commissions</b> | <b>240</b>  | <b>222</b>  |
| Payments                                 | 121         | 118         |
| Cards                                    | 202         | 182         |
| <b>Total payment commissions</b>         | <b>323</b>  | <b>300</b>  |
| Lending                                  | 133         | 151         |
| Guarantees and documentary payment       | 36          | 20          |
| <b>Total lending related commissions</b> | <b>169</b>  | <b>171</b>  |
| Other commission income                  | 45          | 42          |
| <b>Fee and commission income</b>         | <b>777</b>  | <b>735</b>  |
| Payment expenses                         | -137        | -120        |
| State guarantee fees                     | -42         | -16         |
| Other commission expenses                | -38         | -28         |
| <b>Fee and commission expense</b>        | <b>-217</b> | <b>-164</b> |
| <b>Net fee and commission income</b>     | <b>560</b>  | <b>571</b>  |

Fee income, not included in determining the effective interest rate, from financial assets and liabilities not measured at fair value through profit or loss amounts to EUR 158m (EUR 123m).

Fee income, not included in determining the effective interest rate, from fiduciary activities that result in the holding or investing of assets on behalf of customers amount to EUR 205m (EUR 182m).

## P5 Net result from items at fair value

| EURm                                                               | 2011       | 2010       |
|--------------------------------------------------------------------|------------|------------|
| Shares/participations and other share-related instruments          | 45         | 72         |
| Interest-bearing securities and other interest-related instruments | 98         | 59         |
| Other financial instruments                                        | -6         | 10         |
| Foreign exchange gains/losses                                      | 97         | 16         |
| <b>Total</b>                                                       | <b>234</b> | <b>157</b> |

### Net result from categories of financial instruments

| EURm                                                                  | 2011       | 2010       |
|-----------------------------------------------------------------------|------------|------------|
| Financial instruments designated at fair value through profit or loss | 40         | 32         |
| Financial instruments held for trading <sup>1</sup>                   | 140        | 135        |
| Financial instruments under hedge accounting                          | 7          | 15         |
| – of which net losses on hedging instruments                          | 901        | 38         |
| – of which net gains on hedged items                                  | -894       | -23        |
| Financial assets measured at amortised cost                           | —          | -3         |
| Financial liabilities measured at amortised cost                      | -8         | —          |
| Foreign exchange gains/losses excl currency hedges                    | 55         | -22        |
| Other                                                                 | —          | 0          |
| <b>Total</b>                                                          | <b>234</b> | <b>157</b> |

1) Of which amortised deferred day one profits amounts to EUR 0m (EUR 0m).

## P6 Dividends

| EURm                                 | 2011         | 2010         |
|--------------------------------------|--------------|--------------|
| <b>Dividends</b>                     |              |              |
| Nordea Bank Finland Plc              | 1,000        | 700          |
| Nordea Bank Danmark A/S              | —            | 449          |
| Nordea Bank Norge ASA                | 29           | 500          |
| Nordea Life Holding AB               | 26           | 122          |
| Nordea Investment Management AB      | 40           | 44           |
| Nordea Bank S.A Luxembourg           | 40           | 36           |
| Nordea Investment Funds Company I SA | 19           | 21           |
| Nordea Investment Management Finland | 18           | 17           |
| Nordea Ejendomsinvestering A/S       | 7            | 6            |
| Nordea Fondene Norge A/S             | 0            | 3            |
| <b>Group Contributions</b>           |              |              |
| Nordea Hypotek AB                    | 302          | 276          |
| Nordea Fonder AB                     | 28           | 28           |
| Nordea Finans AB                     | 25           | —            |
| Nordic Baltic Holding AB             | 0            | 1            |
| <b>Total</b>                         | <b>1,534</b> | <b>2,203</b> |

## P7 Other operating income

| EURm                                | 2011       | 2010       |
|-------------------------------------|------------|------------|
| Sale of global custody operations   | —          | 2          |
| Divestment of shares                | 3          | —          |
| Remuneration for financial services | 52         | 56         |
| Other                               | 67         | 65         |
| <b>Total</b>                        | <b>122</b> | <b>123</b> |

## P8

## Staff costs

| EURm                                                         | 2011        | 2010        |
|--------------------------------------------------------------|-------------|-------------|
| Salaries and remuneration (specification below) <sup>1</sup> | -498        | -431        |
| Pension costs (specification below)                          | -110        | -120        |
| Social security contributions                                | -186        | -167        |
| Other staff costs                                            | -29         | -27         |
| <b>Total</b>                                                 | <b>-823</b> | <b>-745</b> |

**Salaries and remuneration**To executives<sup>2</sup>

|                                    |             |             |
|------------------------------------|-------------|-------------|
| – Fixed compensation and benefits  | -6          | -5          |
| – Performance-related compensation | -2          | -1          |
| – Allocation to profitsharing      | 0           | 0           |
| <b>Total</b>                       | <b>-8</b>   | <b>-6</b>   |
| To other employees                 | -490        | -425        |
| <b>Total</b>                       | <b>-498</b> | <b>-431</b> |

1) Allocation to profit-sharing foundation 2011 EUR 4m (EUR 5m) consists of a new allocation of EUR 7m (EUR 6m) and a release related to prior years of EUR 3m (EUR 1m).

2) Executives include the Board of Directors (including deputies), CEO, deputy CEO, executive vice presidents and Group Executive Management in the parent company. Former board members (including deputies), CEOs, deputy CEOs, managing directors and executive vice presidents, are included. Executives amounts to 19 (20) positions.

| EURm                             | 2011        | 2010        |
|----------------------------------|-------------|-------------|
| <b>Pension costs<sup>1</sup></b> |             |             |
| Defined benefit plans            | -67         | -83         |
| Defined contribution plans       | -43         | -37         |
| <b>Total</b>                     | <b>-110</b> | <b>-120</b> |

1) Pension costs for executives, see Note G7.

**Additional disclosures on remuneration under Nordic FSAs' regulations and general guidelines**

The qualitative disclosures under these regulations can be found in the separate section on remuneration in the Board of Directors' Report, while the quantitative disclosures will be published in a separate report on Nordea's homepage ([www.nordea.com](http://www.nordea.com)) in due time before the Annual General Meeting 2012.

**Compensation to key management personnel**

Salaries and remuneration to the Board of Directors, CEO and Group Executive Management, see Note G7.

**Loans to key management personnel**

Loans to key management personnel amounts to EUR 0m (EUR 0m). Interest income on these loans amounts to EUR 0m (EUR 0m). For information about loan conditions, see Note G7.

**Long Term Incentive Programmes**

Participation in the Long Term Incentive Programmes (LTIPs) requires that the participants take direct ownership by investing in Nordea shares. For more information about conditions and requirements, see Note G7.

For information on number of outstanding conditional rights in the LTIPs, see note G7. All rights in the LTIPs, both to employees in the parent company as well as to employees in subsidiaries, are issued by Nordea Bank AB (publ).

The expenses in below table regards only employees in Nordea Bank AB (publ).

**Expenses<sup>1</sup>**

| EURm               | LTIP 2011 | LTIP 2010 | LTIP 2009 | LTIP 2008 | LTIP 2007 |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| Expected expense   | -6        | -3        | -4        | -3        | -4        |
| Maximum expense    | -10       | -7        | -4        | -3        | -4        |
| Total expense 2011 | -1        | -1        | -1        | —         | —         |
| Total expense 2010 | —         | -1        | -3        | -2        | —         |

1) All amounts excluding social charges.

When calculating the expected expense an expected annual employee turnover of 5% has been used in LTIP 2011. The expected expense is recognised over the vesting period of 36 months (LTIP 2011 and 2010) and 24 months (LTIP 2009, 2008 and 2007).

**Cash-settled share-based payment transaction**

Nordea operates share-linked deferrals on parts of variable compensation for certain employee categories, indexed with Nordea Total Shareholder Returns (TSR) and either vesting after three years or vesting in equal instalments over a three to five year period. Since 2011 Nordea also operates TSR-linked retention on part of variable compensation for certain employee categories. The below table only includes deferred amounts indexed with Nordea TSR. Nordea also operates deferrals not being TSR-linked, which are not included in the table below. Further information regarding all deferred amounts can be found in the separate report on remuneration published on Nordea's homepage.

| EURm                                                                           | 2011     | 2010     |
|--------------------------------------------------------------------------------|----------|----------|
| Deferred TSR-linked compensation at beginning of the year                      | 2        | 0        |
| Accrued deferred/retained TSR-linked compensation during the year <sup>1</sup> | 0        | 2        |
| TSR indexation during the year                                                 | 0        | 0        |
| Payments during the year <sup>2</sup>                                          | -1       | 0        |
| Translation differences                                                        | 0        | 0        |
| <b>Deferred TSR-linked compensation at end of year</b>                         | <b>1</b> | <b>2</b> |

1) Of which EUR 1m is available for disposal by the employees in 2012. Additional deferrals not being TSR-linked amount to EUR 3m (EUR 0m). Due to that the allocation of variable compensation is not finally decided during the current year, the deferred amount during the year relates to variable compensation earned the previous year.

2) There have been no adjustments due to forfeitures in 2011.

**Average number of employees**

|                              | Total        |              | Men          |              | Women        |              |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                              | 2011         | 2010         | 2011         | 2010         | 2011         | 2010         |
| <b>Full-time equivalents</b> |              |              |              |              |              |              |
| Sweden                       | 7,023        | 7,429        | 3,071        | 3,266        | 3,952        | 4,163        |
| Other countries              | 202          | 65           | 92           | 47           | 110          | 18           |
| <b>Total average</b>         | <b>7,225</b> | <b>7,494</b> | <b>3,163</b> | <b>3,313</b> | <b>4,062</b> | <b>4,181</b> |

**Gender distribution, executives**

| Per cent                     | 31 Dec 2011 | 31 Dec 2010 |
|------------------------------|-------------|-------------|
| <b>Nordea Bank AB (publ)</b> |             |             |
| Board of Directors           |             |             |
| – Men                        | 70          | 70          |
| – Women                      | 30          | 30          |
| Other executives             |             |             |
| – Men                        | 88          | 86          |
| – Women                      | 12          | 14          |

## P9

## Other expenses

| EURm                                                   | 2011        | 2010        |
|--------------------------------------------------------|-------------|-------------|
| Information technology                                 | -220        | -207        |
| Marketing and entertainment                            | -33         | -35         |
| Postage, transportation, telephone and office expenses | -70         | -74         |
| Rents, premises and real estate                        | -116        | -102        |
| Other <sup>1</sup>                                     | -122        | -108        |
| <b>Total</b>                                           | <b>-561</b> | <b>-526</b> |

1) Including fees and remuneration to auditors distributed as follows.

## Auditors' fee

| EURm                   | 2011      | 2010      |
|------------------------|-----------|-----------|
| <b>KPMG</b>            |           |           |
| Auditing assignments   | -2        | -1        |
| Audit-related services | 0         | -1        |
| Tax advisory services  | 0         | 0         |
| Other assignments      | -4        | -2        |
| <b>Total</b>           | <b>-6</b> | <b>-4</b> |

## P10

## Depreciation, amortisation and impairment charges of tangible and intangible assets

| EURm                                     | 2011        | 2010        |
|------------------------------------------|-------------|-------------|
| <b>Depreciation/amortisation</b>         |             |             |
| <b>Property and equipment (Note P24)</b> |             |             |
| Equipment                                | -24         | -25         |
| Buildings                                | 0           | 0           |
| <b>Intangible assets (Note P23)</b>      |             |             |
| Goodwill                                 | -69         | -72         |
| Computer software                        | -12         | -9          |
| Other intangible assets                  | -5          | -6          |
| <b>Total</b>                             | <b>-110</b> | <b>-112</b> |

## Impairment charges

## Intangible assets (Note P23)

|                   |             |             |
|-------------------|-------------|-------------|
| Computer software | -2          | —           |
| <b>Total</b>      | <b>-2</b>   | <b>—</b>    |
| <b>Total</b>      | <b>-112</b> | <b>-112</b> |

## P11

## Net loan losses

| EURm                                               | 2011       | 2010       |
|----------------------------------------------------|------------|------------|
| <b>Divided by class</b>                            |            |            |
| Loans to credit institutions                       | 1          | 0          |
| – of which provisions                              | —          | -1         |
| – of which write-offs                              | -4         | -3         |
| – of which allowances used for covering write-offs | 4          | 3          |
| – of which reversals                               | 1          | 1          |
| Loans to the public                                | -26        | -33        |
| – of which provisions                              | -75        | -69        |
| – of which write-offs                              | -63        | -70        |
| – of which allowances used for covering write-offs | 35         | 43         |
| – of which reversals                               | 56         | 42         |
| – of which recoveries                              | 21         | 21         |
| Off-balance sheet items <sup>1</sup>               | 5          | 0          |
| – of which provisions                              | -1         | -3         |
| – of which reversals                               | 6          | 3          |
| <b>Total</b>                                       | <b>-20</b> | <b>-33</b> |

## Specification

|                                                                        |            |            |
|------------------------------------------------------------------------|------------|------------|
| Changes of allowance accounts in the balance sheet                     | -13        | -27        |
| – of which Loans, individually assessed <sup>2</sup>                   | -27        | -32        |
| – of which Loans, collectively assessed <sup>2</sup>                   | 9          | 4          |
| – of which Off-balance sheet items, individually assessed <sup>1</sup> | 1          | 1          |
| – of which Off-balance sheet items, collectively assessed <sup>1</sup> | 4          | 0          |
| Changes directly recognised in the income statement                    | -7         | -6         |
| – of which realised loan losses, individually assessed                 | -28        | -27        |
| – of which realised recoveries, individually assessed                  | 21         | 21         |
| <b>Total</b>                                                           | <b>-20</b> | <b>-33</b> |

1) Included in Note P32 Provisions as "Transfer risk, off-balance", "Guarantees".

2) Included in Note P15 Loans and impairment.

## Key ratios

|                               | 2011 | 2010 |
|-------------------------------|------|------|
| Loan loss ratio, basis points | 6    | 12   |
| – of which individual         | 10   | 13   |
| – of which collective         | -4   | -1   |

## P12

## Appropriations

| EURm                                                | 2011     | 2010     |
|-----------------------------------------------------|----------|----------|
| Change in depreciation in excess of plan, equipment | 1        | 0        |
| <b>Total</b>                                        | <b>1</b> | <b>0</b> |

## P13

## Taxes

## Income tax expense

| EURm                     | 2011        | 2010        |
|--------------------------|-------------|-------------|
| Current tax <sup>1</sup> | -125        | -101        |
| Deferred tax             | 11          | -14         |
| <b>Total</b>             | <b>-114</b> | <b>-115</b> |

1) Of which relating to prior years 16 -1

The tax on the operating profit differs from the theoretical amount that would arise using the tax rate in Sweden as follows:

| EURm                                  | 2011        | 2010        |
|---------------------------------------|-------------|-------------|
| Profit before tax                     | 1,606       | 2,117       |
| Tax calculated at a tax rate of 26.3% | -422        | -557        |
| Tax not related to profit             | —           | -14         |
| Tax-exempt income                     | 314         | 505         |
| Non-deductible expenses               | -22         | -48         |
| Adjustments relating to prior years   | 16          | -1          |
| <b>Tax charge</b>                     | <b>-114</b> | <b>-115</b> |
| Average effective tax rate            | 7%          | 5%          |

## Deferred tax

| EURm                                                     | Deferred tax assets |          | Deferred tax liabilities |          |
|----------------------------------------------------------|---------------------|----------|--------------------------|----------|
|                                                          | 2011                | 2010     | 2011                     | 2010     |
| <b>Deferred tax related to:</b>                          |                     |          |                          |          |
| Derivatives                                              | 7                   | 0        | 2                        | 0        |
| Retirement benefit obligations                           | 7                   | 7        | —                        | —        |
| Liabilities/provisions                                   | 12                  | 1        | 0                        | 0        |
| <b>Total</b>                                             | <b>26</b>           | <b>8</b> | <b>2</b>                 | <b>0</b> |
| – of which expected to be settled after more than 1 year | 8                   | 7        | 0                        | —        |

| EURm                                                                     | 2011      | 2010     |
|--------------------------------------------------------------------------|-----------|----------|
| <b>Movements in deferred tax assets/liabilities, net are as follows:</b> |           |          |
| Amount at beginning of year (net)                                        | 8         | 20       |
| Deferred tax relating to items recognised in other comprehensive income  | 5         | 0        |
| Translation differences                                                  | —         | 2        |
| Deferred tax in the income statement                                     | 11        | -14      |
| <b>Amount at end of year (net)</b>                                       | <b>24</b> | <b>8</b> |

## Current and deferred tax recognised in other comprehensive income

|                                                         |          |          |
|---------------------------------------------------------|----------|----------|
| Deferred tax relating to available-for-sale investments | -2       | 0        |
| Deferred tax relating to cash flow hedges               | 7        | 0        |
| <b>Total</b>                                            | <b>5</b> | <b>0</b> |

|                                                          |           |            |
|----------------------------------------------------------|-----------|------------|
| <b>Current tax assets</b>                                | <b>12</b> | <b>1</b>   |
| – of which expected to be settled after more than 1 year | —         | —          |
| <b>Current tax liabilities</b>                           | <b>71</b> | <b>110</b> |
| – of which expected to be settled after more than 1 year | —         | —          |

## P14

## Treasury bills

| EURm                                                              | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-------------------------------------------------------------------|----------------|----------------|
| State and sovereigns <sup>1</sup>                                 | 4,868          | 10,946         |
| Municipalities and other public bodies                            | 99             | 15             |
| <b>Total</b>                                                      | <b>4,967</b>   | <b>10,961</b>  |
| – of which Financial instruments pledged as collateral (Note P17) | 1,237          | 6,103          |
| <b>Total</b>                                                      | <b>3,730</b>   | <b>4,858</b>   |

1) Of which EUR 353m (EUR 630m) held at amortised cost with a nominal amount of EUR 353m (EUR 630m).

## P15

## Loans and impairment

| EURm                                                | Credit institutions |               | The public    |               | Total         |               |
|-----------------------------------------------------|---------------------|---------------|---------------|---------------|---------------|---------------|
|                                                     | 31 Dec 2011         | 31 Dec 2010   | 31 Dec 2011   | 31 Dec 2010   | 31 Dec 2011   | 31 Dec 2010   |
| Loans, not impaired                                 | 59,381              | 48,153        | 36,318        | 33,742        | 95,699        | 81,895        |
| Impaired loans                                      | 2                   | 6             | 313           | 282           | 315           | 288           |
| – of which performing                               | —                   | 4             | 254           | 240           | 254           | 244           |
| – of which non-performing                           | 2                   | 2             | 59            | 42            | 61            | 44            |
| <b>Loans before allowances</b>                      | <b>59,383</b>       | <b>48,159</b> | <b>36,631</b> | <b>34,024</b> | <b>96,014</b> | <b>82,183</b> |
| Allowances for individually assessed impaired loans | –2                  | –6            | –130          | –136          | –132          | –142          |
| – of which performing                               | —                   | –4            | –93           | –99           | –93           | –103          |
| – of which non-performing                           | –2                  | –2            | –37           | –37           | –39           | –39           |
| Allowances for collectively assessed impaired loans | –2                  | –2            | –80           | –88           | –82           | –90           |
| <b>Allowances</b>                                   | <b>–4</b>           | <b>–8</b>     | <b>–210</b>   | <b>–224</b>   | <b>–214</b>   | <b>–232</b>   |
| <b>Loans, carrying amount</b>                       | <b>59,379</b>       | <b>48,151</b> | <b>36,421</b> | <b>33,800</b> | <b>95,800</b> | <b>81,951</b> |

Reconciliation of allowance accounts for impaired loans<sup>1</sup>

| EURm                                        | Credit institutions           |                               |            | The public                    |                               |             | Total                         |                               |             |
|---------------------------------------------|-------------------------------|-------------------------------|------------|-------------------------------|-------------------------------|-------------|-------------------------------|-------------------------------|-------------|
|                                             | Indi-<br>vidually<br>assessed | Collec-<br>tively<br>assessed | Total      | Indi-<br>vidually<br>assessed | Collec-<br>tively<br>assessed | Total       | Indi-<br>vidually<br>assessed | Collec-<br>tively<br>assessed | Total       |
| <b>Opening balance at 1 Jan 2011</b>        | <b>–6</b>                     | <b>–2</b>                     | <b>–8</b>  | <b>–136</b>                   | <b>–88</b>                    | <b>–224</b> | <b>–142</b>                   | <b>–90</b>                    | <b>–232</b> |
| Provisions                                  | —                             | 0                             | 0          | –66                           | –8                            | –74         | –66                           | –8                            | –74         |
| Reversals                                   | —                             | —                             | —          | 39                            | 17                            | 56          | 39                            | 17                            | 56          |
| <b>Changes through the income statement</b> | <b>—</b>                      | <b>0</b>                      | <b>0</b>   | <b>–27</b>                    | <b>9</b>                      | <b>–18</b>  | <b>–27</b>                    | <b>9</b>                      | <b>–18</b>  |
| Allowances used to cover write-offs         | 4                             | —                             | 4          | 35                            | —                             | 35          | 39                            | —                             | 39          |
| Translation differences                     | —                             | —                             | —          | –2                            | –1                            | –3          | –2                            | –1                            | –3          |
| <b>Closing balance at 31 Dec 2011</b>       | <b>–2</b>                     | <b>–2</b>                     | <b>–4</b>  | <b>–130</b>                   | <b>–80</b>                    | <b>–210</b> | <b>–132</b>                   | <b>–82</b>                    | <b>–214</b> |
| <b>Opening balance at 1 Jan 2010</b>        | <b>–8</b>                     | <b>–2</b>                     | <b>–10</b> | <b>–132</b>                   | <b>–79</b>                    | <b>–211</b> | <b>–140</b>                   | <b>–81</b>                    | <b>–221</b> |
| Provisions                                  | 0                             | –1                            | –1         | –71                           | 1                             | –70         | –71                           | 0                             | –71         |
| Reversals                                   | 0                             | 1                             | 1          | 39                            | 3                             | 42          | 39                            | 4                             | 43          |
| <b>Changes through the income statement</b> | <b>0</b>                      | <b>0</b>                      | <b>0</b>   | <b>–32</b>                    | <b>4</b>                      | <b>–28</b>  | <b>–32</b>                    | <b>4</b>                      | <b>–28</b>  |
| Allowances used to cover write-offs         | 3                             | —                             | 3          | 43                            | —                             | 43          | 46                            | 0                             | 46          |
| Translation differences                     | –1                            | —                             | –1         | –15                           | –13                           | –28         | –16                           | –13                           | –29         |
| <b>Closing balance at 31 Dec 2010</b>       | <b>–6</b>                     | <b>–2</b>                     | <b>–8</b>  | <b>–136</b>                   | <b>–88</b>                    | <b>–224</b> | <b>–142</b>                   | <b>–90</b>                    | <b>–232</b> |

1) See Note P11 Net loan losses.

## P15

## Loans and impairment, cont.

## Allowances and provisions

| EURm                                      | Credit institutions |             | The public  |             | Total       |             |
|-------------------------------------------|---------------------|-------------|-------------|-------------|-------------|-------------|
|                                           | 31 Dec 2011         | 31 Dec 2010 | 31 Dec 2011 | 31 Dec 2010 | 31 Dec 2011 | 31 Dec 2010 |
| Allowances for items in the balance sheet | -4                  | -8          | -210        | -224        | -214        | -232        |
| Provisions for off balance sheet items    | -2                  | -5          | -1          | -4          | -3          | -9          |
| <b>Total allowances and provisions</b>    | <b>-6</b>           | <b>-13</b>  | <b>-211</b> | <b>-228</b> | <b>-217</b> | <b>-241</b> |

Key ratios<sup>1</sup>

|                                                   | 31 Dec 2011 | 31 Dec 2010 |
|---------------------------------------------------|-------------|-------------|
| Impairment rate, gross, basis points              | 33          | 35          |
| Impairment rate, net, basis points                | 19          | 18          |
| Total allowance rate, basis points                | 22          | 28          |
| Allowances in relation to impaired loans, %       | 42          | 49          |
| Total allowances in relation to impaired loans, % | 68          | 81          |

1) For definitions, see Business definitions on page 93.

## P16

## Interest-bearing securities

| EURm                                                              | 31 Dec 2011   | 31 Dec 2010   |
|-------------------------------------------------------------------|---------------|---------------|
| Issued by other borrowers <sup>1</sup>                            | 14,584        | 15,905        |
| <b>Total</b>                                                      | <b>14,584</b> | <b>15,905</b> |
| – of which Financial instruments pledged as collateral (Note P17) | —             | 57            |
| <b>Total</b>                                                      | <b>14,584</b> | <b>15,848</b> |
| Listed securities                                                 | 14,064        | 12,625        |
| Unlisted securities                                               | 520           | 3,280         |
| <b>Total</b>                                                      | <b>14,584</b> | <b>15,905</b> |

1) Of which EUR 1,648m (EUR 4,212m) held at amortised cost with a nominal amount of EUR1,634m (EUR 4,170m).

## P17

## Financial instruments pledged as collateral, cont.

| EURm                         | 31 Dec 2011  | 31 Dec 2010  |
|------------------------------|--------------|--------------|
| <b>Repurchase agreements</b> |              |              |
| Treasury bills               | 1,237        | 6,103        |
| Interest-bearing securities  | —            | 57           |
| <b>Total</b>                 | <b>1,237</b> | <b>6,160</b> |

## Liabilities associated with the assets

| EURm                            | 31 Dec 2011  | 31 Dec 2010  |
|---------------------------------|--------------|--------------|
| <b>Repurchase agreements</b>    |              |              |
| Deposits by credit institutions | 1,258        | 6,276        |
| <b>Total</b>                    | <b>1,258</b> | <b>6,276</b> |

## P17

## Financial instruments pledged as collateral

## Financial instruments pledged as collateral

In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral. When the counterpart receiving the collateral has the right to sell or repledge the assets, the assets are reclassified in the balance sheet to the item Financial instruments pledged as collateral.

| EURm                        | 31 Dec 2011  | 31 Dec 2010  |
|-----------------------------|--------------|--------------|
| Treasury bills              | 1,237        | 6,103        |
| Interest-bearing securities | —            | 57           |
| <b>Total</b>                | <b>1,237</b> | <b>6,160</b> |

## Transferred assets that are still recognised in the balance sheet and associated liabilities

All assets transferred and the liabilities associated with these transactions are specified in the following tables. The assets continue to be recognised on the balance sheet since Nordea is still exposed to changes in the fair value of the assets. Therefore, these assets and its associated liabilities are included in the tables below.

## P18

## Shares

| EURm                                                     | 31 Dec 2011  | 31 Dec 2010 |
|----------------------------------------------------------|--------------|-------------|
| Shares                                                   | 1,131        | 302         |
| Shares taken over for protection of claims               | 4            | 18          |
| <b>Total</b>                                             | <b>1,135</b> | <b>320</b>  |
| Listed shares                                            | 1,100        | 277         |
| Unlisted shares                                          | 35           | 43          |
| <b>Total</b>                                             | <b>1,135</b> | <b>320</b>  |
| – of which expected to be settled after more than 1 year | 38           | 58          |

## P19

## Derivatives and Hedge accounting

| 31 Dec 2011, EURm                                  | Fair value   |              | Total nom<br>amount |
|----------------------------------------------------|--------------|--------------|---------------------|
|                                                    | Positive     | Negative     |                     |
| <b>Derivatives held for trading</b>                |              |              |                     |
| <b>Interest rate derivatives</b>                   |              |              |                     |
| Interest rate swaps                                | 1,783        | 2,029        | 130,296             |
| FRAs                                               | 83           | 109          | 109,281             |
| Futures and forwards                               | 2            | 16           | 1,553               |
| Options                                            | 5            | 6            | 21,133              |
| Other                                              | 0            | 0            | 11,221              |
| <b>Total</b>                                       | <b>1,873</b> | <b>2,160</b> | <b>273,484</b>      |
| <b>Equity derivatives</b>                          |              |              |                     |
| Equity swaps                                       | 124          | 14           | 131                 |
| Futures and forwards                               | 7            | 0            | 22                  |
| Options                                            | 51           | 28           | 1,421               |
| <b>Total</b>                                       | <b>182</b>   | <b>42</b>    | <b>1,574</b>        |
| <b>Foreign exchange derivatives</b>                |              |              |                     |
| Currency and interest rate swaps                   | 398          | 375          | 16,109              |
| Currency forwards                                  | 24           | 215          | 16,397              |
| Options                                            | 0            | 0            | 0                   |
| <b>Total</b>                                       | <b>422</b>   | <b>590</b>   | <b>32,506</b>       |
| <b>Credit derivatives</b>                          |              |              |                     |
| Credit default swaps                               | —            | 4            | 110                 |
| <b>Total</b>                                       | <b>—</b>     | <b>4</b>     | <b>110</b>          |
| <b>Other derivatives</b>                           |              |              |                     |
| Other                                              | 0            | 8            | 2,066               |
| <b>Total</b>                                       | <b>0</b>     | <b>8</b>     | <b>2,066</b>        |
| <b>Total derivatives held for trading</b>          | <b>2,477</b> | <b>2,804</b> | <b>309,740</b>      |
| <b>Derivatives used for hedge accounting</b>       |              |              |                     |
| <b>Interest rate derivatives</b>                   |              |              |                     |
| Interest rate swaps                                | 1,411        | 189          | 22,025              |
| Options                                            | 0            | 0            | 37                  |
| <b>Total</b>                                       | <b>1,411</b> | <b>189</b>   | <b>22,062</b>       |
| <b>Foreign exchange derivatives</b>                |              |              |                     |
| Currency and interest rate swaps                   | 451          | 21           | 3,565               |
| <b>Total</b>                                       | <b>451</b>   | <b>21</b>    | <b>3,565</b>        |
| <b>Total derivatives used for hedge accounting</b> | <b>1,862</b> | <b>210</b>   | <b>25,627</b>       |
| <b>Total derivatives</b>                           | <b>4,339</b> | <b>3,014</b> | <b>335,367</b>      |



## P19

## Derivatives and Hedge accounting, cont.

| 31 Dec 2010, EURm                                  | Fair value   |              | Total nom amount |
|----------------------------------------------------|--------------|--------------|------------------|
|                                                    | Positive     | Negative     |                  |
| <b>Derivatives held for trading</b>                |              |              |                  |
| <b>Interest rate derivatives</b>                   |              |              |                  |
| Interest rate swaps                                | 918          | 893          | 104,677          |
| FRAs                                               | 64           | 65           | 15,949           |
| Futures and forwards                               | 3            | 2            | 800              |
| Options                                            | 17           | 19           | 1,587            |
| Other                                              | 4            | 4            | 22,698           |
| <b>Total</b>                                       | <b>1,006</b> | <b>983</b>   | <b>145,711</b>   |
| <b>Equity derivatives</b>                          |              |              |                  |
| Equity swaps                                       | 27           | 34           | 67               |
| Futures and forwards                               | 15           | 2            | 47               |
| Options                                            | 76           | 48           | 1,456            |
| <b>Total</b>                                       | <b>118</b>   | <b>84</b>    | <b>1,570</b>     |
| <b>Foreign exchange derivatives</b>                |              |              |                  |
| Currency and interest rate swaps                   | 681          | 638          | 17,507           |
| Currency forwards                                  | 9            | 126          | 13,699           |
| Options                                            | 0            | 0            | 0                |
| <b>Total</b>                                       | <b>690</b>   | <b>764</b>   | <b>31,206</b>    |
| <b>Credit derivatives</b>                          |              |              |                  |
| Credit default swaps                               | 50           | 47           | 6,451            |
| <b>Total</b>                                       | <b>50</b>    | <b>47</b>    | <b>6,451</b>     |
| <b>Other derivatives</b>                           |              |              |                  |
| Other                                              | 0            | 25           | 2,054            |
| <b>Total</b>                                       | <b>0</b>     | <b>25</b>    | <b>2,054</b>     |
| <b>Total derivatives held for trading</b>          | <b>1,864</b> | <b>1,903</b> | <b>186,992</b>   |
| <b>Derivatives used for hedge accounting</b>       |              |              |                  |
| <b>Interest rate derivatives</b>                   |              |              |                  |
| Interest rate swaps                                | 488          | 156          | 19,131           |
| Options                                            | 0            | 0            | 0                |
| <b>Total</b>                                       | <b>488</b>   | <b>156</b>   | <b>19,131</b>    |
| <b>Equity derivatives</b>                          |              |              |                  |
| Options                                            | 1            | 1            | 17               |
| <b>Total</b>                                       | <b>1</b>     | <b>1</b>     | <b>17</b>        |
| <b>Foreign exchange derivatives</b>                |              |              |                  |
| Currency and interest rate swaps                   | 258          | 114          | 3,893            |
| Currency forwards                                  | —            | 0            | 107              |
| <b>Total</b>                                       | <b>258</b>   | <b>114</b>   | <b>4,000</b>     |
| <b>Total derivatives used for hedge accounting</b> | <b>747</b>   | <b>271</b>   | <b>23,148</b>    |
| <b>Total derivatives</b>                           | <b>2,611</b> | <b>2,174</b> | <b>210,140</b>   |

## P20

## Fair value changes of the hedged items in portfolio hedge of interest rate risk

| Assets<br>EURm                        | 31 Dec<br>2011 | 31 Dec<br>2010 |
|---------------------------------------|----------------|----------------|
| Carrying amount at beginning of year  | 795            | 332            |
| Changes during the year               |                |                |
| Revaluation of hedged items           | -1,427         | 463            |
| <b>Carrying amount at end of year</b> | <b>-632</b>    | <b>795</b>     |
| <b>Liabilities</b>                    |                |                |
| <b>EURm</b>                           |                |                |
| Carrying amount at beginning of year  | 749            | 285            |
| Changes during the year               |                |                |
| Revaluation of hedged items           | -602           | 464            |
| <b>Carrying amount at end of year</b> | <b>147</b>     | <b>749</b>     |

The carrying amount at end of year represents accumulated changes in the fair value for those repricing time periods in which the hedged item is an asset respectively a liability. When the hedged item is an asset, the change in the fair value of the hedged item is presented within assets and when the hedged item is a liability, the change is presented as a liability.

## P21

## Investments in Group undertakings

| EURm                                                 | 31 Dec<br>2011 | 31 Dec<br>2010 |
|------------------------------------------------------|----------------|----------------|
| Acquisition value at beginning of year               | 17,286         | 16,659         |
| Acquisitions/capital contributions during the year   | 26             | 618            |
| IFRS 2 expenses <sup>1</sup>                         | 6              | 9              |
| <b>Acquisition value at end of year</b>              | <b>17,318</b>  | <b>17,286</b>  |
| Accumulated impairment charges at beginning of year  | -596           | -494           |
| Impairment charges during the year                   | -9             | -105           |
| Reclassification                                     | —              | 3              |
| <b>Accumulated impairment charges at end of year</b> | <b>-605</b>    | <b>-596</b>    |
| <b>Total</b>                                         | <b>16,713</b>  | <b>16,690</b>  |

1) Allocation of IFRS 2 expenses for LTIP 2007–2011 related to the subsidiaries.  
For more information, see Note P8.

– of which, listed shares — —

The total amount is expected to be settled after more than 1 year.

## P21

## Investments in group undertakings, cont.

## Specification

This specification includes all directly owned group undertakings and major group undertakings to the directly owned companies.

| 31 Dec 2011                                      | Number of shares           | Carrying amount 2011, EURm | Carrying amount 2010, EURm | Voting power of holding % | Domicile          | Registration number |
|--------------------------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|-------------------|---------------------|
| <b>Nordea Bank Finland Plc</b>                   | 1,030,800,000              | 5,955                      | 5,954                      | 100.0                     | Helsinki          | 1680235-8           |
| Nordea Finance Finland Ltd                       |                            |                            |                            | 100.0                     | Espoo             | 0112305-3           |
| <b>Nordea Bank Danmark A/S</b>                   | 50,000,000                 | 3,509                      | 3,507                      | 100.0                     | Copenhagen        | 13522197            |
| Nordea Finans Danmark A/S                        |                            |                            |                            | 100.0                     | Høje Taastrup     | 89805910            |
| Nordea Kredit Realkreditaktieselskab             |                            |                            |                            | 100.0                     | Copenhagen        | 15134275            |
| Fionia Asset Company A/S <sup>1</sup>            |                            |                            |                            | 100.0                     | Copenhagen        | 31934745            |
| <b>Nordea Bank Norge ASA</b>                     | 551,358,576                | 2,406                      | 2,405                      | 100.0                     | Oslo              | 911044110           |
| Nordea Eiendomskreditt AS                        |                            |                            |                            | 100.0                     | Oslo              | 971227222           |
| Nordea Finans Norge AS                           |                            |                            |                            | 100.0                     | Oslo              | 924507500           |
| Privatmegleren AS                                |                            |                            |                            | 67.0                      | Oslo              | 986386661           |
| <b>Nordea Bank Polska S.A.</b>                   | 55,061,403                 | 362                        | 362                        | 99.2                      | Gdynia            | KRS0000021828       |
| <b>OOO Promyshlennaya Companiya Vestkon</b>      | 4,601,942,680 <sup>1</sup> | 659                        | 659                        | 100.0                     | Moscow            | 1027700034185       |
| OJSC Nordea Bank                                 |                            |                            |                            | 100.0 <sup>3</sup>        | Moscow            | 1027739436955       |
| <b>Nordea Life Holding AB</b>                    | 1,000                      | 690                        | 666                        | 100.0                     | Stockholm         | 556742-3305         |
| Nordea Liv & Pension, Livförsikrings-selskab A/S |                            |                            |                            | 100.0                     | Ballerup          | 24260577            |
| Nordea Liv Holding Norge AS                      |                            |                            |                            | 100.0                     | Bergen            | 984739303           |
| Livförsikringsselskapet Nordea Liv Norge AS      |                            |                            |                            | 100.0                     | Bergen            | 959922659           |
| Nordea Livförsäkring Sverige AB (publ)           |                            |                            |                            | 100.0                     | Stockholm         | 516401-8508         |
| Nordea Life Holding Finland Ltd                  |                            |                            |                            | 100.0                     | Helsinki          | 1737788-3           |
| Nordea Life Assurance Finland Ltd                |                            |                            |                            | 100.0                     | Helsinki          | 0927072-8           |
| Nordea Hypotek AB (publ)                         | 100,000                    | 1,898                      | 1,898                      | 100.0                     | Stockholm         | 556091-5448         |
| Nordea Fonder AB                                 | 15,000                     | 229                        | 229                        | 100.0                     | Stockholm         | 556020-4694         |
| Nordea Bank S.A.                                 | 999,999                    | 454                        | 453                        | 100.0                     | Luxembourg        | B-14157             |
| Nordea Finans Sverige AB (publ)                  | 1,000,000                  | 116                        | 116                        | 100.0                     | Stockholm         | 556021-1475         |
| Nordea Fondene Norge AS                          | 1,200                      | 29                         | 29                         | 100.0                     | Oslo              | 930954616           |
| Nordea Investment Management AB                  | 12,600                     | 230                        | 227                        | 100.0                     | Stockholm         | 556060-2301         |
| Nordea Investment Fund Company Finland Ltd       | 3,350                      | 138                        | 138                        | 100.0                     | Helsinki          | 1737785-9           |
| Nordea Ejendomsinvestering A/S                   | 1,000                      | 29                         | 29                         | 100.0                     | Copenhagen        | 26640172            |
| Nordea Investment Fund Management A/S            | 25,000                     | 8                          | 8                          | 100.0                     | Copenhagen        | 13917396            |
| Nordea Investment Funds I Company S.A.           | 39,996                     | 0                          | 0                          | 100.0                     | Luxembourg        | B-30550             |
| PK Properties Int'l Corp                         | 100,000                    | 0                          | 0                          | 100.0                     | Atlanta, USA      | 601624718           |
| Nordea Hästen Fastighetsförvaltning AB           | 1,000                      | 0                          | 0                          | 100.0                     | Stockholm         | 556653-6800         |
| Nordea Putten Fastighetsförvaltning AB           | 1,000                      | 0                          | 0                          | 100.0                     | Stockholm         | 556653-5257         |
| Nordea North America Inc.                        | 1,000                      | 0                          | 0                          | 100.0                     | Delaware, USA     | 51-0276195          |
| Nordea Do Brasil Representações LTDA             | 1,162,149                  | 0                          | 0                          | 100.0                     | Sao Paulo, Brasil | 51-696.268/0001-40  |
| Nordic Baltic Holding (NBH) AB <sup>2</sup>      | 1,000                      | 0                          | 9                          | 100.0                     | Stockholm         | 556592-7950         |
| Nordea Fastigheter AB <sup>2</sup>               | 3,380,000                  | 1                          | 1                          | 100.0                     | Stockholm         | 556021-4917         |
| <b>Total</b>                                     |                            | <b>16,713</b>              | <b>16,690</b>              |                           |                   |                     |

1) Nominal value expressed in RUB, representing Nordea's participation in Vestkon.

2) Dormant.

3) Combined ownership, Nordea Bank AB (publ) directly 7.2% and indirectly 92.8% through OOO Promyshlennaya Companiya Vestkon.

## P21

## Investments in group undertakings, cont.

## Special Purpose Entities (SPEs) – Consolidated

SPEs that have been set up for enabling investments in structured credit products and for acquiring assets from customers.

| EURm                                       | Purpose                            | Duration | Nordea's investment | Total assets |
|--------------------------------------------|------------------------------------|----------|---------------------|--------------|
| Viking ABCP Conduit <sup>1</sup>           | Factoring                          | <5 years | 1,092               | 1,157        |
| CMO Denmark A/S <sup>2</sup>               | Collateralised Mortgage Obligation | >5 years | 2                   | 2            |
| Kalmar Structured Finance A/S <sup>3</sup> | Credit Linked Note                 | >5 years | 2                   | 24           |
| <b>Total</b>                               |                                    |          |                     |              |

1) The Viking ABCP Conduit (Viking) has been established with the purpose of supporting trade receivable or accounts payable securitisations to core Nordic customers. The SPEs purchase trade receivables from the approved sellers and fund the purchases either by issuing Commercial Papers (CP) via the established Asset Backed Commercial Papers programme or by drawing funds on the liquidity facilities available. Nordea has provided liquidity facilities of maximum EUR 1,443m and at year end 2011 EUR 1,092m were utilised. There is no outstanding CP issue at year end 2011. These SPEs are consolidated as they are closely linked to the activities within Nordea. Also, Nordea is exposed to credit risk through the liquidity facility. There are no significant restriction on repayment of loans from Viking apart from that the payments are dependant on the pace in which Viking realises its assets.

2) Collateralised Mortgage Obligations Denmark A/S (CMO Denmark A/S) was established with the purpose to issue CMOs in order to meet specific customer preferences in terms of credit risk, interest rate risk, prepayment risk, maturity etc. The SPE purchased a pool of mortgage bonds and reallocated the risks through tranching a similar bond issue (CMOs). At year end 2011 the total notional of outstanding bonds were EUR 2m available to investors. Nordea holds bonds issued by CMO Denmark A/S as part of offering a secondary market for the bonds. The investment amounted to EUR 2m as of year end 2011.

3) Kalmar Structured Finance A/S was established to allow customers to invest in structured products in the global credit markets. The SPE enters into Credit Default Swaps (CDS) and hereby acquires a credit risk on an underlying portfolio of names (like corporate names) and at the same time the SPE issues Credit Linked Notes (CLN) with a similar credit risk that reflects the terms in the CDSs. Nordea is the counterpart in the derivative transactions. The total notional of outstanding CLNs in this category was EUR 24m at year end 2011. Nordea holds CLNs issued by the SPE as part of offering a secondary market for the notes. The investment amounted to EUR 2m at year end 2011.

## P22

## Investments in associated undertakings

| EURm                                    | 31 Dec 2011 | 31 Dec 2010 |
|-----------------------------------------|-------------|-------------|
| Acquisition value at beginning of year  | 4           | 2           |
| Acquisitions during the year            | 1           | 2           |
| <b>Acquisition value at end of year</b> | <b>5</b>    | <b>4</b>    |
| <b>Total</b>                            | <b>5</b>    | <b>4</b>    |
| – of which, listed shares               | —           | —           |

| 31 Dec 2011                   | Registration number | Domicile  | Carrying amount 2011, EURm | Carrying amount 2010, EURm | Voting power of holding % |
|-------------------------------|---------------------|-----------|----------------------------|----------------------------|---------------------------|
| BDB Bankernas Depå AB         | 556695-3567         | Stockholm | 1                          | 1                          | 20                        |
| Bankpension Sverige AB        | 556695-8194         | Stockholm | 1                          | 1                          | 40                        |
| BAB Bankernas Automatbolag AB | 556817-9716         | Stockholm | 3                          | 2                          | 20                        |
| Other                         |                     |           | 0                          | 0                          |                           |
| <b>Total</b>                  |                     |           | <b>5</b>                   | <b>4</b>                   |                           |

## P23

## Intangible assets

| EURm                                               | 31 Dec 2011 | 31 Dec 2010 |
|----------------------------------------------------|-------------|-------------|
| <b>Goodwill allocated to cash generating units</b> |             |             |
| Retail Banking                                     | 452         | 521         |
| <b>Goodwill, total</b>                             | <b>452</b>  | <b>521</b>  |
| Computer software                                  | 198         | 138         |
| Other intangible assets                            | 8           | 12          |
| <b>Other intangible assets, total</b>              | <b>206</b>  | <b>150</b>  |
| <b>Intangible assets, total</b>                    | <b>658</b>  | <b>671</b>  |

## P23

## Intangible assets, cont.

| EURm                                                        | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-------------------------------------------------------------|----------------|----------------|
| <b>Goodwill</b>                                             |                |                |
| Acquisition value at beginning of year                      | 1,059          | 1,059          |
| <b>Acquisition value at end of year</b>                     | <b>1,059</b>   | <b>1,059</b>   |
| Accumulated amortisation at beginning of year               | -538           | -466           |
| Amortisation according to plan for the year                 | -69            | -72            |
| <b>Accumulated amortisation at end of year</b>              | <b>-607</b>    | <b>-538</b>    |
| <b>Total</b>                                                | <b>452</b>     | <b>521</b>     |
| <b>Computer software</b>                                    |                |                |
| Acquisition value at beginning of year                      | 175            | 123            |
| Acquisitions during the year                                | 74             | 52             |
| Translation differences                                     | 0              | 0              |
| <b>Acquisition value at end of year</b>                     | <b>249</b>     | <b>175</b>     |
| Accumulated amortisation at beginning of year               | -37            | -28            |
| Amortisation according to plan for the year                 | -12            | -9             |
| <b>Accumulated amortisation at end of year</b>              | <b>-49</b>     | <b>-37</b>     |
| Accumulated impairment charges at beginning of year         | 0              | 0              |
| Impairment charges during the year                          | -2             | —              |
| <b>Accumulated impairment charges at end of year</b>        | <b>-2</b>      | <b>0</b>       |
| <b>Total</b>                                                | <b>198</b>     | <b>138</b>     |
| <b>Other intangible assets</b>                              |                |                |
| Acquisition value at beginning of year                      | 48             | 50             |
| Acquisitions during the year                                | 1              | 4              |
| Sales/disposals during the year                             | —              | -6             |
| <b>Acquisition value at end of year</b>                     | <b>49</b>      | <b>48</b>      |
| Accumulated amortisation at beginning of year               | -36            | -37            |
| Amortisation according to plan for the year                 | -5             | -6             |
| Accumulated amortisation on sales/disposals during the year | 0              | 7              |
| <b>Accumulated amortisation at end of year</b>              | <b>-41</b>     | <b>-36</b>     |
| <b>Total</b>                                                | <b>8</b>       | <b>12</b>      |

The total amount is expected to be settled after more than 1 year.

**Impairment test**

A cash generating unit, defined as the operating segment, is the basis for the goodwill impairment test. See Note G21 and Note G1 section 4 for more information.

## P24

## Property and equipment

| EURm                                                        | 31 Dec 2011 | 31 Dec 2010 |
|-------------------------------------------------------------|-------------|-------------|
| Property and equipment                                      | 81          | 77          |
| – of which buildings for own use                            | 0           | 0           |
| <b>Total</b>                                                | <b>81</b>   | <b>77</b>   |
| <b>Equipment</b>                                            |             |             |
| Acquisition value at beginning of year                      | 193         | 183         |
| Acquisitions during the year                                | 32          | 24          |
| Sales/disposals during the year                             | –11         | –12         |
| Reclassifications                                           | —           | –2          |
| Translation differences                                     | 0           | —           |
| <b>Acquisition value at end of year</b>                     | <b>214</b>  | <b>193</b>  |
| Accumulated depreciation at beginning of year               | –116        | –102        |
| Accumulated depreciation on sales/disposals during the year | 7           | 8           |
| Reclassifications                                           | —           | 3           |
| Depreciations according to plan for the year                | –24         | –25         |
| Translation differences                                     | 0           | —           |
| <b>Accumulated depreciation at end of year</b>              | <b>–133</b> | <b>–116</b> |
| Accumulated impairment charges at beginning of year         | —           | –2          |
| Reclassifications                                           | —           | 2           |
| <b>Accumulated impairment charges at end of year</b>        | <b>—</b>    | <b>—</b>    |
| <b>Total</b>                                                | <b>81</b>   | <b>77</b>   |
| <b>Land and buildings</b>                                   |             |             |
| Acquisition value at beginning of year                      | 0           | 0           |
| <b>Acquisition value at end of year</b>                     | <b>0</b>    | <b>0</b>    |
| Accumulated depreciation at beginning of year               | 0           | 0           |
| Depreciation according to plan for the year                 | 0           | 0           |
| <b>Accumulated depreciation at end of year</b>              | <b>0</b>    | <b>0</b>    |
| <b>Total</b>                                                | <b>0</b>    | <b>0</b>    |

The total amount is expected to be settled after more than 1 year.

**Operating leases**

Nordea has entered into operating lease agreements for premises and office equipment. See also Note G1, section 15.

| Leasing expenses during the year, EURm                     | 31 Dec 2011 | 31 Dec 2010 |
|------------------------------------------------------------|-------------|-------------|
| Leasing expenses during the year                           | –95         | –84         |
| – of which minimum lease payments                          | –95         | –84         |
| Leasing income during the year regarding sublease payments | 37          | 36          |

Future minimum lease payments under non-cancellable operating leases amounted to and are distributed as follows:

| EURm          | 31 Dec 2011 |
|---------------|-------------|
| 2012          | 110         |
| 2013          | 96          |
| 2014          | 74          |
| 2015          | 32          |
| 2016          | 19          |
| Later years   | 161         |
| <b>Totalt</b> | <b>492</b>  |

Total sublease payments expected to be received under non-cancellable subleases amounts to EUR 294m. EUR 275m of the subleases are towards group undertakings.

## P25

## Other assets

| EURm                                                     | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------------------------|----------------|----------------|
| Claims on securities settlement proceeds                 | 500            | 98             |
| Anticipated dividends from group undertakings            | 1,055          | 1,598          |
| Group Contributions                                      | 355            | 305            |
| Other                                                    | 352            | 619            |
| <b>Total</b>                                             | <b>2,262</b>   | <b>2,620</b>   |
| – of which expected to be settled after more than 1 year | —              | —              |

## P26

## Prepaid expenses and accrued income

| EURm                                                     | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------------------------|----------------|----------------|
| Accrued interest income                                  | 614            | 497            |
| Other accrued income                                     | 21             | 21             |
| Prepaid expenses                                         | 644            | 491            |
| <b>Total</b>                                             | <b>1,279</b>   | <b>1,009</b>   |
| – of which expected to be settled after more than 1 year | 543            | 425            |

## P27

## Deposits by credit institutions

| EURm                      | 31 Dec<br>2011 | 31 Dec<br>2010 |
|---------------------------|----------------|----------------|
| Central banks             | 4,331          | 1,231          |
| Other banks               | 13,720         | 25,645         |
| Other credit institutions | 4,390          | 1,768          |
| <b>Total</b>              | <b>22,441</b>  | <b>28,644</b>  |

## P28

## Deposits and borrowings from the public

| EURm                       | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------|----------------|----------------|
| Deposits from the public   | 43,219         | 39,499         |
| Borrowings from the public | 1,170          | 121            |
| <b>Total</b>               | <b>44,389</b>  | <b>39,620</b>  |

Deposits are defined as funds in deposit accounts covered by the government deposit guarantee but also including amounts in excess of the individual amount limits. Individual pension savings (IPS) are also included.

## P29

## Debt securities in issue

| EURm                    | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-------------------------|----------------|----------------|
| Certificates of deposit | 0              | 11,516         |
| Commercial papers       | 16,800         | —              |
| Bond loans              | 28,469         | 21,787         |
| Other                   | 98             | 121            |
| <b>Total</b>            | <b>45,367</b>  | <b>33,424</b>  |

## P30

## Other liabilities

| EURm                                                     | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------------------------|----------------|----------------|
| Liabilities on securities settlement proceeds            | 130            | 2,620          |
| Sold, not held, securities                               | 454            | 604            |
| Accounts payable                                         | 15             | 23             |
| Cash/margin payable                                      | 0              | —              |
| Other                                                    | 1,177          | 1,211          |
| <b>Total</b>                                             | <b>1,776</b>   | <b>4,458</b>   |
| – of which expected to be settled after more than 1 year | —              | 0              |

## P31

## Accrued expenses and prepaid income

| EURm                                                     | 31 Dec<br>2011 | 31 Dec<br>2010 |
|----------------------------------------------------------|----------------|----------------|
| Accrued interest                                         | 484            | 361            |
| Other accrued expenses                                   | 163            | 167            |
| Prepaid income                                           | 204            | 193            |
| <b>Total</b>                                             | <b>851</b>     | <b>721</b>     |
| – of which expected to be settled after more than 1 year | 0              | 0              |

## P32

## Provisions

| EURm                              | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-----------------------------------|----------------|----------------|
| Provision for restructuring costs | 44             | 6              |
| Transfer risk, off-balance        | 2              | 6              |
| Guarantees                        | 1              | 3              |
| Other                             | 43             | 20             |
| <b>Total</b>                      | <b>90</b>      | <b>35</b>      |

|                                                          | Restructuring | Transfer risk | Guarantees | Other     | Total     |
|----------------------------------------------------------|---------------|---------------|------------|-----------|-----------|
| At beginning of year                                     | 6             | 6             | 3          | 20        | 35        |
| New provisions made                                      | 41            | 0             | 0          | 44        | 85        |
| Provisions utilised                                      | -3            | 0             | 0          | -20       | -23       |
| Reversals                                                | 0             | -4            | -2         | -1        | -7        |
| Translation differences                                  | 0             | 0             | 0          | 0         | 0         |
| <b>At end of year</b>                                    | <b>44</b>     | <b>2</b>      | <b>1</b>   | <b>43</b> | <b>90</b> |
| – of which expected to be settled after more than 1 year | —             | 2             | 1          | —         | 3         |

Provision for restructuring costs amounts to EUR 44m and relates mainly to New Normal. For further information about New Normal, see Note G33. Provision for transfer risk is related to off-balance sheet items. Transfer risk relating to loans is included in the item Allowances for collectively

assessed impaired loans in Note P15. Provision for transfer risk is depending on the volume of business with different countries. Loan loss provisions for guarantees amounts to EUR 1m. Other provision of EUR 43m relates to state guarantees.

## P33

## Retirement benefit obligations

## Pension provisions

The pension liabilities of Nordea Bank AB (publ) are mainly covered by allocations to its pension foundation.

The provisions in the balance sheet pertain almost exclusively to former employees of Postgirot Bank. EUR 127m (EUR 125m) of the provisions are covered by "Tryggandelagen".

A small percentage of the pension obligations are covered by insurance policies.

The following figures are based on calculations in accordance with Swedish rules ("Tryggandelagen").

## Specification of amounts recognised in the balance sheet

|                                                                                   | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-----------------------------------------------------------------------------------|----------------|----------------|
| Present value of commitments relating to in whole or in part funded pension plans | -1,040         | -996           |
| Fair value at the end of the period relating to specifically separated assets     | 1,197          | 1,081          |
| <b>Surplus in the pension foundation</b>                                          | <b>157</b>     | <b>85</b>      |
| Present value of commitments relating to unfunded pension plans                   | -153           | -149           |
| Unrecognised surplus in the pension foundation                                    | -157           | -85            |
| <b>Reported liability net in the balance sheet</b>                                | <b>-153</b>    | <b>-149</b>    |

## Specification of changes in the liability recognised in balance sheet as pension

|                                                             | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-------------------------------------------------------------|----------------|----------------|
| Balance at 1 Jan recognised as pension commitments          | 149            | 128            |
| Pensions paid related to former employees of Postgirot Bank | -6             | -5             |
| Actuarial pension calculations                              | 9              | 12             |
| Effect of exchange rate changes                             | 1              | 14             |
| <b>Balance at 31 Dec</b>                                    | <b>153</b>     | <b>149</b>     |

## Specification of cost and income in respect of pensions

|                                                             | 2011        | 2010        |
|-------------------------------------------------------------|-------------|-------------|
| Pensions paid related to former employees of Postgirot Bank | -6          | -5          |
| Pensions paid covered by the pension foundation             | -58         | -54         |
| Payment to pension fund                                     | —           | -17         |
| Actuarial pension calculation                               | -3          | -7          |
| <b>Defined benefit plans</b>                                | <b>-67</b>  | <b>-83</b>  |
| Defined contribution plan                                   | -43         | -37         |
| <b>Pension costs<sup>1</sup></b>                            | <b>-110</b> | <b>-120</b> |
| Return on specifically separated assets, %                  | 7.3         | 7.0         |

1) See Note P8 Staff costs.

## Actual value of holdings in pension foundations

| EURm                        | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-----------------------------|----------------|----------------|
| Shares                      | 197            | 219            |
| Interest-bearing securities | 980            | 820            |
| Other assets                | 20             | 42             |
| <b>Total</b>                | <b>1,197</b>   | <b>1,081</b>   |

## Assumptions for benefit-determined obligations

|                                                                           | 2011 | 2010 |
|---------------------------------------------------------------------------|------|------|
| Discount rate                                                             | 3.0% | 3.1% |
| The calculation is based on pay and pension levels on the accounting date | Yes  | Yes  |

Next year's expected payment to defined benefit plans amounts to EUR 66m.



## P34

## Subordinated liabilities

| EURm                               | 31 Dec<br>2011 | 31 Dec<br>2010 |
|------------------------------------|----------------|----------------|
| Dated subordinated debenture loans | 4,127          | 5,173          |
| Hybrid capital loans               | 2,027          | 1,962          |
| <b>Total</b>                       | <b>6,154</b>   | <b>7,135</b>   |

These debenture loans are subordinated to other liabilities. Dated debenture loans entitle the lender to payment before undated subordinated loans and hybrid capital loans. Within each respective category, the loans entitle lenders to equal payment rights.

At 31 December four loans – with terms specified below – exceeded 10% of the total outstanding volume.

| Year of issue / maturity,<br>EURm | Nominal<br>value | Carrying<br>amount | Interest rate<br>(coupon) |
|-----------------------------------|------------------|--------------------|---------------------------|
| Dated loan <sup>1</sup>           | 1,000            | 995                | Fixed                     |
| Dated loan <sup>2</sup>           | 750              | 746                | Fixed                     |
| Dated loan <sup>3</sup>           | 618              | 618                | Fixed                     |
| Dated loan <sup>4</sup>           | 966              | 957                | Fixed                     |

1) Call date 26 March 2020.

2) Call date 29 March 2021.

3) Maturity date 30 November 2012.

4) Maturity date 13 May 2021.

## P35

## Untaxed reserves

| EURm                            | 31 Dec<br>2011 | 31 Dec<br>2010 |
|---------------------------------|----------------|----------------|
| Accumulated excess depreciation |                |                |
| Equipment                       | 5              | 6              |
| <b>Total</b>                    | <b>5</b>       | <b>6</b>       |

## P36

## Assets pledged as security for own liabilities

| EURm                                      | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-------------------------------------------|----------------|----------------|
| <b>Assets pledged for own liabilities</b> |                |                |
| Securities etc <sup>1</sup>               | 3,530          | 6,843          |
| <b>Total</b>                              | <b>3,530</b>   | <b>6,843</b>   |

**The above pledges pertain to the following liabilities**

|                                         |              |              |
|-----------------------------------------|--------------|--------------|
| Deposits by credit institutions         | 3,432        | 6,700        |
| Deposits and borrowings from the public | 489          | 290          |
| <b>Total</b>                            | <b>3,921</b> | <b>6,990</b> |

1) Relates only to securities recognised in the balance sheet. Securities borrowed or bought under reverse repurchase agreements are not recognised in the balance sheet and thus not included in the amount. Such transactions are disclosed in Note P44. Obtained collaterals which are permitted to be sold or repledged.

Assets pledged for own liabilities contain securities pledged as security in repurchase agreement and in securities lending. The transactions are conducted under standard agreements employed by financial markets participants. Counterparts in those transactions are credit institutions and the public. The transactions are typically short term with maturity within three months.

## P37

## Other assets pledged

| EURm                                    | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-----------------------------------------|----------------|----------------|
| <b>Other assets pledged<sup>1</sup></b> |                |                |
| Securities etc                          | 7,264          | 7,259          |
| <b>Total</b>                            | <b>7,264</b>   | <b>7,259</b>   |

1) Collaterals pledged on behalf of other items other than the company's own liabilities, eg, on behalf of a third party or on behalf of the company's own contingent liabilities are accounted for under this item.

Securities etc. includes interest-bearing securities pledged as security for payment settlements within the Central bank of Sweden. The terms and conditions require day to day security and relate to liquidity intraday/over night.

## P38

## Contingent liabilities

| EURm                         | 31 Dec<br>2011 | 31 Dec<br>2010 |
|------------------------------|----------------|----------------|
| <b>Guarantees</b>            |                |                |
| – Loan guarantees            | 8,614          | 8,367          |
| – Other guarantees           | 16,102         | 15,531         |
| Other contingent liabilities | 4              | 5              |
| <b>Total</b>                 | <b>24,720</b>  | <b>23,903</b>  |

In the normal business of Nordea, the bank issues various forms of guarantees in favour of the bank's customers. Loan guarantees are given for customers to guarantee obligations in other credit- and pension institutions. Other guarantees consist mainly of commercial guarantees such as bid guarantees, advance payment guarantees, warranty guarantees and export related guarantees.

Nordea Bank AB (publ) has issued a guarantee covering all commitments in Nordea Investment Management AB, org no 556060-2301 and Nordea Fastigheter AB, org no 556021-4917.

Nordea Bank AB (publ) has undertaken, in relation to certain individuals and on certain conditions, to be responsible for the potential payment liability against them in their capacity as managing directors or board member in subsidiaries to Nordea Bank AB (publ).

A limited number of employees are entitled to severance pay if they are dismissed before reaching their normal retirement age.

**Legal proceedings**

Within the framework of the normal business operations, the company faces a number of claims in civil lawsuits and disputes, most of which involve relatively limited amounts. Presently none of the current disputes is considered likely to have any significant adverse effect on the company or its financial position.

## P39

## Commitments

| EURm                            | 31 Dec<br>2011 | 31 Dec<br>2010 |
|---------------------------------|----------------|----------------|
| Credit commitments <sup>1</sup> | 25,098         | 29,485         |
| Other commitments               | —              | 389            |
| <b>Total</b>                    | <b>25,098</b>  | <b>29,874</b>  |

1) Including unutilised portion of approved overdraft facilities of EUR 12,259m (EUR 13,972m).

For information about derivatives see Note P19.

## P40

## Capital adequacy

## Calculation of total capital base

| EURm                                            | 31 Dec 2011   | 31 Dec 2010   |
|-------------------------------------------------|---------------|---------------|
| Equity                                          | 16,921        | 16,580        |
| Proposed/actual dividend                        | -1,048        | -1,168        |
| Hybrid capital loans                            | 1,964         | 1,946         |
| Deferred tax assets                             | -26           | -8            |
| Intangible assets                               | -658          | -691          |
| IRB provisions excess (+)/shortfall (-)         | -32           | -31           |
| Other items, net                                | 13            | —             |
| <b>Tier 1 capital<br/>(net after deduction)</b> | <b>17,134</b> | <b>16,628</b> |
| – of which hybrid capital                       | 1,964         | 1,946         |
| <b>Tier 2 capital</b>                           | <b>3,203</b>  | <b>4,594</b>  |
| IRB provisions excess (+)/shortfall (-)         | -33           | -31           |
| Other deduction                                 | 0             | 0             |
| <b>Total</b>                                    | <b>20,304</b> | <b>21,191</b> |

## Capital requirements and RWA

| EURm                                                         | 31 Dec 2011         |               | 31 Dec 2010         |               |
|--------------------------------------------------------------|---------------------|---------------|---------------------|---------------|
|                                                              | Capital requirement | Basel II RWA  | Capital requirement | Basel II RWA  |
| <b>Credit risk</b>                                           | <b>4,595</b>        | <b>57,441</b> | <b>4,622</b>        | <b>57,778</b> |
| IRB foundation                                               | 2,186               | 27,328        | 2,390               | 29,869        |
| – of which corporate                                         | 1,764               | 22,051        | 2,003               | 25,043        |
| – of which institutions                                      | 198                 | 2,477         | 147                 | 1,834         |
| – of which retail                                            | 201                 | 2,518         | 209                 | 2,609         |
| – of which other                                             | 23                  | 282           | 31                  | 383           |
| Standardised                                                 | 2,409               | 30,113        | 2,232               | 27,909        |
| – of which sovereign                                         | 0                   | 0             | 0                   | 0             |
| – of which corporate and institutions                        | 2,409               | 30,113        | 2,232               | 27,909        |
| <b>Market risk<sup>1</sup></b>                               | <b>92</b>           | <b>1,158</b>  | <b>111</b>          | <b>1,392</b>  |
| – of which trading book, Internal Approach                   | 30                  | 376           | 13                  | 163           |
| – of which trading book, Standardised Approach               | 11                  | 143           | 18                  | 221           |
| – of which banking book, Standardised Approach               | 51                  | 639           | 80                  | 1,008         |
| <b>Operational risk</b>                                      | <b>190</b>          | <b>2,375</b>  | <b>175</b>          | <b>2,185</b>  |
| – of which standardised                                      | 190                 | 2,375         | 175                 | 2,185         |
| <b>Sub total</b>                                             | <b>4,877</b>        | <b>60,974</b> | <b>4,908</b>        | <b>61,355</b> |
| <b>Adjustment for transition rules</b>                       |                     |               |                     |               |
| Additional capital requirement according to transition rules | —                   | —             | —                   | —             |
| <b>Total</b>                                                 | <b>4,877</b>        | <b>60,974</b> | <b>4,908</b>        | <b>61,355</b> |

1) Note that the comparison figures are not restated with respect to CRD III.

More Capital Adequacy information can be found in the Risk, Liquidity and Capital management section page 67.

P41

## Classification of financial instruments

|                                                                                 |                          |                     |                     | Financial assets<br>at fair value<br>through profit or loss |                                    |                       |                         |         |
|---------------------------------------------------------------------------------|--------------------------|---------------------|---------------------|-------------------------------------------------------------|------------------------------------|-----------------------|-------------------------|---------|
|                                                                                 | Loans and<br>receivables | Held to<br>maturity | Held for<br>trading | Designated at<br>fair value<br>through<br>profit or loss    | Derivatives<br>used for<br>hedging | Available<br>for sale | Non-financial<br>assets | Total   |
| 31 Dec 2011, EURm                                                               |                          |                     |                     |                                                             |                                    |                       |                         |         |
| Assets                                                                          |                          |                     |                     |                                                             |                                    |                       |                         |         |
| Cash and balances with central banks                                            | 152                      | —                   | —                   | —                                                           | —                                  | —                     | —                       | 152     |
| Treasury bills                                                                  | —                        | 353                 | 3,377               | —                                                           | —                                  | —                     | —                       | 3,730   |
| Loans to credit institutions                                                    | 55,839                   | —                   | 234                 | 3,306                                                       | —                                  | —                     | —                       | 59,379  |
| Loans to the public                                                             | 33,743                   | —                   | —                   | 2,678                                                       | —                                  | —                     | —                       | 36,421  |
| Interest-bearing securities                                                     | —                        | 1,648               | 7,642               | —                                                           | —                                  | 5,294                 | —                       | 14,584  |
| Financial instruments pledged as collateral                                     | —                        | —                   | 1,237               | —                                                           | —                                  | —                     | —                       | 1,237   |
| Shares                                                                          | —                        | —                   | 1,097               | 38                                                          | —                                  | —                     | —                       | 1,135   |
| Derivatives                                                                     | —                        | —                   | 2,477               | —                                                           | 1,862                              | —                     | —                       | 4,339   |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -632                     | —                   | —                   | —                                                           | —                                  | —                     | —                       | -632    |
| Investments in group undertakings                                               | —                        | —                   | —                   | —                                                           | —                                  | —                     | 16,713                  | 16,713  |
| Investments in associated undertakings                                          | —                        | —                   | —                   | —                                                           | —                                  | —                     | 5                       | 5       |
| Intangible assets                                                               | —                        | —                   | —                   | —                                                           | —                                  | —                     | 658                     | 658     |
| Property and equipment                                                          | —                        | —                   | —                   | —                                                           | —                                  | —                     | 81                      | 81      |
| Deferred tax assets                                                             | —                        | —                   | —                   | —                                                           | —                                  | —                     | 26                      | 26      |
| Current tax assets                                                              | —                        | —                   | —                   | —                                                           | —                                  | —                     | 12                      | 12      |
| Other assets                                                                    | 2,096                    | —                   | —                   | 166                                                         | —                                  | —                     | —                       | 2,262   |
| Prepaid expenses and accrued income                                             | 1,248                    | —                   | 10                  | —                                                           | —                                  | —                     | 21                      | 1,279   |
| Total                                                                           | 92,446                   | 2,001               | 16,074              | 6,188                                                       | 1,862                              | 5,294                 | 17,516                  | 141,381 |

|                                                                                 | Financial liabilities<br>at fair value<br>through profit or loss |                                                          |                                    |                                   |                              |                |
|---------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------|------------------------------------|-----------------------------------|------------------------------|----------------|
|                                                                                 | Held for<br>trading                                              | Designated at<br>fair value<br>through profit<br>or loss | Derivatives<br>used for<br>hedging | Other<br>financial<br>liabilities | Non-financial<br>liabilities | Total          |
| <b>31 Dec 2011, EURm</b>                                                        |                                                                  |                                                          |                                    |                                   |                              |                |
| <b>Liabilities</b>                                                              |                                                                  |                                                          |                                    |                                   |                              |                |
| Deposits by credit institutions                                                 | 1,254                                                            | 2,135                                                    | —                                  | 19,052                            | —                            | 22,441         |
| Deposits and borrowings from the public                                         | 3                                                                | 506                                                      | —                                  | 43,880                            | —                            | 44,389         |
| Debt securities in issue                                                        | —                                                                | —                                                        | —                                  | 45,367                            | —                            | 45,367         |
| Derivatives                                                                     | 2,804                                                            | —                                                        | 210                                | —                                 | —                            | 3,014          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | —                                                                | —                                                        | —                                  | 147                               | —                            | 147            |
| Current tax liabilities                                                         | —                                                                | —                                                        | —                                  | —                                 | 71                           | 71             |
| Other liabilities                                                               | 455                                                              | 209                                                      | —                                  | 1,029                             | 83                           | 1,776          |
| Accrued expenses and prepaid income                                             | 2                                                                | 117                                                      | —                                  | 570                               | 162                          | 851            |
| Deferred tax liabilities                                                        | —                                                                | —                                                        | —                                  | —                                 | 2                            | 2              |
| Provisions                                                                      | —                                                                | —                                                        | —                                  | —                                 | 90                           | 90             |
| Retirement benefit obligations                                                  | —                                                                | —                                                        | —                                  | —                                 | 153                          | 153            |
| Subordinated liabilities                                                        | —                                                                | —                                                        | —                                  | 6,154                             | —                            | 6,154          |
| <b>Total</b>                                                                    | <b>4,518</b>                                                     | <b>2,967</b>                                             | <b>210</b>                         | <b>116,199</b>                    | <b>561</b>                   | <b>124,455</b> |

P41

## Classification of financial instruments, cont.

|                                                                                 |                          |                     |                     | Financial assets<br>at fair value<br>through profit or loss |                                    |                       |                         |         |
|---------------------------------------------------------------------------------|--------------------------|---------------------|---------------------|-------------------------------------------------------------|------------------------------------|-----------------------|-------------------------|---------|
|                                                                                 | Loans and<br>receivables | Held to<br>maturity | Held for<br>trading | Designated at<br>fair value<br>through<br>profit or loss    | Derivatives<br>used for<br>hedging | Available<br>for sale | Non-financial<br>assets | Total   |
| 31 Dec 2010, EURm                                                               |                          |                     |                     |                                                             |                                    |                       |                         |         |
| Assets                                                                          |                          |                     |                     |                                                             |                                    |                       |                         |         |
| Cash and balances with central banks                                            | 182                      | —                   | —                   | —                                                           | —                                  | —                     | —                       | 182     |
| Treasury bills                                                                  | —                        | 630                 | 4,228               | —                                                           | —                                  | —                     | —                       | 4,858   |
| Loans to credit institutions                                                    | 43,699                   | —                   | 2,522               | 1,930                                                       | —                                  | —                     | —                       | 48,151  |
| Loans to the public                                                             | 30,858                   | —                   | —                   | 2,942                                                       | —                                  | —                     | —                       | 33,800  |
| Interest-bearing securities                                                     | —                        | 4,212               | 6,397               | 3,052                                                       | —                                  | 2,187                 | —                       | 15,848  |
| Financial instruments pledged as collateral                                     | —                        | —                   | 6,160               | —                                                           | —                                  | —                     | —                       | 6,160   |
| Shares                                                                          | —                        | —                   | 262                 | 58                                                          | —                                  | —                     | —                       | 320     |
| Derivatives                                                                     | —                        | —                   | 1,864               | —                                                           | 747                                | —                     | —                       | 2,611   |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 795                      | —                   | —                   | —                                                           | —                                  | —                     | —                       | 795     |
| Investments in group undertakings                                               | —                        | —                   | —                   | —                                                           | —                                  | —                     | 16,690                  | 16,690  |
| Investments in associated undertakings                                          | —                        | —                   | —                   | —                                                           | —                                  | —                     | 4                       | 4       |
| Intangible assets                                                               | —                        | —                   | —                   | —                                                           | —                                  | —                     | 671                     | 671     |
| Property and equipment                                                          | —                        | —                   | —                   | —                                                           | —                                  | —                     | 77                      | 77      |
| Deferred tax assets                                                             | —                        | —                   | —                   | —                                                           | —                                  | —                     | 8                       | 8       |
| Current tax assets                                                              | —                        | —                   | —                   | —                                                           | —                                  | —                     | 1                       | 1       |
| Other assets                                                                    | 2,535                    | —                   | 55                  | 30                                                          | —                                  | —                     | —                       | 2,620   |
| Prepaid expenses and accrued income                                             | 980                      | —                   | —                   | 8                                                           | —                                  | —                     | 21                      | 1,009   |
| Total                                                                           | 79,049                   | 4,842               | 21,488              | 8,020                                                       | 747                                | 2,187                 | 17,472                  | 133,805 |

|                                                                                 | Financial liabilities<br>at fair value<br>through profit or loss |                                                          |                                    |                                   |                              |                |
|---------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------|------------------------------------|-----------------------------------|------------------------------|----------------|
|                                                                                 | Held for<br>trading                                              | Designated at<br>fair value<br>through profit<br>or loss | Derivatives<br>used for<br>hedging | Other<br>financial<br>liabilities | Non-financial<br>liabilities | Total          |
| <b>31 Dec 2010, EURm</b>                                                        |                                                                  |                                                          |                                    |                                   |                              |                |
| <b>Liabilities</b>                                                              |                                                                  |                                                          |                                    |                                   |                              |                |
| Deposits by credit institutions                                                 | 6,276                                                            | 156                                                      | —                                  | 22,212                            | —                            | 28,644         |
| Deposits and borrowings from the public                                         | —                                                                | 307                                                      | —                                  | 39,313                            | —                            | 39,620         |
| Debt securities in issue                                                        | —                                                                | —                                                        | —                                  | 33,424                            | —                            | 33,424         |
| Derivatives                                                                     | 1,903                                                            | —                                                        | 271                                | —                                 | —                            | 2,174          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | —                                                                | —                                                        | —                                  | 749                               | —                            | 749            |
| Current tax liabilities                                                         | —                                                                | —                                                        | —                                  | —                                 | 110                          | 110            |
| Other liabilities                                                               | 604                                                              | 109                                                      | —                                  | 3,711                             | 34                           | 4,458          |
| Accrued expenses and prepaid income                                             | —                                                                | 0                                                        | —                                  | 554                               | 167                          | 721            |
| Deferred tax liabilities                                                        | —                                                                | —                                                        | —                                  | —                                 | 0                            | 0              |
| Provisions                                                                      | —                                                                | —                                                        | —                                  | —                                 | 35                           | 35             |
| Retirement benefit obligations                                                  | —                                                                | —                                                        | —                                  | —                                 | 149                          | 149            |
| Subordinated liabilities                                                        | —                                                                | —                                                        | —                                  | 7,135                             | —                            | 7,135          |
| <b>Total</b>                                                                    | <b>8,783</b>                                                     | <b>572</b>                                               | <b>271</b>                         | <b>107,098</b>                    | <b>495</b>                   | <b>117,219</b> |

## P41

## Classification of financial instruments, cont.

## Loans designated at fair value through profit or loss

| EURm                            | 31 Dec 2011 | 31 Dec 2010 |
|---------------------------------|-------------|-------------|
| Carrying amount                 | 5,984       | 4,872       |
| Maximum exposure to credit risk | 5,984       | 4,872       |

## Financial liabilities designated at fair value through profit or loss

## Changes in fair values attributable to changes in credit risk

The funding of Markets operations are measured at fair value and classified into the category "Fair value through profit or loss". The funding of Markets is generally of such a short term nature that the effect of charges in own credit risk is not significant.

## Comparison of carrying amount and contractual amount to be paid at maturity

|                                                                       | Carrying amount | Amount to be paid at maturity |
|-----------------------------------------------------------------------|-----------------|-------------------------------|
| <b>2011, EURm</b>                                                     |                 |                               |
| Financial liabilities designated at fair value through profit or loss | 2,967           | 2,967                         |

|                                                                       | Carrying amount | Amount to be paid at maturity |
|-----------------------------------------------------------------------|-----------------|-------------------------------|
| <b>2010, EURm</b>                                                     |                 |                               |
| Financial liabilities designated at fair value through profit or loss | 572             | 572                           |

## P42

## Assets and liabilities at fair value

|                                                                                 | 31 Dec 2011     |                | 31 Dec 2010     |                |
|---------------------------------------------------------------------------------|-----------------|----------------|-----------------|----------------|
| EURm                                                                            | Carrying amount | Fair value     | Carrying amount | Fair value     |
| <b>Assets</b>                                                                   |                 |                |                 |                |
| Cash and balances with central banks                                            | 152             | 152            | 182             | 182            |
| Treasury bills                                                                  | 3,730           | 3,730          | 4,858           | 4,855          |
| Loans to credit institutions                                                    | 59,379          | 59,401         | 48,151          | 48,185         |
| Loans to the public                                                             | 36,421          | 36,430         | 33,800          | 33,803         |
| Interest-bearing securities                                                     | 14,584          | 14,849         | 15,848          | 15,812         |
| Financial instruments pledged as collateral                                     | 1,237           | 1,237          | 6,160           | 6,160          |
| Shares                                                                          | 1,135           | 1,135          | 320             | 320            |
| Derivatives                                                                     | 4,339           | 4,339          | 2,611           | 2,611          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -632            | -632           | 795             | 795            |
| Investments in group undertakings                                               | 16,713          | 16,713         | 16,690          | 16,690         |
| Investments in associated undertakings                                          | 5               | 5              | 4               | 4              |
| Intangible assets                                                               | 658             | 658            | 671             | 671            |
| Property and equipment                                                          | 81              | 81             | 77              | 77             |
| Deferred tax assets                                                             | 26              | 26             | 8               | 8              |
| Current tax assets                                                              | 12              | 12             | 1               | 1              |
| Other assets                                                                    | 2,262           | 2,262          | 2,620           | 2,620          |
| Prepaid expenses and accrued income                                             | 1,279           | 1,279          | 1,009           | 1,009          |
| <b>Total assets</b>                                                             | <b>141,381</b>  | <b>141,677</b> | <b>133,805</b>  | <b>133,803</b> |
| <b>Liabilities</b>                                                              |                 |                |                 |                |
| Deposits by credit institutions                                                 | 22,441          | 22,433         | 28,644          | 28,644         |
| Deposits and borrowings from the public                                         | 44,389          | 44,444         | 39,620          | 39,626         |
| Debt securities in issue                                                        | 45,367          | 45,080         | 33,424          | 33,735         |
| Derivatives                                                                     | 3,014           | 3,014          | 2,174           | 2,174          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 147             | 147            | 749             | 749            |
| Current tax liabilities                                                         | 71              | 71             | 110             | 110            |
| Other liabilities                                                               | 1,776           | 1,776          | 4,458           | 4,458          |
| Accrued expenses and prepaid income                                             | 851             | 851            | 721             | 721            |
| Deferred tax liabilities                                                        | 2               | 2              | 0               | 0              |
| Provisions                                                                      | 90              | 90             | 35              | 35             |
| Retirement benefit obligations                                                  | 153             | 153            | 149             | 149            |
| Subordinated liabilities                                                        | 6,154           | 6,154          | 7,135           | 7,134          |
| <b>Total liabilities</b>                                                        | <b>124,455</b>  | <b>124,215</b> | <b>117,219</b>  | <b>117,535</b> |

## Liabilities

|                                                                                 |                |                |                |                |
|---------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| Deposits by credit institutions                                                 | 22,441         | 22,433         | 28,644         | 28,644         |
| Deposits and borrowings from the public                                         | 44,389         | 44,444         | 39,620         | 39,626         |
| Debt securities in issue                                                        | 45,367         | 45,080         | 33,424         | 33,735         |
| Derivatives                                                                     | 3,014          | 3,014          | 2,174          | 2,174          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 147            | 147            | 749            | 749            |
| Current tax liabilities                                                         | 71             | 71             | 110            | 110            |
| Other liabilities                                                               | 1,776          | 1,776          | 4,458          | 4,458          |
| Accrued expenses and prepaid income                                             | 851            | 851            | 721            | 721            |
| Deferred tax liabilities                                                        | 2              | 2              | 0              | 0              |
| Provisions                                                                      | 90             | 90             | 35             | 35             |
| Retirement benefit obligations                                                  | 153            | 153            | 149            | 149            |
| Subordinated liabilities                                                        | 6,154          | 6,154          | 7,135          | 7,134          |
| <b>Total liabilities</b>                                                        | <b>124,455</b> | <b>124,215</b> | <b>117,219</b> | <b>117,535</b> |

## Determination of fair value for assets and liabilities

For information on how fair values are determined, see Note G43 Assets and liabilities at fair value. Nordea has not deferred any day 1 gains and losses in accordance with the accounting policy in Note G1.

## P42

## Assets and liabilities at fair value, cont

| 31 Dec 2011, EURm                       | Quoted prices in active markets for same instrument (Level 1) | Valuation technique using observable data (Level 2) | Valuation technique using non-observable data (Level 3) | Total  |
|-----------------------------------------|---------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------|--------|
| <b>Assets</b>                           |                                                               |                                                     |                                                         |        |
| Loans to credit institutions            | —                                                             | 3,540                                               | —                                                       | 3,540  |
| Loans to the public                     | —                                                             | 2,678                                               | —                                                       | 2,678  |
| Debt securities <sup>1</sup>            | 14,067                                                        | 3,320                                               | 163                                                     | 17,550 |
| Shares                                  | 1,097                                                         | 4                                                   | 34                                                      | 1,135  |
| Derivatives                             | 69                                                            | 4,270                                               | —                                                       | 4,339  |
| Other assets                            | —                                                             | 166                                                 | —                                                       | 166    |
| Prepaid expenses and accrued income     | —                                                             | 10                                                  | —                                                       | 10     |
| <b>Liabilities</b>                      |                                                               |                                                     |                                                         |        |
| Deposits by credit institutions         | —                                                             | 3,389                                               | —                                                       | 3,389  |
| Deposits and borrowings from the public | —                                                             | 509                                                 | —                                                       | 509    |
| Derivatives                             | 99                                                            | 2,915                                               | 0                                                       | 3,014  |
| Other liabilities                       | —                                                             | 664                                                 | —                                                       | 664    |
| Accrued expenses and prepaid income     | 2                                                             | 117                                                 | —                                                       | 119    |

1) Of which EUR 3,377m Treasury bills and EUR 12,936m Interest-bearing securities (the portion held at fair value in Note P41). EUR 1,237m relates to the balance sheet item Financial instruments pledged as collateral.

| 31 Dec 2010, EURm                       | Quoted prices in active markets for same instrument (Level 1) | Valuation technique using observable data (Level 2) | Valuation technique using non-observable data (Level 3) | Total  |
|-----------------------------------------|---------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------|--------|
| <b>Assets</b>                           |                                                               |                                                     |                                                         |        |
| Loans to credit institutions            | —                                                             | 4,452                                               | —                                                       | 4,452  |
| Loans to the public                     | —                                                             | 2,942                                               | —                                                       | 2,942  |
| Debt securities <sup>1</sup>            | 18,059                                                        | 3,958                                               | 7                                                       | 22,024 |
| Shares                                  | 271                                                           | 6                                                   | 43                                                      | 320    |
| Derivatives                             | 105                                                           | 2,506                                               | —                                                       | 2,611  |
| Other assets                            | —                                                             | 85                                                  | —                                                       | 85     |
| Prepaid expenses and accrued income     | —                                                             | 8                                                   | —                                                       | 8      |
| <b>Liabilities</b>                      |                                                               |                                                     |                                                         |        |
| Deposits by credit institutions         | —                                                             | 6,432                                               | —                                                       | 6,432  |
| Deposits and borrowings from the public | —                                                             | 307                                                 | —                                                       | 307    |
| Derivatives                             | 91                                                            | 2,082                                               | 1                                                       | 2,174  |
| Other liabilities                       | —                                                             | 713                                                 | —                                                       | 713    |

1) Of which EUR 4,228m Treasury bills and EUR 11,636m Interest-bearing securities (the portion held at fair value in Note P41). EUR 6,160m relates to the balance sheet item Financial instruments pledged as collateral.

## Movements in level 3

The following table shows a reconciliation of the opening and closing carrying amounts of level 3 financial assets and liabilities

| 31 Dec 2011, EURm                           | 1 Jan 2011 | Fair value gains/losses recognised in the income statement during the year |                         |     | Purchases | Sales | Settlements | Net transfers into/out of level 3 | Translation differences | 31 Dec 2011 |
|---------------------------------------------|------------|----------------------------------------------------------------------------|-------------------------|-----|-----------|-------|-------------|-----------------------------------|-------------------------|-------------|
|                                             |            | Realised                                                                   | Unrealised <sup>1</sup> |     |           |       |             |                                   |                         |             |
| Debt securities                             | 7          | —                                                                          | -1                      | 157 | —         | —     | —           | —                                 | —                       | 163         |
| Shares                                      | 43         | -11                                                                        | —                       | 2   | —         | —     | —           | —                                 | —                       | 34          |
| Derivatives (net of assets and liabilities) | -1         | —                                                                          | —                       | 1   | —         | —     | —           | —                                 | —                       | 0           |

1) Relates to those assets and liabilities held at the end of the reporting period.

| 31 Dec 2010, EURm | 1 Jan 2010 | Realised | Unrealised <sup>1</sup> | Purchases | Sales | Settlements | Net transfers into/out of level 3 | Translation differences | 31 Dec 2010 |
|-------------------|------------|----------|-------------------------|-----------|-------|-------------|-----------------------------------|-------------------------|-------------|
|-------------------|------------|----------|-------------------------|-----------|-------|-------------|-----------------------------------|-------------------------|-------------|

## P42

## Assets and liabilities at fair value, cont

|                                             |    |    |    |   |   |   |   |   |    |
|---------------------------------------------|----|----|----|---|---|---|---|---|----|
| Debt securities                             | 7  | —  | —  | — | — | — | — | — | 7  |
| Shares                                      | 23 | -4 | 21 | 3 | — | — | — | — | 43 |
| Derivatives (net of assets and liabilities) | -4 | 3  | —  | — | — | — | — | — | -1 |

1) Relates to those assets and liabilities held at the end of the reporting period.

**Transfers between level 1 and 2**

During the year, the parent company has transferred debt securities of EUR 671m (EUR 0m) from level 1 to level 2 and EUR 15m (EUR 33m) from level 2 to level 1 of the fair value hierarchy for financial assets and liabilities at fair value. The reason for transfers from level 1 to level 2 was that the

instruments ceased to be actively traded during the year and fair values have now been obtained using valuation techniques with observable market inputs. The reason for transfers from level 2 to level 1 was that the instruments have again been actively traded during the year and reliable quoted prices are obtained in the markets.

## P43

## Assets and liabilities in foreign currencies

| 31 Dec 2011, EURbn                      | EUR         | SEK         | DKK        | NOK        | USD         | Other        | Total        |
|-----------------------------------------|-------------|-------------|------------|------------|-------------|--------------|--------------|
| <b>Assets</b>                           |             |             |            |            |             |              |              |
| Treasury bills                          | 1.0         | 2.4         | —          | —          | 0.3         | —            | 3.7          |
| Loans to credit institutions            | 24.8        | 18.6        | 0.1        | 0.7        | 12.4        | 2.8          | 59.4         |
| Loans to the public                     | 5.6         | 21.9        | 2.3        | 0.7        | 4.8         | 1.2          | 36.5         |
| Interest-bearing securities             | 3.6         | 9.4         | 1.5        | —          | 0.1         | —            | 14.6         |
| Other assets                            | 17.3        | 1.7         | 0.0        | 2.6        | 2.8         | 2.8          | 27.2         |
| <b>Total assets</b>                     | <b>52.3</b> | <b>54.0</b> | <b>3.9</b> | <b>4.0</b> | <b>20.4</b> | <b>6.8</b>   | <b>141.4</b> |
| <b>Liabilities and equity</b>           |             |             |            |            |             |              |              |
| Deposits by credit institutions         | 10.5        | 3.2         | 0.1        | 0.4        | 6.5         | 1.7          | 22.4         |
| Deposits and borrowings from the public | 5.4         | 37.5        | 0.1        | 0.3        | 0.8         | 0.2          | 44.3         |
| Debt securities in issue                | 28.6        | 2.7         | 0.0        | 0.3        | 9.3         | 4.5          | 45.4         |
| Provisions                              | —           | 0.1         | —          | —          | —           | —            | 0.1          |
| Subordinated liabilities                | 2.7         | 0.0         | —          | —          | 3.2         | 0.2          | 6.1          |
| Other liabilities and equity            | 5.3         | 10.5        | 3.7        | 3.0        | 0.4         | 0.2          | 23.1         |
| <b>Total liabilities and equity</b>     | <b>52.5</b> | <b>54.0</b> | <b>3.9</b> | <b>4.0</b> | <b>20.2</b> | <b>6.8</b>   | <b>141.4</b> |
| <b>31 Dec 2010, EURbn</b>               | <b>EUR</b>  | <b>SEK</b>  | <b>DKK</b> | <b>NOK</b> | <b>USD</b>  | <b>Other</b> | <b>Total</b> |
| <b>Assets</b>                           |             |             |            |            |             |              |              |
| Treasury bills                          | 3.4         | 0.9         | —          | —          | 0.6         | —            | 4.9          |
| Loans to credit institutions            | 21.6        | 15.7        | 0.1        | 0.3        | 9.0         | 1.5          | 48.2         |
| Loans to the public                     | 5.9         | 20.9        | 2.2        | 0.6        | 3.3         | 0.9          | 33.8         |
| Interest-bearing securities             | 3.6         | 7.8         | 3.6        | 0.1        | 0.7         | —            | 15.8         |
| Other assets                            | 16.1        | 5.4         | 2.6        | 2.9        | 2.0         | 2.1          | 31.0         |
| <b>Total assets</b>                     | <b>50.6</b> | <b>50.7</b> | <b>8.5</b> | <b>3.9</b> | <b>15.6</b> | <b>4.5</b>   | <b>133.8</b> |
| <b>Liabilities and equity</b>           |             |             |            |            |             |              |              |
| Deposits by credit institutions         | 6.3         | 9.3         | 3.4        | 0.3        | 9.2         | 0.1          | 28.6         |
| Deposits and borrowings from the public | 2.9         | 35.2        | 0.3        | 0.2        | 0.7         | 0.3          | 39.6         |
| Debt securities in issue                | 20.2        | 1.7         | 0.0        | 0.3        | 7.9         | 3.3          | 33.4         |
| Provisions                              | 0.0         | —           | —          | —          | —           | —            | 0.0          |
| Subordinated liabilities                | 3.8         | 0.4         | —          | —          | 2.6         | 0.3          | 7.1          |
| Other liabilities and equity            | 19.7        | 0.7         | 3.7        | 0.1        | 0.7         | 0.2          | 25.0         |
| <b>Total liabilities and equity</b>     | <b>52.9</b> | <b>47.3</b> | <b>7.4</b> | <b>0.9</b> | <b>21.1</b> | <b>4.2</b>   | <b>133.8</b> |

## P44

## Obtained collaterals which are permitted to be sold or repledged

Nordea obtains collaterals under reverse repurchase and securities borrowing agreements which, under the terms of the agreements, can be sold or repledged. The transactions are conducted under standard agreements employed by financial markets participants. Generally, the agreements require additional collateral to be provided if the value of the securities falls below a predetermined level. Under standard terms for most repurchase transactions, the recipient of collateral has an unrestricted right to sell or repledge it, subject to returning equivalent securities on settlement of the transactions. The fair value of the securities obtained as collateral under reverse repurchase and securities borrowing agreements are disclosed below.

| EURm                                                | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-----------------------------------------------------|----------------|----------------|
| <b>Reverse repurchase agreements</b>                |                |                |
| Received collaterals which can be repledged or sold | 233            | 2,495          |
| – of which repledged or sold                        | —              | 17             |
| <b>Securities borrowing agreements</b>              |                |                |
| Received collaterals which can be repledged or sold | 2,180          | 1,453          |
| – of which repledged or sold                        | 2,180          | 1,453          |
| <b>Total</b>                                        | <b>2,413</b>   | <b>3,948</b>   |

## P45

## Maturity analysis for assets and liabilities

## Remaining maturity

| 31 Dec 2011, EURm                                                               | Note | Payable on demand | Maximum 3 months | 3–12 months   | 1–5 years     | More than 5 years | Without fixed maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------|------------------|---------------|---------------|-------------------|------------------------|----------------|
| Cash and balances with central banks                                            |      | 152               | —                | —             | —             | —                 | —                      | 152            |
| Treasury bills                                                                  | P14  | —                 | 181              | 353           | 2,783         | 413               | —                      | 3,730          |
| Loans to credit institutions                                                    | P15  | 7,900             | 27,567           | 13,781        | 7,030         | 3,101             | —                      | 59,379         |
| Loans to the public                                                             | P15  | 4,669             | 12,572           | 4,125         | 14,481        | 574               | —                      | 36,421         |
| Interest-bearing securities                                                     | P16  | —                 | 4,389            | 3,894         | 6,212         | 89                | —                      | 14,584         |
| Financial instruments pledged as collateral                                     | P17  | —                 | 50               | 405           | 769           | 13                | —                      | 1,237          |
| Derivatives                                                                     | P19  | —                 | 121              | 297           | 2,359         | 1,562             | —                      | 4,339          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | P20  | —                 | –657             | 49            | 56            | –80               | —                      | –632           |
| <b>Total assets with fixed maturities</b>                                       |      | <b>12,721</b>     | <b>44,223</b>    | <b>22,904</b> | <b>33,690</b> | <b>5,672</b>      | <b>—</b>               | <b>119,210</b> |
| Other assets                                                                    |      | —                 | —                | —             | —             | —                 | 22,171                 | 22,171         |
| <b>Total assets</b>                                                             |      | <b>12,721</b>     | <b>44,223</b>    | <b>22,904</b> | <b>33,690</b> | <b>5,672</b>      | <b>22,171</b>          | <b>141,381</b> |
| Deposits by credit institutions                                                 | P27  | 1,166             | 19,242           | 938           | 752           | 343               | —                      | 22,441         |
| Deposits and borrowings from the public                                         | P28  | 34,440            | 8,645            | 1,151         | 153           | —                 | —                      | 44,389         |
| – of which Deposits                                                             |      | 33,270            | 8,645            | 1,151         | 153           | —                 | —                      | 43,219         |
| – of which Borrowings                                                           |      | 1,170             | —                | —             | —             | —                 | —                      | 1,170          |
| Debt securities in issue                                                        | P29  | 0                 | 16,117           | 7,657         | 16,168        | 5,425             | —                      | 45,367         |
| – of which Debt securities in issue                                             |      | 0                 | 16,018           | 7,657         | 16,168        | 5,425             | —                      | 45,268         |
| – of which Other                                                                |      | —                 | 99               | —             | —             | —                 | —                      | 99             |
| Derivatives                                                                     | P19  | —                 | 247              | 266           | 1,920         | 581               | —                      | 3,014          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | P20  | —                 | 430              | 152           | 1,198         | –1,633            | —                      | 147            |
| Subordinated liabilities                                                        | P34  | —                 | —                | —             | 499           | 5,655             | —                      | 6,154          |
| <b>Total liabilities with fixed maturities</b>                                  |      | <b>35,606</b>     | <b>44,681</b>    | <b>10,164</b> | <b>20,690</b> | <b>10,371</b>     | <b>—</b>               | <b>121,512</b> |
| Other liabilities                                                               |      | —                 | —                | —             | —             | —                 | 2,948                  | 2,948          |
| Equity                                                                          |      | —                 | —                | —             | —             | —                 | 16,921                 | 16,921         |
| <b>Total liabilities and equity</b>                                             |      | <b>35,606</b>     | <b>44,681</b>    | <b>10,164</b> | <b>20,690</b> | <b>10,371</b>     | <b>19,869</b>          | <b>141,381</b> |



## P45

## Maturity analysis for assets and liabilities, cont.

## Remaining maturity

| 31 Dec 2010, EURm                                                               | Note | Payable on demand | Maximum 3 months | 3–12 months   | 1–5 years     | More than 5 years | Without fixed maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------|------------------|---------------|---------------|-------------------|------------------------|----------------|
| Cash and balances with central banks                                            |      | 182               | —                | —             | —             | —                 | —                      | 182            |
| Treasury bills                                                                  | P14  | —                 | 91               | 430           | 2,561         | 1,776             | —                      | 4,858          |
| Loans to credit institutions                                                    | P15  | 5,317             | 25,438           | 14,734        | 2,145         | 517               | —                      | 48,151         |
| Loans to the public                                                             | P15  | 4,404             | 13,546           | 3,363         | 12,259        | 228               | —                      | 33,800         |
| Interest-bearing securities                                                     | P16  | —                 | 1,091            | 5,150         | 9,195         | 412               | —                      | 15,848         |
| Financial instruments pledged as collateral                                     | P17  | —                 | —                | 23            | 5,683         | 454               | —                      | 6,160          |
| Derivatives                                                                     | P19  | —                 | 301              | 277           | 1,367         | 666               | —                      | 2,611          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | P20  | —                 | 68               | 1             | 303           | 423               | —                      | 795            |
| <b>Total assets with fixed maturities</b>                                       |      | <b>9,903</b>      | <b>40,535</b>    | <b>23,978</b> | <b>33,513</b> | <b>4,476</b>      | <b>—</b>               | <b>112,405</b> |
| Other assets                                                                    |      | —                 | —                | —             | —             | —                 | 21,400                 | 21,400         |
| <b>Total assets</b>                                                             |      | <b>9,903</b>      | <b>40,535</b>    | <b>23,978</b> | <b>33,513</b> | <b>4,476</b>      | <b>21,400</b>          | <b>133,805</b> |

| 31 Dec 2010, EURm                                                               | Note | Payable on demand | Maximum 3 months | 3–12 months  | 1–5 years     | More than 5 years | Without fixed maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------|------------------|--------------|---------------|-------------------|------------------------|----------------|
| Deposits by credit institutions                                                 | P27  | 1,168             | 24,906           | 2,359        | 211           | —                 | —                      | 28,644         |
| Deposits and borrowings from the public                                         | P28  | 33,297            | 3,509            | 2,716        | 98            | —                 | —                      | 39,620         |
| – of which Deposits                                                             |      | 33,176            | 3,509            | 2,716        | 98            | —                 | —                      | 39,499         |
| – of which Borrowings                                                           |      | 121               | 0                | —            | —             | —                 | —                      | 121            |
| Debt securities in issue                                                        | P29  | —                 | 10,964           | 1,880        | 13,245        | 7,335             | —                      | 33,424         |
| – of which Debt securities in issue                                             |      | —                 | 10,843           | 1,880        | 13,245        | 7,335             | —                      | 33,303         |
| – of which Other                                                                |      | —                 | 121              | —            | —             | —                 | —                      | 121            |
| Derivatives                                                                     | P19  | —                 | 381              | 307          | 986           | 500               | —                      | 2,174          |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | P20  | —                 | 1                | 9            | 396           | 343               | —                      | 749            |
| Subordinated liabilities                                                        | P34  | —                 | —                | 598          | 2,160         | 4,377             | —                      | 7,135          |
| <b>Total liabilities with fixed maturities</b>                                  |      | <b>34,465</b>     | <b>39,761</b>    | <b>7,869</b> | <b>17,096</b> | <b>12,555</b>     | <b>—</b>               | <b>111,746</b> |
| Other liabilities                                                               |      | —                 | —                | —            | —             | —                 | 5,479                  | 5,479          |
| Equity                                                                          |      | —                 | —                | —            | —             | —                 | 16,580                 | 16,580         |
| <b>Total liabilities and equity</b>                                             |      | <b>34,465</b>     | <b>39,761</b>    | <b>7,869</b> | <b>17,096</b> | <b>12,555</b>     | <b>22,059</b>          | <b>133,805</b> |

In addition to the on balance sheet and derivative instruments, Nordea has credit commitments amounting to EUR 25,098m (EUR 29,485m), which could be drawn on at any time. Nordea has also issued guarantees of EUR 24,716m (EUR 23,898m) which may lead to future cash outflows if certain events occur.

## P46

## Related-party transactions

The information below is presented from a Nordea perspective, meaning that the information shows the effect from related party transactions on the Nordea figures. For more information on definitions, see Note G1, section 26 and Note G47.

| EURm                                       | Group undertakings |               | Associated undertakings |             | Other related parties |             |
|--------------------------------------------|--------------------|---------------|-------------------------|-------------|-----------------------|-------------|
|                                            | 31 Dec 2011        | 31 Dec 2010   | 31 Dec 2011             | 31 Dec 2010 | 31 Dec 2011           | 31 Dec 2010 |
| <b>Assets</b>                              |                    |               |                         |             |                       |             |
| Loans and receivables                      | 57,981             | 47,005        | 52                      | 45          | —                     | —           |
| Interest-bearing securities                | 1,258              | 4,128         | —                       | —           | —                     | —           |
| Financial instrument pledged as collateral | 0                  | 57            | —                       | —           | —                     | —           |
| Derivatives                                | 1,297              | 1,131         | —                       | —           | —                     | —           |
| Investments in associated undertakings     | —                  | —             | 5                       | 4           | —                     | —           |
| Investments in group undertakings          | 16,713             | 16,690        | —                       | —           | —                     | —           |
| Other assets                               | 431                | 463           | —                       | —           | —                     | —           |
| Prepaid expenses and accrued income        | 716                | 492           | —                       | —           | —                     | —           |
| <b>Total assets</b>                        | <b>78,396</b>      | <b>69,966</b> | <b>57</b>               | <b>49</b>   | <b>—</b>              | <b>—</b>    |

| EURm                                 | Group undertakings |               | Associated undertakings |              | Other related parties |             |
|--------------------------------------|--------------------|---------------|-------------------------|--------------|-----------------------|-------------|
|                                      | 31 Dec 2011        | 31 Dec 2010   | 31 Dec 2011             | 31 Dec 2010  | 31 Dec 2011           | 31 Dec 2010 |
| <b>Liabilities</b>                   |                    |               |                         |              |                       |             |
| Deposits                             | 11,852             | 20,925        | 1                       | 1            | 20                    | 44          |
| Debt securities in issue             | 54                 | 155           | —                       | —            | —                     | —           |
| Derivatives                          | 2,265              | 1,364         | 8                       | 25           | —                     | —           |
| Other liabilities                    | 47,176             | 265           | —                       | —            | —                     | —           |
| Accrued expenses and deferred income | 25                 | 19            | —                       | —            | —                     | —           |
| Subordinated loans                   | 309                | —             | —                       | —            | —                     | —           |
| <b>Total liabilities</b>             | <b>61,681</b>      | <b>22,728</b> | <b>9</b>                | <b>26</b>    | <b>20</b>             | <b>44</b>   |
| <b>Off balance<sup>1</sup></b>       | <b>29,599</b>      | <b>30,707</b> | <b>2,068</b>            | <b>2,056</b> | <b>—</b>              | <b>—</b>    |

1) Including nominal values on derivatives.

| EURm                                        | Group undertakings |           | Associated undertakings |          | Other related parties |          |
|---------------------------------------------|--------------------|-----------|-------------------------|----------|-----------------------|----------|
|                                             | 2011               | 2010      | 2011                    | 2010     | 2011                  | 2010     |
| <b>Interest income and interest expense</b> |                    |           |                         |          |                       |          |
| Interest income                             | 943                | 485       | 1                       | 0        | —                     | —        |
| Interest expense                            | –320               | –463      | 0                       | —        | 0                     | 0        |
| <b>Net interest income and expense</b>      | <b>623</b>         | <b>22</b> | <b>1</b>                | <b>0</b> | <b>0</b>              | <b>0</b> |

#### Compensation and loans to key management personnel

Compensation and loans to key management personnel are specified in Note G7.

#### Other related-party transactions

Nordea Bank AB (publ) takes part in a guarantee consortium to support Norwegian Eksportfinans ASA. For further information, see Note G47.

# Auditor's report

To the annual meeting of the shareholders of Nordea Bank AB (publ)  
Corporate identity number 516406-0120

## **Report on the annual accounts and the consolidated accounts**

We have audited the annual accounts and the consolidated accounts of Nordea Bank AB (publ) for the year 2011. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 50–196.

### *Responsibilities of the Board of Directors and the Managing Director for the annual accounts and the consolidated accounts*

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the annual accounts in accordance with the Annual Accounts Act of Credit Institutions and Security Companies and for the fair presentation of the consolidated accounts in accordance with the International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act of Credit Institutions and Securities Companies, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and the consolidated accounts that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and the consolidated accounts are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and the consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and the consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and the consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and the consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2011 and of its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies, the consolidated accounts have been prepared in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies, and present fairly, in all material respects, the financial position of the group as of 31 December 2011 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act of Credit Institutions and Securities Companies. A Corporate Governance Report has been prepared. The Board of Director's report and the Corporate Governance Report are consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet of the parent company and the group.

## **Report on other legal and regulatory requirements**

In addition to our audit of the annual accounts and the consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Nordea Bank AB (publ) for the year 2011.

### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and the Banking and Financing Business Act.

### *Auditor's responsibility*

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss,

## Auditor's report cont.

we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and the consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the

Banking and Financing Business Act, the Annual Accounts Act of Credit Institutions and Securities Companies, or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### *Opinions*

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the Board of Directors' report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, 9 February 2012

KPMG AB

Carl Lindgren  
*Authorised Public Accountant*

**ANNEX 4 - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF NBF FOR THE  
YEAR ENDED 31 DECEMBER 2011, INCLUDING THE AUDITOR'S REPORT AND NOTES  
RELATING THERETO**

# Nordea Bank Finland Group and Nordea Bank Finland Plc

## Income statement

| EURm                                                                                | Note       | Group         |               | Parent company |               |
|-------------------------------------------------------------------------------------|------------|---------------|---------------|----------------|---------------|
|                                                                                     |            | 2011          | 2010          | 2011           | 2010          |
| <b>Operating income</b>                                                             |            |               |               |                |               |
| Interest income                                                                     | 3          | 2,647         | 1,958         | 2,427          | 1,736         |
| Interest expense                                                                    | 3          | -1,292        | -776          | -1,289         | -775          |
| <b>Net interest income</b>                                                          | 3          | <b>1,355</b>  | <b>1,182</b>  | <b>1,138</b>   | <b>961</b>    |
| Fee and commission income                                                           | 4          | 703           | 649           | 662            | 606           |
| Fee and commission expense                                                          | 4          | -394          | -360          | -387           | -336          |
| <b>Net fee and commission income</b>                                                | 4          | <b>309</b>    | <b>289</b>    | <b>275</b>     | <b>270</b>    |
| Net result from items at fair value                                                 | 5          | 937           | 979           | 939            | 979           |
| Profit from companies accounted for under the equity method                         | 21         | 9             | 6             | -              | -             |
| Dividends                                                                           | 6          | -             | -             | 62             | 42            |
| Other operating income                                                              | 7          | 34            | 43            | 38             | 49            |
| <b>Total operating income</b>                                                       |            | <b>2,644</b>  | <b>2,499</b>  | <b>2,452</b>   | <b>2,301</b>  |
| <b>Operating expenses</b>                                                           |            |               |               |                |               |
| General administrative expenses:                                                    |            |               |               |                |               |
| Staff costs                                                                         | 8          | -592          | -553          | -546           | -508          |
| Other expenses                                                                      | 9          | -457          | -479          | -458           | -478          |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | 10, 22, 23 | -43           | -41           | -25            | -24           |
| <b>Total operating expenses</b>                                                     |            | <b>-1,092</b> | <b>-1,073</b> | <b>1,029</b>   | <b>-1,010</b> |
| <b>Profit before loan losses</b>                                                    |            | <b>1,552</b>  | <b>1,426</b>  | <b>1,423</b>   | <b>1,291</b>  |
| Net loan losses                                                                     | 11         | -70           | -272          | -46            | -227          |
| Impairment of securities held as financial non-current assets                       |            | -             | 2             | 4              | 2             |
| <b>Operating profit</b>                                                             |            | <b>1,482</b>  | <b>1,156</b>  | <b>1,381</b>   | <b>1,066</b>  |
| Income tax expense                                                                  | 12         | -381          | -302          | -341           | -268          |
| <b>Net profit for the year</b>                                                      |            | <b>1,101</b>  | <b>854</b>    | <b>1,040</b>   | <b>798</b>    |
| <b>Attributable to:</b>                                                             |            |               |               |                |               |
| Shareholders of Nordea Bank Finland Plc                                             |            | 1,099         | 852           | 1,040          | 798           |
| Non-controlling interests                                                           |            | 2             | 2             | -              | -             |
| <b>Total</b>                                                                        |            | <b>1,101</b>  | <b>854</b>    | <b>1,040</b>   | <b>798</b>    |

## Statement of comprehensive income

| EURm                                             |  | Group        |            | Parent company |            |
|--------------------------------------------------|--|--------------|------------|----------------|------------|
|                                                  |  | 2011         | 2010       | 2011           | 2010       |
| <b>Net profit for the year</b>                   |  | <b>1,101</b> | <b>854</b> | <b>1,040</b>   | <b>798</b> |
| Currency translation differences during the year |  | 6            | 2          | -              | -          |
| Available-for-sale investments:                  |  |              |            |                |            |
| - Valuation gains/losses during the year         |  | -7           | 1          | -7             | 1          |
| - Tax on valuation gains/losses during the year  |  | 2            | 0          | 2              | 0          |
| <b>Other comprehensive income, net of tax</b>    |  | <b>1</b>     | <b>3</b>   | <b>-5</b>      | <b>1</b>   |
| <b>Total comprehensive income</b>                |  | <b>1,102</b> | <b>857</b> | <b>1,035</b>   | <b>799</b> |
| <b>Attributable to:</b>                          |  |              |            |                |            |
| Shareholders of Nordea Bank Finland Plc          |  | 1,100        | 855        | 1,035          | 799        |
| Non-controlling interests                        |  | 2            | 2          | -              | -          |
| <b>Total</b>                                     |  | <b>1,102</b> | <b>857</b> | <b>1,035</b>   | <b>799</b> |

## Balance sheet

| EURm                                                                            | Note                                                      | Group          |                | Parent company |                |
|---------------------------------------------------------------------------------|-----------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                 |                                                           | 31 Dec 2011    | 31 Dec 2010    | 31 Dec 2011    | 31 Dec 2010    |
| <b>Assets</b>                                                                   |                                                           |                |                |                |                |
| Cash and balances with central banks                                            |                                                           | 286            | 7,485          | 286            | 7,485          |
| Treasury bills                                                                  | 13                                                        | 4,981          | 2,359          | 4,981          | 2,359          |
| Loans to credit institutions                                                    | 14                                                        | 79,350         | 67,751         | 84,697         | 72,772         |
| Loans to the public                                                             | 14                                                        | 99,331         | 73,607         | 93,097         | 67,886         |
| Interest-bearing securities                                                     | 15                                                        | 25,885         | 21,578         | 25,885         | 21,578         |
| Financial instruments pledged as collateral                                     | 16                                                        | 8,346          | 5,304          | 8,346          | 5,304          |
| Shares                                                                          | 17                                                        | 1,312          | 1,079          | 1,309          | 1,080          |
| Derivatives                                                                     | 18                                                        | 170,228        | 97,251         | 170,228        | 97,247         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 19                                                        | 138            | 96             | 138            | 96             |
| Investments in group undertakings                                               | 20                                                        | -              | -              | 370            | 353            |
| Investments in associated undertakings                                          | 21                                                        | 79             | 61             | 34             | 19             |
| Intangible assets                                                               | 22                                                        | 106            | 85             | 103            | 82             |
| Property and equipment                                                          | 23, 24                                                    | 124            | 124            | 69             | 55             |
| Investment property                                                             | 25                                                        | 71             | 32             | 10             | 4              |
| Deferred tax assets                                                             | 12                                                        | 16             | 17             | 12             | 12             |
| Current tax assets                                                              | 12                                                        | 132            | 84             | 131            | 83             |
| Retirement benefit assets                                                       | 34                                                        | 120            | 104            | 113            | 98             |
| Other assets                                                                    | 26                                                        | 8,078          | 8,562          | 8,056          | 8,540          |
| Prepaid expenses and accrued income                                             | 27                                                        | 704            | 507            | 524            | 356            |
| <b>Total assets</b>                                                             |                                                           | <b>399,287</b> | <b>286,086</b> | <b>398,389</b> | <b>285,409</b> |
| <b>Liabilities</b>                                                              |                                                           |                |                |                |                |
| Deposits by credit institutions                                                 | 28                                                        | 76,007         | 60,549         | 75,919         | 60,493         |
| Deposits and borrowings from the public                                         | 29                                                        | 68,260         | 55,459         | 68,265         | 55,552         |
| Debt securities in issue                                                        | 30                                                        | 49,153         | 39,846         | 49,153         | 39,846         |
| Derivatives                                                                     | 18                                                        | 168,436        | 95,676         | 168,436        | 95,676         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 19                                                        | 195            | -58            | 195            | -58            |
| Current tax liabilities                                                         | 12                                                        | 0              | 1              | 0              | 0              |
| Other liabilities                                                               | 31                                                        | 24,128         | 22,105         | 23,990         | 21,975         |
| Accrued expenses and prepaid income                                             | 32                                                        | 810            | 652            | 615            | 486            |
| Deferred tax liabilities                                                        | 12                                                        | 53             | 47             | -              | -              |
| Provisions                                                                      | 33                                                        | 97             | 80             | 94             | 76             |
| Retirement benefit obligations                                                  | 34                                                        | 25             | 28             | 25             | 28             |
| Subordinated liabilities                                                        | 35                                                        | 503            | 477            | 503            | 477            |
| <b>Total liabilities</b>                                                        |                                                           | <b>387,667</b> | <b>274,862</b> | <b>387,195</b> | <b>274,551</b> |
| <b>Equity</b>                                                                   |                                                           |                |                |                |                |
| Non-controlling interests                                                       |                                                           | 5              | 6              | -              | -              |
| Share capital                                                                   |                                                           | 2,319          | 2,319          | 2,319          | 2,319          |
| Share premium reserve                                                           |                                                           | 599            | 599            | 599            | 599            |
| Other reserves                                                                  |                                                           | 2,844          | 2,849          | 2,844          | 2,849          |
| Retained earnings                                                               |                                                           | 5,853          | 5,451          | 5,432          | 5,091          |
| <b>Total equity</b>                                                             |                                                           | <b>11,620</b>  | <b>11,224</b>  | <b>11,194</b>  | <b>10,858</b>  |
| <b>Total liabilities and equity</b>                                             |                                                           | <b>399,287</b> | <b>286,086</b> | <b>398,389</b> | <b>285,409</b> |
| Assets pledged as security for own liabilities                                  | 36                                                        | 35,016         | 30,957         | 35,016         | 30,957         |
| Other assets pledged                                                            | 37                                                        | -              | -              | -              | -              |
| Contingent liabilities                                                          | 38                                                        | 19,041         | 18,111         | 19,348         | 18,392         |
| Commitments                                                                     | 39                                                        | 18,725         | 19,250         | 15,498         | 16,140         |
| <b>Other notes</b>                                                              |                                                           |                |                |                |                |
| Note 1 Accounting policies                                                      | Note 44 Maturity analysis for assets and liabilities      |                |                |                |                |
| Note 2 Segment reporting                                                        | Note 45 Related-party transactions                        |                |                |                |                |
| Note 40 Capital adequacy                                                        | Note 46 Mergers, acquisitions, disposals and dissolutions |                |                |                |                |
| Note 41 Classification of financial instruments                                 | Note 47 Credit risk disclosures                           |                |                |                |                |
| Note 42 Assets and liabilities at fair value                                    | Note 48 Nordea shares                                     |                |                |                |                |
| Note 43 Obtained collaterals which are permitted to be sold or repledged        |                                                           |                |                |                |                |

## Statement of changes in equity

### Group

|                                                  | Attributable to the shareholders of Nordea Bank Finland Plc |                       |                                |                |                   |               |                           |               |
|--------------------------------------------------|-------------------------------------------------------------|-----------------------|--------------------------------|----------------|-------------------|---------------|---------------------------|---------------|
|                                                  |                                                             |                       | Other reserves                 |                |                   |               |                           |               |
| EURm                                             | Share capital <sup>1</sup>                                  | Share premium reserve | Available-for-sale investments | Other reserves | Retained earnings | Total         | Non-controlling interests | Total equity  |
| <b>Balance at 1 Jan 2011</b>                     | <b>2,319</b>                                                | <b>599</b>            | <b>1</b>                       | <b>2,848</b>   | <b>5,451</b>      | <b>11,218</b> | <b>6</b>                  | <b>11,224</b> |
| Net profit for the year                          | -                                                           | -                     | -                              | -              | 1,099             | <b>1,099</b>  | 2                         | <b>1,101</b>  |
| Currency translation differences during the year | -                                                           | -                     | -                              | 0              | 6                 | <b>6</b>      | -                         | <b>6</b>      |
| Available-for-sale investments:                  |                                                             |                       |                                |                |                   |               |                           |               |
| - Valuation gains/losses during the year         | -                                                           | -                     | -7                             | -              | -                 | <b>-7</b>     | -                         | <b>-7</b>     |
| - Tax on valuation gains/losses during the year  | -                                                           | -                     | 2                              | -              | -                 | <b>2</b>      | -                         | <b>2</b>      |
| Other comprehensive income, net of tax           | -                                                           | -                     | -5                             | -              | 6                 | <b>1</b>      | -                         | <b>1</b>      |
| Total comprehensive income                       | -                                                           | -                     | -5                             | -              | 1,105             | <b>1,100</b>  | 2                         | <b>1,102</b>  |
| Share-based payments <sup>2</sup>                | -                                                           | -                     | -                              | -              | 2                 | <b>2</b>      | -                         | <b>2</b>      |
| Dividend for 2010                                | -                                                           | -                     | -                              | -              | -700              | <b>-700</b>   | -                         | <b>-700</b>   |
| Other changes                                    | -                                                           | -                     | -                              | 0              | -5                | <b>-5</b>     | -3                        | <b>-8</b>     |
| <b>Balance at 31 Dec 2011</b>                    | <b>2,319</b>                                                | <b>599</b>            | <b>-4</b>                      | <b>2,848</b>   | <b>5,853</b>      | <b>11,615</b> | <b>5</b>                  | <b>11,620</b> |
|                                                  |                                                             |                       |                                |                |                   |               |                           |               |
| <b>Balance at 1 Jan 2010</b>                     | <b>2,319</b>                                                | <b>599</b>            | <b>0</b>                       | <b>2,848</b>   | <b>5,200</b>      | <b>10,966</b> | <b>6</b>                  | <b>10,972</b> |
| Net profit for the year                          | -                                                           | -                     | -                              | -              | 852               | <b>852</b>    | 2                         | <b>854</b>    |
| Currency translation differences during the year | -                                                           | -                     | -                              | 0              | 2                 | <b>2</b>      | -                         | <b>2</b>      |
| Available-for-sale investments:                  |                                                             |                       |                                |                |                   |               |                           |               |
| - Valuation gains/losses during the year         | -                                                           | -                     | 1                              | -              | 0                 | <b>1</b>      | -                         | <b>1</b>      |
| - Tax on valuation gains/losses during the year  | -                                                           | -                     | 0                              | -              | 0                 | <b>0</b>      | -                         | <b>0</b>      |
| Other comprehensive income, net of tax           | -                                                           | -                     | 1                              | 0              | 2                 | <b>3</b>      | -                         | <b>3</b>      |
| Total comprehensive income                       | -                                                           | -                     | 1                              | 0              | 854               | <b>855</b>    | 2                         | <b>857</b>    |
| Share-based payments <sup>2</sup>                | -                                                           | -                     | -                              | -              | 3                 | <b>3</b>      | -                         | <b>3</b>      |
| Dividend for 2009                                | -                                                           | -                     | -                              | -              | -600              | <b>-600</b>   | -                         | <b>-600</b>   |
| Other changes                                    | -                                                           | -                     | -                              | 0              | -6                | <b>-6</b>     | -2                        | <b>-8</b>     |
| <b>Balance at 31 Dec 2010</b>                    | <b>2,319</b>                                                | <b>599</b>            | <b>1</b>                       | <b>2,848</b>   | <b>5,451</b>      | <b>11,218</b> | <b>6</b>                  | <b>11,224</b> |



## Statement of changes in equity *cont.*

### Parent company

|                                                 | Attributable to the shareholders of Nordea Bank Finland Plc |                       |                                |                |                   |               |
|-------------------------------------------------|-------------------------------------------------------------|-----------------------|--------------------------------|----------------|-------------------|---------------|
|                                                 |                                                             |                       | Other reserves                 |                |                   |               |
| EURm                                            | Share capital <sup>1</sup>                                  | Share premium reserve | Available-for-sale investments | Other reserves | Retained earnings | Total equity  |
| <b>Balance at 1 Jan 2011</b>                    | <b>2,319</b>                                                | <b>599</b>            | <b>1</b>                       | <b>2,848</b>   | <b>5,091</b>      | <b>10,858</b> |
| Net profit for the year                         | -                                                           | -                     | -                              | -              | 1,040             | 1,040         |
| Available-for-sale investments:                 |                                                             |                       |                                |                |                   |               |
| - Valuation gains/losses during the year        | -                                                           | -                     | -7                             | -              | -                 | -7            |
| - Tax on valuation gains/losses during the year | -                                                           | -                     | 2                              | -              | -                 | 2             |
| Other comprehensive income, net of tax          | -                                                           | -                     | -5                             | -              | -                 | -5            |
| Total comprehensive income                      | -                                                           | -                     | -5                             | -              | 1,040             | 1,035         |
| Share-based payments <sup>2</sup>               | -                                                           | -                     | -                              | -              | 1                 | 1             |
| Dividend for 2010                               | -                                                           | -                     | -                              | -              | -700              | -700          |
| <b>Balance at 31 Dec 2011</b>                   | <b>2,319</b>                                                | <b>599</b>            | <b>-4</b>                      | <b>2,848</b>   | <b>5,432</b>      | <b>11,194</b> |
|                                                 |                                                             |                       |                                |                |                   |               |
| <b>Balance at 1 Jan 2010</b>                    | <b>2,319</b>                                                | <b>599</b>            | <b>0</b>                       | <b>2,848</b>   | <b>4,890</b>      | <b>10,656</b> |
| Net profit for the year                         | -                                                           | -                     | -                              | -              | 798               | 798           |
| Available-for-sale investments:                 |                                                             |                       |                                |                |                   |               |
| - Valuation gains/losses during the year        | -                                                           | -                     | 1                              | -              | -                 | 1             |
| - Tax on valuation gains/losses during the year | -                                                           | -                     | 0                              | -              | -                 | 0             |
| Other comprehensive income, net of tax          | -                                                           | -                     | 1                              | -              | 0                 | 1             |
| Total comprehensive income                      | -                                                           | -                     | 1                              | -              | 798               | 799           |
| Share-based payments <sup>2</sup>               | -                                                           | -                     | -                              | -              | 3                 | 3             |
| Dividend for 2009                               | -                                                           | -                     | -                              | -              | -600              | -600          |
| <b>Balance at 31 Dec 2010</b>                   | <b>2,319</b>                                                | <b>599</b>            | <b>1</b>                       | <b>2,848</b>   | <b>5,091</b>      | <b>10,858</b> |

<sup>1</sup> Total shares registered were 1,030.8 million (31 Dec 2010: 1,030.8 million). All the shares in Nordea Bank Finland Plc are held by Nordea Bank AB (publ). The carrying amount of the shares corresponds to EUR 2.25 per share. Pursuant to the Articles of Association the Bank's minimum share capital is EUR 850m and maximum share capital EUR 3,400m.

<sup>2</sup> Refers to the Long-Term Incentive Programmes (LTIP 2007, LTIP 2008, LTIP 2009, LTIP 2010 and LTIP 2011), see also note 8.

<sup>3</sup> Refers to the Long-Term Incentive Programmes (LTIP 2007, LTIP 2008, LTIP 2009 and LTIP 2010), see also note 8.

Description of items in equity is included in Note 1 Accounting policies.

No decision was made during the financial year to issue equity warrants or convertible bonds entitling to subscription of shares in the NBF. At the end of 2011, the NBF held no authorisations given by the General Meeting for issuance or buybacks of shares, equity warrants or convertible bonds.

## Cash flow statement

| EURm                                                                                          | Group        |               | Parent company |               |
|-----------------------------------------------------------------------------------------------|--------------|---------------|----------------|---------------|
|                                                                                               | 2011         | 2010          | 2011           | 2010          |
| <b>Operating activities</b>                                                                   |              |               |                |               |
| Operating profit                                                                              | 1,482        | 1,156         | 1,381          | 1,066         |
| Adjustments for items not included in cash flow                                               | -386         | -967          | -424           | -1,070        |
| Income taxes paid                                                                             | -422         | -510          | -387           | -478          |
| <b>Cash flow from operating activities before changes in operating assets and liabilities</b> | <b>674</b>   | <b>-321</b>   | <b>570</b>     | <b>-482</b>   |
| <b>Changes in operating assets</b>                                                            |              |               |                |               |
| Change in treasury bills                                                                      | -1,904       | -2,250        | -1,904         | -2,250        |
| Change in loans to credit institutions                                                        | -1,402       | -17,703       | -1,809         | -17,805       |
| Change in loans to the public                                                                 | -25,736      | -8,099        | -25,271        | -8,067        |
| Change in interest-bearing securities                                                         | -7,435       | -13,187       | -7,435         | -13,187       |
| Change in financial assets pledged as collateral                                              | -3,042       | -5,303        | -3,042         | -5,304        |
| Change in shares                                                                              | -237         | 81            | -233           | 78            |
| Change in derivatives, net                                                                    | -240         | 603           | -243           | 606           |
| Change in investment properties                                                               | -40          | -25           | -8             | 0             |
| Change in other assets                                                                        | 483          | -5,533        | 485            | -5,528        |
| <b>Changes in operating liabilities</b>                                                       |              |               |                |               |
| Change in deposits by credit institutions                                                     | 15,397       | 16,044        | 15,426         | 16,208        |
| Change in deposits and borrowings from the public                                             | 12,625       | 11,179        | 12,713         | 11,199        |
| Change in debt securities in issue                                                            | 9,307        | 570           | 9,307          | 570           |
| Change in other liabilities                                                                   | 2,019        | 14,292        | 2,014          | 14,310        |
| <b>Cash flow from operating activities</b>                                                    | <b>469</b>   | <b>-9,652</b> | <b>570</b>     | <b>-9,652</b> |
| <b>Investing activities</b>                                                                   |              |               |                |               |
| Acquisition of group undertakings                                                             | 0            | 0             | -17            | -15           |
| Sale of group undertakings                                                                    | -            | -             | 0              | -             |
| Dividends from associated companies                                                           | 2            | 2             | 0              | -             |
| Acquisition of investments in associated undertakings                                         | -10          | -5            | -15            | -5            |
| Sale of investments in associated undertakings                                                | 0            | 6             | 0              | 4             |
| Acquisition of property and equipment                                                         | -45          | -62           | -33            | -22           |
| Sale of property and equipment                                                                | 21           | 24            | 0              | 1             |
| Acquisition of intangible assets                                                              | -33          | -28           | -32            | -28           |
| Sale of intangible assets                                                                     | 0            | 0             | 0              | -             |
| Divestments/Investments in debt securities, held to maturity                                  | 3,226        | 679           | 3,227          | 679           |
| Purchase/sale of other financial fixed assets                                                 | 19           | 0             | 19             | 0             |
| <b>Cash flow from investing activities</b>                                                    | <b>3,180</b> | <b>616</b>    | <b>3,149</b>   | <b>614</b>    |
| <b>Financing activities</b>                                                                   |              |               |                |               |
| Issued subordinated liabilities                                                               | 19           | 28            | 19             | 28            |
| Amortised subordinated liabilities                                                            | 0            | -             | 0              | -             |
| Dividend paid                                                                                 | -700         | -600          | -700           | -600          |
| Other changes                                                                                 | -11          | -3            | -4             | 4             |
| <b>Cash flow from financing activities</b>                                                    | <b>-692</b>  | <b>-575</b>   | <b>-685</b>    | <b>-568</b>   |
| <b>Cash flow for the year</b>                                                                 | <b>2,957</b> | <b>-9,611</b> | <b>3,034</b>   | <b>-9,606</b> |
| Cash and cash equivalents at the beginning of year                                            | 14,947       | 24,558        | 14,932         | 24,538        |
| Translation difference                                                                        | -77          | 0             | 0              | -             |
| Cash and cash equivalents at the end of year                                                  | 17,981       | 14,947        | 17,966         | 14,932        |
| <b>Change</b>                                                                                 | <b>2,957</b> | <b>-9,611</b> | <b>3,034</b>   | <b>-9,606</b> |

## Cash flow statement *cont.*

### Comments on the cash flow statement

The cash flow statement has been prepared in accordance with IAS 7. The cash flow statement shows inflows and outflows of cash and cash equivalents during the year. Nordea Bank Finland's cash flow has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. The cash flows are classified by operating, investing and financing activities.

### Operating activities

Operating activities are the principal revenue-producing activities and cash flows are mainly derived from the operating profit for the year with adjustment for items not included in cash flow and income taxes paid. Adjustment for non-cash items includes:

| EURm                              | Group       |             | Parent company |               |
|-----------------------------------|-------------|-------------|----------------|---------------|
|                                   | 2011        | 2010        | 2011           | 2010          |
| Depreciation                      | 43          | 41          | 25             | 24            |
| Impairment charges                | 0           | -2          | -4             | -2            |
| Loan losses                       | 97          | 299         | 60             | 234           |
| Unrealised gains/losses           | -689        | -1,276      | -691           | -1,276        |
| Capital gains/losses (net)        | -1          | -2          | 2              | -1            |
| Change in accruals and provisions | -23         | -27         | -23            | -32           |
| Translation differences           | 5           | 1           | 6              | 1             |
| Other                             | 182         | -1          | 201            | -18           |
| <b>Total</b>                      | <b>-386</b> | <b>-967</b> | <b>-424</b>    | <b>-1,070</b> |

Changes in operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans, deposits and debt securities in issue. Changes in derivatives are reported net.

Cash flow from operating activities includes interest payments received and interest expenses paid with the following amounts:

| EURm                       | Group  |       | Parent company |       |
|----------------------------|--------|-------|----------------|-------|
|                            | 2011   | 2010  | 2011           | 2010  |
| Interest payments received | 2,483  | 1,828 | 2,262          | 1,607 |
| Interest expenses paid     | -1,137 | -745  | -1,134         | -743  |

### Cash and cash equivalents

The following items are included in Cash and cash equivalents assets:

| EURm                                            | Group         |               | Parent company |               |
|-------------------------------------------------|---------------|---------------|----------------|---------------|
|                                                 | 31 Dec 2011   | 31 Dec 2010   | 31 Dec 2011    | 31 Dec 2010   |
| Cash and balances with central banks            | 286           | 7,485         | 286            | 7,485         |
| Loans to credit institutions, payable on demand | 17,695        | 7,462         | 17,680         | 7,447         |
|                                                 | <b>17,981</b> | <b>14,947</b> | <b>17,966</b>  | <b>14,932</b> |

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

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

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

# Notes to the financial statements

## Note 1 Accounting policies

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### 1. Basis for presentation

NBF's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of such standards by the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the EU Commission. In addition, certain complementary rules in the Finnish Accounting Act, the Finnish Credit Institutions Act, the Financial Supervision Authority's Regulations and Guidelines and the Decision of the Ministry of Finance on the financial statements and consolidated statements of credit institutions have also been applied.

The disclosures, required in the standards and legislation above, have been included in the notes, the Risk, Liquidity and Capital management section or in other parts of the "Financial statements".

On 29 February 2012 the Board of Directors approved the financial statements, subject to final approval of the Annual General Meeting on 7 March 2012.

### 2. Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2010 Annual Report, except for the recognition of repurchase and reverse repurchase agreements. These changes are further described below. Below follows also a section covering other changes in IFRSs implemented in 2011, which have not had any significant impact on Nordea.

#### Recognition of repurchase agreements and reverse repurchase agreements

Repurchase agreements and reverse repurchase agreements have previously been recognised on the balance sheet on trade date, but are as from 2011 recognised on settlement date. This has not had any impact on the income statement. The comparative figures have not been restated as the impact is insignificant. The impact on the balance sheet as per 31 December 2011 and the impact, that has not been restated for, as per 31 December 2010 are disclosed in the below table.

#### Group

| EURm                                   | 2011       |            | 2010       |            |
|----------------------------------------|------------|------------|------------|------------|
|                                        | New policy | Old policy | New policy | Old policy |
| <b>Reverse repurchase agreements</b>   |            |            |            |            |
| Loans to credit institutions           | 79,350     | 80,697     | 63,819     | 67,751     |
| Loans to the public                    | 99,331     | 108,401    | 73,026     | 73,607     |
| Other liabilities                      | 24,128     | 34,545     | 17,592     | 22,105     |
| <b>Repurchase agreements</b>           |            |            |            |            |
| Deposits by credit institutions        | 76,007     | 79,836     | 57,474     | 60,549     |
| Deposits and borrowing from the public | 68,260     | 72,584     | 54,314     | 55,459     |
| Other assets                           | 8,078      | 16,231     | 4,342      | 8,562      |

## Parent company

| EURm                                   | 2011       |            | 2010       |            |
|----------------------------------------|------------|------------|------------|------------|
|                                        | New policy | Old policy | New policy | Old policy |
| <b>Reverse repurchase agreements</b>   |            |            |            |            |
| Loans to credit institutions           | 84,697     | 86,044     | 68,840     | 72,772     |
| Loans to the public                    | 93,097     | 102,167    | 67,305     | 67,886     |
| Other liabilities                      | 23,990     | 34,407     | 17,462     | 21,975     |
| <b>Repurchase agreements</b>           |            |            |            |            |
| Deposits by credit institutions        | 75,919     | 79,748     | 57,418     | 60,493     |
| Deposits and borrowing from the public | 68,265     | 72,589     | 54,407     | 55,552     |
| Other assets                           | 8,056      | 16,209     | 4,320      | 8,540      |

### Changes in IFRSs implemented 2011

The IASB has amended IAS 24 “Related Party Disclosures” (Relationships with the state), IAS 32 “Financial Instruments: Presentation” (Rights issues) and IFRIC 14 “IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” as well as published “Improvements to IFRSs 2010” and IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”. These amended and published standards and improvements are effective for Nordea as from 1 January 2011, but have not had any significant impact on 2011. The amendment of IAS 32 may affect possible future rights issues involving different currencies, whilst the amendments to IAS 24 and IFRIC 14 as well as the published “Improvements to IFRSs 2010” and IFRIC 19 are not expected to have a significant impact on subsequent periods.

### 3. Changes in IFRS not yet effective for Nordea

#### *IFRS 9 “Financial instruments” (Phase 1)*

In 2009 IASB published a new standard on financial instruments. The standard is the first step in the replacement of IAS 39 “Financial instruments: Recognition and Measurement” and this first phase covers the classification and measurement of financial assets and liabilities. The effective date for Nordea is as from 1 January 2015, but earlier application is permitted. The EU commission has not endorsed this standard for implementation in 2011.

The tentative assessment is that there will be an impact on the financial statements as the new standard will decrease the number of measurements categories and therefore have an impact on the presentation and disclosures covering financial instruments. The new standard is, on the other hand, not expected to have a significant impact on Nordea’s income statement and balance sheet as the mixed measurement model will be maintained. No significant reclassifications between fair value and amortised cost or impact on the capital adequacy are expected, but this is naturally dependent

on the financial instruments in Nordea’s balance sheet at transition.

Nordea has, due to the fact that the standard is not yet endorsed by the EU commission, not finalised the investigation of the impact on the financial statements in the period of initial application or in subsequent periods.

*IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosures of Interests in Other entities”, IAS 27 “Separate Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”*

IASB has published three new standards relating to consolidation, IFRS 10, IFRS 11 and IFRS 12, as well as amended IAS 27 and IAS 28. The effective date for these standards and amendments for Nordea is as from 1 January 2013, but earlier application is permitted. The EU commission has not endorsed these standards and amendments for implementation in 2011.

The tentative assessment is that the new standards and amendments are not expected to have any significant impact on Nordea’s income statement. The main potential impact is that the new definition of control can potentially lead to consolidation of funds, for instance mutual funds. A potential consolidation of mutual funds would increase assets and liabilities in the balance sheet, and reduce equity to the extent the consolidated fund holds shares in Nordea (Treasury shares). The new standards furthermore include more extensive disclosure requirements which will have an impact on Nordea’s disclosures covering consolidated and unconsolidated entities. It is not expected that the new standards and amendments will have a significant impact on the capital adequacy.

Nordea has, due to the fact that the standards and amendments are not yet endorsed by the EU commission, not finalised the investigation of the impact on the financial statements in the period of initial application or in subsequent periods.

### *IFRS 13 "Fair Value Measurement"*

IASB has published IFRS 13. The effective date for Nordea is as from 1 January 2013, but earlier application is permitted. The EU commission has not endorsed this standard for implementation in 2011.

The tentative assessment is that the new standard will not have a significant impact on Nordea's financial statements nor on its capital adequacy.

Nordea has, due to the fact that the standard is not yet endorsed by the EU commission, not finalised the investigation of the impact on the financial statements in the period of initial application or in subsequent periods.

### *IAS 19 "Employee Benefits"*

IASB has amended IAS 19. The effective date for Nordea is as from 1 January 2013, but earlier application is permitted. The EU commission has not endorsed this amendment for implementation in 2011.

The tentative assessment is that the amended standard will have an impact on the financial statements in the period of initial application, as well as in subsequent periods. This is mainly related to defined benefit plans. The amended IAS 19 states that actuarial gains/losses shall be recognised immediately in equity through other comprehensive income, which will lead to higher volatility in equity compared to the current corridor approach.

The amended IAS 19 furthermore states that the expected return on plan assets shall be recognised using the same interest rate as the discount rate used when measuring the pension obligation. This will lead to higher pension expenses in the income statement as Nordea currently expects a higher return than the discount rate. Any difference between the actual return and the expected return will be a part of the actuarial gains/losses recognised immediately in equity through other comprehensive income.

The unrecognised actuarial losses as per 31 December 2011 amounted in NBF to EUR 25m. If Nordea has unrecognised actuarial losses at transition there will be a negative impact on equity. See note 34 "Retirement benefit obligations" for more information.

As the amended IAS 19 has an impact on equity it is expected that there will be an impact also on the capital adequacy.

### *Other forthcoming changes in IFRSs*

IAS 1 "Presentation of Financial Statements" has been amended. The amended standard changes the presentation of other comprehensive income. The effective date for Nordea is as from 1 January 2013, but earlier application is permitted. The EU commission has not endorsed this standard for implementation in 2011.

IFRS 7 "Financial instruments: Disclosures" has been amended and will lead to additional disclosures around transferred assets. The effective date for Nordea is as from 1 January 2012, but earlier application is permitted. The EU commission has endorsed this standard for implementation in 2011.

IAS 32 "Financial Instruments: Presentation" has been amended. The change relates to offsetting of financial assets and financial liabilities. The amendment is not intended to change the criteria for offsetting, but to give additional guidance on how to apply the existing criteria. IFRS 7 "Financial instruments: Disclosures" has furthermore been amended and will lead to additional disclosures around offsetting of financial assets and financial liabilities. The effective date for Nordea is as from 1 January 2014 for amendments to IAS 32 and from 1 January 2013 for amendments to IFRS 7, but earlier application is permitted. The EU commission has not endorsed these amendments for implementation in 2011.

The IASB has furthermore amended IFRS 1 "First-time Adoption of International Financial Reporting Standards" (Hyperinflation/Fixed dates) and IAS 12 "Income taxes" (Recovery of underlying asset) and published IFRIC 20 "Stripping costs". The effective date for Nordea is as from 1 January 2012, but earlier application is permitted. The EU commission has not endorsed the amended standards and published interpretation for implementation in 2011.

The abovementioned amended standards and interpretation not yet adopted, within the section "Other forthcoming changes in IFRSs", are not, in the period of initial application or in subsequent periods, expected to have any significant impact on the financial statements, apart from on disclosures, nor on the capital adequacy.

#### 4. Critical judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires, in some cases, the use of estimates and assumptions by management. The estimates are based on past experience and assumptions that management believes are fair and reasonable. These estimates and the judgement behind them affect the reported amounts of assets, liabilities and off-balance sheet items, as well as income and expenses in the financial statements presented. Actual outcome can later, to some extent, differ from the estimates and the assumptions made.

Certain accounting policies are considered to be particularly important to the financial position of Nordea, since they require management to make difficult, complex or subjective judgements and estimates, the majority of which relate to matters that are inherently uncertain. These critical judgements and estimates are in particular associated with:

- the fair value measurement of certain financial instruments
- the impairment testing of:
  - goodwill and
  - loans to the public/credit institutions
- the actuarial calculations of pension liabilities and plan assets related to employees
- the valuation of deferred tax assets
- the valuation of investment properties
- claims in civil lawsuits.

##### **Fair value measurement of certain financial instruments**

Critical judgement is exercised when determining fair value of OTC derivatives and other financial instruments that lack quoted prices or recently observed market prices in the following areas:

- The choice of valuation techniques
- The determination of when quoted prices fail to represent fair value (including the judgement of whether markets are active)
- The construction of fair value adjustments in order to incorporate relevant risk factors such as credit risk, model risk and liquidity risk
- The judgement of which market parameters that are observable.

In all of these instances, decisions are based upon professional judgement in accordance with Nordea's accounting and valuation policies. In order to ensure proper governance, Nordea has a Group Valuation Committee that on an ongoing basis reviews critical judgements that are deemed to have a significant impact on fair value measurements.

See also the separate section 10 "Determination of fair value of financial instruments" and Note 42 "Assets and liabilities at fair value".

##### **Impairment testing**

###### *Goodwill*

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. This consists of an analysis to assess whether the carrying amount of goodwill is fully recoverable. The determination of the recoverable amount involves establishing the value in use, measured as the present value of the cash flows expected from the cash-generating unit, to which the goodwill has been allocated.

The forecasts of future cash flows are based on Nordea's best estimates of future revenues and expenses for the cash-generating units to which goodwill has been allocated. A number of assumptions and estimates have significant impact on these calculations and include parameters like macroeconomic assumptions, market growth, business volumes, margins and cost effectiveness. Changes to any of these parameters, following changes in market conditions, competition, strategy or other, affects the forecasted cash flows. Under current market conditions such changes are not expected to lead to any significant impairment charges of goodwill, but may do so in subsequent periods.

See also the separate section 15 "Intangible assets" and Note 22 "Intangible assets".

###### *Loans to the public/credit institutions*

When testing individual loans for impairment, the most critical judgement, containing the highest uncertainty, relates to the estimation of the most probable future cash flows generated from the customer.

When testing a group of loans collectively for impairment, the key aspect is to identify the events and/or the observable data that indicate that losses have been incurred in the group of loans. Assessing the net present value of the cash flows generated by the customers in the group contains a high degree of uncertainty when using historical data and the acquired experience when adjusting the assumptions based on historical data to reflect the current situation.

See also the separate section 13 "Loans to the public/credit institutions" and Note 14 "Loans and impairment".



#### **Actuarial calculations of pension liabilities and plan assets related to employees**

The Projected Benefit pension Obligation (PBO) for major pension plans is calculated by external actuaries using demographic assumptions based on the current population. As a basis for these calculations a number of actuarial and financial parameters are used. The most important financial parameter is the discount rate. Other parameters like assumptions about salary increases and inflation are based on the expected long-term development of these parameters. The fixing of these parameters at year-end is disclosed in Note 34 "Retirement benefit obligations".

The major part of the assets covering the pension liabilities is invested in liquid assets and valued at quoted prices at year-end. The expected return on plan assets is fixed taking into account the asset composition and based on long-term expectations on the return on the different asset classes. The expected return is also disclosed in Note 34 "Retirement benefit obligations".

See also the separate section 19 "Employee benefits" and Note 34 "Retirement benefit obligations".

#### **Valuation of deferred tax assets**

The valuation of deferred tax assets is influenced by management's assessment of Nordea's future profitability. This assessment is updated and reviewed at each balance sheet date, and is, if necessary, revised to reflect the current situation.

See also the separate section 18 "Taxes" and Note 12 "Taxes".

#### **Valuation of investment properties**

Investment properties are measured at fair value as described in section 17 "Investment property". As there normally are no active markets for investment properties, the fair values are estimated based on discounted cash flow models. These models are based on assumptions on future rents, vacancy levels, operating and maintenance costs, yield requirements and interest rates.

See also the separate section 17 "Investment property" and Note 25 "Investment property".

#### **Claims in civil lawsuits**

Within the framework of the normal business operations, Nordea faces a number of claims in civil lawsuits and disputes, most of which involve relatively limited amounts. Presently none of these disputes are considered likely to have any significant adverse effect on Nordea or its financial position. See also Note 33 "Provisions" and Note 38 "Contingent liabilities".

## **5. Principles of consolidation**

#### **Consolidated entities**

The consolidated financial statements include the accounts of the parent company Nordea Bank Finland Plc, and those entities that the parent company controls. Control is generally achieved when the parent company owns, directly or indirectly through group undertakings, more than 50 per cent of the voting rights or otherwise has the power to govern the financial and operating policies of the entity.

All Group undertakings are consolidated using the purchase method. Under the purchase method, the acquisition is regarded as a transaction whereby the parent company indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The Group's acquisition cost is established in a purchase price allocation analysis. In such analysis, the cost of the business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for the identifiable net assets acquired. Costs directly attributable to the business combination are expensed. When the cost of the business combination exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities, the excess is reported as goodwill. If the difference is negative, such difference is recognised immediately in the income statement.

Intra-group transactions and balances between the consolidated group undertakings are eliminated.

The Group undertakings are included in the consolidated accounts as from the date on which control is transferred to NBF and are no longer consolidated as from the date on which control ceases.

Equity and net income attributable to non-controlling interests are separately disclosed in the balance sheet, income statement and statement of comprehensive income.

In the consolidation process the reporting from the subsidiaries is adjusted to ensure consistency with the IFRS principles applied by Nordea.

#### *Investments in associated undertakings*

The equity method of accounting is used for associated undertakings where the share of voting rights is between 20 and 50 per cent and/or where NBF has significant influence. Investments within Nordea's investment activities, which are classified as a venture capital organisation within Nordea, are measured at fair value in accordance with the rules set out in IAS 28 and IAS 39. Further information on the equity method is disclosed in section 6 "Recognition of operating income and impairment".



Profits from companies accounted for under the equity method are reported post-taxes in the income statement. Consequently, the tax expense related to these profits is not included in the income tax expense for Nordea.

Internal transactions, in the income statement, between Nordea and its associated companies are not eliminated. Nordea does not have any transactions including sales of assets with associated companies.

#### *Special Purpose Entities (SPE)*

In accordance with IFRS Nordea does not consolidate SPEs' assets and liabilities beyond its control. In order to determine whether Nordea controls a SPE or not, Nordea has to make judgements about risks and rewards and assess the ability to make operational decisions for the SPE in question.

When assessing whether NBF shall consolidate a SPE, a range of factors are evaluated. These factors include whether the activities of the SPE are being in substance conducted on NBF's behalf or if NBF has in substance the decision making powers, the rights to obtain the majority of the benefits or the majority of the residual- or ownership risks. NBF consolidates all SPEs, where NBF has retained the majority of the risks and rewards. For the SPEs that are not consolidated the rationale is that NBF does not have any significant risks or rewards on these assets and liabilities.

Nordea has created a number of SPEs to allow clients to invest in assets invested in by the SPEs. Some SPEs invest in tradable financial instruments, such as shares and bonds (mutual funds). Other SPEs invest in structured credit products or acquire assets from customers of Nordea. Nordea is generally the investment manager and has sole discretion about investments and other administrative decisions. Typically, Nordea will receive service and commission fees in connection to the creation of the SPEs, or because it acts as investment manager, custodian or in some other function. This in itself does not constitute a beneficial interest triggering consolidation. In some SPEs Nordea has also supplied substantial parts of the funding in the form of fund units, loans or credit commitments. In these SPEs Nordea has a beneficial interest and retains the majority of the risks and rewards, which is why these SPEs are consolidated. Note 20 "Investments in group undertakings" lists the major subsidiaries in the NBF Group, including consolidated SPEs.

#### **Currency translation of foreign entities**

The consolidated financial statements are prepared in euro (EUR), the presentation currency of the parent company Nordea Bank Finland Plc. The current method is used when translating the financial statements of foreign entities into EUR from their functional currency. The assets and liabilities of

foreign entities have been translated at the closing rates, while items in the income statements and statements of comprehensive income are translated at the average exchange rate for the year. Translation differences are accounted for in other comprehensive income and are accumulated in the translation reserve in equity.

Goodwill and fair value adjustments arising from the acquisition of group undertakings are treated as items in the same functional currency as the cash generating unit to which they belong and are also translated at the closing rate.

## **6. Recognition of operating income and impairment**

### **Net interest income**

Interest income and expense are calculated and recognised based on the effective interest rate method or, if considered appropriate, based on a method that results in an interest income or interest expense that is a reasonable approximation of using the effective interest rate method as basis for the calculation.

Interest income and interest expense related to all balance sheet items in Markets are recognised in the income statement on the line "Net result from items at fair value". Interest income and expense connected to internal placements by and internal funding of Markets are replaced with the related Group external interest income and interest expense and recognised on the line "Net result from items at fair value".

Interest on derivatives used for hedging is also recognised in "Net interest income", as well as fees that are considered to be an integral part of the effective interest rate of a financial instrument.

### **Net fee and commission income**

Nordea earns commission income from different services provided to its customers. The recognition of commission income depends on the purpose for which the fees are received. Fees are either recognised as revenue when services are provided or in connection to the execution of a significant act. Fees received in connection to performed services are recognised as income in the period these services are provided. A loan syndication fee received as payment for arranging a loan, as well as other fees received as payments for certain acts, are recognised as revenue when the act has been completed, i.e. when the syndication has been finalised.

Commission expenses are transaction based and recognised in the period when the services are received.

Income from issued financial guarantees and expenses from bought financial guarantees, including fees paid to state guarantees, are amortised over the duration of

the instruments and classified as “Fee and commission income” and “Fee and commission expense” respectively.

#### **Net result from items at fair value**

Realised and unrealised gains and losses on financial instruments measured at fair value through profit or loss are recognised in the item “Net result from items at fair value”.

Realised and unrealised gains and losses derive from:

- Shares/participations and other share-related instruments
- Interest-bearing securities and other interest-related instruments
- Other financial instruments, which contain credit derivatives as well as commodity instruments/derivatives
- Foreign exchange gains/losses
- Investment properties, which include realised and unrealised income, for instance revaluation gains and losses. This line also includes realised results from disposals as well as the running property yield stemming from the holding of investment properties.

Interest income and interest expense related to all balance sheet items in Markets including the funding of these operations, are recognised in “Net result from items at fair value”.

“Net result from items at fair value” includes also losses from counterparty risk on instruments classified into the category Financial assets at fair value through profit or loss as well as impairment on instruments classified into the category Available for sale. Impairment losses from instruments within other categories are recognised in the items “Net loan losses” or “Impairment of securities held as financial non-current assets” (see also the sub-sections “Net loan losses” and “Impairment of securities held as financial non-current assets” below).

Dividends received are recognised in the income statement as “Net result from items at fair value” and classified as “Shares/participations and other share-related instruments” in the note. Income is recognised in the period in which the right to receive payment is established.

#### **Profit from companies accounted for under the equity method**

The profit from companies accounted for under the equity method is defined as the post-acquisition change in NBF’s share of net assets in the associated companies. NBF’s share of items accounted for in other comprehensive income in the associated companies is accounted for in other comprehensive income in NBF. Profits from companies accounted for under the equity method are, as stated in section 5

“Principles of consolidation”, reported in the income statement post-taxes. Consequently the tax expense related to these profits is excluded from the income tax expense for NBF.

Fair values are, at acquisition, allocated to the associated company’s identifiable assets, liabilities and contingent liabilities. Any difference between NBF’s share of the fair values of the acquired identifiable net assets and the purchase price is goodwill or negative goodwill. Goodwill is included in the carrying amount of the associated company. Subsequently the investment in the associated company increases/decreases with NBF’s share of the post-acquisition change in net assets in the associated company and decreases through received dividends and impairment. An impairment charge can be reversed in a subsequent period.

The change in Nordea’s share of the net assets is generally based on monthly reporting from the associated companies. For some associated companies not individually significant the change in Nordea’s share of the net assets is based on the external reporting of the associated companies and affects the financial statements of Nordea in the period in which the information is available. The reporting from the associated companies is, if applicable, adjusted to comply with Nordea’s accounting policies.

#### **Other operating income**

Net gains from divestments of shares in subsidiaries and associated companies and net gains on sale of tangible assets as well as other operating income, not related to any other income line, are generally recognised when it is probable that the benefits associated with the transaction will flow to Nordea and if the significant risks and rewards have been transferred to the buyer (generally when the transactions are finalised).

#### **Net loan losses**

Impairment losses from financial assets classified into the category Loans and receivables (see section 12 “Financial instruments”), in the items “Loans to credit institutions” and “Loans to the public” in the balance sheet, are reported as “Net loan losses” together with losses from financial guarantees. Losses are reported net of any collateral and other credit enhancements. Nordea’s accounting policies for the calculation of impairment losses on loans can be found in section 13 “Loans to the public/credit institutions”.

Counterparty losses on instruments classified into the category Financial assets at fair value through profit or loss, including credit derivatives, as well as impairment on financial assets classified into the category Available for sale are reported under “Net result from items at fair value”.

#### **Impairment of securities held as financial non-current assets**

Impairment on investments in interest-bearing securities, classified into the categories Loans and receivables or Held to maturity, and on investments in associated companies are classified as “Impairment of securities held as financial non-current assets” in the income statement. The policies covering impairment of financial assets classified into the categories Loans and receivables and Held to maturity are disclosed in section 12 “Financial instruments” and section 13 “Loans to the public/credit institutions”.

Investments in associated companies are assessed for impairment annually. If observable indicators (loss events) indicate that an associated company is impaired, an impairment test is performed to assess whether there is objective evidence of impairment. The carrying amount of the investment in the associate is compared with the recoverable amount (higher of value in use and fair value less cost to sell) and the carrying amount is written down to the recoverable amount if required. No such impairment has been incurred during 2011.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount, but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

#### **7. Recognition and derecognition of financial instruments in the balance sheet**

Derivative instruments, quoted securities and foreign exchange spot transactions are recognised on and derecognised (reclassified to the items “Other assets” or “Other liabilities” in the balance sheet between trade date and settlement date) from the balance sheet on the trade date. Other financial instruments are recognised on the balance sheet on settlement date.

Financial assets, other than those for which trade date accounting is applied, are derecognised from the balance sheet when the contractual rights to the cash flows from the financial asset expire or are transferred to another party. The rights to the cash flows normally expire or are transferred when the counterpart has performed by e.g. repaying a loan to Nordea, i.e. on settlement date.

In some cases, Nordea enters into transactions where it transfers assets that are recognised on the balance sheet, but retains either all or a portion of risks and rewards from the transferred assets. If all or substantially all risks and rewards are retained, the transferred assets are not derecognised from the balance sheet. If Nordea’s counterpart can sell or repledge the transferred assets, the assets are reclassified to the item “Financial instruments pledged

as collateral” in the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include e.g. security lending agreements and repurchase agreements.

Financial liabilities are derecognised from the balance sheet when the liability is extinguished. Normally this occurs when Nordea performs, for example when Nordea repays a deposit to the counterpart, i.e. on settlement date. Financial liabilities under trade date accounting are generally reclassified to “Other liabilities” in the balance sheet on trade date.

For further information, see sections “Securities borrowing and lending agreements” and “Repurchase and reverse repurchase agreements” within 12 “Financial instruments”, as well as Note 43 “Obtained collaterals which are permitted to be sold or repledged”.

#### **8. Translation of assets and liabilities denominated in foreign currencies**

The functional currency of each entity is decided based upon the primary economic environment in which the entity operates. Foreign currency is defined as any currency other than the functional currency of the entity. Foreign currency transactions are recorded at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealised translation differences on unsettled foreign currency monetary assets and liabilities, are recognised in the income statement in the item “Net result from items at fair value”.

#### **9. Hedge accounting**

IAS 39 includes principles and rules concerning accounting for hedging instruments and the underlying hedged item, so-called hedge accounting. Nordea applies the EU carve out version of IAS 39 for portfolio hedges of both assets and liabilities. The EU carve out macro hedging enables a group of derivatives (or proportions thereof) to be viewed in combination and designated as the hedging instrument and removes some of the limitations in fair value hedge accounting relating to hedging core deposits and under-hedging strategies.

The hedge accounting policy within Nordea has been developed to fulfil the requirements set out in IAS 39. Nordea uses hedge accounting in order to have a symmetrical accounting treatment of the changes in fair value of the hedged item and changes in fair value of the hedging instruments as well as to hedge the exposure to variability in future cash flows and the

exposure to net investments in foreign operations. The overall purpose is to have a true and fair presentation of Nordea's economical hedges in the financial statements. The overall operational responsibility to hedge positions and for hedge accounting lies within Group Treasury.

There are three forms of hedge accounting:

- Fair value hedge accounting
- Cash flow hedge accounting
- Hedges of net investments

NBF currently applies only fair value hedge accounting.

#### **Fair value hedge accounting**

Fair value hedge accounting is used when derivatives are hedging changes in fair value of a recognised asset or liability attributable to a specific risk. The risk of changes in fair value of assets and liabilities in Nordea's financial statements originates mainly from loans, securities and deposits with a fixed interest rate, causing interest rate risk. Changes in fair value from derivatives as well as changes in fair value of the hedged item attributable to the risks being hedged will be recognised separately in the income statement in the item "Net result from items at fair value". Given an effective hedge, the two changes in fair value will more or less balance, meaning the net result will be close to zero. The changes in fair value of the hedged item attributable to the risks hedged with the derivative instrument are reflected in an adjustment to the carrying amount of the hedged item, which is also recognised in the income statement. The fair value change of the hedged item in a portfolio hedge of interest rate risks is reported separately from the portfolio in the item "Fair value changes of the hedged items in portfolio hedge of interest rate risk" in the balance sheet.

Fair value hedge accounting in Nordea is performed mainly on a portfolio basis. Any ineffectiveness is recognised in the income statement under the item "Net result from items at fair value".

#### *Hedged items*

A hedged item in a fair value hedge can be a recognised single asset or liability, an unrecognised firm commitment, or a portion thereof. The hedged item can also be a group of assets, liabilities or firm commitments with similar risk characteristics. Hedged items in Nordea consist of both individual assets or liabilities and portfolios of assets and/or liabilities.

#### *Hedging instruments*

The hedging instruments used in Nordea are predominantly interest rate swaps and cross currency interest rate swaps, which are always held at fair value.

Cash instruments are only used in a few transactions as hedging instruments when hedging currency risk.

#### *Hedge effectiveness*

The application of hedge accounting requires the hedge to be highly effective. A hedge is regarded as highly effective if at inception and throughout its life it can be expected that changes in fair value of the hedged item as regards the hedged risk can be essentially offset by changes in fair value of the hedging instrument. The result should be within a range of 80–125 per cent. When assessing hedge effectiveness retrospectively Nordea measures the fair value of the hedging instruments and compares the change in fair value of the hedging instrument to the change in fair value of the hedged item. The effectiveness measurement is made on a cumulative basis.

If the hedge relationship does not fulfil the requirements, hedge accounting will be terminated. The change in the unrealised value of the derivatives will, prospectively from the last time it was last proven effective, be accounted for in the income statement. For fair value hedges, the change in the fair value on the hedged item, up to the point when the hedge relationship is terminated, is amortised to the income statement on a straight-line basis over the remaining maturity of the hedged item.

#### **10. Determination of fair value of financial instruments**

Financial assets and liabilities classified into the categories Financial assets/liabilities at fair value through profit or loss (including derivative instruments) are recorded at fair value on the balance sheet with changes in fair value recognised in the income statement in the item "Net result from items at fair value".

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The existence of published price quotations in an active market is the best evidence of fair value and when they exist they are used to measure financial assets and financial liabilities. Nordea is predominantly using published price quotations to establish fair value for items disclosed under the following balance sheet items

- Treasury bills
- Interest-bearing securities
- Shares
- Derivatives (listed derivatives)

If quoted prices for a financial instrument fail to represent actual and regularly occurring market transactions or if quoted prices are not available, fair

value is established by using an appropriate valuation technique. Valuation techniques can range from simple discounted cash flow analysis to complex option pricing models. Valuation models are designed to apply observable market prices and rates as input whenever possible, but can also make use of unobservable model parameters. Nordea is predominantly using valuation techniques to establish fair value for items disclosed under the following balance sheet items:

- Treasury bills (when quoted prices in an active market are not available)
- Interest-bearing securities (when quoted prices in an active market are not available)
- Shares (when quoted prices in an active market are not available)
- Derivatives (OTC derivatives)

Fair value is calculated as the theoretical net present value of the individual contracts, based on independently sourced market parameters and assuming no risks and uncertainties. This calculation is supplemented by a portfolio adjustment. The portfolio adjustment covers uncertainties associated with the valuation techniques, model assumptions and unobservable parameters as well as the portfolio's counterparty credit risk and liquidity risk. An important part of the portfolio adjustment serves to adjust the net open market risk exposures from mid-prices to ask or bid prices (depending on the net position). For different risk categories, exposures are aggregated and netted according to internal guidelines and aggregated market price information on bid-ask spreads are applied in the calculation. Spreads are updated on a regular basis.

The portfolio adjustment for uncertainties associated with model assumptions comprises two components (The calculation principles are defined as part of the internal approval process for valuation models):

- Benchmarking of the model output (market values) against market information or against results from alternative models, where available
- Sensitivity calculations where unobservable parameters are varied to take other reasonable values

The portfolio adjustment for counterparty risk in OTC-derivatives is based on the current exposure towards each counterpart, the estimated potential future exposure as well as an estimate of the cost of hedging the counterparty risk. This cost of hedging is either based directly on market prices (where available) or on a theoretical calculation based on the internal credit rating of the counterpart.

For financial instruments, where fair value is estimated by a valuation technique, it is investigated whether the variables used in the valuation model are predominantly based on data from observable markets. By data from observable markets, Nordea considers data that can be collected from generally available external sources and where this data is judged to represent realistic market prices. If non-observable data has a significant impact on the valuation, the instrument cannot be recognised initially at the fair value estimated by the valuation technique and any upfront gains are thereby deferred and amortised through the income statement over the contractual life of the instrument. The deferred upfront gains are subsequently released to income if the non-observable data becomes observable.

Note 42 "Assets and liabilities at fair value" provides a breakdown of fair values of financial instruments measured on the basis of:

- quoted prices in active markets for the same instrument (level 1),
- valuation techniques using observable data (level 2), and
- valuation techniques using non-observable data (level 3).

The valuation models applied by Nordea are consistent with accepted economic methodologies for pricing financial instruments and incorporate the factors that market participants consider when setting a price.

New valuation models are subject to approval by Group Risk Management and all models are reviewed on a regular basis.

For further information, see Note 42 "Assets and liabilities at fair value".

## 11. Cash and cash equivalents

Cash and cash equivalents consist of cash and balances with central banks where the following conditions are fulfilled:

- The central bank is domiciled in a country where Nordea is operating under a banking licence.
- The balance is readily available at any time.

Cash and cash equivalents are financial instruments classified into the category "Loans and receivables", see section 12 "Financial instruments".

Loans to credit institutions payable on demand are also recognised as "Cash and cash equivalents" in the cash flow statement.



## 12. Financial instruments

### Classification of financial instruments

Each financial instrument has been classified into one of the following categories:

Financial assets:

- Financial assets at fair value through profit or loss:
  - Held for trading
  - Designated at fair value through profit or loss (Fair Value Option)
- Loans and receivables
- Held to maturity
- Available for sale

Financial liabilities:

- Financial liabilities at fair value through profit or loss:
  - Held for trading
  - Designated at fair value through profit or loss (Fair Value Option)
- Other financial liabilities.

All financial assets and liabilities are initially measured at fair value. The classification of financial instruments into different categories forms the basis for how each instrument is subsequently measured in the balance sheet and how changes in its value are recognised. In Note 41 “Classification of financial instruments” the classification of the financial instruments in Nordea’s balance sheet into different categories is presented.

#### *Financial assets and financial liabilities at fair value through profit or loss*

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value, excluding transaction costs. All changes in fair values are recognised directly in the income statement in the item “Net result from items at fair value”.

The category consists of two sub-categories: Held for trading and Designated at fair value through profit or loss (Fair value option).

The sub-category Held for trading mainly contains derivative instruments that are held for trading purposes, interest-bearing securities and shares within Markets and Treasury. It also contains trading liabilities such as short-selling positions.

The major parts of the financial assets/liabilities classified into the category Designated at fair value through profit or loss are certain other assets/liabilities, interest bearing securities and shares.

Nordea also applies the Fair value option on certain financial assets and financial liabilities related to Markets. The classification stems from that Markets is

managing and measuring all its financial assets and liabilities to fair value. Consequently, all financial assets and financial liabilities in Markets are classified into the categories Financial assets/Financial liabilities at fair value through profit or loss.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets, with fixed or determinable payments, that are not quoted in an active market. These assets and their impairment are further described in the separate section 13 “Loans to the public/credit institutions”.

#### *Held to maturity*

Financial assets that Nordea has chosen to classify into the category Held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity that Nordea has the positive intent and ability to hold to maturity. Financial assets classified into the category Held-to-maturity are initially recognised in the balance sheet at the acquisition price, including transaction costs. Subsequent to initial recognition, the instruments within this category are measured at amortised cost. In an amortised cost measurement, the difference between acquisition cost and redemption value is amortised in the income statement over the remaining term using the effective interest rate method.

If more than an insignificant amount of the Held to maturity portfolio is sold or transferred the Held to maturity category is tainted, except for if the sale or transfer either occur close to maturity, after substantially all of the original principal is already collected, or due to an isolated non-recurring event beyond the control of Nordea.

Nordea assesses at each reporting date whether there is any objective evidence that the asset is impaired. If there is such evidence, an impairment loss is recorded. The loss is calculated as the difference between the carrying amount and the present value of estimated future cash flows and is recognised as “Impairment of securities held as financial non-current assets” in the income statement. See section 13 “Loans to the public/credit institutions” for more information on the identification and measurement of objective evidence of impairment, which is applicable also for interest-bearing securities classified into the category Held to maturity.

#### *Available for sale*

Financial instruments classified into the category Available for sale are measured at fair value. Changes in fair values, except for interest, foreign exchange effects and impairment losses, are recognised in the fair value reserve in equity through other comprehensive income. Interest is recognised in the item “Interest income” and foreign exchange effects and impairment

losses in the item "Net result from items at fair value" in the income statement.

When an instrument classified into the category Available for sale is disposed of, the fair value changes that previously have been accumulated in the fair value reserve (related to Available for sale investments) in other comprehensive income are removed from equity and recognised in the income statement in the item "Net result from items at fair value".

Financial assets classified into the category Available for sale are assessed at least annually in order to determine any need for impairment losses. If there is objective evidence of impairment, the accumulated loss that has been recognised in other comprehensive income is removed from equity and recognised as "Net result from items at fair value" in the income statement. The amount of the accumulated loss that is recycled from equity is the difference between the asset's acquisition cost and current fair value. For equity investments a prolonged and significant decline in the fair value, compared to the acquisition cost, is considered to be objective evidence of impairment. Objective evidence of impairment for a debt instrument is rather connected to a loss event, such as an issuer's financial difficulty.

#### *Other financial liabilities*

Financial liabilities, other than those classified into the category Financial liabilities at fair value through profit or loss, are measured at amortised cost. Interest from Other financial liabilities is recognised in the item "Interest expense" in the income statement.

#### **Hybrid (combined) financial instruments**

Hybrid (combined) financial instruments are contracts containing a host contract and an embedded derivative instrument. Such combinations arise predominantly from the issuance of structured debt instruments, such as issued index-linked bonds.

Index-linked bonds issued by Markets as part of the trading portfolio are classified into the category Held for trading, and the entire combined instrument, host contract together with the embedded derivative, is measured at fair value through profit or loss. Changes in fair values are recognised in the income statement in the item "Net result from items at fair value".

#### **Securities borrowing and lending agreements**

Generally, securities borrowing and securities lending transactions are entered into on a collateralised basis. Unless the risks and rewards of ownership are transferred, the securities are not recognised on or derecognised from the balance sheet. In the cases where the counterpart is entitled to resell or repledge the securities, the securities are reclassified to the balance sheet item "Financial instruments pledged as collateral".

Securities in securities lending transactions are also disclosed in the item "Assets pledged as security for own liabilities".

Cash collateral advanced (securities borrowing) to the counterparts is recognised on the balance sheet as "Loans to credit institutions" or as "Loans to the public". Cash collateral received (securities lending) from the counterparts is recognised on the balance sheet as "Deposits by credit institutions" or as "Deposits and borrowings from the public".

#### **Repurchase and reverse repurchase agreements**

Securities delivered under repurchase agreements and securities received under reverse repurchase agreements are not derecognised from or recognised on the balance sheet. In the cases where the counterpart has the right to resell or repledge the securities, the securities are reclassified to the balance sheet line "Financial instruments pledged as collateral".

Securities delivered under repurchase agreements are also disclosed in the item "Assets pledged as security for own liabilities".

Cash received under repurchase agreements is recognised on the balance sheet as "Deposits by credit institutions" or as "Deposits and borrowings from the public". Cash delivered under reverse repurchase agreements is recognised on the balance sheet as "Loans to credit institutions" or as "Loans to the public".

Additionally, the sale of securities received in reverse repurchase agreements trigger the recognition of a trading liability (short sale).

#### **Derivatives**

All derivatives are recognised on the balance sheet and measured at fair value. Derivatives with total positive fair values, including any accrued interest, are recognised as assets in the item "Derivatives" on the asset side. Derivatives with total negative fair values, including any accrued interest, are recognised as liabilities in the item "Derivatives" on the liability side.

Realised and unrealised gains and losses from derivatives are recognised in the income statement in the item "Net result from items at fair value".

### **13. Loans to the public/credit institutions**

Financial instruments classified as "Loans to the public/credit institutions" in the balance sheet and into the category Loans and receivables are measured at amortised cost (see also the separate section 7 "Recognition and derecognition of financial instruments in the balance sheet" as well as Note 41 "Classification of financial instruments").

Nordea monitors loans as described in the separate section on Risk, Liquidity and Capital management. Loans attached to individual customers or groups of customers are identified as impaired if the impairment tests indicate an objective evidence of impairment.

Also interest-bearing securities classified into the categories Loans and receivables and Held to maturity are held at amortised cost and the description below is valid also for the identification and measurement of impairment on these assets. Possible impairment losses on interest-bearing securities classified into the categories Loans and receivables and Held to maturity are recognised as "Impairment of securities held as non-current financial assets" in the income statement.

#### **Impairment test of individually assessed loans**

Nordea tests significant loans for impairment on an individual basis. The purpose of the impairment tests is to find out if the loans have become impaired. As a first step in the identification process for impaired loans, Nordea monitors whether there are indicators for impairment (loss event) and whether these loss events represent objective evidence of impairment. More information on the identification of loss events can be found in the Risk, Liquidity and Capital Management section.

In the process to conclude whether there is objective evidence of impairment, an assessment is performed to estimate the most probable future cash flows generated by the customer. These cash flows are then discounted by the effective interest rate giving the net present value. Collaterals received to mitigate the credit risk will be assessed at fair value. If the carrying amount of the loan is higher than the net present value of the estimated future cash flows, including the fair value of the collaterals, the loan is impaired.

Loans that are not individually impaired will be transferred to a group of loans with similar risk characteristics for a collective impairment test.

#### **Impairment test of collectively assessed loans**

All loans not impaired on an individual basis are collectively assessed for impairment, including individually insignificant loans. This means that significant loans not impaired on an individual level and insignificant loans that have not been tested on an individual level are collectively tested for impairment. The loans are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due according to the contractual terms. Nordea monitors its portfolio through rating migrations, the credit decision and annual review process supplemented by quarterly risk reviews. Through these processes Nordea identifies loss events indicating incurred losses in a group. A loss event is an event resulting in a deterioration of the expected future

cash flows. Only loss events incurred up to the reporting date are included when performing the assessment of the group.

The objective for the group assessment process is to evaluate if there is a need to make a provision due to the fact that a loss event has occurred, which has not yet been identified on an individual basis. This period between the date when the loss event occurred and the date when it is identified on an individual basis is called "Emergence period". The impairment remains related to the group of loans until the losses have been identified on an individual basis. The identification of the loss is made through a default of the engagement or by other indicators.

For corporate customers and bank counterparts, Nordea uses the existing rating system as a basis when assessing the credit risk. Nordea uses historical data on probability of default to estimate the risk for a default in a rating class. These loans are rated and grouped mostly based on type of industry and/or sensitivity to certain macro parameters, e.g. dependency to oil prices etc.

Personal customers and small corporate customers are monitored through scoring models. These are based mostly on historical data, as default rates and loss rates given a default, and experienced judgement performed by management. Rating and scoring models are described in more detail in the separate section on Risk, Liquidity and Capital management.

The collective assessment is performed through a netting principle, i.e. when rated engagements are up-rated due to estimated increases in cash flows, this improvement will be netted against losses on loans that are down-rated due to estimated decreases in cash-flows. Netting is only performed within groups with similar risk characteristics where Nordea assesses that the customers' future cash flows are insufficient to serve the loans in full.

#### **Impairment loss**

If the carrying amount of the loans is higher than the sum of the net present value of estimated cash flows, including the fair value of the collaterals and other credit enhancements, the difference is the impairment loss.

If the impairment loss is not regarded as final, the impairment loss is accounted for on an allowance account representing the accumulated impairment losses. Changes in the credit risk and accumulated impairment losses are accounted for as changes in the allowance account and as "Net loan losses" in the income statement (see also section 6 "Recognition of operating income and impairment").



If the impairment loss is regarded as final, it is reported as a realised loss. A realised loss is recognised and the value of the loan and the related allowance for impairment loss are derecognised with a corresponding gain or loss recognised in the line item "Net loan losses" in the income statement. An impairment loss is regarded as final when the obligor is filed for bankruptcy and the administrator has declared the economic outcome of the bankruptcy procedure, or when Nordea forgives its claims either through a legal based or voluntary reconstruction or when Nordea, for other reasons, deem it unlikely that the claim will be recovered.

#### **Discount rate**

The discount rate used to measure impairment is the original effective interest rate for loans attached to an individual customer or, if applicable, to a group of loans. If considered appropriate, the discount rate can be based on a method that results in an impairment that is a reasonable approximation of using the effective interest rate method as basis for the calculation.

#### **Restructured loans**

In this context a restructured loan is defined as a loan where Nordea has granted concessions to the obligor due to its deteriorated financial situation and where this concession has resulted in an impairment loss for Nordea. After a reconstruction the loan is normally regarded as not impaired if it performs according to the new conditions. Concessions made in reconstructions are regarded as final losses unless Nordea retains the possibility to regain the realised loan losses incurred. In the event of a recovery the payment is reported as a recovery of realised loan losses.

#### **Assets taken over for protection of claims**

In a financial reconstruction the creditor may concede loans to the obligor and in exchange for this concession acquires an asset pledged for the conceded loans, shares issued by the obligor or other assets. Assets taken over for protection of claims are reported on the same balance sheet line as similar assets already held by Nordea. For example a property taken over, not held for Nordea's own use, is reported together with other investment properties.

At initial recognition, all assets taken over for protection of claims are recognised at fair value and the possible difference between the carrying amount of the loan and the fair value of the assets taken over is recognised as "Net loan losses". The fair value of the asset on the date of recognition becomes its cost or amortised cost value, as applicable. In subsequent periods, assets taken over for protection of claims are valued in accordance with the valuation principles for the appropriate type of asset. Investment properties are then measured at fair value. Financial assets that are foreclosed are generally classified into the categories

Available for sale or Designated at fair value through profit or loss (Fair Value Option) (see section 12 "Financial instruments") and measured at fair value. Changes in fair values are recognised in other comprehensive income for assets classified into the category Available for sale. For assets classified into the category Designated at fair value through profit or loss, changes in fair value are recognised in the income statement under the line "Net result from items at fair value".

Any change in value, after the initial recognition of the asset taken over, is presented in the income statement in line with the Group's presentation policies for the appropriate asset. "Net loan losses" in the income statement is, after the initial recognition of the asset taken over, consequently not affected by any subsequent remeasurement of the asset.

## **14. Leasing**

### **NBF as lessor**

#### *Finance leases*

Nordea's leasing operations mainly comprise finance leases. A finance lease is reported as a receivable from the lessee in the balance sheet item "Loans to the public" at an amount equal to the net investment in the lease. The lease payment, excluding cost of services, is recorded as repayment of principal and interest income. The income allocation is based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of the finance lease.

#### *Operating leases*

Assets subject to operating leases in the balance sheet are reported in accordance with the nature of the assets, in general as property and equipment. Leasing income is recognised as income on a straight-line basis over the lease term and classified as "Net interest income". The depreciation of the leased assets is calculated on the basis of Nordea's depreciation policy for similar assets and reported as "Depreciation, amortisation and impairment charges of tangible and intangible assets" in the income statement.

### **NBF as lessee**

#### *Finance leases*

No leases in NBF have been classified as finance leases.

#### *Operating leases*

Operating leases are not recognised in NBF's balance sheet. For operating leases the lease payments are recognised as expenses in the income statement on a straight-line basis over the lease term unless another systematic way better reflects the time pattern of NBF's benefit. The original lease terms range between 3 to 25 years.

Operating leasing is mainly related to office premises contracts and office equipment contracts normal to the business.

The central district properties in Finland, Norway and Sweden that Nordea has divested are leased back. The duration of the lease agreements were initially 3-25 years with renewal options. The lease agreements include no transfers of ownerships of the asset by the end of the lease term, nor any economic benefits from appreciation in value of the leased property. In addition, the lease term is not for the major part of the assets' economic life. These leases are thus classified as operating leases. The rental expense for these premises is recognised on the basis of the time-pattern of Nordea's economic benefit which differs from the straight-line basis and better resembles an ordinary rental arrangement.

#### *Embedded leases*

Agreements can contain a right to use an asset in return for a payment, or a series of payments, although the agreement is not in the legal form of a leasing contract. If applicable, these assets are separated from the contract and accounted for as leased assets.

## **15. Intangible assets**

Intangible assets are identifiable, non-monetary assets without physical substance. The assets are under NBF's control, which means that NBF has the power and rights to obtain the future economic benefits flowing from the underlying resource. The intangible assets in NBF mainly consist of goodwill, IT-development/computer software and customer related intangible assets.

#### **Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of Nordea's share of net identifiable assets of the acquired group undertaking/associated undertaking at the date of acquisition. Goodwill on acquisition of group undertakings is included in "Intangible assets". Goodwill on acquisitions of associates is not recognised as a separate asset, but included in "Investments in associated undertakings". Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill cannot be reversed in subsequent periods. Goodwill related to associated companies is not tested for impairment separately, but included in the total carrying amount of the associated company. The policies covering impairment testing of associated companies is disclosed in section 6 "Recognition of operating income and impairment".

#### **IT-development/Computer software**

Costs associated with maintaining computer software programs are expensed as incurred. Costs directly associated with major software development investments, with a useful life of three years or more and the ability to generate future economic benefits, are recognised as intangible assets. These costs include software development staff costs and overhead expenditures directly attributable to preparing the asset for use. Computer software includes also acquired software licenses not related to the function of a tangible asset.

Amortisation is calculated on a straight-line basis over the useful life of the software, generally a period of 3 to 10 years.

#### **Customer related intangible assets**

In business combinations a portion of the purchase price is normally allocated to a customer related intangible asset, if the asset is identifiable and under Nordea's control. An intangible asset is identifiable if it arises from contractual or legal rights, or is separable. The asset is amortised over its useful life.

#### **Impairment**

Goodwill and other intangible assets with indefinite useful lives are not amortised but tested for impairment annually irrespective of any indications of impairment. Impairment testing is also performed more frequently if required due to any indication of impairment. The impairment charge is calculated as the difference between the carrying amount and the recoverable amount.

At each balance sheet date, all intangible assets with definite useful lives are reviewed for indications of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the intangible asset is fully recoverable.

The recoverable amount is the higher of fair value less costs to sell and the value in use of the asset or the cash-generating unit, which is defined as the smallest identifiable group of assets that generates cash inflows in relation to the asset. For goodwill, the cash generating units are defined as the operating segments. The value in use is the present value of the cash flows expected to be realised from the asset or the cash-generating unit. The cash flows are assessed based on the asset or cash-generating unit in its current condition and discounted at a rate based on the long-term risk free interest rate plus a risk premium (post tax). If the recoverable amount is less than the carrying amount, an impairment loss is recognised. See note 22 "Intangible assets" for more information on the impairment testing.

## 16. Property and equipment

Property and equipment includes own-used properties, leasehold improvements, IT equipment, furniture and other equipment. Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment comprise of its purchase price, as well as any directly attributable costs of bringing the asset to the working condition for its intended use. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items.

Property and equipment is depreciated on a straight-line basis over the estimated useful life of the assets. The estimates of the useful life of different assets are reassessed on a yearly basis. Below follows the current estimates:

- Buildings: 30-75 years
- Equipment: 3-5 years
- Leasehold improvements: Changes within buildings the shorter of 10 years and the remaining leasing term. New construction the shorter of the principles used for owned buildings and the remaining leasing term. Fixtures installed in leased properties are depreciated over the shorter of 10–20 years and the remaining leasing term.

At each balance sheet date, Nordea assesses whether there is any indication that an item of property and equipment may be impaired. If any such indication exists, the recoverable amount of the asset is estimated and any impairment loss is recognised.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount, but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

## 17. Investment property

Investment properties are primarily properties held to earn rent and/or capital appreciation. Nordea applies the fair value model for subsequent measurement of investment properties. The best evidence of a fair value is normally given by quoted prices in an active market for similar property in the same location and condition. As these prices are rarely available discounted cash flow projection models based on reliable estimates of future cash flows are also used.

Net rental income, gains and losses as well as fair value adjustments are recognised directly in the income statement as “Net result from items at fair value”.

## 18. Taxes

The item “Income tax expense” in the income statement comprises current- and deferred income tax. The income tax expense is recognised in the income statement, except to the extent the tax effect relates to items recognised in other comprehensive income or directly in equity, in which case the tax effect is recognised in other comprehensive income or in equity respectively.

Current tax is the expected tax expense on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised, using the balance sheet method, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits. Deferred tax is not recognised for temporary differences arising on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, nor for differences relating to investments in subsidiaries and associated companies to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, tax losses carry forward and unused tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when the legal right to offset exists. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

## 19. Employee benefits

All forms of consideration given by Nordea to its employees as compensation for services performed are employee benefits. Short-term benefits are to be settled within twelve months after the reporting period when the services have been performed. Post-employment benefits are benefits payable after the termination of the employment. Post-employment benefits in Nordea consist only of pensions. Termination benefits normally arise if an employment is terminated before the normal retirement date, or if an employee accepts an offer of voluntary redundancy.

### Short-term benefits

Short term benefits consist mainly of fixed and variable salary. Both fixed and variable salaries are expensed in the period when the employees have performed services to Nordea. Nordea has also issued share-based payment programmes, which are further described in section 22 "Share-based payments".

More information can be found in Note 8 "Staff costs".

### Post-employment benefits

#### *Pension plans*

The companies within Nordea have various pension plans, consisting of both defined benefit plans and defined contribution plans, reflecting national practices and conditions in the countries where Nordea operates. Defined benefit plans are predominantly sponsored in Sweden, Norway and Finland. The major defined benefit plans are funded schemes covered by assets in pension funds/foundations. If the fair value of plan assets, associated with a specific pension plan, is lower than the gross present value of the defined benefit obligation, the net amount is, after adjusting for unrecognised actuarial gains/losses, recognised as a liability (defined benefit obligation). If not, the net amount is recognised as an asset (defined benefit asset). Non-funded pension plans are recognised as defined benefit obligations.

Certain Finnish plans are based on defined contribution arrangements that hold no pension liability for NBF. Nordea also contributes to public pension systems.

#### *Pension costs*

The pension calculations are carried out by country and by pension plan in accordance with IAS 19.

Obligations for defined contribution pension plans are recognised as an expense as the employee renders services to the entity and the contribution payable in exchange for that service becomes due. Nordea's net obligation for defined benefit pension plans is

calculated separately for each plan by estimating the amount of future benefit that employees have earned for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised prior service cost and the fair value of any plan assets are deducted. Actuarial calculations, performed annually, are applied to assess the present value of defined benefit obligations and related costs, based on several actuarial and financial assumptions (as disclosed in Note 34 "Retirement benefit obligations").

When establishing the present value of the obligation and the fair value of any plan assets, actuarial gains and losses may arise as a result of changes in actuarial assumptions and experience effects (actual outcome compared to assumptions). The actuarial gains and losses are not recognised immediately in the income statement. Rather, only when the net cumulative unrecognised actuarial gain or loss exceeds a "corridor" equal to 10 percent of the greater of either the present value of the defined benefit obligation or the fair value of the plan assets, the excess is recognised in the income statement over the expected average remaining service period of the employees participating in the plan. Otherwise, actuarial gains and losses are not recognised.

When the calculation results in a benefit to the Nordea entity, the recognised asset is limited to the net total of any unrecognised actuarial losses, unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Social security contribution is calculated and accounted for based on the net recognised surplus or deficit by plan.

#### *Discount rate in Defined Benefit Plans*

The discount rate is determined by reference to high quality corporate bonds, where a deep enough market for such bonds exists. Covered bonds are in this context considered to be corporate bonds. In countries where no such market exists the discount rate is determined by reference to government bond yields. In Finland the discount rate is determined with reference to corporate bonds.

### Termination benefits

As mentioned above termination benefits normally arise if an employment is terminated before the normal retirement date, or if an employee accepts an offer of voluntary redundancy.

Termination benefits do not arise if the employees have to continue performing services and the termination benefits can be considered to be normal compensation for those services.

Termination benefits are expensed when Nordea has an obligation to make the payment. An obligation arises when there is a formal plan committed to on the appropriate organisational level and when Nordea is without realistic possibility of withdrawal, which normally occurs when the plan has been communicated to the group affected or to their representatives.

Termination benefits can include both short-term benefits, for instance a number of months' salary, and post-employment benefits, normally in the form of early retirement. Short-term benefits are classified as "Salaries and remuneration" and post-employment benefits as "Pension costs" in Note 8 "Staff costs".

## **20. Equity**

### **.Non-controlling interests**

Non-controlling interests comprise the portion of net assets of group undertakings not owned directly or indirectly by Nordea Bank Finland Plc.

### **.Share premium reserve**

The share premium reserve consists of the difference between the subscription price and the quota value of the shares in NBF's rights issue. Transaction costs in connection to the rights issue have been deducted.

### **.Other reserves**

Other reserves comprise income and expenses, net after tax effects, which are reported in equity in accordance with IFRS. These reserves include fair value reserves for financial assets classified into the category Available for sale as well as a reserve for translation differences.

### **.Retained earnings**

Apart from undistributed profits from previous years, retained earnings include the equity portion of untaxed reserves. Untaxed reserves according to national rules are recorded as equity net of deferred tax at prevailing tax rates in the respective country.

In addition, NBF's share of the earnings in associated companies, after the acquisition date, that have not been distributed is included in retained earnings.

### **.Treasury shares**

NBF does not hold Treasury shares.

## **21. Financial guarantee contracts and credit commitments**

Upon initial recognition, premiums received in issued financial guarantee contracts and credit commitments are recognised as prepaid income on the balance sheet. The guarantees and irrevocable credit commitments are subsequently measured, and recognised on the balance sheet, at the higher of either the received fee less amortisation, or a provision calculated as the discounted best estimate of the expenditure required to settle the present obligation. Changes in provisions are recognised in the income statement in the item "Net loan losses".

Premiums received for financial guarantees are, as stated in section 6 "Recognition of operating income and impairment", amortised over the guarantee period and recognised as "Fee and commission income" in the income statement. Premiums received on credit commitments are generally amortised over the loan commitment period. The contractual amounts are recognised off-balance sheet, financial guarantees in the item "Contingent liabilities" and irrevocable credit commitments in the item "Commitments".

## **22. Share-based payments**

### **Equity-settled programmes**

Nordea has annually issued Long Term Incentive Programmes from 2007 through 2011. Employees participating in these programmes are granted share-based and equity-settled rights, i.e. rights to receive shares for free or to acquire shares in Nordea at a significant discount compared to the share price at grant date. The value of such rights shall be expensed. The expense is based on the estimated fair value of each right at grant date. The total fair value of these rights is determined based on the group's estimate of the number of rights that will eventually vest, which is reassessed at each reporting date, and is expensed on a straight-line basis over the vesting period. The vesting period is the period that the employees have to remain in service in Nordea in order for their rights to vest. Market performance conditions in D-rights /Performance Share II are reflected as a probability adjustment to the initial estimate of fair value at grant date. There is no adjustment (true-up) for differences between estimated and actual vesting due to market conditions.

For more information see Note 8 "Staff costs".



**Cash-settled programmes**

Nordea has to defer payment of variable salaries under Nordic FSA's regulations and general guidelines. The deferred amounts are to some extent indexed using Nordea's TSR (Total Shareholders' Return) and these "programmes" are cash-settled share-based programmes under IFRS. These programmes are fully vested when the variable salaries are initially deferred and the fair value of the obligation is remeasured on a continuous basis. The remeasurements are, together with the related social charges, recognised in the income statement in the item "Net result from items at fair value".

**23. Related party transactions**

NBF defines related parties as:

- Shareholders with significant influence
- Group undertakings
- Associated undertakings
- Key management personnel
- Other related parties

All transactions with related parties are made on an arm's length basis.

**.Shareholders with significant influence**

Shareholders with significant influence are shareholders that, by any means, have a significant influence over NBF. Nordea and its group companies are considered as having such significant influence.

**.Group undertakings**

For the definition of Group undertakings see section 5 "Principles of consolidation". Further information on the undertakings included in the NBF Group is found in Note 20 "Investments in group undertakings".

Group internal transactions between legal entities are performed according to arm's length principles in conformity with OECD requirements on transfer pricing. These transactions are eliminated in the consolidated accounts.

**.Associated undertakings**

For the definition of Associated undertakings see section 5 "Principles of consolidation".

Further information on the associated undertakings included in the NBF Group is found in Note 21 "Investments in associated undertakings".

**.Key management personnel**

Key management personnel include the following positions:

- The Board of Directors of NBF and Nordea Bank AB (publ)
- The Chief Executive Officer (CEO)
- The Group Executive Management (GEM).

For information about compensation, pensions and other transactions with key management personnel, see Note 8 "Staff costs".

**.Other related parties**

Other related parties comprise close family members to individuals in key management personnel. Other related parties also include companies significantly influenced by key management personnel in Nordea Group as well as companies significantly influenced by close family members to these key management personnel. Other related parties also include NBF's pension foundations.

Information concerning transactions between NBF and other related parties is found in Note 45 "Related-party transactions".

## Note 2 Segment reporting

### Operating segments

#### Group

#### Measurement of Operating segments' performance

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

#### Changes in basis of segmentation

A new organisation has been established, developed around the two main business areas Retail Banking and Wholesale Banking. In addition a business unit called Group Operations has been established. Group Corporate Centre and the separate divisions within the two main business areas and within the business unit Group Operations have, based on the new organisation, been identified as operating segments. The changes compared to the previous segment reporting is mainly that Nordic Banking has been renamed to Retail Banking Nordic and that the service units and support functions within the main business areas Retail Banking and Wholesale Banking are now disclosed separately as operating segments named as Retail Banking Other and Wholesale Banking Other. A new operating segment named Corporate & institutional Banking has been established, including the former division Corporate Merchant Banking, previously included in Nordic Banking, and the former operating segment Financial Institutions. Capital Markets unallocated and Group Corporate Centre are furthermore disclosed separately as operating segments. Comparative information has been restated accordingly.

#### Reportable Operating segments

Retail Banking conducts a full service banking operation and offers a wide range of products. It is Nordea's largest customer area and serves household customers and corporate customers in the Nordic markets (Retail Banking Nordic) as well as in Poland and the Baltic countries (Retail Banking Poland & Baltic countries). Wholesale Banking provides banking and other financial solutions to large Nordic and international corporate, institutional and public companies. The division Corporate & Institutional Banking is a customer oriented organisation serving the largest globally operating corporates. This division is also responsible for Nordea's customers within the financial sector, and offers single products such as funds, equity products etcetera as well as consulting services within asset allocation and fund sales. The division Shipping, Oil Services & International is responsible for Nordea's customers within the shipping, offshore and oil services industries and provides tailored solutions and syndicated loan transactions. Capital Markets unallocated includes the result in Capital Markets which is not allocated to the main business areas. Group Corporate Centre's main objective is to manage the Group's funding and to support the management and control of the NBF Group. The main income in Group Corporate Centre originates from Group Treasury.

|                                                                                     | Retail Banking |              | Wholesale Banking |              | Group Corporate Centre |            |
|-------------------------------------------------------------------------------------|----------------|--------------|-------------------|--------------|------------------------|------------|
| <b>Income statement, EURm</b>                                                       | 2011           | 2010         | 2011              | 2010         | 2011                   | 2010       |
| Net interest income                                                                 | 849            | 725          | 323               | 283          | 167                    | 187        |
| Net fee and commission income                                                       | 513            | 497          | -68               | 176          | -4                     | -4         |
| Net result from items at fair value                                                 | 99             | 96           | 864               | 861          | 3                      | -28        |
| Profit from companies accounted for under the equity method                         | 8              | 1            | -                 | -            | -                      | -          |
| Other income                                                                        | 10             | 6            | 2                 | 13           | 2                      | 0          |
| <b>Total operating income</b>                                                       | <b>1,479</b>   | <b>1,325</b> | <b>1,121</b>      | <b>1,333</b> | <b>168</b>             | <b>155</b> |
| Staff costs                                                                         | -332           | -334         | -134              | -127         | -27                    | -10        |
| Other expenses                                                                      | -535           | -540         | -61               | -283         | 4                      | -18        |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -6             | -5           | -1                | -1           | 0                      | 0          |
| <b>Total operating expenses</b>                                                     | <b>-873</b>    | <b>-879</b>  | <b>-196</b>       | <b>-411</b>  | <b>-23</b>             | <b>-28</b> |
| Net loan losses                                                                     | -111           | -204         | -10               | -91          | 44                     | -          |
| <b>Operating profit</b>                                                             | <b>495</b>     | <b>242</b>   | <b>915</b>        | <b>831</b>   | <b>189</b>             | <b>127</b> |
| Income tax expense                                                                  | -              | -            | -                 | -            | -                      | -          |
| <b>Net profit for the year</b>                                                      | <b>495</b>     | <b>242</b>   | <b>915</b>        | <b>831</b>   | <b>189</b>             | <b>127</b> |
| <b>Balance sheet, EURm</b>                                                          |                |              |                   |              |                        |            |
| Loans to the public                                                                 | 50,679         | 48,098       | 42,456            | 19,838       | -72                    | -          |
| Deposits and borrowings from the public                                             | 37,408         | 36,304       | 29,315            | 18,631       | 1,139                  | -          |

**Note 2 Segment reporting, cont.**
**Operating segments**
**Group**

| <b>Income statement, EURm</b>                               | <b>Total operating segments</b> |               | <b>Reconciliation</b> |             | <b>Total Group</b> |               |
|-------------------------------------------------------------|---------------------------------|---------------|-----------------------|-------------|--------------------|---------------|
|                                                             | 2011                            | 2010          | 2011                  | 2010        | 2011               | 2010          |
| Net interest income                                         | 1,339                           | 1,195         | 16                    | -14         | <b>1,355</b>       | <b>1,182</b>  |
| Net fee and commission income                               | 441                             | 669           | -132                  | -379        | <b>309</b>         | <b>289</b>    |
| Net result from items at fair value                         | 966                             | 929           | -29                   | 50          | <b>937</b>         | <b>979</b>    |
| Profit from companies accounted for under the equity method | 8                               | 1             | 1                     | 5           | <b>9</b>           | <b>6</b>      |
| Other income                                                | 14                              | 19            | 20                    | 24          | <b>34</b>          | <b>43</b>     |
| <b>Total operating income</b>                               | <b>2,768</b>                    | <b>2,813</b>  | <b>-124</b>           | <b>-314</b> | <b>2,644</b>       | <b>2,499</b>  |
| Staff costs                                                 | -493                            | -471          | -99                   | -82         | <b>-592</b>        | <b>-553</b>   |
| Other expenses                                              | -592                            | -841          | 135                   | 362         | <b>-457</b>        | <b>-479</b>   |
| Depreciation of tangible and intangible assets              | -7                              | -6            | -36                   | -33         | <b>-43</b>         | <b>-39</b>    |
| <b>Total operating expenses</b>                             | <b>-1,092</b>                   | <b>-1,318</b> | <b>0</b>              | <b>247</b>  | <b>-1,092</b>      | <b>-1,071</b> |
| Net loan losses                                             | -77                             | -295          | 7                     | 21          | <b>-70</b>         | <b>-272</b>   |
| <b>Operating profit</b>                                     | <b>1,599</b>                    | <b>1,200</b>  | <b>-117</b>           | <b>-46</b>  | <b>1,482</b>       | <b>1,156</b>  |
| Income tax expense                                          | -                               | -             | -381                  | -302        | <b>-381</b>        | <b>-302</b>   |
| <b>Net profit for the year</b>                              | <b>1,599</b>                    | <b>1,200</b>  | <b>-498</b>           | <b>-348</b> | <b>1,101</b>       | <b>854</b>    |
| <b>Balance sheet, EURm</b>                                  |                                 |               |                       |             |                    |               |
| Loans to the public                                         | 93,063                          | 67,936        | 6,267                 | 5,670       | <b>99,331</b>      | <b>73,607</b> |
| Deposits and borrowings from the public                     | 67,862                          | 54,935        | 398                   | 524         | <b>68,260</b>      | <b>55,459</b> |

**Break-down of Retail Banking**

| <b>Income statement, EURm</b>                               | <b>Retail Banking Nordic<sup>1</sup></b> |              | <b>Retail Banking Poland &amp; Baltic countries<sup>1</sup></b> |            | <b>Retail Banking Other<sup>2</sup></b> |            | <b>Retail Banking</b> |               |
|-------------------------------------------------------------|------------------------------------------|--------------|-----------------------------------------------------------------|------------|-----------------------------------------|------------|-----------------------|---------------|
|                                                             | 2011                                     | 2010         | 2011                                                            | 2010       | 2011                                    | 2010       | 2011                  | 2010          |
| Net interest income                                         | 700                                      | 588          | 149                                                             | 139        | 0                                       | -2         | <b>849</b>            | <b>725</b>    |
| Net fee and commission income                               | 468                                      | 447          | 43                                                              | 48         | 2                                       | 2          | <b>513</b>            | <b>497</b>    |
| Net result from items at fair value                         | 97                                       | 94           | 4                                                               | 2          | -2                                      | 0          | <b>99</b>             | <b>96</b>     |
| Profit from companies accounted for under the equity method | -                                        | -3           | -                                                               | -          | 8                                       | 4          | <b>8</b>              | <b>1</b>      |
| Other income                                                | 3                                        | 3            | 5                                                               | 2          | 2                                       | 1          | <b>10</b>             | <b>6</b>      |
| <b>Total operating income</b>                               | <b>1,268</b>                             | <b>1,129</b> | <b>201</b>                                                      | <b>191</b> | <b>10</b>                               | <b>5</b>   | <b>1,479</b>          | <b>1,325</b>  |
| Staff costs                                                 | -261                                     | -265         | -31                                                             | -29        | -40                                     | -40        | <b>-332</b>           | <b>-334</b>   |
| Other expenses                                              | -504                                     | -492         | -48                                                             | -47        | 17                                      | -1         | <b>-535</b>           | <b>-540</b>   |
| Depreciation of tangible and intangible assets              | -3                                       | -2           | -2                                                              | -3         | -1                                      | 0          | <b>-6</b>             | <b>-5</b>     |
| <b>Total operating expenses</b>                             | <b>-768</b>                              | <b>-759</b>  | <b>-81</b>                                                      | <b>-79</b> | <b>-24</b>                              | <b>-41</b> | <b>-873</b>           | <b>-879</b>   |
| Net loan losses                                             | -57                                      | -111         | -54                                                             | -93        | 0                                       | -          | <b>-111</b>           | <b>-204</b>   |
| <b>Operating profit</b>                                     | <b>443</b>                               | <b>259</b>   | <b>66</b>                                                       | <b>19</b>  | <b>-14</b>                              | <b>-36</b> | <b>495</b>            | <b>242</b>    |
| Income tax expense                                          | -                                        | -            | -                                                               | -          | -                                       | -          | <b>-</b>              | <b>-</b>      |
| <b>Net profit for the year</b>                              | <b>443</b>                               | <b>259</b>   | <b>66</b>                                                       | <b>19</b>  | <b>-14</b>                              | <b>-36</b> | <b>495</b>            | <b>242</b>    |
| <b>Balance sheet, EURm</b>                                  |                                          |              |                                                                 |            |                                         |            |                       |               |
| Loans to the public                                         | 43,335                                   | 41,154       | 7,344                                                           | 6,944      | -                                       | 0          | <b>50,679</b>         | <b>48,098</b> |
| Deposits and borrowings from the public                     | 34,935                                   | 34,326       | 2,445                                                           | 1,942      | 28                                      | 36         | <b>37,408</b>         | <b>36,304</b> |

<sup>1</sup> Retail Banking Nordic includes banking operations in Finland while Retail Banking Poland & Baltic countries includes banking operations in Estonia, Latvia, Lithuania and Poland.

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



**Note 2 Segment reporting, cont.**

**Break-down of Wholesale Banking**

|                                                             | Corporate Merchant<br>Banking |            | Shipping, Offshore &<br>Oil Services |            |
|-------------------------------------------------------------|-------------------------------|------------|--------------------------------------|------------|
|                                                             | 2011                          | 2010       | 2011                                 | 2010       |
| <b>Income statement, EURm</b>                               |                               |            |                                      |            |
| Net interest income                                         | 197                           | 208        | 111                                  | 80         |
| Net fee and commission income                               | 147                           | 125        | 32                                   | 17         |
| Net result from items at fair value                         | 70                            | 66         | 10                                   | 5          |
| Profit from companies accounted for under the equity method | -                             | -          | -                                    | -          |
| Other income                                                | 0                             | 0          | -                                    | -          |
| <b>Total operating income</b>                               | <b>414</b>                    | <b>399</b> | <b>153</b>                           | <b>102</b> |
| Staff costs                                                 | -5                            | -5         | -7                                   | -5         |
| Other expenses                                              | -93                           | -91        | -13                                  | -10        |
| Depreciation of tangible and intangible assets              | -                             | -          | 0                                    | -          |
| <b>Total operating expenses</b>                             | <b>-98</b>                    | <b>-96</b> | <b>-20</b>                           | <b>-15</b> |
| Net loan losses                                             | 4                             | -          | -21                                  | -          |
| <b>Operating profit</b>                                     | <b>320</b>                    | <b>303</b> | <b>112</b>                           | <b>87</b>  |
| Income tax expense                                          | -                             | -          | -                                    | -          |
| <b>Net profit for the year</b>                              | <b>320</b>                    | <b>303</b> | <b>112</b>                           | <b>87</b>  |
| <b>Balance sheet, EURm</b>                                  |                               |            |                                      |            |
| Loans to the public                                         | 8,980                         | 7,867      | 686                                  | 313        |
| Deposits and borrowings from the public                     | 5,947                         | 5,442      | 153                                  | 98         |

|                                                             | Capital Markets<br>unallocated |             | Wholesale Banking<br>Other <sup>3</sup> |            | Wholesale Banking |              |
|-------------------------------------------------------------|--------------------------------|-------------|-----------------------------------------|------------|-------------------|--------------|
|                                                             | 2011                           | 2010        | 2011                                    | 2010       | 2011              | 2010         |
| <b>Income statement, EURm</b>                               |                                |             |                                         |            |                   |              |
| Net interest income                                         | 3                              | 3           | 12                                      | -8         | 323               | 283          |
| Net fee and commission income                               | -327                           | -58         | 80                                      | 92         | -68               | 176          |
| Net result from items at fair value                         | 749                            | 767         | 35                                      | 23         | 864               | 861          |
| Profit from companies accounted for under the equity method | -                              | -           | -                                       | -          | -                 | -            |
| Other income                                                | 0                              | 1           | 2                                       | 12         | 2                 | 13           |
| <b>Total operating income</b>                               | <b>425</b>                     | <b>713</b>  | <b>129</b>                              | <b>119</b> | <b>1,121</b>      | <b>1,333</b> |
| Staff costs                                                 | -69                            | -66         | -53                                     | -51        | -134              | -127         |
| Other expenses                                              | 29                             | -205        | 16                                      | 23         | -61               | -283         |
| Depreciation of tangible and intangible assets              | 0                              | 0           | -1                                      | -1         | -1                | -1           |
| <b>Total operating expenses</b>                             | <b>-40</b>                     | <b>-271</b> | <b>-38</b>                              | <b>-29</b> | <b>-196</b>       | <b>-411</b>  |
| Net loan losses                                             | -                              | -           | 7                                       | -91        | -10               | -91          |
| <b>Operating profit</b>                                     | <b>385</b>                     | <b>442</b>  | <b>98</b>                               | <b>-1</b>  | <b>915</b>        | <b>831</b>   |
| Income tax expense                                          | -                              | -           | -                                       | -          | -                 | -            |
| <b>Net profit for the year</b>                              | <b>385</b>                     | <b>442</b>  | <b>98</b>                               | <b>-1</b>  | <b>915</b>        | <b>831</b>   |
| <b>Balance sheet, EURm</b>                                  |                                |             |                                         |            |                   |              |
| Loans to the public                                         | 25,440                         | 4,390       | 7,351                                   | 7,268      | 42,456            | 19,838       |
| Deposits and borrowings from the public                     | 14,582                         | 6,501       | 8,633                                   | 6,589      | 29,315            | 18,631       |

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

**Note 2 Segment reporting, cont.****Reconciliation between total operating segments and financial statements**

|                              | Total operating income |              | Operating profit |              | Loans to the public |               | Deposits and borrowings from the public |               |
|------------------------------|------------------------|--------------|------------------|--------------|---------------------|---------------|-----------------------------------------|---------------|
| EURm                         | 2011                   | 2010         | 2011             | 2010         | 2011                | 2010          | 2011                                    | 2010          |
| Total Operating segments     | 2,768                  | 2,813        | 1,599            | 1,200        | 93,063              | 67,936        | 67,862                                  | 54,935        |
| Group functions <sup>1</sup> | -111                   | -301         | -117             | -44          | 6,420               | 5,823         | 500                                     | 626           |
| Eliminations                 | -13                    | -13          | -                | -            | -152                | -152          | -102                                    | -102          |
| <b>Total</b>                 | <b>2,644</b>           | <b>2,499</b> | <b>1,482</b>     | <b>1,156</b> | <b>99,331</b>       | <b>73,607</b> | <b>68,260</b>                           | <b>55,459</b> |

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

**Group****Total operating income split on product groups**

| EURm                                | 2011         | 2010         |
|-------------------------------------|--------------|--------------|
| Banking products                    | 1,733        | 1,831        |
| Capital Markets products            | 886          | 675          |
| Savings Products & Asset Management | 20           | 24           |
| Life & Pensions                     | 5            | 14           |
| Other                               | -            | -45          |
| <b>Total</b>                        | <b>2,644</b> | <b>2,499</b> |

Banking products consists of three product responsible divisions. Account products is responsible for developing and delivering account based products such as lending, deposits and cards and Netbank services. Transaction products provides and develops cash management, trade and project finance services. Nordea Finance is responsible for asset based financing through leasing, hire purchase and factoring as well as offering sales to finance partners such as dealers, vendors and retailers. Capital Markets products includes financial instruments, or arrangement for a financial instrument, that are available in the financial marketplace, including currencies, commodities, stocks and bonds. Asset Management includes Investment funds, Discretionary Management, Portfolio Advice and Pension Accounts. Investment Funds is a bundled product where the fund company invest in stocks, bonds, derivatives or other standardised products on behalf of the fund's shareholders. Discretionary Management is a service providing the management of an investment portfolio on behalf of the customer and Portfolio Advise is a service provided to support the customers investment decision. Nordea Life & Pensions provides life insurance and pension products and services.

**Group****Geographical information**

|                  | Total operating income |              | Assets         |                |
|------------------|------------------------|--------------|----------------|----------------|
| EURm             | 2011                   | 2010         | 2011           | 2010           |
| Sweden           | 142                    | 82           | 12,237         | 11,851         |
| Finland          | 1,442                  | 1,489        | 129,640        | 99,737         |
| Norway           | 405                    | 103          | 9,919          | 7,205          |
| Denmark          | 326                    | 395          | 178,776        | 107,654        |
| Baltic countries | 27                     | 193          | 1,005          | 8,861          |
| Poland           | 2                      | 1            | 90             | 57             |
| Other            | 300                    | 236          | 67,620         | 50,721         |
| <b>Total</b>     | <b>2,644</b>           | <b>2,499</b> | <b>399,287</b> | <b>286,086</b> |

Nordea Bank Finland's main geographical market comprises the Nordic countries, the Baltic countries and Poland. Revenues and assets are distributed to geographical areas based on the location of the operations. Goodwill is allocated to different countries based on the location of the business activities of the acquired entities.

**Note 3 Net interest income**

| EURm                                    | Group         |              | Parent company |              |
|-----------------------------------------|---------------|--------------|----------------|--------------|
|                                         | 2011          | 2010         | 2011           | 2010         |
| <b>Interest income</b>                  |               |              |                |              |
| Loans to credit institutions            | 390           | 377          | 474            | 450          |
| Loans to the public                     | 2,011         | 1,445        | 1,695          | 1,150        |
| Interest-bearing securities             | 181           | 131          | 181            | 131          |
| Other interest income                   | 65            | 5            | 77             | 5            |
| <b>Interest income</b>                  | <b>2,647</b>  | <b>1,958</b> | <b>2,427</b>   | <b>1,736</b> |
| <b>Interest expense</b>                 |               |              |                |              |
| Deposits by credit institutions         | -434          | -293         | -432           | -292         |
| Deposits and borrowings from the public | -440          | -299         | -439           | -299         |
| Debt securities in issue                | -330          | -157         | -330           | -157         |
| Subordinated liabilities                | -25           | -26          | -25            | -26          |
| Other interest expense <sup>1</sup>     | -63           | -1           | -63            | -1           |
| <b>Interest expense</b>                 | <b>-1,292</b> | <b>-776</b>  | <b>-1,289</b>  | <b>-775</b>  |
| <b>Net interest income</b>              | <b>1,355</b>  | <b>1,182</b> | <b>1,138</b>   | <b>961</b>   |

<sup>1</sup> The net interest income from derivatives, measured at fair value and related to Nordea's funding can have both a positive and negative impact on other interest expense, for further information see Note 1.

Interest income from financial instruments not measured at fair value through profit and loss amounts to EUR 2,518m (1,920) for the Group and EUR 2,297m (1,698) for the parent company. Interest expenses from financial instruments not measured at fair value through profit and loss amounts to EUR -1,229m (-777) for the Group and EUR -1,226m (-775) for the parent company.

**Net interest income**

| EURm                | Group        |              | Parent company |            |
|---------------------|--------------|--------------|----------------|------------|
|                     | 2011         | 2010         | 2011           | 2010       |
| Interest income     | 2,546        | 1,863        | 2,427          | 1,736      |
| Leasing income, net | 101          | 95           | -              | -          |
| Interest expenses   | -1,292       | -776         | -1,289         | -775       |
| <b>Total</b>        | <b>1,355</b> | <b>1,182</b> | <b>1,138</b>   | <b>961</b> |

**Note 4 Net fee and commission income**

| EURm                                 | Group       |             | Parent company |             |
|--------------------------------------|-------------|-------------|----------------|-------------|
|                                      | 2011        | 2010        | 2011           | 2010        |
| Asset Management commissions         | 52          | 50          | 52             | 50          |
| Life insurance                       | 5           | 7           | 5              | 7           |
| Brokerage                            | 25          | 27          | 25             | 27          |
| Custody                              | 21          | 20          | 21             | 20          |
| Deposits                             | 6           | 5           | 6              | 5           |
| Total savings related commissions    | 109         | 109         | 109            | 109         |
| Payments                             | 187         | 175         | 188            | 176         |
| Cards                                | 87          | 78          | 57             | 50          |
| Total payment commissions            | 274         | 253         | 245            | 226         |
| Lending                              | 90          | 72          | 79             | 56          |
| Guarantees and documentary payments  | 146         | 143         | 147            | 144         |
| Total lending related to commissions | 236         | 215         | 226            | 200         |
| Other commission income              | 84          | 72          | 82             | 71          |
| <b>Fee and commission income</b>     | <b>703</b>  | <b>649</b>  | <b>662</b>     | <b>606</b>  |
| Payment expenses                     | -57         | -74         | -52            | -52         |
| Other commission expenses            | -337        | -286        | -335           | -284        |
| <b>Fee and commission expenses</b>   | <b>-394</b> | <b>-360</b> | <b>-387</b>    | <b>-336</b> |
| <b>Net fee and commission income</b> | <b>309</b>  | <b>289</b>  | <b>275</b>     | <b>270</b>  |

Fee income, not included in determining the effective interest rate, from financial assets and liabilities not measured at fair value through profit or loss amounted to EUR 96m (77) for the Group and EUR 85m (61) for the parent company.

Fee income, not included in determining the effective interest rate, from fiduciary activities that result in the holding or investing of assets on behalf of customers amounted to EUR 82m (84) for the Group and EUR 82m (84) for the parent company.

**Note 5 Net result from items at fair value**

| EURm                                                               | Group      |            | Parent company |            |
|--------------------------------------------------------------------|------------|------------|----------------|------------|
|                                                                    | 2011       | 2010       | 2011           | 2010       |
| Shares/participations and other share-related instruments          | 78         | 35         | 74             | 35         |
| Interest-bearing securities and other interest-related instruments | 726        | 644        | 726            | 644        |
| Other financial instruments                                        | 42         | 109        | 42             | 109        |
| Foreign exchange gains/losses                                      | 93         | 193        | 98             | 193        |
| Investment properties                                              | -2         | -2         | -1             | -2         |
| <b>Total</b>                                                       | <b>937</b> | <b>979</b> | <b>939</b>     | <b>979</b> |

**Net result from categories of financial instruments**

| EURm                                                                  | Group      |            | Parent company |            |
|-----------------------------------------------------------------------|------------|------------|----------------|------------|
|                                                                       | 2011       | 2010       | 2011           | 2010       |
| Available for sale assets, realised                                   | -          | 1          | -              | 1          |
| Financial instruments designated at fair value through profit or loss | 87         | 223        | 88             | 223        |
| Financial instruments held for trading <sup>1</sup>                   | 855        | 757        | 855            | 757        |
| Financial instruments under hedge accounting                          | -3         | -1         | -3             | -1         |
| - of which net gains/losses on hedging instruments                    | 196        | -9         | 197            | -9         |
| - of which net gains/losses on hedged items                           | -199       | 8          | -199           | 8          |
| Other                                                                 | -2         | -1         | -1             | -1         |
| <b>Total</b>                                                          | <b>937</b> | <b>979</b> | <b>939</b>     | <b>979</b> |

<sup>1</sup> Of which amortised deferred day one profits amounted to EUR -5m for 2011 (2) both for the Group and the parent company.

**Note 6 Dividends**

| EURm                                   | Group    |          | Parent company |           |
|----------------------------------------|----------|----------|----------------|-----------|
|                                        | 2011     | 2010     | 2011           | 2010      |
| Investments in group undertakings      | -        | -        | 60             | 40        |
| Investments in associated undertakings | -        | -        | 2              | 2         |
| <b>Total</b>                           | <b>-</b> | <b>-</b> | <b>62</b>      | <b>42</b> |

**Note 7 Other operating income**

| EURm                                        | Group     |           | Parent company |           |
|---------------------------------------------|-----------|-----------|----------------|-----------|
|                                             | 2011      | 2010      | 2011           | 2010      |
| Divestment of shares                        | -         | -         | -              | -         |
| Income from real estate                     | -1        | 3         | 3              | 7         |
| Disposals of tangible and intangible assets | 2         | 1         | 0              | 1         |
| Other                                       | 33        | 39        | 35             | 41        |
| <b>Total</b>                                | <b>34</b> | <b>43</b> | <b>38</b>      | <b>49</b> |

**Note 8 Staff costs**

| EURm                                                 | Group       |             | Parent company |             |
|------------------------------------------------------|-------------|-------------|----------------|-------------|
|                                                      | 2011        | 2010        | 2011           | 2010        |
| Salaries and remuneration                            | -463        | -433        | -428           | -399        |
| Pension costs (specification below)                  | -61         | -58         | -55            | -53         |
| Social insurance contributions                       | -36         | -29         | -33            | -27         |
| Allocation to profit-sharing foundation <sup>1</sup> | -5          | -6          | -5             | -6          |
| Other staff costs                                    | -27         | -27         | -25            | -23         |
| <b>Total</b>                                         | <b>-592</b> | <b>-553</b> | <b>-546</b>    | <b>-508</b> |

<sup>1</sup> Allocation to profit-sharing foundation 2011 EUR 5m consists of a new allocation of EUR 8m and a release related to prior years of EUR 3m.

|                                 | Group      |            | Parent company |            |
|---------------------------------|------------|------------|----------------|------------|
|                                 | 2011       | 2010       | 2011           | 2010       |
| <b>Pension costs:</b>           |            |            |                |            |
| Defined benefit plans (Note 34) | 7          | 4          | 7              | 4          |
| Defined contribution plans      | -68        | -62        | -62            | -57        |
| <b>Total</b>                    | <b>-61</b> | <b>-58</b> | <b>-55</b>     | <b>-53</b> |

**Additional disclosures on remuneration under the FIN-FSA release 62/501/2010**

The remuneration principles in Nordea for 2011 are published in the Board of Directors' report of Nordea Bank AB (publ). The figures for Nordea Bank Finland Plc will be published separately on nordea.com in due time before the Annual General Meeting of Nordea Bank AB (publ).

**Compensation etc. to the Board of Directors, President and his deputy**

The members of the Board of Directors of Nordea Bank Finland Plc and the President, are all members of the Nordea Bank AB (publ) Group Executive Management. In 2011 Nordea Bank AB (publ) has paid all salaries, fees, pension- and other staff-related expenses to the above mentioned members of the administrative and controlling boards. Nordea Bank AB (publ) has allocated these salary expenses to Nordea Bank Finland Plc as part of the Head Office Allocation -expenses.

Information on salaries, loans and pension liabilities of the above mentioned persons is presented in the Annual Report of Nordea Bank AB (publ).

Salaries paid to the deputy of the President of Nordea Bank Finland Plc amounted to EUR 0m in 2011. Pension obligation for the deputy of the President amounted to EUR 1m and pension cost to defined benefit plans to EUR 0m.

| EURm                                                    | 2011 | 2010 |
|---------------------------------------------------------|------|------|
| <b>Loans granted by Nordea Bank Finland Plc</b>         |      |      |
| To members and deputy members of the Board of Directors | 0    | -    |
| To the President and his deputy                         | 0    | 0    |

Terms and conditions regarding loans to members of the Board of Directors, to President and his deputy are decided in accordance with instructions issued by the Board of Directors.

**Guarantees and other off-balance-sheet commitments**

No guarantees or other off-balance-sheet commitments have been granted to members of administrative or controlling boards or to auditors.

The members of the administrative and controlling boards have no holdings of shares, equity warrants or convertible bonds issued by Nordea Bank Finland Plc.

**Loans to key management personnel**

Loans to key management personnel amounts to EUR 1m (2) in the Group and EUR 1m (2) in the parent company. Interest income on these loans amounts to EUR 0m (0) in the Group and EUR 0m (0) in the parent company.

Terms and conditions regarding loans for key management personnel employed by Nordea are decided in accordance with instructions issued by the Board of Directors. Loans to family members of key management personnel are granted on normal market terms, as well as loans to key management personnel who are not employees of Nordea. In Finland the employee interest rate for loans corresponds to Nordea's funding cost with a margin of 10 basis points up to EUR 400,000, and 30 basis points for loans over EUR 400,000.

The Group has not pledged any assets or other collateral or committed to contingent liabilities on behalf of any key management personnel.

**Note 8 Staff costs, cont.**
**Share-based payment**
**Group**

|                                     |                | 2011                |                      |
|-------------------------------------|----------------|---------------------|----------------------|
|                                     | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional Rights LTIP 2011</b> |                |                     |                      |
| Granted                             | 154,236        | 308,472             | 154,236              |
| Forfeited                           | -              | -                   | -                    |
| <b>Outstanding at end of year</b>   | <b>154,236</b> | <b>308,472</b>      | <b>154,236</b>       |
| - of which currently exercisable    | -              | -                   | -                    |

**Parent company**

|                                     |                | 2011                |                      |
|-------------------------------------|----------------|---------------------|----------------------|
|                                     | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional Rights LTIP 2011</b> |                |                     |                      |
| Granted                             | 154,236        | 308,472             | 154,236              |
| Forfeited                           | -              | -                   | -                    |
| <b>Outstanding at end of year</b>   | <b>154,236</b> | <b>308,472</b>      | <b>154,236</b>       |
| - of which currently exercisable    | -              | -                   | -                    |

**Group**

|                                      |                | 2011                |                      |                | 2010                |                      |
|--------------------------------------|----------------|---------------------|----------------------|----------------|---------------------|----------------------|
|                                      | Matching Share | Performance Share I | Performance Share II | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional Rights LTIP 2010</b>  |                |                     |                      |                |                     |                      |
| Outstanding at the beginning of year | 173,195        | 346,390             | 173,195              | -              | -                   | -                    |
| Granted                              | -              | -                   | -                    | 176,233        | 352,466             | 176,233              |
| Transfers during the year            | -7,220         | -14,440             | -7,220               | -              | -                   | -                    |
| Forfeited                            | -3,001         | -6,002              | -3,001               | -3,038         | -6,076              | -3,038               |
| <b>Outstanding at end of year</b>    | <b>162,974</b> | <b>325,948</b>      | <b>162,974</b>       | <b>173,195</b> | <b>346,390</b>      | <b>173,195</b>       |
| - of which currently exercisable     | -              | -                   | -                    | -              | -                   | -                    |

**Parent company**

|                                      |                | 2011                |                      |                | 2010                |                      |
|--------------------------------------|----------------|---------------------|----------------------|----------------|---------------------|----------------------|
|                                      | Matching Share | Performance Share I | Performance Share II | Matching Share | Performance Share I | Performance Share II |
| <b>Conditional Rights LTIP 2010</b>  |                |                     |                      |                |                     |                      |
| Outstanding at the beginning of year | 170,775        | 341,550             | 170,775              | -              | -                   | -                    |
| Transfers during the year            | -7,220         | -14,440             | -7,220               | -              | -                   | -                    |
| Granted                              | -3,001         | -6,002              | -3,001               | 173,813        | 347,626             | 173,813              |
| Forfeited                            | -              | -                   | -                    | -3,038         | -6,076              | -3,038               |
| <b>Outstanding at end of year</b>    | <b>160,554</b> | <b>321,108</b>      | <b>160,554</b>       | <b>170,775</b> | <b>341,550</b>      | <b>170,775</b>       |
| - of which currently exercisable     | -              | -                   | -                    | -              | -                   | -                    |

**Group**

|                                      |               | 2011          |               |                | 2010           |                |
|--------------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|
|                                      | A Rights      | B-C Rights    | D Rights      | A Rights       | B-C Rights     | D Rights       |
| <b>Conditional Rights LTIP 2009</b>  |               |               |               |                |                |                |
| Outstanding at the beginning of year | 266,195       | 266,195       | 106,478       | 275,121        | 556,970        | 275,121        |
| Granted                              | -             | -             | -             | -              | -              | -              |
| Forfeited                            | -             | -             | -             | -8,926         | -290,775       | -168,643       |
| Exercised <sup>1</sup>               | -191,252      | -194,763      | -82,118       | -              | -              | -              |
| <b>Outstanding at end of year</b>    | <b>74,943</b> | <b>71,432</b> | <b>24,360</b> | <b>266,195</b> | <b>266,195</b> | <b>106,478</b> |
| - of which currently exercisable     | 74,943        | 71,432        | 24,360        | -              | -              | -              |

**Parent company**

|                                      |               | 2011          |               |                | 2010           |                |
|--------------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|
|                                      | A Rights      | B-C Rights    | D Rights      | A Rights       | B-C Rights     | D Rights       |
| <b>Conditional Rights LTIP 2009</b>  |               |               |               |                |                |                |
| Outstanding at the beginning of year | 261,866       | 261,866       | 104,746       | 270,792        | 548,312        | 270,792        |
| Granted                              | -             | -             | -             | -              | -              | -              |
| Forfeited                            | -             | -             | -             | -8,926         | -286,446       | -166,046       |
| Exercised <sup>1</sup>               | -191,252      | -194,763      | -82,118       | -              | -              | -              |
| <b>Outstanding at end of year</b>    | <b>70,614</b> | <b>67,103</b> | <b>22,628</b> | <b>261,866</b> | <b>261,866</b> | <b>104,746</b> |
| - of which currently exercisable     | 70,614        | 67,103        | 22,628        | -              | -              | -              |

**Note 8 Staff costs, cont.**

| Group                                | 2011         |              |              | 2010          |               |              |
|--------------------------------------|--------------|--------------|--------------|---------------|---------------|--------------|
| <b>Conditional Rights LTIP 2008</b>  | A Rights     | B-C Rights   | D Rights     | A Rights      | B-C Rights    | D Rights     |
| Outstanding at the beginning of year | 12,765       | 13,496       | 8,834        | 87,691        | 87,691        | 70,153       |
| Forfeited                            | -            | -            | -            | -2,897        | -2,897        | -2,318       |
| Exercised <sup>1</sup>               | -10,045      | -10,185      | -6,381       | -72,029       | -71,298       | -59,001      |
| <b>Outstanding at end of year</b>    | <b>2,720</b> | <b>3,311</b> | <b>2,453</b> | <b>12,765</b> | <b>13,496</b> | <b>8,834</b> |
| - of which currently exercisable     | 2,720        | 3,311        | 2,453        | 12,765        | 13,496        | 8,834        |

| Parent company                       | 2011         |              |              | 2010          |               |              |
|--------------------------------------|--------------|--------------|--------------|---------------|---------------|--------------|
| <b>Conditional Rights LTIP 2008</b>  | A Rights     | B-C Rights   | D Rights     | A Rights      | B-C Rights    | D Rights     |
| Outstanding at the beginning of year | 11,389       | 12,120       | 8,834        | 86,315        | 86,315        | 69,052       |
| Forfeited                            | -            | -            | -            | -2,897        | -2,897        | -2,318       |
| Exercised <sup>1</sup>               | -8,669       | -8,809       | -6,380       | -72,029       | -71,298       | -57,900      |
| <b>Outstanding at end of year</b>    | <b>2,720</b> | <b>3,311</b> | <b>2,454</b> | <b>11,389</b> | <b>12,120</b> | <b>8,834</b> |
| - of which currently exercisable     | 2,720        | 3,311        | 2,454        | 11,389        | 12,120        | 8,834        |

| Group                                | 2011     |            |          | 2010         |              |               |
|--------------------------------------|----------|------------|----------|--------------|--------------|---------------|
| <b>Conditional Rights LTIP 2007</b>  | A Rights | B-C Rights | D Rights | A Rights     | B-C Rights   | D Rights      |
| Outstanding at the beginning of year | 9,151    | 4,499      | 10,577   | 14,619       | 13,013       | 24,172        |
| Forfeited                            | -5,182   | -690       | -4,347   | -            | -            | -             |
| Exercised <sup>1</sup>               | -3,969   | -3,809     | -6,230   | -5,468       | -8,514       | -13,595       |
| <b>Outstanding at end of year</b>    | <b>-</b> | <b>-</b>   | <b>-</b> | <b>9,151</b> | <b>4,499</b> | <b>10,577</b> |
| - of which currently exercisable     | -        | -          | -        | 9,151        | 4,499        | 10,577        |

| Parent company                       | 2011     |            |          | 2010         |              |               |
|--------------------------------------|----------|------------|----------|--------------|--------------|---------------|
| <b>Conditional Rights LTIP 2007</b>  | A Rights | B-C Rights | D Rights | A Rights     | B-C Rights   | D Rights      |
| Outstanding at the beginning of year | 9,151    | 4,499      | 10,577   | 14,619       | 13,013       | 24,172        |
| Forfeited                            | -5,182   | -690       | -4,347   | -            | -            | -             |
| Exercised <sup>1</sup>               | -3,969   | -3,809     | -6,230   | -5,468       | -8,514       | -13,595       |
| <b>Outstanding at end of year</b>    | <b>-</b> | <b>-</b>   | <b>-</b> | <b>9,151</b> | <b>4,499</b> | <b>10,577</b> |
| - of which currently exercisable     | -        | -          | -        | 9,151        | 4,499        | 10,577        |

<sup>1</sup> Weighted average share price during the period amounted to EUR 7.45 in 2011 and to EUR 7.34 in 2010.



**Note 8 Staff costs, cont.**

**Long-Term Incentive Programmes**

Participation in the Long-Term Incentive Programmes (LTIPs) requires that the participants take direct ownership by investing in Nordea shares.

|                               |                |                     |                      | LTIP 2011 |  |  |
|-------------------------------|----------------|---------------------|----------------------|-----------|--|--|
|                               | Matching Share | Performance Share I | Performance Share II |           |  |  |
| Ordinary share per right      | 1.00           | 1.00                | 1.00                 |           |  |  |
| Exercise price, EUR           | -              | -                   | -                    |           |  |  |
| Grant date                    | 13 May 2011    | 13 May 2011         | 13 May 2011          |           |  |  |
| Vesting period, months        | 36             | 36                  | 36                   |           |  |  |
| Contractual life, months      | 36             | 36                  | 36                   |           |  |  |
| First day of exercise         | April/May 2014 | April/May 2014      | April/May 2014       |           |  |  |
| Fair value at grant date, EUR | 8.21           | 8.21                | 2.97                 |           |  |  |

|                               |                |                     |                      | LTIP 2010     |               |               | LTIP 2009 |  |  |
|-------------------------------|----------------|---------------------|----------------------|---------------|---------------|---------------|-----------|--|--|
|                               | Matching Share | Performance Share I | Performance Share II | A Rights      | B-C Rights    | D Rights      |           |  |  |
| Ordinary share per right      | 1.00           | 1.00                | 1.00                 | 1.00          | 1.00          | 1.00          |           |  |  |
| Exercise price, EUR           | -              | -                   | -                    | 0.77          | 0.38          | 0.38          |           |  |  |
| Grant date                    | 13 May 2010    | 13 May 2010         | 13 May 2010          | 14 May 2009   | 14 May 2009   | 14 May 2009   |           |  |  |
| Vesting period, months        | 36             | 36                  | 36                   | 24            | 24            | 24            |           |  |  |
| Contractual life, months      | 36             | 36                  | 36                   | 48            | 48            | 48            |           |  |  |
| First day of exercise         | April/May 2013 | April/May 2013      | April/May 2013       | 29 April 2011 | 29 April 2011 | 29 April 2011 |           |  |  |
| Fair value at grant date, EUR | 6.75           | 6.75                | 2.45                 | 4.66          | 5.01          | 1.75          |           |  |  |

|                               |               |               |               | LTIP 2008 <sup>1</sup> |               |               | LTIP 2007 <sup>1</sup> |  |  |
|-------------------------------|---------------|---------------|---------------|------------------------|---------------|---------------|------------------------|--|--|
|                               | A Rights      | B-C Rights    | D Rights      | A Rights               | B-C Rights    | D Rights      |                        |  |  |
| Ordinary share per right      | 1.30          | 1.30          | 1.30          | 1.30                   | 1.30          | 1.30          |                        |  |  |
| Exercise price, EUR           | 2.30          | 1.53          | 1.53          | 2.53                   | 1.00          | 1.00          |                        |  |  |
| Grant date                    | 13 May 2008   | 13 May 2008   | 13 May 2008   | 17 May 2007            | 17 May 2007   | 17 May 2007   |                        |  |  |
| Vesting period, months        | 24            | 24            | 24            | 24                     | 24            | 24            |                        |  |  |
| Contractual life, months      | 48            | 48            | 48            | 48                     | 48            | 48            |                        |  |  |
| First day of exercise         | 29 April 2010 | 29 April 2010 | 29 April 2010 | 30 April 2009          | 30 April 2009 | 30 April 2009 |                        |  |  |
| Fair value at grant date, EUR | 7.53          | 8.45          | 4.14          | 8.76                   | 10.49         | 7.76          |                        |  |  |

<sup>1</sup> The new rights issue, which was resolved on an extra ordinary general meeting on 12 March 2009, triggered recalculations of some of the parameters in LTIP 2007 and LTIP 2008, in accordance with the agreements of the programmes. The recalculations were performed with the purpose of putting the participants in an equivalent financial position as the one being at hand immediately prior to the new rights issue.

**Conditions and requirements**

For each ordinary share the participants lock in to the LTIPs, they are granted a conditional A-right/Matching Share to acquire or receive ordinary shares based on continued employment and the conditional B-D-rights/Performance Share I and II to acquire or receive additional ordinary shares based on fulfilment of certain performance conditions. The performance conditions for B- and C-rights and for Performance Share I comprise a target growth in risk adjusted profit per share (RAPPS). Should the reported earnings per share (EPS) be lower than a predetermined level the participants are not entitled to exercise any B- or C-rights or Performance Share I. The performance conditions for D-rights and for Performance Share II are ~~is~~ market related and comprise growth in total shareholder return (TSR) in comparison with a peer group's TSR.

When the performance conditions are not fully fulfilled, the rights that are no longer exercisable are shown as forfeited in the previous tables, as well as shares forfeited due to participants leaving the Nordea Group.

The exercise price, where applicable, for the ordinary shares is adjusted for dividends, however never adjusted below a predetermined price. Furthermore the profit for each right is capped.

**Note 8 Staff costs, cont.**

|                                                   | <b>LTIP 2011</b>                                                                                                                                                                                | <b>LTIP 2010</b>                                                                                                                                                                               |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Service Matching Share/Performance Share I and II | Employed within the Nordea Group during the three year vesting period.                                                                                                                          | Employed within the Nordea Group during the three year vesting period.                                                                                                                         |
| Performance condition Performance Share I         | Compound Annual Growth Rate in RAPPS from year 2010 (base year) to and including year 2013. Full right to exercise will be obtained if the Compound Annual Growth Rate amount to or exceed 10%. | Compound Annual Growth Rate in RAPPS from year 2009 (base year) to and including year 2012. Full right to exercise will be obtained if the Compound Annual Growth Rate amount to or exceed 9%. |
| EPS knock out Performance Share I                 | Average reported EPS for 2011-2013 lower than EUR 0.26.                                                                                                                                         | Average reported EPS for 2010-2012 lower than EUR 0.26.                                                                                                                                        |
| Performance conditions Performance Share II       | TSR during 2011-2013 in comparison to a peer group. Full right to exercise will be obtained if Nordea is ranked number 1-5.                                                                     | TSR during 2010-2012 in comparison to a peer group. Full right to exercise will be obtained if Nordea is ranked number 1-5.                                                                    |
| Cap                                               | The market value of the allotted shares is capped to the participant's annual salary for year-end 2010.                                                                                         | The market value of the allotted shares is capped to the participant's annual salary for year-end 2009.                                                                                        |
| Exercise price adjustments                        | -                                                                                                                                                                                               | -                                                                                                                                                                                              |

|                                  | <b>LTIP 2009<sup>1</sup></b>                                                                                              | <b>LTIP 2008<sup>1</sup></b>                                                                                           | <b>LTIP 2007<sup>1</sup></b>                                                                                                                        |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Service condition, A-D-rights    | Employed within the Nordea Group during the two year vesting period.                                                      | Employed within the Nordea Group during the two year vesting period.                                                   | Employed within the Nordea Group during the two year vesting period.                                                                                |
| Performance condition, B-rights  | Increase in RAPPS 2009 compared to 2008. Full right to exercise was obtained if RAPPS increased by 8% or more.            | Increase in RAPPS 2008 compared to 2007. Full right to exercise was obtained if RAPPS increased by 12% or more.        | Increase in RAPPS 2007 compared to 2006. Full right to exercise was obtained if RAPPS increased by 15% or more.                                     |
| EPS knock out, B-rights          | Reported EPS for 2009 lower than EUR 0.26                                                                                 | Reported EPS for 2008 lower than EUR 0.80.                                                                             | Reported EPS for 2007 lower than EUR 0.80.                                                                                                          |
| Performance condition, C-rights  | Increase in RAPPS 2010 compared to 2009. Full right to exercise will be obtained if RAPPS increases by 8% or more.        | Increase in RAPPS 2009 compared to 2008. Full right to exercise was obtained if RAPPS increased by 12% or more.        | Increase in RAPPS 2008 compared to 2007. Full right to exercise was obtained if RAPPS increased by 12% or more.                                     |
| EPS knock out, C-rights          | Reported EPS for 2010 lower than EUR 0.26                                                                                 | Reported EPS for 2009 lower than EUR 0.52.                                                                             | Reported EPS for 2008 lower than EUR 0.80.                                                                                                          |
| Performance conditions, D-rights | TSR during 2009-2010 in comparison to a peer group. Full right to exercise will be obtained if Nordea is ranked number 1. | TSR during 2008-2009 in comparison to a peer group. Full right to exercise was obtained if Nordea was ranked number 1. | TSR during 2007-2008 in comparison to a peer group. Full right to exercise was obtained if Nordea's TSR exceeded peer group index with 10% or more. |
| Cap                              | The profit per A-D-rights is capped to EUR 9.59 per right.                                                                | The profit per A-D-rights is capped to EUR 21.87 per right.                                                            | The profit per A-D-rights is capped to EUR 19.18 per right.                                                                                         |
| Exercise price adjustments       | The exercise price will be adjusted for dividends during the exercise period, however never adjusted below EUR 0.10.      | The exercise price will be adjusted for dividends during the exercise period, however never adjusted below EUR 0.10.   | The exercise price will be adjusted for dividends during the vesting period and the exercise period, however never adjusted below EUR 0.10.         |

<sup>1</sup> RAPPS for the financial year 2008 used for LTIP 2008 (C-rights) and LTIP 2009 (B-rights), RAPPS for the financial year 2009 used for LTIP 2009 (C-rights), EPS knock out in LTIP 2008 (C-rights) and LTIP 2009 (B- and C-rights) and the cap in LTIP 2009, LTIP 2008 and LTIP 2007 has been adjusted due to the financial effects of the new rights issue in 2009.

**Note 8 Staff costs, cont.****Fair value calculations**

The fair value is measured through the use of generally accepted valuation models with the following input factors:

|                                   | LTIP 2011 | LTIP 2010 | LTIP 2009 | LTIP 2008 | LTIP 2007 |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Weighted average share price, EUR | 8.39      | 6.93      | 5.79      | 11.08     | 12.33     |
| Right life, years                 | 3.0       | 3.0       | 2.5       | 2.5       | 3.0       |
| Deduction of expected dividends   | No        | No        | Yes       | Yes       | Yes       |
| Risk free rate, %                 | 1.48      | 1.99      | 1.84      | 3.83      | 4.20      |
| Expected volatility, %            | 36        | 40        | 29        | 21        | 20        |

Expected volatility is based on historical values. As the exercise price (zero for LTIP 2010) is significantly below the share price at grant date, the value has a limited sensitivity to expected volatility and risk-free interest. The fair value calculations are also based on estimated early exercise behaviour during the programme's exercise windows, however not applicable for LTIP 2010 and LTIP 2011.

The value of the D-rights/Performance Share II are based on market related conditions and fulfilment of the TSR targets has been taken into consideration when calculating the right's fair value at grant. When calculating the impact from the TSR target it has been assumed that all possible outcomes have equal possibilities.

**Expenses<sup>1</sup>****Group**

| EURm               | LTIP 2011 | LTIP 2010 | LTIP 2009 | LTIP 2008 | LTIP 2007 |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| Expected expense   | 2.6       | 1.9       | 2.6       | 0.5       | 2.2       |
| Maximum expense    | 4.3       | 3.7       | 2.6       | 0.5       | 2.2       |
| Total expense 2011 | 0.6       | 0.8       | 0.5       | -         | -         |
| Total expense 2010 | -         | 0.6       | 1.7       | 0.9       | -         |

**Parent company**

| EURm               | LTIP 2011 | LTIP 2010 | LTIP 2009 | LTIP 2008 | LTIP 2007 |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| Expected expense   | 2.5       | 1.8       | 2.4       | 0.5       | 2.2       |
| Maximum expense    | 4.2       | 3.6       | 2.4       | 0.5       | 2.2       |
| Total expense 2011 | 0.5       | 0.7       | 0.5       | -         | -         |
| Total expense 2010 | -         | 0.6       | 1.7       | 0.8       | -         |

<sup>1</sup> All amounts excluding social charges

When calculating the expected expense an expected annual employee turnover of 5% has been used in LTIP 2010 and LTIP 2011. The expected expense is recognised over the vesting period of 36 months (LTIP 2010 and LTIP 2011) and 24 months (LTIP 2009, 2008 and 2007).

**Cash-settled share-based payment transaction**

Since 2009 Nordea operates share-linked deferrals on parts of variable compensation for certain employee categories, indexed with Nordea Total Shareholder Returns (TSR) and either vesting after three years or vesting in equal instalments over a three-year period. Since 2011 Nordea also operates TSR-linked retention on part of variable compensation for certain employee categories.

|                                                                                | Group        |              | Parent company |              |
|--------------------------------------------------------------------------------|--------------|--------------|----------------|--------------|
| EURm                                                                           | 2011         | 2010         | 2011           | 2010         |
| Deferred TSR-linked compensation at beginning of the year                      | 1,083        | -            | 1,083          | -            |
| Accrued deferred/retained TSR-linked compensation during the year <sup>1</sup> | 1,098        | 961          | 1,098          | 961          |
| TSR indexation during the year                                                 | -444         | 122          | -444           | 122          |
| Payments during the year <sup>2</sup>                                          | -361         | -            | -361           | -            |
| Translation differences                                                        | 4            | -            | 4              | -            |
| <b>Deferred TSR-linked compensation at end of year</b>                         | <b>1,380</b> | <b>1,083</b> | <b>1,380</b>   | <b>1,083</b> |

<sup>1</sup> Of which EUR 273m is available for disposal by the employees in 2012.

<sup>2</sup> There have been no adjustments due to forfeitures in 2011.

**Average number of employees**

|                     | Group         |               | Parent company |              |
|---------------------|---------------|---------------|----------------|--------------|
|                     | 2011          | 2010          | 2011           | 2010         |
| Full-time employees | 9,366         | 9,426         | 8,610          | 8,664        |
| Part-time employees | 648           | 612           | 588            | 569          |
| <b>Total</b>        | <b>10,014</b> | <b>10,038</b> | <b>9,198</b>   | <b>9,233</b> |

|                                                        |       |       |       |       |
|--------------------------------------------------------|-------|-------|-------|-------|
| <b>Total number of employees (FTEs), end of period</b> | 8,828 | 9,097 | 8,093 | 8,357 |
|--------------------------------------------------------|-------|-------|-------|-------|

**Note 9 Other expenses**

| EURm                                                   | Group       |             | Parent company |             |
|--------------------------------------------------------|-------------|-------------|----------------|-------------|
|                                                        | 2011        | 2010        | 2011           | 2010        |
| Information technology <sup>1</sup>                    | -160        | -168        | -182           | -188        |
| Marketing and entertainment                            | -36         | -40         | -32            | -37         |
| Postage, transportation, telephone and office expenses | -50         | -48         | -43            | -41         |
| Rents, premises and real estate                        | -91         | -86         | -90            | -85         |
| Other <sup>2</sup>                                     | -120        | -137        | -111           | -127        |
| <b>Total</b>                                           | <b>-457</b> | <b>-479</b> | <b>-458</b>    | <b>-478</b> |

<sup>1</sup> Refers to IT operations, service expenses and consultant fees for the Group. Total IT-related costs including staff etc., were EUR -256m (-217) in the Group and EUR -244m (-205) in the parent company.

<sup>2</sup> Including fees and remuneration to auditors distributed as follows

**Auditors' fees**

| EURm                          | Group     |           | Parent company |           |
|-------------------------------|-----------|-----------|----------------|-----------|
|                               | 2011      | 2010      | 2011           | 2010      |
| <b>KPMG</b>                   |           |           |                |           |
| Auditing assignments          | -1        | -1        | -1             | -1        |
| Audit-related services        | 0         | 0         | 0              | -         |
| Tax advisory services         | 0         | 0         | 0              | 0         |
| Other assignments             | 0         | 0         | 0              | 0         |
| <b>Ernst &amp; Young</b>      |           |           |                |           |
| Auditing assignments          | -         | -         | -              | -         |
| Audit-related services        | -         | 0         | -              | 0         |
| Tax advisory services         | 0         | 0         | 0              | 0         |
| Other assignments             | 0         | -         | 0              | -         |
| <b>Deloitte</b>               |           |           |                |           |
| Auditing assignments          | -         | -         | -              | -         |
| Audit-related services        | -         | -         | -              | -         |
| Tax advisory services         | 0         | 0         | 0              | 0         |
| Other assignments             | -1        | -         | -1             | -         |
| <b>PriceWaterhouseCoopers</b> |           |           |                |           |
| Auditing assignments          | -         | 0         | -              | -         |
| Audit-related services        | -         | -         | -              | -         |
| Tax advisory services         | 0         | 0         | 0              | 0         |
| Other assignments             | 0         | 0         | 0              | 0         |
| <b>Other</b>                  |           |           |                |           |
| Auditing assignments          | 0         | 0         | 0              | 0         |
| Audit-related services        | 0         | -         | 0              | -         |
| Tax advisory services         | 0         | 0         | 0              | 0         |
| Other assignments             | -         | 0         | -              | 0         |
| <b>Total</b>                  | <b>-3</b> | <b>-2</b> | <b>-3</b>      | <b>-2</b> |

**Note 10 Depreciation, amortisation and impairment charges of tangible and intangible assets**

| EURm                                                    | Group      |            | Parent company |            |
|---------------------------------------------------------|------------|------------|----------------|------------|
|                                                         | 2011       | 2010       | 2011           | 2010       |
| <b>Depreciation/amortisation</b>                        |            |            |                |            |
| <b>Property and equipment (Note 23)</b>                 |            |            |                |            |
| Equipment                                               | -30        | -30        | -14            | -14        |
| Buildings                                               | 0          | 0          | 0              | 0          |
| <b>Intangible assets (Note 22)</b>                      |            |            |                |            |
| Goodwill                                                | -          | 0          | -              | -          |
| Computer software                                       | -9         | -8         | -9             | -8         |
| Other intangible assets                                 | -4         | -3         | -2             | -2         |
| <b>Total</b>                                            | <b>-43</b> | <b>-41</b> | <b>-25</b>     | <b>-24</b> |
| <b>Impairment charges / Reversed impairment charges</b> |            |            |                |            |
| <b>Property and equipment (Note 23)</b>                 |            |            |                |            |
| Equipment                                               | -          | 0          | -              | 0          |
| <b>Total</b>                                            | <b>-</b>   | <b>0</b>   | <b>-</b>       | <b>0</b>   |
| <b>Total</b>                                            | <b>-43</b> | <b>-41</b> | <b>-25</b>     | <b>-24</b> |

## Note 11 Net loan losses

| EURm                                                                   | Group      |             | Parent company |             |
|------------------------------------------------------------------------|------------|-------------|----------------|-------------|
|                                                                        | 2011       | 2010        | 2011           | 2010        |
| <b>Divided by class</b>                                                |            |             |                |             |
| Loans to credit institutions                                           | 0          | 0           | 0              | 0           |
| - of which provisions                                                  | 0          | 0           | 0              | 0           |
| - of which reversals                                                   | 0          | 0           | 0              | 0           |
| Loans to the public                                                    | -69        | -247        | -45            | -202        |
| - of which provisions                                                  | -211       | -342        | -190           | -302        |
| - of which write-offs                                                  | -166       | -153        | -126           | -106        |
| - of which allowances used for covering write-offs                     | 109        | 96          | 96             | 86          |
| - of which reversals                                                   | 172        | 130         | 161            | 113         |
| - of which recoveries                                                  | 27         | 22          | 14             | 7           |
| Off-balance sheet items <sup>1</sup>                                   | -1         | -25         | -1             | -25         |
| - of which provisions                                                  | -6         | -30         | -6             | -30         |
| - of which reversals                                                   | 5          | 5           | 5              | 5           |
| <b>Total</b>                                                           | <b>-70</b> | <b>-272</b> | <b>-46</b>     | <b>-227</b> |
| <b>Specification</b>                                                   |            |             |                |             |
| Changes of allowance accounts in the balance sheet                     | -40        | -237        | -30            | -214        |
| - of which Loans, individually assessed <sup>2</sup>                   | -120       | -212        | -106           | -192        |
| - of which Loans, collectively assessed <sup>2</sup>                   | 81         | 0           | 77             | 3           |
| - of which Off-balance sheet items, individually assessed <sup>1</sup> | -6         | -26         | -6             | -26         |
| - of which Off-balance sheet items, collectively assessed <sup>1</sup> | 5          | 1           | 5              | 1           |
| Changes directly recognised in the income statement                    | -30        | -35         | -16            | -13         |
| - of which realised loan losses, individually assessed                 | -57        | -57         | -30            | -19         |
| - of which realised recoveries, individually assessed                  | 27         | 22          | 14             | 6           |
| <b>Total</b>                                                           | <b>-70</b> | <b>-272</b> | <b>-46</b>     | <b>-227</b> |

<sup>1</sup> Included in Note 33 Provisions as "Transfer risk, off-balance" and "Individually assessed, off-balance sheet".

<sup>2</sup> Included in Note 14 Loans and impairment

## Key ratios

|                                            | Group |      | Parent company |      |
|--------------------------------------------|-------|------|----------------|------|
|                                            | 2011  | 2010 | 2011           | 2010 |
| Loan loss ratio, basis points <sup>3</sup> | 9     | 41   | 7              | 38   |
| - of which individual                      | 21    | 42   | 19             | 39   |
| - of which collective                      | -12   | 0    | -12            | -1   |

<sup>3</sup> Net loan losses (annualised) divided by opening balance of loans to the public (lending).

**Note 12 Taxes****Income tax expense**

| EURm         | Group       |             | Parent company |             |
|--------------|-------------|-------------|----------------|-------------|
|              | 2011        | 2010        | 2011           | 2010        |
| Current tax  | -373        | -298        | -339           | -267        |
| Deferred tax | -8          | -4          | -2             | -1          |
| <b>Total</b> | <b>-381</b> | <b>-302</b> | <b>-341</b>    | <b>-268</b> |

The tax on the Group's operating profit differs from the theoretical amount that would arise using the tax rate of Finland as follows:

| EURm                                                   | Group       |             | Parent company |             |
|--------------------------------------------------------|-------------|-------------|----------------|-------------|
|                                                        | 2011        | 2010        | 2011           | 2010        |
| Profit before tax                                      | 1,482       | 1,156       | 1,381          | 1,066       |
| Tax calculated at a tax rate of 26%                    | -385        | -301        | -359           | -277        |
| Tax not related to profit                              | -           | 0           | -              | -           |
| Income from associated undertakings                    | 0           | 3           | -              | -           |
| Other direct taxes                                     | 0           | 0           | 0              | 0           |
| Tax-exempt income                                      | 4           | 2           | 17             | 11          |
| Non-deductible expenses                                | -5          | -6          | -1             | -2          |
| Adjustments relating to prior years                    | 3           | 0           | 3              | 0           |
| Income tax due to tax assets previously not recognised | -           | 0           | -              | -           |
| Change of tax rate                                     | 2           | -           | -1             | -           |
| Not creditable foreign taxes                           | -           | -           | -              | -           |
| <b>Tax charge</b>                                      | <b>-381</b> | <b>-302</b> | <b>-341</b>    | <b>-268</b> |

|                            |     |     |     |     |
|----------------------------|-----|-----|-----|-----|
| Average effective tax rate | 26% | 26% | 25% | 25% |
|----------------------------|-----|-----|-----|-----|

**Group**

| EURm                                           | Deferred tax assets |           | Deferred tax liabilities |           |
|------------------------------------------------|---------------------|-----------|--------------------------|-----------|
|                                                | 2011                | 2010      | 2011                     | 2010      |
| <b>Deferred tax related to:</b>                |                     |           |                          |           |
| Tax losses carry-forward                       | 0                   | 0         | -                        | -         |
| Untaxed reserves                               | -                   | -         | 42                       | 37        |
| Loans to the public                            | 19                  | 18        | 11                       | 10        |
| Financial instruments                          | 1                   | 0         | -                        | -         |
| Intangible assets                              | 0                   | 0         | 0                        | -         |
| Property and equipment                         | 4                   | 6         | -                        | 0         |
| Investment property                            | -                   | -         | -                        | -         |
| Retirement benefit assets/obligations          | -32                 | -12       | 0                        | 0         |
| Hedge of net investments in foreign operations | -                   | -         | -                        | -         |
| Liabilities/provisions                         | 24                  | 5         | -                        | 0         |
| <b>Total</b>                                   | <b>16</b>           | <b>17</b> | <b>53</b>                | <b>47</b> |

|                                                          |    |    |    |    |
|----------------------------------------------------------|----|----|----|----|
| - of which expected to be settled after more than 1 year | 16 | 17 | 53 | 47 |
|----------------------------------------------------------|----|----|----|----|

**Note 12 Taxes, cont.**

| Parent company                                            | Deferred tax assets |            | Deferred tax liabilities |           |
|-----------------------------------------------------------|---------------------|------------|--------------------------|-----------|
|                                                           | 2011                | 2010       | 2011                     | 2010      |
| EURm                                                      |                     |            |                          |           |
| <b>Deferred tax related to:</b>                           |                     |            |                          |           |
| Tax losses carry-forward                                  | -                   | -          | -                        | -         |
| Loans to the public                                       | 17                  | 16         | -                        | -         |
| Financial instruments                                     | 1                   | 0          | -                        | -         |
| Intangible assets                                         | -                   | -          | -                        | -         |
| Property and equipment                                    | 3                   | 4          | -                        | -         |
| Investment property                                       | -                   | -          | -                        | -         |
| Retirement benefit assets/obligations                     | -32                 | -12        | -                        | -         |
| Liabilities/provisions                                    | 23                  | 4          | -                        | -         |
| <b>Total</b>                                              | <b>12</b>           | <b>12</b>  | <b>-</b>                 | <b>-</b>  |
| - of which expected to be settled after more than 1 year  | 12                  | 12         | -                        | -         |
| <b>Movements in deferred tax assets/liabilities, net:</b> |                     |            |                          |           |
|                                                           | Group               |            | Parent company           |           |
|                                                           | 31 Dec              | 31 Dec     | 31 Dec                   | 31 Dec    |
| EURm                                                      | 2011                | 2010       | 2011                     | 2010      |
| Amount at beginning of year (net)                         | -31                 | -26        | 12                       | 13        |
| Acquisitions and others                                   | 2                   | 0          | 2                        | 0         |
| Deferred tax in the income statement                      | -8                  | -4         | -2                       | -1        |
| <b>Amount at the end of the year (net)</b>                | <b>-37</b>          | <b>-30</b> | <b>12</b>                | <b>12</b> |
| <b>Current tax assets</b>                                 | <b>132</b>          | <b>84</b>  | <b>131</b>               | <b>83</b> |
| - of which expected to be settled after more than 1 year  | -                   | -          | -                        | -         |
| <b>Current tax liabilities</b>                            | <b>0</b>            | <b>1</b>   | <b>0</b>                 | <b>0</b>  |
| - of which expected to be settled after more than 1 year  | -                   | -          | -                        | -         |

There were no unrecognised deferred tax assets in the Group nor in the parent company in 2011 or 2010.

There was no deferred tax relating to temporary differences associated with investments in group undertakings, associated undertakings and joint ventures.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, when the deferred tax income relates to the same fiscal authority.

**Note 13 Treasury bills**

|                                                                  | Group        |              | Parent company |              |
|------------------------------------------------------------------|--------------|--------------|----------------|--------------|
|                                                                  | 31 Dec       | 31 Dec       | 31 Dec         | 31 Dec       |
| EURm                                                             | 2011         | 2010         | 2011           | 2010         |
| State and sovereigns                                             | 5,165        | 2,359        | 5,165          | 2,359        |
| Municipalities and other public bodies                           | 949          | 1,533        | 949            | 1,533        |
| <b>Total</b>                                                     | <b>6,114</b> | <b>3,892</b> | <b>6,114</b>   | <b>3,892</b> |
| - of which Financial instruments pledged as collateral (Note 16) | 1,133        | 1,533        | 1,133          | 1,533        |
| <b>Total</b>                                                     | <b>4,981</b> | <b>2,359</b> | <b>4,981</b>   | <b>2,359</b> |



## Note 14 Loans and impairment

| EURm                                                | Total          |                |                |                |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                     | Group          |                | Parent company |                |
|                                                     | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Loans, not impaired                                 | 177,571        | 140,368        | 176,758        | 139,754        |
| Impaired loans                                      | 1,922          | 1,871          | 1,751          | 1,684          |
| - of which performing                               | 1,075          | 1,038          | 1,018          | 969            |
| - of which non-performing                           | 847            | 833            | 733            | 715            |
| <b>Loans before allowances</b>                      | <b>179,493</b> | <b>142,239</b> | <b>178,509</b> | <b>141,438</b> |
| Allowances for individually assessed impaired loans | -576           | -565           | -495           | -484           |
| - of which performing                               | -351           | -359           | -294           | -293           |
| - of which non-performing                           | -225           | -206           | -201           | -191           |
| Allowances for collectively assessed impaired loans | -236           | -316           | -220           | -296           |
| <b>Allowances</b>                                   | <b>-812</b>    | <b>-881</b>    | <b>-715</b>    | <b>-780</b>    |
| <b>Loans, carrying amount</b>                       | <b>178,681</b> | <b>141,358</b> | <b>177,794</b> | <b>140,658</b> |

| EURm                                                | Credit institutions |                |                |                |
|-----------------------------------------------------|---------------------|----------------|----------------|----------------|
|                                                     | Group               |                | Parent company |                |
|                                                     | 31 Dec<br>2011      | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Loans, not impaired                                 | 79,351              | 67,752         | 84,698         | 72,773         |
| Impaired loans                                      | 24                  | 24             | 24             | 24             |
| - of which performing                               | -                   | -              | -              | -              |
| - of which non-performing                           | 24                  | 24             | 24             | 24             |
| <b>Loans before allowances</b>                      | <b>79,375</b>       | <b>67,776</b>  | <b>84,722</b>  | <b>72,797</b>  |
| Allowances for individually assessed impaired loans | -25                 | -25            | -25            | -25            |
| - of which performing                               | -                   | -              | -              | -              |
| - of which non-performing                           | -25                 | -25            | -25            | -25            |
| Allowances for collectively assessed impaired loans | 0                   | 0              | 0              | 0              |
| <b>Allowances</b>                                   | <b>-25</b>          | <b>-25</b>     | <b>-25</b>     | <b>-25</b>     |
| <b>Loans, carrying amount</b>                       | <b>79,350</b>       | <b>67,751</b>  | <b>84,697</b>  | <b>72,772</b>  |

| EURm                                                | The public <sup>1</sup> |                |                |                |
|-----------------------------------------------------|-------------------------|----------------|----------------|----------------|
|                                                     | Group                   |                | Parent company |                |
|                                                     | 31 Dec<br>2011          | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Loans, not impaired                                 | 98,220                  | 72,616         | 92,060         | 66,981         |
| Impaired loans                                      | 1,898                   | 1,847          | 1,727          | 1,660          |
| - Performing                                        | 1,075                   | 1,038          | 1,018          | 969            |
| - Non-performing                                    | 823                     | 809            | 709            | 691            |
| <b>Loans before allowances</b>                      | <b>100,118</b>          | <b>74,463</b>  | <b>93,787</b>  | <b>68,641</b>  |
| Allowances for individually assessed impaired loans | -551                    | -540           | -470           | -459           |
| - Performing                                        | -351                    | -359           | -294           | -293           |
| - Non-performing                                    | -200                    | -181           | -176           | -166           |
| Allowances for collectively assessed impaired loans | -236                    | -316           | -220           | -296           |
| <b>Allowances</b>                                   | <b>-787</b>             | <b>-856</b>    | <b>-690</b>    | <b>-755</b>    |
| <b>Loans, carrying amount</b>                       | <b>99,331</b>           | <b>73,607</b>  | <b>93,097</b>  | <b>67,886</b>  |

<sup>1</sup> Finance leases, where the Nordea Group is a lessor, are included in Loans to the public, see Note 24 Leasing.

**Note 14 Loans and impairment, cont.**

**Reconciliation of allowance accounts for impaired loans<sup>2</sup>**

| EURm                                        | Total                 |                       |             |                       |                       |             |
|---------------------------------------------|-----------------------|-----------------------|-------------|-----------------------|-----------------------|-------------|
|                                             | Group                 |                       | Total       | Parent company        |                       | Total       |
|                                             | Individually assessed | Collectively assessed |             | Individually assessed | Collectively assessed |             |
| <b>Opening balance at 1 Jan 2011</b>        | <b>-565</b>           | <b>-316</b>           | <b>-881</b> | <b>-484</b>           | <b>-296</b>           | <b>-780</b> |
| Provisions                                  | -177                  | -34                   | -211        | -155                  | -35                   | -190        |
| Reversals                                   | 57                    | 115                   | 172         | 49                    | 112                   | 161         |
| <b>Changes through the income statement</b> | <b>-120</b>           | <b>81</b>             | <b>-39</b>  | <b>-106</b>           | <b>77</b>             | <b>-29</b>  |
| Allowances used to cover write-offs         | 109                   | -                     | 109         | 96                    | -                     | 96          |
| Translation differences                     | 0                     | -1                    | -1          | -1                    | -1                    | -2          |
| <b>Closing balance at 31 Dec 2011</b>       | <b>-576</b>           | <b>-236</b>           | <b>-812</b> | <b>-495</b>           | <b>-220</b>           | <b>-715</b> |
| <b>Opening balance at 1 Jan 2010</b>        | <b>-447</b>           | <b>-316</b>           | <b>-763</b> | <b>-375</b>           | <b>-300</b>           | <b>-675</b> |
| Provisions                                  | -273                  | -69                   | -342        | -239                  | -63                   | -302        |
| Reversals                                   | 61                    | 69                    | 130         | 47                    | 66                    | 113         |
| <b>Changes through the income statement</b> | <b>-212</b>           | <b>0</b>              | <b>-212</b> | <b>-192</b>           | <b>3</b>              | <b>-189</b> |
| Allowances used to cover write-offs         | 96                    | -                     | 96          | 86                    | -                     | 86          |
| Translation differences                     | -2                    | 0                     | -2          | -3                    | 1                     | -2          |
| <b>Closing balance at 31 Dec 2010</b>       | <b>-565</b>           | <b>-316</b>           | <b>-881</b> | <b>-484</b>           | <b>-296</b>           | <b>-780</b> |

| EURm                                        | Credit institutions   |                       |            |                       |                       |            |
|---------------------------------------------|-----------------------|-----------------------|------------|-----------------------|-----------------------|------------|
|                                             | Group                 |                       | Total      | Parent company        |                       | Total      |
|                                             | Individually assessed | Collectively assessed |            | Individually assessed | Collectively assessed |            |
| <b>Opening balance at 1 Jan 2011</b>        | <b>-25</b>            | <b>0</b>              | <b>-25</b> | <b>-25</b>            | <b>0</b>              | <b>-25</b> |
| Provisions                                  | -                     | 0                     | 0          | -                     | 0                     | 0          |
| Reversals                                   | -                     | 0                     | 0          | -                     | 0                     | 0          |
| <b>Changes through the income statement</b> | <b>-</b>              | <b>0</b>              | <b>0</b>   | <b>-</b>              | <b>0</b>              | <b>0</b>   |
| Allowances used to cover write-offs         | -                     | -                     | -          | -                     | -                     | -          |
| Translation differences                     | -                     | -                     | -          | -                     | -                     | -          |
| <b>Closing balance at 31 Dec 2011</b>       | <b>-25</b>            | <b>0</b>              | <b>-25</b> | <b>-25</b>            | <b>0</b>              | <b>-25</b> |
| <b>Opening balance at 1 Jan 2010</b>        | <b>-25</b>            | <b>0</b>              | <b>-25</b> | <b>-25</b>            | <b>0</b>              | <b>-25</b> |
| Provisions                                  | -                     | 0                     | 0          | -                     | 0                     | 0          |
| Reversals                                   | -                     | 0                     | 0          | -                     | 0                     | 0          |
| <b>Changes through the income statement</b> | <b>-</b>              | <b>0</b>              | <b>0</b>   | <b>-</b>              | <b>0</b>              | <b>0</b>   |
| Allowances used to cover write-offs         | -                     | -                     | -          | -                     | -                     | -          |
| Translation differences                     | -                     | -                     | -          | -                     | -                     | -          |
| <b>Closing balance at 31 Dec 2010</b>       | <b>-25</b>            | <b>0</b>              | <b>-25</b> | <b>-25</b>            | <b>0</b>              | <b>-25</b> |

| EURm                                        | The public            |                       |             |                       |                       |             |
|---------------------------------------------|-----------------------|-----------------------|-------------|-----------------------|-----------------------|-------------|
|                                             | Group                 |                       | Total       | Parent company        |                       | Total       |
|                                             | Individually assessed | Collectively assessed |             | Individually assessed | Collectively assessed |             |
| <b>Opening balance at 1 Jan 2011</b>        | <b>-540</b>           | <b>-316</b>           | <b>-856</b> | <b>-459</b>           | <b>-296</b>           | <b>-755</b> |
| Provisions                                  | -177                  | -34                   | -211        | -155                  | -35                   | -190        |
| Reversals                                   | 57                    | 115                   | 172         | 49                    | 112                   | 161         |
| <b>Changes through the income statement</b> | <b>-120</b>           | <b>81</b>             | <b>-39</b>  | <b>-106</b>           | <b>77</b>             | <b>-29</b>  |
| Allowances used to cover write-offs         | 109                   | -                     | 109         | 96                    | -                     | 96          |
| Translation differences                     | 0                     | -1                    | -1          | -1                    | -1                    | -2          |
| <b>Closing balance at 31 Dec 2011</b>       | <b>-551</b>           | <b>-236</b>           | <b>-787</b> | <b>-470</b>           | <b>-220</b>           | <b>-690</b> |
| <b>Opening balance at 1 Jan 2010</b>        | <b>-422</b>           | <b>-316</b>           | <b>-738</b> | <b>-350</b>           | <b>-300</b>           | <b>-650</b> |
| Provisions                                  | -273                  | -69                   | -342        | -239                  | -63                   | -302        |
| Reversals                                   | 61                    | 69                    | 130         | 47                    | 66                    | 113         |
| <b>Changes through the income statement</b> | <b>-212</b>           | <b>0</b>              | <b>-212</b> | <b>-192</b>           | <b>3</b>              | <b>-189</b> |
| Allowances used to cover write-offs         | 96                    | -                     | 96          | 86                    | -                     | 86          |
| Translation differences                     | -2                    | 0                     | -2          | -3                    | 1                     | -2          |
| <b>Closing balance at 31 Dec 2010</b>       | <b>-540</b>           | <b>-316</b>           | <b>-856</b> | <b>-459</b>           | <b>-296</b>           | <b>-755</b> |

<sup>2</sup> See Note 11 Net loan losses

**Note 14 Loans and impairment, cont.****Allowances and provisions**

|                                           | Total          |                |                |                |
|-------------------------------------------|----------------|----------------|----------------|----------------|
|                                           | Group          |                | Parent company |                |
|                                           | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                      |                |                |                |                |
| Allowances for items in the balance sheet | -812           | -881           | -715           | -780           |
| Provisions for off balance sheet items    | -47            | -47            | -47            | -47            |
| <b>Total allowances and provisions</b>    | <b>-859</b>    | <b>-928</b>    | <b>-762</b>    | <b>-827</b>    |

|                                           | Credit institutions |                |                |                |
|-------------------------------------------|---------------------|----------------|----------------|----------------|
|                                           | Group               |                | Parent company |                |
|                                           | 31 Dec<br>2011      | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                      |                     |                |                |                |
| Allowances for items in the balance sheet | -25                 | -25            | -25            | -25            |
| Provisions for off balance sheet items    | -9                  | -13            | -9             | -13            |
| <b>Total allowances and provisions</b>    | <b>-34</b>          | <b>-38</b>     | <b>-34</b>     | <b>-38</b>     |

|                                           | The public     |                |                |                |
|-------------------------------------------|----------------|----------------|----------------|----------------|
|                                           | Group          |                | Parent company |                |
|                                           | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                      |                |                |                |                |
| Allowances for items in the balance sheet | -787           | -856           | -690           | -755           |
| Provisions for off balance sheet items    | -38            | -34            | -38            | -34            |
| <b>Total allowances and provisions</b>    | <b>-825</b>    | <b>-890</b>    | <b>-728</b>    | <b>-789</b>    |

**Key ratios**

|                                                                 | Group          |                | Parent company |                |
|-----------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                 | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
|                                                                 |                |                |                |                |
| Impairment rate, gross <sup>3</sup> , basis points              | 107            | 132            | 98             | 119            |
| Impairment rate, net <sup>4</sup> , basis points                | 75             | 92             | 70             | 85             |
| Total allowance rate <sup>5</sup> , basis points                | 45             | 62             | 40             | 55             |
| Allowances in relation to impaired loans <sup>6</sup> , %       | 30             | 30             | 28             | 29             |
| Total allowances in relation to impaired loans <sup>7</sup> , % | 42             | 47             | 41             | 46             |
| Non-performing loans, not impaired <sup>8</sup> , EURm          | 53             | 57             | 52             | 51             |

<sup>3</sup> Individually assessed impaired loans before allowances divided by total loans before allowances.

<sup>4</sup> Individually assessed impaired loans after allowances divided by total loans before allowances.

<sup>5</sup> Total allowances divided by total loans before allowances.

<sup>6</sup> Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

<sup>7</sup> Total allowances divided by total impaired loans before allowances.

<sup>8</sup> Past due loans, not impaired due to future cash flows (included in Loans, not impaired).

**Note 15 Interest-bearing securities**

|                                                                                        | Group          |                | Parent company |                |
|----------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                        | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                                                                   |                |                |                |                |
| Issued by public bodies                                                                | 1,163          | 774            | 1,163          | 774            |
| Issued by other borrowers                                                              | 31,935         | 24,575         | 31,935         | 24,575         |
| <b>Total</b>                                                                           | <b>33,098</b>  | <b>25,349</b>  | <b>33,098</b>  | <b>25,349</b>  |
|                                                                                        |                |                |                |                |
| - of which Financial instruments pledged as collateral (Note 16)                       | 7,213          | 3,771          | 7,213          | 3,771          |
| <b>Total</b>                                                                           | <b>25,885</b>  | <b>21,578</b>  | <b>25,885</b>  | <b>21,578</b>  |
|                                                                                        |                |                |                |                |
| <b>Listed and unlisted securities incl Financial instruments pledged as collateral</b> |                |                |                |                |
| Listed securities                                                                      | 26,410         | 11,913         | 26,410         | 11,913         |
| Unlisted securities                                                                    | 6,688          | 13,436         | 6,688          | 13,436         |
| <b>Total</b>                                                                           | <b>33,098</b>  | <b>25,349</b>  | <b>33,098</b>  | <b>25,349</b>  |

**Note 16 Financial instruments pledged as collateral****Financial instruments pledged as collateral**

In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral. When the counterpart receiving the collateral has the right to sell or repledge the assets, the assets are reclassified in the balance sheet to the item Financial instruments pledged as collateral.

|                             | Group          |                | Parent company |                |
|-----------------------------|----------------|----------------|----------------|----------------|
|                             | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                        |                |                |                |                |
| Treasury bills              | 1,133          | 1,533          | 1,133          | 1,533          |
| Interest-bearing securities | 7,213          | 3,771          | 7,213          | 3,771          |
| <b>Total</b>                | <b>8,346</b>   | <b>5,304</b>   | <b>8,346</b>   | <b>5,304</b>   |

**Transferred assets that are still recognised in the balance sheet and associated liabilities**

All assets transferred and the liabilities associated with these transactions are specified in the following tables. The assets continue to be recognised on the balance sheet since NBF is still exposed to changes in the fair value of the assets. Therefore, these assets and its associated liabilities are included in the tables below.

|                                      | Group          |                | Parent company |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                 |                |                |                |                |
| <b>Repurchase agreements</b>         | <b>8,346</b>   | <b>5,304</b>   | <b>8,346</b>   | <b>5,304</b>   |
| Treasury bills                       | 1,133          | 1,533          | 1,133          | 1,533          |
| Interest- bearing securities         | 7,213          | 3,771          | 7,213          | 3,771          |
| <b>Securities lending agreements</b> | -              | -              | -              | -              |
| <b>Securitisations</b>               | -              | -              | -              | -              |
| <b>Total</b>                         | <b>8,346</b>   | <b>5,304</b>   | <b>8,346</b>   | <b>5,304</b>   |

**Note 16 Financial instruments pledged as collateral, cont.****Liabilities associated with the assets**

|                                         | Group          |                | Parent company |                |
|-----------------------------------------|----------------|----------------|----------------|----------------|
|                                         | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                    |                |                |                |                |
| <b>Repurchase agreements</b>            | <b>8,346</b>   | <b>5,304</b>   | <b>8,346</b>   | <b>5,304</b>   |
| Deposits by credit institutions         | 5,064          | 4,412          | 5,064          | 4,412          |
| Deposits and borrowings from the public | 3,282          | 892            | 3,282          | 892            |
| <b>Securities lending agreements</b>    | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Securitisations</b>                  | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Total</b>                            | <b>8,346</b>   | <b>5,304</b>   | <b>8,346</b>   | <b>5,304</b>   |

For information on reverse repos, see Note 43.

**Note 17 Shares**

|                                                                                    | Group          |                | Parent company |                |
|------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                    | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                                                               |                |                |                |                |
| Shares                                                                             | 77             | 78             | 75             | 79             |
| Shares taken over for protection of claims                                         | -              | -              | -              | -              |
| Fund units, equity related                                                         | 1,219          | 997            | 1,219          | 997            |
| Fund units, interest related                                                       | 16             | 4              | 15             | 4              |
| <b>Total</b>                                                                       | <b>1,312</b>   | <b>1,079</b>   | <b>1,309</b>   | <b>1,080</b>   |
| - of which Financial instruments pledged as collateral (Note 16)                   | -              | -              | -              | -              |
| <b>Total</b>                                                                       | <b>1,312</b>   | <b>1,079</b>   | <b>1,309</b>   | <b>1,080</b>   |
| Of which expected to be settled after more than 1 year                             | 20             | 24             | 20             | 21             |
| <b>Listed and unlisted shares incl Financial instruments pledged as collateral</b> |                |                |                |                |
| Listed shares                                                                      | 61             | 90             | 59             | 91             |
| Unlisted shares                                                                    | 1,251          | 989            | 1,250          | 989            |
| <b>Total</b>                                                                       | <b>1,312</b>   | <b>1,079</b>   | <b>1,309</b>   | <b>1,080</b>   |

**Note 18 Derivatives and hedge accounting**

| 31 Dec 2011, EURm                                  | Group                  |                        |                      | Parent company         |                        |                      |
|----------------------------------------------------|------------------------|------------------------|----------------------|------------------------|------------------------|----------------------|
|                                                    | Fair value<br>Positive | Fair value<br>Negative | Total nom.<br>amount | Fair value<br>Positive | Fair value<br>Negative | Total nom.<br>amount |
| <b>Derivatives held for trading</b>                |                        |                        |                      |                        |                        |                      |
| <b>Interest rate derivatives</b>                   |                        |                        |                      |                        |                        |                      |
| Interest rate swaps                                | 137,368                | 134,905                | 3,784,476            | 137,368                | 134,905                | 3,784,476            |
| FRAs                                               | -                      | 0                      | -                    | -                      | 0                      | -                    |
| Futures and forwards                               | 776                    | 743                    | 1,548,734            | 776                    | 743                    | 1,548,734            |
| Options                                            | 11,317                 | 11,928                 | 532,630              | 11,317                 | 11,928                 | 532,630              |
| <b>Total</b>                                       | <b>149,461</b>         | <b>147,576</b>         | <b>5,865,840</b>     | <b>149,461</b>         | <b>147,576</b>         | <b>5,865,840</b>     |
| <b>Equity derivatives</b>                          |                        |                        |                      |                        |                        |                      |
| Equity swaps                                       | 126                    | 158                    | 3,672                | 126                    | 158                    | 3,672                |
| Futures and forwards                               | 16                     | 13                     | 755                  | 16                     | 13                     | 755                  |
| Options                                            | 431                    | 648                    | 12,068               | 431                    | 648                    | 12,068               |
| <b>Total</b>                                       | <b>573</b>             | <b>819</b>             | <b>16,495</b>        | <b>573</b>             | <b>819</b>             | <b>16,495</b>        |
| <b>Foreign exchange derivatives</b>                |                        |                        |                      |                        |                        |                      |
| Currency and interest rate swaps                   | 15,645                 | 15,975                 | 915,011              | 15,645                 | 15,975                 | 915,011              |
| Currency forwards                                  | 812                    | 675                    | 45,553               | 812                    | 675                    | 45,553               |
| Options                                            | 299                    | 254                    | 33,275               | 299                    | 254                    | 33,275               |
| <b>Total</b>                                       | <b>16,756</b>          | <b>16,904</b>          | <b>993,839</b>       | <b>16,756</b>          | <b>16,904</b>          | <b>993,839</b>       |
| <b>Credit derivatives</b>                          |                        |                        |                      |                        |                        |                      |
| Credit default swaps                               | 1,587                  | 1,492                  | 62,299               | 1,587                  | 1,492                  | 62,299               |
| Total rate of return swaps                         | 99                     | 22                     | 450                  | 99                     | 22                     | 450                  |
| <b>Total</b>                                       | <b>1,686</b>           | <b>1,514</b>           | <b>62,749</b>        | <b>1,686</b>           | <b>1,514</b>           | <b>62,749</b>        |
| <b>Commodity derivatives</b>                       |                        |                        |                      |                        |                        |                      |
| Swaps                                              | 1,227                  | 1,152                  | 13,183               | 1,227                  | 1,152                  | 13,183               |
| Futures and forwards                               | 79                     | 76                     | 1,137                | 79                     | 76                     | 1,137                |
| Other                                              | 69                     | 68                     | 2,227                | 69                     | 68                     | 2,227                |
| <b>Total</b>                                       | <b>1,375</b>           | <b>1,296</b>           | <b>16,547</b>        | <b>1,375</b>           | <b>1,296</b>           | <b>16,547</b>        |
| <b>Other derivatives</b>                           |                        |                        |                      |                        |                        |                      |
| Options                                            | 1                      | 3                      | 85                   | 1                      | 3                      | 85                   |
| Other                                              | 1                      | -                      | 6                    | 1                      | -                      | 6                    |
| <b>Total</b>                                       | <b>2</b>               | <b>3</b>               | <b>91</b>            | <b>2</b>               | <b>3</b>               | <b>91</b>            |
| <b>Total derivatives held for trading</b>          | <b>169,853</b>         | <b>168,112</b>         | <b>6,955,561</b>     | <b>169,853</b>         | <b>168,112</b>         | <b>6,955,561</b>     |
| <b>Derivatives used for hedge accounting</b>       |                        |                        |                      |                        |                        |                      |
| <b>Interest rate derivatives</b>                   |                        |                        |                      |                        |                        |                      |
| Interest rate swaps                                | 301                    | 179                    | 28,011               | 301                    | 179                    | 28,011               |
| <b>Total</b>                                       | <b>301</b>             | <b>179</b>             | <b>28,011</b>        | <b>301</b>             | <b>179</b>             | <b>28,011</b>        |
| <b>Foreign exchange derivatives</b>                |                        |                        |                      |                        |                        |                      |
| Currency and interest rate swaps                   | 74                     | 145                    | 2,185                | 74                     | 145                    | 2,185                |
| Currency forwards                                  | -                      | -                      | 5,908                | -                      | -                      | 5,908                |
| <b>Total</b>                                       | <b>74</b>              | <b>145</b>             | <b>8,093</b>         | <b>74</b>              | <b>145</b>             | <b>8,093</b>         |
| <b>Total derivatives used for hedge accounting</b> | <b>375</b>             | <b>324</b>             | <b>36,104</b>        | <b>375</b>             | <b>324</b>             | <b>36,104</b>        |
| - of which fair value hedges                       | 375                    | 324                    | 36,104               | 375                    | 324                    | 36,104               |
| <b>Total derivatives</b>                           | <b>170,228</b>         | <b>168,436</b>         | <b>6,991,665</b>     | <b>170,228</b>         | <b>168,436</b>         | <b>6,991,665</b>     |

**Note 18 Derivatives and hedge accounting, cont.**

| 31 Dec 2010, EURm                                  | Group                  |               |                      | Parent company         |               |                      |
|----------------------------------------------------|------------------------|---------------|----------------------|------------------------|---------------|----------------------|
|                                                    | Fair value<br>Positive | Negative      | Total nom.<br>amount | Fair value<br>Positive | Negative      | Total nom.<br>amount |
| <b>Derivatives held for trading</b>                |                        |               |                      |                        |               |                      |
| <b>Interest rate derivatives</b>                   |                        |               |                      |                        |               |                      |
| Interest rate swaps                                | 71,191                 | 69,799        | 2,975,152            | 71,187                 | 69,799        | 2,975,152            |
| FRAs                                               | 532                    | 560           | 1,201,184            | 532                    | 560           | 1,201,184            |
| Futures and forwards                               | 6                      | 7             | 47,672               | 6                      | 7             | 47,672               |
| Options                                            | 8,302                  | 8,036         | 663,688              | 8,302                  | 8,036         | 663,688              |
| <b>Total</b>                                       | <b>80,031</b>          | <b>78,402</b> | <b>4,887,696</b>     | <b>80,027</b>          | <b>78,402</b> | <b>4,887,696</b>     |
| <b>Equity derivatives</b>                          |                        |               |                      |                        |               |                      |
| Equity swaps                                       | 43                     | 59            | 695                  | 43                     | 59            | 695                  |
| Futures and forwards                               | 17                     | 17            | 472                  | 17                     | 17            | 472                  |
| Options                                            | 659                    | 728           | 17,767               | 659                    | 728           | 17,767               |
| <b>Total</b>                                       | <b>719</b>             | <b>804</b>    | <b>18,934</b>        | <b>719</b>             | <b>804</b>    | <b>18,934</b>        |
| <b>Foreign exchange derivatives</b>                |                        |               |                      |                        |               |                      |
| Currency and interest rate swaps                   | 5,905                  | 5,852         | 328,516              | 5,905                  | 5,852         | 328,516              |
| Currency forwards                                  | 7,251                  | 7,175         | 524,219              | 7,251                  | 7,175         | 524,219              |
| Options                                            | 627                    | 648           | 41,502               | 627                    | 648           | 41,502               |
| <b>Total</b>                                       | <b>13,783</b>          | <b>13,675</b> | <b>894,237</b>       | <b>13,783</b>          | <b>13,675</b> | <b>894,237</b>       |
| <b>Credit derivatives</b>                          |                        |               |                      |                        |               |                      |
| Credit default swaps                               | 1,013                  | 940           | 52,267               | 1,013                  | 940           | 52,267               |
| Total rate of return swaps                         | 102                    | 21            | 450                  | 102                    | 21            | 450                  |
| <b>Total</b>                                       | <b>1,115</b>           | <b>961</b>    | <b>52,717</b>        | <b>1,115</b>           | <b>961</b>    | <b>52,717</b>        |
| <b>Commodity derivatives</b>                       |                        |               |                      |                        |               |                      |
| Swaps                                              | 1,385                  | 1,395         | 13,725               | 1,385                  | 1,395         | 13,725               |
| Futures and forwards                               | 82                     | 67            | 706                  | 82                     | 67            | 706                  |
| Options                                            | 67                     | 63            | 1,392                | 67                     | 63            | 1,392                |
| <b>Total</b>                                       | <b>1,534</b>           | <b>1,525</b>  | <b>15,823</b>        | <b>1,534</b>           | <b>1,525</b>  | <b>15,823</b>        |
| <b>Other derivatives</b>                           |                        |               |                      |                        |               |                      |
| Options                                            | 2                      | 2             | 87                   | 2                      | 2             | 87                   |
| <b>Total</b>                                       | <b>2</b>               | <b>2</b>      | <b>87</b>            | <b>2</b>               | <b>2</b>      | <b>87</b>            |
| <b>Total derivatives held for trading</b>          | <b>97,184</b>          | <b>95,369</b> | <b>5,869,494</b>     | <b>97,180</b>          | <b>95,369</b> | <b>5,869,494</b>     |
| <b>Derivatives used for hedge accounting</b>       |                        |               |                      |                        |               |                      |
| <b>Interest rate derivatives</b>                   |                        |               |                      |                        |               |                      |
| Interest rate swaps                                | 60                     | 183           | 15,569               | 60                     | 183           | 15,569               |
| <b>Total</b>                                       | <b>60</b>              | <b>183</b>    | <b>15,569</b>        | <b>60</b>              | <b>183</b>    | <b>15,569</b>        |
| <b>Foreign exchange derivatives</b>                |                        |               |                      |                        |               |                      |
| Currency and interest rate swaps                   | 7                      | 124           | 633                  | 7                      | 124           | 633                  |
| <b>Total</b>                                       | <b>7</b>               | <b>124</b>    | <b>633</b>           | <b>7</b>               | <b>124</b>    | <b>633</b>           |
| <b>Total derivatives used for hedge accounting</b> | <b>67</b>              | <b>307</b>    | <b>16,202</b>        | <b>67</b>              | <b>307</b>    | <b>16,202</b>        |
| - of which fair value hedges                       | 67                     | 307           | 16,202               | 67                     | 307           | 16,202               |
| <b>Total derivatives</b>                           | <b>97,251</b>          | <b>95,676</b> | <b>5,885,696</b>     | <b>97,247</b>          | <b>95,676</b> | <b>5,885,696</b>     |

**Note 19 Fair value changes of the hedged items in portfolio hedge of interest rate risk****Assets**

|                                       | Group      |           | Parent company |           |
|---------------------------------------|------------|-----------|----------------|-----------|
|                                       | 31 Dec     | 31 Dec    | 31 Dec         | 31 Dec    |
| EURm                                  | 2011       | 2010      | 2011           | 2010      |
| Carrying amount at beginning of year  | 96         | 141       | 96             | 141       |
| Changes during the year               |            |           |                |           |
| - Revaluation of hedged items         | 42         | -45       | 42             | -45       |
| <b>Carrying amount at end of year</b> | <b>138</b> | <b>96</b> | <b>138</b>     | <b>96</b> |

**Liabilities**

|                                       | Group      |            | Parent company |            |
|---------------------------------------|------------|------------|----------------|------------|
|                                       | 31 Dec     | 31 Dec     | 31 Dec         | 31 Dec     |
| EURm                                  | 2011       | 2010       | 2011           | 2010       |
| Carrying amount at beginning of year  | -58        | 7          | -58            | 7          |
| Changes during the year               |            |            |                |            |
| - Revaluation of hedged items         | 253        | -65        | 253            | -65        |
| <b>Carrying amount at end of year</b> | <b>195</b> | <b>-58</b> | <b>195</b>     | <b>-58</b> |

The carrying amount at end of year represents accumulated changes in the fair value for those repricing time periods in which the hedged item is an asset respectively a liability. When the hedged item is an asset, the change in the fair value of the hedged item is presented within assets and when the hedged item is a liability, the change is presented as a liability.

**Note 20 Investments in group undertakings****Parent company**

|                                                      | 31 Dec     | 31 Dec     |
|------------------------------------------------------|------------|------------|
| EURm                                                 | 2011       | 2010       |
| Acquisition value at beginning of year               | 353        | 338        |
| Acquisitions / capital contributions during the year | 17         | 15         |
| Sales during the year                                | -          | -          |
| Translation differences                              | 0          | 0          |
| <b>Acquisition value at end of year</b>              | <b>370</b> | <b>353</b> |
| Accumulated impairment charges at beginning of year  | -          | -          |
| Impairment charges during the year                   | -          | -          |
| Translation differences                              | -          | -          |
| <b>Accumulated impairment charges at end of year</b> | <b>-</b>   | <b>-</b>   |
| <b>Total</b>                                         | <b>370</b> | <b>353</b> |
| - of which listed shares                             | -          | -          |

The total amount is expected to be settled after more than 1 year



**Note 20 Investments in group undertakings, cont.****Specification**

This specification includes all directly owned group undertakings and major group undertakings to the directly owned companies.

**Group**

| 31 Dec 2011                                                                                             | Number of shares | Carrying amount 2011 EURm | Carrying amount 2010 EURm | Voting power of holding, %     | Domicile | Business ID       |
|---------------------------------------------------------------------------------------------------------|------------------|---------------------------|---------------------------|--------------------------------|----------|-------------------|
| <i>Domestic</i>                                                                                         |                  |                           |                           |                                |          |                   |
| Credit institutions                                                                                     |                  |                           |                           |                                |          |                   |
| Nordea Finance Finland Ltd                                                                              | 1,000,000        | 306                       | 306                       | 100.0                          | Espoo    | 0112305-3         |
| Financial institutions                                                                                  |                  |                           |                           |                                |          |                   |
| Tukirahoitus Oy <sup>1</sup>                                                                            | 672              | 7                         | 7                         | 100.0                          | Espoo    | 0677131-6         |
| Real estate companies                                                                                   |                  |                           |                           |                                |          |                   |
| Kiinteistö Oy Tampereen Kirkkokatu 7 <sup>1</sup>                                                       | 280              | 50                        | 50                        | 100.0                          | Tampere  | 0819781-3         |
| Kiinteistö Oy Levytie 6 <sup>1</sup>                                                                    | 147              | 19                        | 19                        | 100.0                          | Helsinki | 0818921-5         |
| Kiinteistö Oy Lahden Aleksanterinkatu 19-21 <sup>1</sup>                                                | 340,090          | 10                        | 10                        | 100.0                          | Lahti    | 0150108-5         |
| Other companies                                                                                         |                  |                           |                           |                                |          |                   |
| Fidenta Oy                                                                                              | 2,000            | 0                         | 0                         | 60.0                           | Espoo    | 0988412-1         |
| <i>International</i>                                                                                    |                  |                           |                           |                                |          |                   |
| Financial institutions                                                                                  |                  |                           |                           |                                |          |                   |
| Nordea Finance Polska S.A. <sup>1</sup>                                                                 | 19,690,000       | 0                         | 0                         | 100.0                          | Warsaw   | PL5861944082      |
| Nordea Finance Estonia Ltd <sup>1</sup>                                                                 | 60,000           | 6                         | 6                         | 100.0                          | Tallinn  | EE100212426       |
| Nordea Finance Latvia Ltd <sup>1</sup>                                                                  | 1,100            | 4                         | 4                         | 100.0                          | Riga     | LV40003348054     |
| Nordea Finance Lithuania Ltd <sup>1</sup>                                                               | 6,540            | 4                         | 4                         | 100.0                          | Vilnius  | LT116672716       |
| Nordea Securities Holding (U.K.) Ltd                                                                    | 49,010,000       | 2                         | 2                         | 100.0                          | London   | 01803666          |
| Real estate companies                                                                                   |                  |                           |                           |                                |          |                   |
| Promano Est OÜ                                                                                          | 1                | 10                        | 10                        | 100.0                          | Tallinn  | 11681888          |
| Promano Lit UAB                                                                                         | 34,528           | 10                        | 10                        | 100.0                          | Vilnius  | 302423219         |
| SIA Promano Lat                                                                                         | 21,084           | 30                        | 20                        | 100.0                          | Riga     | 40103235197       |
| SIA Realm                                                                                               | 7,030            | 10                        | 5                         | 100.0                          | Riga     | 50103278681       |
| Other subsidiaries included in the consolidated financial statements; total assets of less than EUR 10m |                  | Number of companies       |                           | Carrying amount of shares EURm |          | Total assets EURm |
| Real estate companies                                                                                   |                  | 8                         |                           | 13                             |          | 18                |
| Other companies                                                                                         |                  | 6                         |                           | 0                              |          | 84                |

<sup>1</sup> Indirect holding through Nordea Finance Finland Ltd, a subsidiary of Nordea Bank Finland Plc.

The parent company of Nordea Bank Finland Plc is Nordea Bank AB (publ) domiciled in Stockholm, registration number 516406-0120. The Annual Report 2011 of Nordea Bank AB (publ) may be down-loaded on the Internet at [www.nordea.com](http://www.nordea.com) and is available from Nordea Group Investor Relations, SE 105 71 Stockholm, Sweden. The Annual Report 2011 of the Nordea Group is also available at branches of Nordea Bank Finland Plc.

**Group****Special Purpose Entities (SPEs) – Consolidated**

SPEs that have been set up for enabling investments in structured credit products and for acquiring assets from customers.

| EURm                                        | Purpose                            | Duration | NBF's investment <sup>1</sup> | Total assets |
|---------------------------------------------|------------------------------------|----------|-------------------------------|--------------|
| Kirkas Northern Lights Limited <sup>2</sup> | Collateralised Mortgage Obligation | >5 years | 0                             | 0            |
| <b>Total</b>                                |                                    |          | <b>0</b>                      | <b>0</b>     |

<sup>1</sup> Includes all assets towards the SPEs (bonds and subordinated loans). Additionally 8 SPEs have been setup in the Baltics to acquire assets from commercial customers. The total consolidated value of these assets is EUR 13m.

<sup>2</sup> Kirkas Northern Lights Ltd (Kirkas) has been established during 2008. Assets have been sold from NBF's ordinary lending portfolio to Kirkas. Kirkas has used the assets as collateral for bonds issued. Nordea Bank Finland repurchased the whole lending portfolio from Kirkas Northern Lights Limited on 15th of December 2011. The notes have been cancelled.

**Note 21 Investments in associated undertakings**

| EURm                                                 | Group          |                | Parent company |                |
|------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                      | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Acquisition value at beginning of year               | 62             | 57             | 28             | 25             |
| Acquisitions during the year <sup>1</sup>            | 15             | 5              | 15             | 5              |
| Sales during the year                                | 0              | -6             | 0              | -4             |
| Share in earnings                                    | 9              | 6              | -              | -              |
| Dividend received                                    | -2             | -2             | -              | -              |
| Reclassifications                                    | -3             | 2              | 0              | 2              |
| Translation differences                              | -              | -              | -              | -              |
| <b>Acquisition value at end of year</b>              | <b>81</b>      | <b>62</b>      | <b>43</b>      | <b>28</b>      |
| Accumulated impairment charges at beginning of year  | -1             | -1             | -9             | -9             |
| Reversed impairment charges during the year          | -              | 2              | 4              | 2              |
| Impairment charges during the year                   | -              | 0              | -              | -              |
| Impairment charges reclassifications during the year | -1             | -2             | -4             | -2             |
| Translation differences                              | -              | -              | -              | -              |
| <b>Accumulated impairment charges at end of year</b> | <b>-2</b>      | <b>-1</b>      | <b>-9</b>      | <b>-9</b>      |
| <b>Total</b>                                         | <b>79</b>      | <b>61</b>      | <b>34</b>      | <b>19</b>      |

<sup>1</sup> Of which acquisitions through business combinations EUR 15m (0)

- of which listed shares

- - - -

The total amount is expected to be settled after more than 1 year.

Nordea Bank Finland Plc's and Nordea Bank Finland Group's associated undertakings' aggregated balance sheets and income statements can be summarised as follows:

| EURm              | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-------------------|----------------|----------------|
| Total assets      | 321            | 509            |
| Total liabilities | 247            | 301            |
| Operating income  | 64             | 94             |
| Operating profit  | 6              | 8              |

Nordea Bank Finland Plc's and Nordea Bank Finland Group's share of contingent liabilities in favour of associated undertakings of Nordea Bank Finland Group amounts to EUR 128m (281) and on behalf of associated undertakings EUR 0m (20).

**Group**

| 31 Dec 2011                      | Business ID | Domicile | Carrying<br>amount 2011,<br>EURm | Carrying<br>amount 2010,<br>EURm | Voting<br>power of<br>holding % |
|----------------------------------|-------------|----------|----------------------------------|----------------------------------|---------------------------------|
| <b>Credit institutions</b>       |             |          |                                  |                                  |                                 |
| Luottokunta                      | 0201646-0   | Helsinki | 49                               | 42                               | 27.1                            |
| <b>Total</b>                     |             |          | <b>49</b>                        | <b>42</b>                        |                                 |
| <b>Other</b>                     |             |          |                                  |                                  |                                 |
| Automatia Pankkiautomaatit Oy    | 0974651-1   | Helsinki | 8                                | 8                                | 33.3                            |
| Fenestra Oy <sup>1</sup>         | 0177676-7   | Vantaa   | 0                                | 0                                | 9.9                             |
| NF Fleet Oy                      | 2006935-5   | Espoo    | 1                                | 1                                | 20.0                            |
| UAB ALD Automotive, Lithuania    | 300156575   | Vilna    | 1                                | 0                                | 25.0                            |
| ALD Automotive Eesti AS, Estonia | 11094435    | Tallin   | 0                                | 0                                | 25.0                            |
| ALD Automotive SIA, Latvia       | 50003825931 | Riga     | 0                                | 0                                | 25.0                            |
| Oy Realinvest Ab                 | 0680035-9   | Helsinki | 0                                | 5                                | 49.3                            |
| Realia Holding Oy                | 2106796-8   | Helsinki | 20                               | 5                                | 25.0                            |
| Securus Oy                       | 0742429-5   | Helsinki | 0                                | 0                                | 35.2                            |
| <b>Total</b>                     |             |          | <b>30</b>                        | <b>19</b>                        |                                 |
| <b>Total</b>                     |             |          | <b>79</b>                        | <b>61</b>                        |                                 |

<sup>1</sup> Nordea Bank Finland Plc holds currently convertible bonds which, if converted, would give Nordea Bank Finland significant influence over the entity.

**Note 21 Investments in associated undertakings, cont.****Parent company**

| 31 Dec 2011                   | Business ID | Domicile | Carrying<br>amount 2011,<br>EURm | Carrying<br>amount 2010,<br>EURm | Voting<br>power of<br>holding % |
|-------------------------------|-------------|----------|----------------------------------|----------------------------------|---------------------------------|
| <b>Credit institutions</b>    |             |          |                                  |                                  |                                 |
| Luottokunta                   | 0201646-0   | Helsinki | 9                                | 9                                | 27.1                            |
| <b>Total</b>                  |             |          | <b>9</b>                         | <b>9</b>                         |                                 |
| <b>Other</b>                  |             |          |                                  |                                  |                                 |
| Automatia Pankkiautomaatit Oy | 0974651-1   | Helsinki | 5                                | 5                                | 33.3                            |
| Fenestra Oy <sup>1</sup>      | 0177676-7   | Vantaa   | 0                                | 0                                | 9.9                             |
| Realia Holding Oy             | 2106796-8   | Helsinki | 20                               | 5                                | 25.0                            |
| Oy Realinvest Ab              | 0680035-9   | Helsinki | 0                                | 0                                | 49.3                            |
| Securus Oy                    | 0742429-5   | Helsinki | 0                                | 0                                | 35.2                            |
| <b>Total</b>                  |             |          | <b>25</b>                        | <b>10</b>                        |                                 |
| <b>Total</b>                  |             |          | <b>34</b>                        | <b>19</b>                        |                                 |

<sup>1</sup> Nordea Bank Finland Plc holds currently convertible bonds which, if converted, would give Nordea Bank Finland significant influence over the entity.

**Note 22 Intangible assets**

|                                                                | Group          |                | Parent Company |                |
|----------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                                           |                |                |                |                |
| <b>Goodwill allocated to cash generating units<sup>1</sup></b> |                |                |                |                |
| Other goodwill                                                 | -              | -              | -              | -              |
| <b>Goodwill, total</b>                                         | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| Computer software                                              | 96             | 72             | 100            | 77             |
| Other intangible assets                                        | 10             | 13             | 3              | 5              |
| <b>Total</b>                                                   | <b>106</b>     | <b>85</b>      | <b>103</b>     | <b>82</b>      |

<sup>1</sup> Excluding goodwill in associated undertakings.

|                                                | Group          |                | Parent Company |                |
|------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                           |                |                |                |                |
| <b>Goodwill</b>                                |                |                |                |                |
| Acquisition value at beginning of year         | 0              | 0              | -              | -              |
| Acquisitions during the year                   | -              | -              | -              | -              |
| Reclassifications                              | -              | -              | -              | -              |
| <b>Acquisition value at end of year</b>        | <b>0</b>       | <b>0</b>       | <b>-</b>       | <b>-</b>       |
| Accumulated amortisation at beginning of year  | 0              | -              | -              | -              |
| Amortisation according to plan for the year    | 0              | 0              | -              | -              |
| <b>Accumulated amortisation at end of year</b> | <b>0</b>       | <b>0</b>       | <b>-</b>       | <b>-</b>       |
| <b>Total</b>                                   | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |

**Note 22 Intangible assets, cont.**

|                                                             | Group      |            | Parent company |            |
|-------------------------------------------------------------|------------|------------|----------------|------------|
|                                                             | 31 Dec     | 31 Dec     | 31 Dec         | 31 Dec     |
|                                                             | 2011       | 2010       | 2011           | 2010       |
| <b>Computer software</b>                                    |            |            |                |            |
| Acquisition value at beginning of year                      | 97         | 75         | 104            | 81         |
| Acquisitions during the year                                | 33         | 23         | 31             | 24         |
| Sales/disposals during the year                             | -          | -1         | -              | -1         |
| Reclassifications                                           | 0          | 0          | 1              | 0          |
| Translation differences                                     | 0          | 0          | -              | -          |
| <b>Acquisition value at end of year</b>                     | <b>130</b> | <b>97</b>  | <b>136</b>     | <b>104</b> |
| Accumulated amortisation at beginning of year               | -25        | -18        | -27            | -19        |
| Amortisation according to plan for the year                 | -9         | -8         | -9             | -8         |
| Accumulated amortisation on sales/disposals during the year | -          | 1          | -              | -          |
| Reclassifications                                           | 0          | 0          | 0              | 0          |
| Translation differences                                     | -          | -          | -              | -          |
| <b>Accumulated amortisation at end of year</b>              | <b>-34</b> | <b>-25</b> | <b>-36</b>     | <b>-27</b> |
| <b>Total</b>                                                | <b>96</b>  | <b>72</b>  | <b>100</b>     | <b>77</b>  |
|                                                             |            |            |                |            |
|                                                             | Group      |            | Parent Company |            |
|                                                             | 31 Dec     | 31 Dec     | 31 Dec         | 31 Dec     |
|                                                             | 2011       | 2010       | 2011           | 2010       |
| <b>Other intangible assets</b>                              |            |            |                |            |
| Acquisition value at beginning of year                      | 20         | 16         | 11             | 7          |
| Acquisitions during the year                                | 0          | 4          | 0              | 4          |
| Sales/disposals during the year                             | 0          | 0          | -              | -          |
| Reclassifications                                           | -          | -          | -              | -          |
| Translation differences                                     | 0          | -          | -              | -          |
| <b>Acquisition value at end of year</b>                     | <b>20</b>  | <b>20</b>  | <b>11</b>      | <b>11</b>  |
| Accumulated amortisation at beginning of year               | -7         | -4         | -6             | -5         |
| Amortisation according to plan for the year                 | -4         | -3         | -2             | -2         |
| Accumulated amortisation on sales/disposals during the year | 1          | 0          | 0              | -          |
| Reclassifications                                           | -          | 0          | 0              | 1          |
| Translation differences                                     | 0          | 0          | -              | -          |
| <b>Accumulated amortisation at end of year</b>              | <b>-10</b> | <b>-7</b>  | <b>-8</b>      | <b>-6</b>  |
| Accumulated impairment charges at beginning of year         | 0          | -          | -              | -          |
| Impairment charges during the year                          | 0          | -          | -              | -          |
| <b>Accumulated impairment charges at end of year</b>        | <b>0</b>   | <b>-</b>   | <b>-</b>       | <b>-</b>   |
| <b>Total</b>                                                | <b>10</b>  | <b>13</b>  | <b>3</b>       | <b>5</b>   |

The total amount is expected to be settled after more than 1 year.

**Note 23 Property and equipment**

| EURm                                                        | Group          |                | Parent company |                |
|-------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                             | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Property and equipment                                      | 124            | 124            | 69             | 55             |
| - of which buildings for own use                            | 2              | 3              | 2              | 2              |
| <b>Total</b>                                                | <b>124</b>     | <b>124</b>     | <b>69</b>      | <b>55</b>      |
| <b>Equipment</b>                                            |                |                |                |                |
| Acquisition value at beginning of year                      | 255            | 239            | 151            | 141            |
| Acquisitions during the year                                | 54             | 62             | 34             | 22             |
| Sales/disposals during the year                             | -40            | -34            | -3             | 0              |
| Reclassifications                                           | -7             | -12            | -5             | -12            |
| Translation differences                                     | 1              | 0              | -              | 0              |
| <b>Acquisition value at end of year</b>                     | <b>263</b>     | <b>255</b>     | <b>177</b>     | <b>151</b>     |
| Accumulated depreciation at beginning of year               | -134           | -121           | -98            | -89            |
| Accumulated depreciation on sales/disposals during the year | 19             | 11             | -              | -              |
| Reclassifications                                           | 9              | 6              | 8              | 5              |
| Depreciation according to plan for the year                 | -30            | -30            | -14            | -14            |
| Translation differences                                     | -6             | 0              | -6             | 0              |
| <b>Accumulated depreciation at end of year</b>              | <b>-142</b>    | <b>-134</b>    | <b>-110</b>    | <b>-98</b>     |
| Accumulated impairment charges at beginning of year         | -              | 0              | -              | -              |
| Impairment charges during the year                          | -              | 0              | -              | -              |
| <b>Accumulated impairment charges at end of year</b>        | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Total</b>                                                | <b>121</b>     | <b>121</b>     | <b>67</b>      | <b>53</b>      |
| <b>Land and buildings</b>                                   |                |                |                |                |
| Acquisition value at beginning of year                      | 4              | 27             | 4              | 3              |
| Acquisitions during the year                                | -              | -              | -              | -              |
| Sales/disposals during the year                             | -              | 0              | -              | 0              |
| Reclassifications                                           | 1              | -23            | 0              | 1              |
| <b>Acquisition value at end of year</b>                     | <b>5</b>       | <b>4</b>       | <b>4</b>       | <b>4</b>       |
| Accumulated depreciation at beginning of year               | -1             | -2             | -2             | -1             |
| Accumulated depreciation on sales/disposals during the year | -              | -              | -              | -              |
| Reclassifications                                           | -1             | 1              | -              | -1             |
| Depreciation according to plan for the year                 | 0              | 0              | 0              | 0              |
| <b>Accumulated depreciation at end of year</b>              | <b>-2</b>      | <b>-1</b>      | <b>-2</b>      | <b>-2</b>      |
| <b>Total</b>                                                | <b>3</b>       | <b>3</b>       | <b>2</b>       | <b>2</b>       |

The total amount is expected to be settled after more than 1 year.

## Note 24 Leasing

### NBF as a lessor

#### Finance leases

Nordea Bank Finland Group owns assets leased to customers under finance lease agreements. Finance lease agreements are reported as receivables from the lessee included in "Loans to the public" (see Note 14) at an amount equal to the net investment in the lease. The leased assets mainly comprise vehicles, machinery and other equipment.

Reconciliation of gross investments and present value of future minimum lease payments:

| EURm                                                                      | Group          |                |
|---------------------------------------------------------------------------|----------------|----------------|
|                                                                           | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Gross investments                                                         | 2,295          | 2,041          |
| Less unearned finance income                                              | -156           | -123           |
| <b>Net investments in finance leases</b>                                  | <b>2,139</b>   | <b>1,918</b>   |
| Less unguaranteed residual values accruing to the benefit of the lessor   | -29            | -60            |
| <b>Present value of future minimum lease payments receivable</b>          | <b>2,110</b>   | <b>1,858</b>   |
| Accumulated allowance for uncollectible minimum lease payments receivable | 7              | 8              |

As of 31 December 2011 the gross investment and the net investment by remaining maturity was distributed as follows:

| EURm         | Group            |                |                  |                |
|--------------|------------------|----------------|------------------|----------------|
|              | 31 Dec<br>2011   | 31 Dec<br>2011 | 31 Dec<br>2010   | 31 Dec<br>2010 |
|              | Gross investment | Net investment | Gross investment | Net investment |
| 2012         | 795              | 726            | 674              | 618            |
| 2013         | 571              | 529            | 504              | 471            |
| 2014         | 405              | 381            | 480              | 461            |
| 2015         | 311              | 298            | 195              | 186            |
| 2016         | 144              | 140            | 107              | 103            |
| Later years  | 69               | 65             | 81               | 79             |
| <b>Total</b> | <b>2,295</b>     | <b>2,139</b>   | <b>2,041</b>     | <b>1,918</b>   |

#### Operating leases

Assets subject to operating leases mainly comprise vehicles and other equipment. In the balance sheet they are reported as tangible assets.

| Carrying amount of leased assets, EURm                  | Group          |                |
|---------------------------------------------------------|----------------|----------------|
|                                                         | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Acquisition value                                       | 68             | 93             |
| Accumulated depreciations                               | -27            | -31            |
| <b>Carrying amount at end of year</b>                   | <b>41</b>      | <b>62</b>      |
| - of which repossessed leased property, carrying amount | 0              | 0              |

| Carrying amount distributed on groups of assets, EURm | Group          |                |
|-------------------------------------------------------|----------------|----------------|
|                                                       | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Equipment                                             | 41             | 62             |
| <b>Carrying amount at end of year</b>                 | <b>41</b>      | <b>62</b>      |

Depreciation for 2011 amounted to EUR 13m (15).

**Note 24 Leasing, cont.**

Under non-cancellable operating leases, the future minimum lease payments receivables are distributed as follows:

| EURm         | Group          |                |
|--------------|----------------|----------------|
|              | 31 Dec<br>2011 | 31 Dec<br>2010 |
| 2012         | 8              | 7              |
| 2013         | 3              | 1              |
| 2014         | 1              | 0              |
| 2015         | 0              | 0              |
| 2016         | 0              | -              |
| Later years  | -              | -              |
| <b>Total</b> | <b>12</b>      | <b>8</b>       |

**NBF as a lessee****Finance leases**

Nordea Bank Finland Group has only to a minor extent entered into finance lease agreements. The carrying amount of assets subject to finance leases amounts to EUR 0m (EUR 0m).

**Operating leases**

Nordea Bank Finland Group has entered into operating lease agreements for premises and office equipment.

|                                                            | Group          |                | Parent company |                |
|------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                            | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| <b>Leasing expenses during the year, EURm</b>              |                |                |                |                |
| Leasing expenses during the year                           | -66            | -69            | -70            | -70            |
| - of which minimum lease payments                          | -65            | -69            | -69            | -70            |
| - of which contingent rents                                | 0              | 0              | -              | -              |
| Leasing income during the year regarding sublease payments | -              | -              | -              | -              |

Future minimum lease payments under non-cancellable operating leases amounted to and are distributed as follows:

| EURm         | Group       | Parent company |
|--------------|-------------|----------------|
|              | 31 Dec 2011 | 31 Dec 2011    |
| 2012         | 50          | 50             |
| 2013         | 33          | 33             |
| 2014         | 26          | 26             |
| 2015         | 19          | 20             |
| 2016         | 15          | 16             |
| Later years  | 115         | 115            |
| <b>Total</b> | <b>258</b>  | <b>260</b>     |

## Note 25 Investment property

### Group

#### Movement in the balance sheet

|                                                 | 31 Dec<br>2011 | 31 Dec<br>2010 |
|-------------------------------------------------|----------------|----------------|
| EURm                                            |                |                |
| Carrying amount at beginning of year            | 32             | 7              |
| Acquisitions during the year                    | 41             | 26             |
| Sales/disposals during the year                 | -3             | -1             |
| Net gains or losses from fair value adjustments | 1              | 0              |
| <b>Carrying amount at end of year</b>           | <b>71</b>      | <b>32</b>      |

The total amount is expected to be settled after more than 1 year

#### Amounts recognised in the income statement<sup>1</sup>

|                                                               | 2011      | 2010      |
|---------------------------------------------------------------|-----------|-----------|
| EURm                                                          |           |           |
| Rental income                                                 | 0         | 0         |
| Direct operating expenses that generate rental income         | -1        | -1        |
| Direct operating expenses that did not generate rental income | -         | 0         |
| <b>Total</b>                                                  | <b>-1</b> | <b>-1</b> |

<sup>1</sup>Together with fair value adjustments included in Net result from items at fair value.

|              |    |    |
|--------------|----|----|
| Market value | 71 | 32 |
|--------------|----|----|

### Parent company

#### Movement in the balance sheet

|                                       | 31 Dec<br>2011 | 31 Dec<br>2010 |
|---------------------------------------|----------------|----------------|
| EURm                                  |                |                |
| Carrying amount at beginning of year  | 4              | 4              |
| Acquisitions during the year          | 8              | 1              |
| Sales/disposals during the year       | -2             | -1             |
| <b>Carrying amount at end of year</b> | <b>10</b>      | <b>4</b>       |

The total amount is expected to be settled after more than 1 year.

#### Amounts recognised in the income statement<sup>1</sup>

|                                                               | 2011      | 2010     |
|---------------------------------------------------------------|-----------|----------|
| EURm                                                          |           |          |
| Rental income                                                 | 0         | 0        |
| Direct operating expenses that generated rental income        | -1        | 0        |
| Direct operating expenses that did not generate rental income | -         | 0        |
| <b>Total</b>                                                  | <b>-1</b> | <b>0</b> |

<sup>1</sup> Together with fair value adjustments included in Net result from items at fair value.

|              |    |   |
|--------------|----|---|
| Market value | 10 | 4 |
|--------------|----|---|



**Note 26 Other assets**

|                                                          | Group          |                | Parent company |                |
|----------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                          | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                                     |                |                |                |                |
| Claims on securities settlement proceeds                 | 1,069          | 4,958          | 1,069          | 4,957          |
| Cash/ margin receivables                                 | 6,655          | 3,129          | 6,655          | 3,129          |
| Other                                                    | 354            | 475            | 332            | 454            |
| <b>Total</b>                                             | <b>8,078</b>   | <b>8,562</b>   | <b>8,056</b>   | <b>8,540</b>   |
| - of which expected to be settled after more than 1 year | 0              | 65             | -              | -              |

**Note 27 Prepaid expenses and accrued income**

|                                                          | Group          |                | Parent company |                |
|----------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                          | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                                     |                |                |                |                |
| Accrued interest income                                  | 455            | 312            | 458            | 314            |
| Other accrued income                                     | 232            | 183            | 56             | 36             |
| Prepaid expenses                                         | 17             | 12             | 10             | 6              |
| <b>Total</b>                                             | <b>704</b>     | <b>507</b>     | <b>524</b>     | <b>356</b>     |
| - of which expected to be settled after more than 1 year | 82             | 65             | -              | -              |

**Note 28 Deposits by credit institutions**

|                           | Group          |                | Parent company |                |
|---------------------------|----------------|----------------|----------------|----------------|
|                           | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                      |                |                |                |                |
| Central banks             | 7,721          | 965            | 7,721          | 965            |
| Other banks               | 55,094         | 46,337         | 55,006         | 46,281         |
| Other credit institutions | 13,192         | 13,247         | 13,192         | 13,247         |
| <b>Total</b>              | <b>76,007</b>  | <b>60,549</b>  | <b>75,919</b>  | <b>60,493</b>  |

**Note 29 Deposits and borrowings from the public**

|                            | Group          |                | Parent company |                |
|----------------------------|----------------|----------------|----------------|----------------|
|                            | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                       |                |                |                |                |
| Deposits from the public   | 53,636         | 48,917         | 53,650         | 49,012         |
| Borrowings from the public | 14,624         | 6,542          | 14,615         | 6,540          |
| <b>Total</b>               | <b>68,260</b>  | <b>55,459</b>  | <b>68,265</b>  | <b>55,552</b>  |

Deposits are defined as funds in deposit accounts covered by the government deposit guarantee but also including amounts in excess of the individual amount limits.

**Note 30 Debt securities in issue**

|                         | Group          |                | Parent company |                |
|-------------------------|----------------|----------------|----------------|----------------|
|                         | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                    |                |                |                |                |
| Certificates of deposit | 35,557         | 31,757         | 35,557         | 31,757         |
| Bond loans <sup>1</sup> | 13,596         | 8,089          | 13,596         | 8,089          |
| <b>Total</b>            | <b>49,153</b>  | <b>39,846</b>  | <b>49,153</b>  | <b>39,846</b>  |

<sup>1</sup> Of which Finnish covered bonds EUR 7,250m (1,987).

**Note 31 Other liabilities**

|                                                          | Group          |                | Parent company |                |
|----------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                          | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                                     |                |                |                |                |
| Liabilities on securities settlement proceeds            | 1,428          | 9,195          | 1,428          | 9,195          |
| Sold, not held, securities                               | 10,732         | 8,406          | 10,732         | 8,406          |
| Accounts payable                                         | 47             | 39             | 10             | 5              |
| Cash/margin payables                                     | 4,374          | 2,895          | 4,374          | 2,895          |
| Other                                                    | 7,547          | 1,570          | 7,446          | 1,474          |
| <b>Total</b>                                             | <b>24,128</b>  | <b>22,105</b>  | <b>23,990</b>  | <b>21,975</b>  |
| - of which expected to be settled after more than 1 year | 0              | 24             | -              | -              |

**Note 32 Accrued expenses and prepaid income**

|                                                          | Group          |                | Parent company |                |
|----------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                          | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| EURm                                                     |                |                |                |                |
| Accrued interest                                         | 356            | 201            | 356            | 201            |
| Other accrued expenses                                   | 392            | 411            | 201            | 248            |
| Prepaid income                                           | 62             | 40             | 58             | 37             |
| <b>Total</b>                                             | <b>810</b>     | <b>652</b>     | <b>615</b>     | <b>486</b>     |
| - of which expected to be settled after more than 1 year | 83             | 55             | -              | -              |

### Note 33 Provisions

| EURm                                                    | Group          |                | Parent company |                |
|---------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                         | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Reserve for restructuring costs                         | 33             | 5              | 33             | 5              |
| Transfer risks, off-balance                             | 9              | 15             | 9              | 14             |
| Individually assessed, guarantees and other commitments | 38             | 32             | 38             | 32             |
| Tax                                                     | 1              | 0              | -              | -              |
| Other                                                   | 16             | 28             | 14             | 25             |
| <b>Total</b>                                            | <b>97</b>      | <b>80</b>      | <b>94</b>      | <b>76</b>      |

#### Group

|                           | Transfer risks | Off-balance sheet | Restructuring | Tax      | Other     | Total     |
|---------------------------|----------------|-------------------|---------------|----------|-----------|-----------|
| At the beginning of year  | 15             | 32                | 5             | 0        | 28        | 80        |
| New provisions made       | -              | 6                 | 29            | 1        | 1         | 37        |
| Provisions utilised       | -              | -                 | -1            | -        | -13       | -14       |
| Reversals                 | -6             | -                 | -             | -        | -         | -6        |
| Reclassifications         | -              | -                 | -             | -        | 0         | 0         |
| Translation differences   | -              | -                 | -             | -        | 0         | 0         |
| <b>At the end of year</b> | <b>9</b>       | <b>38</b>         | <b>33</b>     | <b>1</b> | <b>16</b> | <b>97</b> |

- of which expected to be settled within 1 year

Provision for restructuring costs amounts to EUR 33m and relates mainly to group initiatives including a provision of EUR 27m for New Normal (of which EUR 9m expected to be settled during 2012).

Provision for Transfer risk is related to off-balance sheet items. Transfer risk relating to loans is included in the item Allowances for collectively assessed impaired loans in Note 14. Provision for Transfer risk is depending on the volume of business with different countries.

Loan loss provisions for individually assessed, guarantees and other commitments amounted to EUR 38m.

Other provision refers to the following provisions: Rental liabilities EUR 3m (of which EUR 0m expected to be settled during 2012), provision for environmental and property-related obligations of EUR 3m (not expected to be settled during 2012) and other provisions amounting to EUR 11m (not expected to be settled during 2012).

#### Parent company

|                           | Transfer risks | Off-balance sheet | Restructuring | Other     | Total     |
|---------------------------|----------------|-------------------|---------------|-----------|-----------|
| At beginning of year      | 14             | 32                | 5             | 25        | 76        |
| New provisions made       | -              | 6                 | 29            | 1         | 36        |
| Provisions utilised       | -              | -                 | -1            | -12       | -13       |
| Reversals                 | -5             | -                 | -             | -         | -5        |
| Reclassifications         | -              | -                 | -             | 0         | 0         |
| Translation differences   | -              | -                 | -             | -         | -         |
| <b>At the end of year</b> | <b>9</b>       | <b>38</b>         | <b>33</b>     | <b>14</b> | <b>94</b> |

- of which expected to be settled within 1 year

Provision for restructuring costs amounts to EUR 33m and relates mainly to group initiatives including a provision of EUR 27m for New Normal (of which EUR 9m expected to be settled during 2012).

Provision for Transfer risk is related to off-balance sheet items. Transfer risk relating to loans is included in the item Allowances for collectively assessed impaired loans in Note 14. Provision for transfer risk is depending on the volume of business with different countries.

Loan loss provisions for individually assessed, guarantees and other commitments amounted to EUR 38m.

Other provision refers to the following provisions: Rental liabilities EUR 3m (of which EUR 0m expected to be settled during 2012), provision for environmental and property-related obligations of EUR 3m (not expected to be settled during 2012) and other provisions amounting to EUR 8m (not expected to be settled during 2012).

**Note 34 Retirement benefit obligations**

| EURm                       | Group          |                | Parent company |                |
|----------------------------|----------------|----------------|----------------|----------------|
|                            | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Defined benefit plans, net | -94            | -77            | -88            | -70            |
| <b>Total</b>               | <b>-94</b>     | <b>-77</b>     | <b>-88</b>     | <b>-70</b>     |

NBF has various pension plans, which are classified both as defined benefit plans as well as defined contribution plans. The defined benefit plans in Finland are closed to new employees and instead, pensions for new employees are based on defined contribution arrangements. The plans for the foreign branches are also mainly defined contribution plans. The existing defined benefit plans in London and New York are closed to new employees. Defined contribution plans are not reflected on the balance sheet.

IAS 19 secures that the market-based value of pension obligations net of plan assets backing these obligations will be reflected on the Group's balance sheet. The major plans are funded schemes covered by assets in pension funds/foundations. Some other pension plans are recognised directly on the balance sheet as a liability.

| <b>Funded schemes <sup>1</sup></b> | Group  | Parent company |
|------------------------------------|--------|----------------|
| <b>2011</b>                        |        |                |
| Members                            | 18,779 | 18,162         |
| Average member age                 | 64     | 64             |
| <b>2010</b>                        |        |                |
| Members                            | 19,035 | 18,394         |
| Average member age                 | 61     | 61             |

<sup>1</sup> Numbers are combined for the Finnish pension fund and pension foundation, Life Assurance Finland Ltd and London plans.

**IAS 19 pension calculations and assumptions**

Calculations on major plans are performed by external liability calculators and are based on the actuarial assumptions fixed for each of the Group's pension plans.

| Assumptions                            | Finland |
|----------------------------------------|---------|
| <b>2011</b>                            |         |
| Discount rate                          | 4.5%    |
| Salary increase                        | 3.5%    |
| Inflation                              | 2.0%    |
| Expected return on assets before taxes | 5.5%    |
| <b>2010</b>                            |         |
| Discount rate                          | 4.5%    |
| Salary increase                        | 3.5%    |
| Inflation                              | 2.0%    |
| Expected return on assets before taxes | 5.5%    |

The expected return on assets is based on long-term expectations for return on the different asset classes. On bonds, this is linked to the discount rate while equities and real estate have an added risk premium.

The discount rate has the most significant impact on the obligation and pension cost. If the discount rate is reduced the pension obligation will increase and vice versa. A one percentage point increase in the discount rate would lead to a decrease in pension obligation of 12% and in service cost of 29%. A one percentage point decrease in the discount rate would lead to an increase in pension obligation of 14% and in service cost of 3%.

**Asset composition**

The combined return on assets in 2011 was 0% (8) mainly reflecting the general development in the market. At the end of the year, the equity exposure in pension funds/foundations represented 20% (24) of total assets.

| Asset composition in funded schemes | 2011 | 2010 |
|-------------------------------------|------|------|
| Equity                              | 20%  | 24%  |
| Bonds                               | 67%  | 70%  |
| Real Estate                         | 11%  | 6%   |
| - of which Nordea real estate       | 3%   | 3%   |
| Other plan assets                   | 2%   | 0%   |

**Note 34 Retirement benefit obligations, cont.****Amounts recognised in the balance sheet**

| EURm                                              | Group     |           | Parent company |           |
|---------------------------------------------------|-----------|-----------|----------------|-----------|
|                                                   | 2011      | 2010      | 2011           | 2010      |
| PBO                                               | 754       | 764       | 738            | 746       |
| Plan assets                                       | 823       | 854       | 807            | 834       |
| <b>Total surplus/deficit (-)</b>                  | <b>69</b> | <b>90</b> | <b>69</b>      | <b>88</b> |
| - of which unrecognised actuarial gains/losses(-) | -25       | 13        | -19            | 18        |
| <b>Of which recognised in the balance sheet</b>   | <b>94</b> | <b>77</b> | <b>88</b>      | <b>70</b> |
| - of which retirement benefit assets              | 120       | 104       | 113            | 98        |
| - of which retirement benefit obligations         | 25        | 28        | 25             | 28        |
| - of which related to unfunded plans (PBO)        | 16        | 16        | 16             | 16        |

**Overview of surplus or deficit in the plans**

| EURm                      | Total     | Total     | Total     | Total    | Total     |
|---------------------------|-----------|-----------|-----------|----------|-----------|
|                           | 2011      | 2010      | 2009      | 2008     | 2007      |
| PBO                       | 754       | 764       | 774       | 774      | 759       |
| Plan Assets               | 823       | 854       | 816       | 775      | 857       |
| <b>Surplus/deficit(-)</b> | <b>69</b> | <b>90</b> | <b>42</b> | <b>1</b> | <b>98</b> |

**Changes in the PBO**

| EURm                            | Group      |            | Parent company |            |
|---------------------------------|------------|------------|----------------|------------|
|                                 | 2011       | 2010       | 2011           | 2010       |
| PBO at 1 Jan                    | 764        | 774        | 746            | 757        |
| Service cost                    | 3          | 3          | 3              | 1          |
| Interest cost                   | 34         | 34         | 33             | 33         |
| Pensions paid                   | -40        | -39        | -39            | -39        |
| Curtailments and settlements    | 0          | 0          | 0              | 0          |
| Past service cost               | 0          | 1          | 0              | 1          |
| Actuarial gains(-)/losses       | -8         | -8         | -6             | -6         |
| Effect of exchange rate changes | 1          | -1         | 1              | -1         |
| <b>PBO at 31 Dec</b>            | <b>754</b> | <b>764</b> | <b>738</b>     | <b>746</b> |

**Changes in the fair value of plan assets**

| EURm                                | Group      |            | Parent company |            |
|-------------------------------------|------------|------------|----------------|------------|
|                                     | 2011       | 2010       | 2011           | 2010       |
| Assets at 1 Jan                     | 854        | 816        | 834            | 798        |
| Expected return on assets           | 44         | 42         | 43             | 41         |
| Pensions paid                       | -40        | -39        | -39            | -39        |
| Contributions                       | 10         | 8          | 10             | 8          |
| Actuarial gains/losses(-)           | -47        | 25         | -43            | 25         |
| Effect of exchange rate changes     | 2          | 2          | 2              | 1          |
| <b>Plan assets at 31 Dec</b>        | <b>823</b> | <b>854</b> | <b>807</b>     | <b>834</b> |
| <b>Actual return on plan assets</b> | <b>-2</b>  | <b>68</b>  | <b>0</b>       | <b>66</b>  |

**Overview of actuarial gains/losses**

| EURm                                        | Total      | Total     | Total     | Total       | Total     |
|---------------------------------------------|------------|-----------|-----------|-------------|-----------|
|                                             | 2011       | 2010      | 2009      | 2008        | 2007      |
| Effects of changes in actuarial assumptions | 9          | 0         | -1        | -41         | 87        |
| Experience adjustments                      | -48        | 33        | 33        | -92         | 8         |
| - of which on plan assets                   | -47        | 25        | 25        | -102        | -12       |
| - of which on plan liabilities              | -1         | 8         | 8         | 10          | 20        |
| <b>Actuarial gains/losses</b>               | <b>-39</b> | <b>33</b> | <b>32</b> | <b>-133</b> | <b>95</b> |

**Note 34 Retirement benefit obligations, cont.****Defined benefit pension cost**

The total net pension cost related to defined benefit plans recognised in the Group's income statement (as staff costs) for the year 2011 is EUR 7m positive (4m positive). In the parent company's income statement the respective cost was EUR 7m positive (4m positive) in 2011.

Total pension costs comprise defined benefit pension costs as well as costs related to defined contribution plans. (See specification in Note 8.)

| Recognised net defined benefit cost, EURm    | Group     |           | Parent company |           |
|----------------------------------------------|-----------|-----------|----------------|-----------|
|                                              | 2011      | 2010      | 2011           | 2010      |
| Service cost                                 | 3         | 2         | 3              | 2         |
| Interest cost                                | 33        | 34        | 32             | 33        |
| Expected return on assets                    | -44       | -42       | -43            | -41       |
| Curtailments and settlements                 | 0         | 0         | 0              | 0         |
| Recognised past service cost                 | 0         | 1         | 0              | 1         |
| Recognised actuarial gains(-) / losses       | 1         | 1         | 1              | 1         |
| <b>Pension cost on defined benefit plans</b> | <b>-7</b> | <b>-4</b> | <b>-7</b>      | <b>-4</b> |

The pension cost is in line with what was expected at the start of the year. The net pension cost on defined benefit plans is expected to be 8m positive both in the Group and in the parent company in 2012.

The Group and parent company expect to contribute EUR 10m to its defined benefit plans in 2012.

**Key management personnel**

The members of the Board of Directors of Nordea Bank Finland Plc and the Chief Executive Officer are all members of the Nordea Bank AB (publ) Group Executive Management. In 2011 Nordea Bank AB (publ) has paid all salaries, fees, pensions- and other staff-related expenses to the above mentioned members of the administrative and controlling boards. Nordea Bank AB (publ) has allocated these salary expenses to Nordea Bank Finland Plc as part of the Head Office Allocation -expenses.

Information on salaries, loans and pension liabilities regarding the above mentioned persons is presented in the Annual Report of Nordea Bank AB (publ).

Pension obligation for the deputy of the President of Nordea Bank Finland Plc amounted to EUR 1m at end 2011.

**Note 35 Subordinated liabilities**

| EURm                                 | Group          |                | Parent company |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Dated subordinated debenture loans   | -              | -              | -              | -              |
| Undated subordinated debenture loans | 503            | 477            | 503            | 477            |
| <b>Total</b>                         | <b>503</b>     | <b>477</b>     | <b>503</b>     | <b>477</b>     |

These debenture loans are subordinated to other liabilities. Dated debenture loans entitle the lender to payment before undated subordinated loans. Within each respective category, the loans entitle lenders to equal payment rights.

**Group and parent company**

On 31 December 2011 loans - with terms specified below - exceeded 10% of the total outstanding volume.

| Issued by                            | Year of issue<br>/ maturity | Nominal<br>value | Carrying amount<br>EURm | Interest rate<br>(coupon) |
|--------------------------------------|-----------------------------|------------------|-------------------------|---------------------------|
| Nordea Bank Finland Plc <sup>1</sup> | 2002/undated                | MGBP 300         | 359                     | 6.25%                     |
| Nordea Bank Finland Plc <sup>2</sup> | 1999/undated                | MJPY 10,000      | 100                     | 3.06%                     |

<sup>1</sup> Call date 18 July 2014

<sup>2</sup> Call date 26 February 2029

**Note 36 Assets pledged as security for own liabilities**

| EURm                                                                             | Group          |                | Parent company |                |
|----------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                  | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| <b>Assets pledged for own liabilities</b>                                        |                |                |                |                |
| Securities etc. <sup>1</sup>                                                     | 17,650         | 17,225         | 17,650         | 17,225         |
| Loans to the public                                                              | 11,919         | 13,380         | 11,919         | 13,380         |
| Other pledged assets                                                             | 5,447          | 352            | 5,447          | 352            |
| <b>Total</b>                                                                     | <b>35,016</b>  | <b>30,957</b>  | <b>35,016</b>  | <b>30,957</b>  |
| <b>The above pledges pertain to the following liability and commitment items</b> |                |                |                |                |
| Deposits by credit institutions                                                  | -              | 13,410         | -              | 13,410         |
| Other liabilities                                                                | 25,494         | 7,374          | 25,494         | 7,373          |
| <b>Total</b>                                                                     | <b>25,494</b>  | <b>20,784</b>  | <b>25,494</b>  | <b>20,783</b>  |

<sup>1</sup> Relates only to securities recognised in the balance sheet. Securities borrowed or bought under repurchase agreements are not recognised in the balance sheet and thus not included in the amount. Such transactions are disclosed in Note 43 Obtained collaterals which are permitted to be sold or repledged.

Assets pledged for own liabilities contain securities pledged as security in repurchase agreement and in securities lending. The transactions are conducted under standard agreements employed by financial markets participants. Counterparts in those transactions are credit institutions and the public. The transactions are typically short term with maturity within three months. Loans to the public amounting to EUR 11,919m (9,636) have been registered as collateral for issued Finnish covered bonds amounting to EUR 7,250m (1,987). In the event of the company's insolvency, the holders of these bonds have priority to the assets registered as collateral. Collaterals are valued up to the first 70% of the market value of the property. Nordea Bank has used Realia Oy, Newsec Oy, Huoneistokeskus Oy, Kiinteistömaailma Oy and Catella Oy to value commercial real estate collaterals.

**Note 37 Other assets pledged**

There are no collaterals pledged on behalf of other items other than the company's own liabilities.

**Note 38 Contingent liabilities**

| EURm                         | Group          |                | Parent company |                |
|------------------------------|----------------|----------------|----------------|----------------|
|                              | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| <b>Guarantees</b>            |                |                |                |                |
| Loan guarantees              | 3,225          | 3,571          | 3,226          | 3,573          |
| Other guarantees             | 13,800         | 12,360         | 14,106         | 12,639         |
| Documentary credits          | 1,996          | 2,159          | 1,996          | 2,159          |
| Other contingent liabilities | 20             | 21             | 20             | 21             |
| <b>Total</b>                 | <b>19,041</b>  | <b>18,111</b>  | <b>19,348</b>  | <b>18,392</b>  |

In the normal business of Nordea Bank Finland, the bank issues various forms of guarantees in favour of bank's customers. Loan guarantees are given for customers to guarantee obligations in other credit- and pension institutions. Other guarantees consist mainly of commercial guarantees such as bid guarantees, advance payment guarantees, warranty guarantees and export related guarantees. Contingent liabilities also include unutilised irrevocable import documentary credits and confirmed export documentary credits. These transactions are part of the bank services and support the bank's customers. Guarantees and documentary credits are considered as off-balance sheet items, unless there is a need for a provision to cover a probable loan loss that arises from the judgement that reimbursement will not be received.

**Note 39 Commitments**

| EURm                            | Group          |                | Parent company |                |
|---------------------------------|----------------|----------------|----------------|----------------|
|                                 | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Future payment obligations      | 11             | 14             | 11             | 14             |
| Credit commitments <sup>1</sup> | 17,949         | 18,212         | 15,006         | 15,343         |
| Other commitments               | 765            | 1,024          | 481            | 783            |
| <b>Total</b>                    | <b>18,725</b>  | <b>19,250</b>  | <b>15,498</b>  | <b>16,140</b>  |

<sup>1</sup> Including unutilised portion of approved overdraft facilities of EUR 9,197m (9,518) for the Group and EUR 9,198m (9,524) for the parent company.

Reverse repurchase agreements are recognised on and derecognised from the balance sheet on settlement date. Nordea has as per 31 December 2011 signed reverse repurchase agreements of EUR 10,417m that have not yet been settled and consequently are not recognised on the balance sheet. On settlement date these reverse repurchase agreements will, to the utmost extent, replace existing reverse repurchase agreements not yet derecognised as per 31 December 2011. The net impact on the balance sheet is minor. These instruments have not been disclosed as commitments.

## Note 40 Capital adequacy

### Capital base

| EURm                                                         | Group          |                | Parent company |                |
|--------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                              | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| <b>Original own funds</b>                                    |                |                |                |                |
| Paid up capital                                              | 2,319          | 2,319          | 2,319          | 2,319          |
| Share premium                                                | 599            | 599            | 599            | 599            |
| <b>Eligible capital</b>                                      | <b>2,918</b>   | <b>2,918</b>   | <b>2,918</b>   | <b>2,918</b>   |
| Reserves                                                     | 7,601          | 7,448          | 7,240          | 7,142          |
| Non-controlling interests                                    | 5              | 6              | 0              | -              |
| Income (positive/negative) from current year                 | 1,099          | 852            | 1,040          | 798            |
| <b>Eligible reserves</b>                                     | <b>8,706</b>   | <b>8,306</b>   | <b>8,280</b>   | <b>7,940</b>   |
| <b>Tier 1 capital (before hybrid capital and deductions)</b> | <b>11,624</b>  | <b>11,224</b>  | <b>11,198</b>  | <b>10,858</b>  |
| Proposed/actual dividend                                     | -1,000         | -700           | -1,000         | -700           |
| Deferred tax assets                                          | -16            | -17            | -12            | -12            |
| Intangible assets                                            | -106           | -85            | -103           | -82            |
| Deductions for investments in credit institutions            | -27            | -23            | -4             | -4             |
| IRB provisions excess (+) / shortfall (-) <sup>1</sup>       | -42            | -50            | -29            | -37            |
| Other items, net                                             | -123           | -107           | -123           | -107           |
| <b>Deductions from original own funds</b>                    | <b>-1,314</b>  | <b>-982</b>    | <b>-1,271</b>  | <b>-942</b>    |
| <b>Tier 1 capital (net after deduction)</b>                  | <b>10,310</b>  | <b>10,242</b>  | <b>9,927</b>   | <b>9,916</b>   |
| <b>Additional own funds</b>                                  |                |                |                |                |
| Securities of indeterminate duration and other instruments   | 568            | 561            | 568            | 561            |
| Subordinate loan capital                                     | -              | -              | -              | -              |
| Other additional own funds                                   | -4             | -              | -4             | -              |
| <b>Tier 2 capital (before deductions)</b>                    | <b>564</b>     | <b>561</b>     | <b>564</b>     | <b>561</b>     |
| Deductions for investments in credit institutions            | -27            | -23            | -4             | -4             |
| IRB provisions excess (+) / shortfall (-) <sup>1</sup>       | -42            | -50            | -29            | -37            |
| <b>Deductions from additional own funds</b>                  | <b>-69</b>     | <b>-73</b>     | <b>-33</b>     | <b>-41</b>     |
| <b>Tier 2 capital (net after deductions)</b>                 | <b>495</b>     | <b>488</b>     | <b>531</b>     | <b>520</b>     |
| <b>Total own funds for solvency purposes</b>                 | <b>10,805</b>  | <b>10,730</b>  | <b>10,458</b>  | <b>10,436</b>  |

<sup>1</sup> The term provision is used in the CRD when defining the basis for shortfall/provision excess. In Nordea, the term allowances is used when referring to the same treatment.



**Note 40 Capital adequacy, cont.****Capital requirements and RWA****Group**

| EURm                                                         | 31 Dec 2011         |               | 31 Dec 2010         |               |
|--------------------------------------------------------------|---------------------|---------------|---------------------|---------------|
|                                                              | Capital requirement | RWA           | Capital requirement | RWA           |
| <b>Credit risk</b>                                           | <b>5,367</b>        | <b>67,088</b> | <b>5,238</b>        | <b>65,470</b> |
| IRB                                                          | 2,798               | 34,972        | 2,541               | 31,766        |
| - of which corporate                                         | 1,838               | 22,972        | 1,718               | 21,477        |
| - of which institutions                                      | 594                 | 7,425         | 446                 | 5,581         |
| - of which retail                                            | 346                 | 4,327         | 356                 | 4,456         |
| - of which real estate                                       | 210                 | 2,620         | 179                 | 2,237         |
| - of which other                                             | 137                 | 1,707         | 178                 | 2,219         |
| - of which other                                             | 20                  | 248           | 20                  | 253           |
| Standardised                                                 | 2,569               | 32,116        | 2,696               | 33,704        |
| - of which sovereign                                         | 29                  | 362           | 28                  | 348           |
| - of which retail                                            | 338                 | 4,226         | 347                 | 4,334         |
| - of which residential real estate                           | 67                  | 840           | 46                  | 581           |
| - of which other                                             | 271                 | 3,386         | 300                 | 3,753         |
| - of which other                                             | 2,202               | 27,527        | 2,322               | 29,022        |
| <b>Market risk<sup>1</sup></b>                               | <b>663</b>          | <b>8,291</b>  | <b>358</b>          | <b>4,474</b>  |
| - of which trading book, Internal Approach                   | 460                 | 5,749         | 119                 | 1,482         |
| - of which trading book, Standardised Approach               | 203                 | 2,542         | 239                 | 2,992         |
| - of which banking book, Standardised Approach               | -                   | -             | -                   | -             |
| <b>Operational risk</b>                                      | <b>415</b>          | <b>5,189</b>  | <b>421</b>          | <b>5,258</b>  |
| Standardised                                                 | 415                 | 5,189         | 421                 | 5,258         |
| <b>Sub total</b>                                             | <b>6,445</b>        | <b>80,567</b> | <b>6,016</b>        | <b>75,203</b> |
| <b>Adjustment for transition rules</b>                       |                     |               |                     |               |
| Additional capital requirement according to transition rules | -                   | -             | -                   | -             |
| <b>Total</b>                                                 | <b>6,445</b>        | <b>80,567</b> | <b>6,016</b>        | <b>75,203</b> |

<sup>1</sup> Note that the comparison figures are not restated with respect to CRD III.

**Note 40 Capital adequacy, cont.****Capital requirements and RWA****Parent company**

| EURm                                                         | 31 Dec 2011         |               | 31 Dec 2010         |               |
|--------------------------------------------------------------|---------------------|---------------|---------------------|---------------|
|                                                              | Capital requirement | RWA           | Capital requirement | RWA           |
| <b>Credit risk</b>                                           | <b>5,019</b>        | <b>62,738</b> | <b>4,907</b>        | <b>61,334</b> |
| IRB                                                          | 2,676               | 33,452        | 2,429               | 30,359        |
| - of which corporate                                         | 1,722               | 21,527        | 1,612               | 20,149        |
| - of which institutions                                      | 593                 | 7,418         | 445                 | 5,566         |
| - of which retail                                            | 346                 | 4,327         | 356                 | 4,456         |
| - of which real estate                                       | 210                 | 2,620         | 179                 | 2,237         |
| - of which other                                             | 137                 | 1,707         | 178                 | 2,219         |
| - of which other                                             | 14                  | 180           | 15                  | 189           |
| Standardised                                                 | 2,343               | 29,286        | 2,478               | 30,975        |
| - of which sovereign                                         | 29                  | 362           | 28                  | 348           |
| - of which retail                                            | 169                 | 2,113         | 168                 | 2,105         |
| - of which residential real estate                           | 65                  | 818           | 46                  | 581           |
| - of which other                                             | 104                 | 1,294         | 122                 | 1,524         |
| - of which other                                             | 2,145               | 26,811        | 2,282               | 28,522        |
| <b>Market risk<sup>1</sup></b>                               | <b>663</b>          | <b>8,291</b>  | <b>358</b>          | <b>4,474</b>  |
| - of which trading book, Internal Approach                   | 460                 | 5,749         | 119                 | 1,482         |
| - of which trading book, Standardised Approach               | 203                 | 2,542         | 239                 | 2,992         |
| - of which banking book, Standardised Approach               | -                   | -             | -                   | -             |
| <b>Operational risk</b>                                      | <b>376</b>          | <b>4,694</b>  | <b>397</b>          | <b>4,964</b>  |
| Standardised                                                 | 376                 | 4,694         | 397                 | 4,964         |
| <b>Sub total</b>                                             | <b>6,058</b>        | <b>75,723</b> | <b>5,662</b>        | <b>70,772</b> |
| <b>Adjustment for transition rules</b>                       |                     |               |                     |               |
| Additional capital requirement according to transition rules | -                   | -             | -                   | -             |
| <b>Total</b>                                                 | <b>6,058</b>        | <b>75,723</b> | <b>5,662</b>        | <b>70,772</b> |

<sup>1</sup> Note that the comparison figures are not restated with respect to CRD III.

With the adoption of the CRD III amendment, new risk types under the internal approach have been introduced. For Nordea Bank Finland this includes additional capital charge for stressed VaR, incremental and comprehensive risk. In addition, under the Standardised Approach the risk weights for specific equity risk have increased. The total CRD III impact for Nordea Bank Finland is an increase of EUR 4,549m in market risk RWA.

More Capital Adequacy information for the Group can be found in the section Risk, Liquidity and Capital management in the Directors' Report.

**Note 41 Classification of financial instruments**

| Group                                                                           | Financial assets at fair value through profit or loss      |                  |                  |                                                 |                              |                             |                           | Total          |
|---------------------------------------------------------------------------------|------------------------------------------------------------|------------------|------------------|-------------------------------------------------|------------------------------|-----------------------------|---------------------------|----------------|
|                                                                                 | Loans and receivables                                      | Held to maturity | Held for trading | Designated at fair value through profit or loss | Derivatives used for hedging | Available for sale          | Non-financial assets      |                |
| 31 Dec 2011, EURm                                                               |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| <b>Assets</b>                                                                   |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| Cash and balances with central banks                                            | 286                                                        | -                | -                | -                                               | -                            | -                           | -                         | 286            |
| Treasury bills                                                                  | -                                                          | -                | 4,375            | -                                               | -                            | 606                         | -                         | 4,981          |
| Loans to credit institutions                                                    | 72,699                                                     | -                | 6,651            | -                                               | -                            | -                           | -                         | 79,350         |
| Loans to the public                                                             | 73,891                                                     | -                | 25,440           | -                                               | -                            | -                           | -                         | 99,331         |
| Interest-bearing securities                                                     | -                                                          | 2,793            | 12,762           | -                                               | -                            | 10,330                      | -                         | 25,885         |
| Financial instruments pledged as collateral                                     | -                                                          | -                | 8,346            | -                                               | -                            | -                           | -                         | 8,346          |
| Shares                                                                          | -                                                          | -                | 1,290            | 22                                              | -                            | -                           | -                         | 1,312          |
| Derivatives                                                                     | -                                                          | -                | 169,852          | -                                               | 376                          | -                           | -                         | 170,228        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 138                                                        | -                | -                | -                                               | -                            | -                           | -                         | 138            |
| Investments in associated undertakings                                          | -                                                          | -                | -                | -                                               | -                            | -                           | 79                        | 79             |
| Intangible assets                                                               | -                                                          | -                | -                | -                                               | -                            | -                           | 106                       | 106            |
| Property and equipment                                                          | -                                                          | -                | -                | -                                               | -                            | -                           | 124                       | 124            |
| Investment property                                                             | -                                                          | -                | -                | -                                               | -                            | -                           | 71                        | 71             |
| Deferred tax assets                                                             | -                                                          | -                | -                | -                                               | -                            | -                           | 16                        | 16             |
| Current tax assets                                                              | -                                                          | -                | -                | -                                               | -                            | -                           | 132                       | 132            |
| Retirement benefit assets                                                       | -                                                          | -                | -                | -                                               | -                            | -                           | 120                       | 120            |
| Other assets                                                                    | 1,408                                                      | -                | -                | 6,656                                           | -                            | -                           | 14                        | 8,078          |
| Prepaid expenses and accrued income                                             | 462                                                        | -                | -                | 10                                              | -                            | -                           | 232                       | 704            |
| <b>Total</b>                                                                    | <b>148,884</b>                                             | <b>2,793</b>     | <b>228,716</b>   | <b>6,688</b>                                    | <b>376</b>                   | <b>10,936</b>               | <b>894</b>                | <b>399,287</b> |
|                                                                                 |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| Group                                                                           | Financial liabilities at fair value through profit or loss |                  |                  |                                                 |                              |                             |                           | Total          |
|                                                                                 |                                                            |                  | Held for trading | Designated at fair value through profit or loss | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities |                |
| 31 Dec 2011, EURm                                                               |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| <b>Liabilities</b>                                                              |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| Deposits by credit institutions                                                 |                                                            |                  | 14,861           | 9,334                                           | -                            | 51,812                      | -                         | 76,007         |
| Deposits and borrowings from the public                                         |                                                            |                  | 14,584           | -                                               | -                            | 53,676                      | -                         | 68,260         |
| Debt securities in issue                                                        |                                                            |                  | 6,271            | -                                               | -                            | 42,882                      | -                         | 49,153         |
| Derivatives                                                                     |                                                            |                  | 168,112          | -                                               | 324                          | -                           | -                         | 168,436        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk |                                                            |                  | -                | -                                               | -                            | 195                         | -                         | 195            |
| Current tax liabilities                                                         |                                                            |                  | -                | -                                               | -                            | -                           | 0                         | 0              |
| Other liabilities                                                               |                                                            |                  | 10,732           | 4,374                                           | -                            | 9,013                       | 9                         | 24,128         |
| Accrued expenses and prepaid income                                             |                                                            |                  | -                | 64                                              | -                            | 353                         | 393                       | 810            |
| Deferred tax liabilities                                                        |                                                            |                  | -                | -                                               | -                            | -                           | 53                        | 53             |
| Provisions                                                                      |                                                            |                  | -                | -                                               | -                            | -                           | 97                        | 97             |
| Retirement benefit obligations                                                  |                                                            |                  | -                | -                                               | -                            | -                           | 25                        | 25             |
| Subordinated liabilities                                                        |                                                            |                  | -                | -                                               | -                            | 503                         | -                         | 503            |
| <b>Total</b>                                                                    |                                                            |                  | <b>214,560</b>   | <b>13,772</b>                                   | <b>324</b>                   | <b>158,434</b>              | <b>577</b>                | <b>387,667</b> |

**Note 41** Classification of financial instruments, cont.

| Group                                                                           | Financial assets at fair value through profit or loss |                  |                  |                                                 |                              |                    |                      | Total          |
|---------------------------------------------------------------------------------|-------------------------------------------------------|------------------|------------------|-------------------------------------------------|------------------------------|--------------------|----------------------|----------------|
|                                                                                 | Loans and receivables                                 | Held to maturity | Held for trading | Designated at fair value through profit or loss | Derivatives used for hedging | Available for sale | Non-financial assets |                |
| 31 Dec 2010, EURm                                                               |                                                       |                  |                  |                                                 |                              |                    |                      |                |
| <b>Assets</b>                                                                   |                                                       |                  |                  |                                                 |                              |                    |                      |                |
| Cash and balances with central banks                                            | 7,485                                                 | -                | -                | -                                               | -                            | -                  | -                    | 7,485          |
| Treasury bills                                                                  | -                                                     | -                | 2,359            | -                                               | -                            | -                  | -                    | 2,359          |
| Loans to credit institutions                                                    | 50,252                                                | -                | 17,499           | -                                               | -                            | -                  | -                    | 67,751         |
| Loans to the public                                                             | 69,217                                                | -                | 4,390            | -                                               | -                            | -                  | -                    | 73,607         |
| Interest-bearing securities                                                     | -                                                     | 6,039            | 11,754           | 214                                             | -                            | 3,571              | -                    | 21,578         |
| Financial instruments pledged as collateral                                     | -                                                     | -                | 5,304            | -                                               | -                            | -                  | -                    | 5,304          |
| Shares                                                                          | -                                                     | -                | 1,055            | 24                                              | -                            | -                  | -                    | 1,079          |
| Derivatives                                                                     | -                                                     | -                | 97,184           | -                                               | 67                           | -                  | -                    | 97,251         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 96                                                    | -                | -                | -                                               | -                            | -                  | -                    | 96             |
| Investments in associated undertakings                                          | -                                                     | -                | -                | -                                               | -                            | -                  | 61                   | 61             |
| Intangible assets                                                               | -                                                     | -                | -                | -                                               | -                            | -                  | 85                   | 85             |
| Property and equipment                                                          | -                                                     | -                | -                | -                                               | -                            | -                  | 124                  | 124            |
| Investment property                                                             | -                                                     | -                | -                | -                                               | -                            | -                  | 32                   | 32             |
| Deferred tax assets                                                             | -                                                     | -                | -                | -                                               | -                            | -                  | 17                   | 17             |
| Current tax assets                                                              | -                                                     | -                | -                | -                                               | -                            | -                  | 84                   | 84             |
| Retirement benefit assets                                                       | -                                                     | -                | -                | -                                               | -                            | -                  | 104                  | 104            |
| Other assets                                                                    | 5,419                                                 | -                | -                | 3,129                                           | -                            | -                  | 14                   | 8,562          |
| Prepaid expenses and accrued income                                             | 317                                                   | -                | -                | 7                                               | -                            | -                  | 183                  | 507            |
| <b>Total</b>                                                                    | <b>132,786</b>                                        | <b>6,039</b>     | <b>139,545</b>   | <b>3,374</b>                                    | <b>67</b>                    | <b>3,571</b>       | <b>704</b>           | <b>286,086</b> |

| Group                                                                           | Financial liabilities at fair value through profit or loss |                                                 |                              |                             |                           |                |
|---------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------|------------------------------|-----------------------------|---------------------------|----------------|
|                                                                                 | Held for trading                                           | Designated at fair value through profit or loss | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities | Total          |
| 31 Dec 2010, EURm                                                               |                                                            |                                                 |                              |                             |                           |                |
| <b>Liabilities</b>                                                              |                                                            |                                                 |                              |                             |                           |                |
| Deposits by credit institutions                                                 | 13,360                                                     | 6,346                                           | -                            | 40,843                      | -                         | 60,549         |
| Deposits and borrowings from the public                                         | 6,503                                                      | -                                               | -                            | 48,956                      | -                         | 55,459         |
| Debt securities in issue                                                        | 6,027                                                      | -                                               | -                            | 33,819                      | -                         | 39,846         |
| Derivatives                                                                     | 95,369                                                     | -                                               | 307                          | -                           | -                         | 95,676         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -                                                          | -                                               | -                            | -58                         | -                         | -58            |
| Current tax liabilities                                                         | -                                                          | -                                               | -                            | -                           | 1                         | 1              |
| Other liabilities                                                               | 8,406                                                      | 2,895                                           | -                            | 10,795                      | 9                         | 22,105         |
| Accrued expenses and prepaid income                                             | -                                                          | 59                                              | -                            | 182                         | 411                       | 652            |
| Deferred tax liabilities                                                        | -                                                          | -                                               | -                            | -                           | 47                        | 47             |
| Provisions                                                                      | -                                                          | -                                               | -                            | -                           | 80                        | 80             |
| Retirement benefit obligations                                                  | -                                                          | -                                               | -                            | -                           | 28                        | 28             |
| Subordinated liabilities                                                        | -                                                          | -                                               | -                            | 477                         | -                         | 477            |
| <b>Total</b>                                                                    | <b>129,665</b>                                             | <b>9,300</b>                                    | <b>307</b>                   | <b>135,014</b>              | <b>576</b>                | <b>274,862</b> |

**Note 41** Classification of financial instruments, cont.

| Parent company                                                                  | Financial assets at fair value through profit or loss      |                  |                  |                                                 |                              |                             |                           | Total          |
|---------------------------------------------------------------------------------|------------------------------------------------------------|------------------|------------------|-------------------------------------------------|------------------------------|-----------------------------|---------------------------|----------------|
|                                                                                 | Loans and receivables                                      | Held to maturity | Held for trading | Designated at fair value through profit or loss | Derivatives used for hedging | Available for sale          | Non-financial assets      |                |
| 31 Dec 2011, EURm                                                               |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| <b>Assets</b>                                                                   |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| Cash and balances with central banks                                            | 286                                                        | -                | -                | -                                               | -                            | -                           | -                         | 286            |
| Treasury bills                                                                  | -                                                          | -                | 4,375            | -                                               | -                            | 606                         | -                         | 4,981          |
| Loans to credit institutions                                                    | 78,046                                                     | -                | 6,651            | -                                               | -                            | -                           | -                         | 84,697         |
| Loans to the public                                                             | 67,658                                                     | -                | 25,439           | -                                               | -                            | -                           | -                         | 93,097         |
| Interest-bearing securities                                                     | -                                                          | 2,793            | 12,762           | -                                               | -                            | 10,330                      | -                         | 25,885         |
| Financial instruments pledged as collateral                                     | -                                                          | -                | 8,346            | -                                               | -                            | -                           | -                         | 8,346          |
| Shares                                                                          | -                                                          | -                | 1,289            | 20                                              | -                            | -                           | -                         | 1,309          |
| Derivatives                                                                     | -                                                          | -                | 169,852          | -                                               | 376                          | -                           | -                         | 170,228        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 138                                                        | -                | -                | -                                               | -                            | -                           | -                         | 138            |
| Investments in group undertakings                                               | -                                                          | -                | -                | -                                               | -                            | -                           | 370                       | 370            |
| Investments in associated undertakings                                          | -                                                          | -                | -                | -                                               | -                            | -                           | 34                        | 34             |
| Intangible assets                                                               | -                                                          | -                | -                | -                                               | -                            | -                           | 103                       | 103            |
| Property and equipment                                                          | -                                                          | -                | -                | -                                               | -                            | -                           | 69                        | 69             |
| Investment property                                                             | -                                                          | -                | -                | -                                               | -                            | -                           | 10                        | 10             |
| Deferred tax assets                                                             | -                                                          | -                | -                | -                                               | -                            | -                           | 12                        | 12             |
| Current tax assets                                                              | -                                                          | -                | -                | -                                               | -                            | -                           | 131                       | 131            |
| Retirement benefit assets                                                       | -                                                          | -                | -                | -                                               | -                            | -                           | 113                       | 113            |
| Other assets                                                                    | 1,388                                                      | -                | -                | 6,656                                           | -                            | -                           | 12                        | 8,056          |
| Prepaid expenses and accrued income                                             | 458                                                        | -                | -                | 10                                              | -                            | -                           | 56                        | 524            |
| <b>Total</b>                                                                    | <b>147,974</b>                                             | <b>2,793</b>     | <b>228,714</b>   | <b>6,686</b>                                    | <b>376</b>                   | <b>10,936</b>               | <b>910</b>                | <b>398,389</b> |
|                                                                                 |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| Parent company                                                                  | Financial liabilities at fair value through profit or loss |                  |                  |                                                 |                              |                             |                           | Total          |
|                                                                                 |                                                            |                  | Held for trading | Designated at fair value through profit or loss | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities |                |
| 31 Dec 2011, EURm                                                               |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| <b>Liabilities</b>                                                              |                                                            |                  |                  |                                                 |                              |                             |                           |                |
| Deposits by credit institutions                                                 |                                                            |                  | 14,861           | 9,334                                           | -                            | 51,724                      | -                         | 75,919         |
| Deposits and borrowings from the public                                         |                                                            |                  | 14,584           | -                                               | -                            | 53,681                      | -                         | 68,265         |
| Debt securities in issue                                                        |                                                            |                  | 6,271            | -                                               | -                            | 42,882                      | -                         | 49,153         |
| Derivatives                                                                     |                                                            |                  | 168,112          | -                                               | 324                          | -                           | -                         | 168,436        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk |                                                            |                  | -                | -                                               | -                            | 195                         | -                         | 195            |
| Current tax liabilities                                                         |                                                            |                  | -                | -                                               | -                            | -                           | 0                         | 0              |
| Other liabilities                                                               |                                                            |                  | 10,732           | 4,374                                           | -                            | 8,876                       | 8                         | 23,990         |
| Accrued expenses and prepaid income                                             |                                                            |                  | -                | 64                                              | -                            | 349                         | 202                       | 615            |
| Deferred tax liabilities                                                        |                                                            |                  | -                | -                                               | -                            | -                           | -                         | -              |
| Provisions                                                                      |                                                            |                  | -                | -                                               | -                            | -                           | 94                        | 94             |
| Retirement benefit obligations                                                  |                                                            |                  | -                | -                                               | -                            | -                           | 25                        | 25             |
| Subordinated liabilities                                                        |                                                            |                  | -                | -                                               | -                            | 503                         | -                         | 503            |
| <b>Total</b>                                                                    |                                                            |                  | <b>214,560</b>   | <b>13,772</b>                                   | <b>324</b>                   | <b>158,210</b>              | <b>329</b>                | <b>387,195</b> |

**Note 41** Classification of financial instruments, cont.

| Parent company                                                                  | Financial assets at fair value through profit or loss |                  |                  |                                                 |                              |                    |                      | Total          |
|---------------------------------------------------------------------------------|-------------------------------------------------------|------------------|------------------|-------------------------------------------------|------------------------------|--------------------|----------------------|----------------|
|                                                                                 | Loans and receivables                                 | Held to maturity | Held for trading | Designated at fair value through profit or loss | Derivatives used for hedging | Available for sale | Non-financial assets |                |
| 31 Dec 2010, EURm                                                               |                                                       |                  |                  |                                                 |                              |                    |                      |                |
| <b>Assets</b>                                                                   |                                                       |                  |                  |                                                 |                              |                    |                      |                |
| Cash and balances with central banks                                            | 7,485                                                 | -                | -                | -                                               | -                            | -                  | -                    | 7,485          |
| Treasury bills                                                                  | -                                                     | -                | 2,359            | -                                               | -                            | -                  | -                    | 2,359          |
| Loans to credit institutions                                                    | 55,273                                                | -                | 17,499           | -                                               | -                            | -                  | -                    | 72,772         |
| Loans to the public                                                             | 63,496                                                | -                | 4,390            | -                                               | -                            | -                  | -                    | 67,886         |
| Interest-bearing securities                                                     | -                                                     | 6,039            | 11,754           | 214                                             | -                            | 3,571              | -                    | 21,578         |
| Financial instruments pledged as collateral                                     | -                                                     | -                | 5,304            | -                                               | -                            | -                  | -                    | 5,304          |
| Shares                                                                          | -                                                     | -                | 1,059            | 21                                              | -                            | -                  | -                    | 1,080          |
| Derivatives                                                                     | -                                                     | -                | 97,180           | -                                               | 67                           | -                  | -                    | 97,247         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 96                                                    | -                | -                | -                                               | -                            | -                  | -                    | 96             |
| Investments in group undertakings                                               | -                                                     | -                | -                | -                                               | -                            | -                  | 353                  | 353            |
| Investments in associated undertakings                                          | -                                                     | -                | -                | -                                               | -                            | -                  | 19                   | 19             |
| Intangible assets                                                               | -                                                     | -                | -                | -                                               | -                            | -                  | 82                   | 82             |
| Property and equipment                                                          | -                                                     | -                | -                | -                                               | -                            | -                  | 55                   | 55             |
| Investment property                                                             | -                                                     | -                | -                | -                                               | -                            | -                  | 4                    | 4              |
| Deferred tax assets                                                             | -                                                     | -                | -                | -                                               | -                            | -                  | 12                   | 12             |
| Current tax assets                                                              | -                                                     | -                | -                | -                                               | -                            | -                  | 83                   | 83             |
| Retirement benefit assets                                                       | -                                                     | -                | -                | -                                               | -                            | -                  | 98                   | 98             |
| Other assets                                                                    | 5,402                                                 | -                | -                | 3,129                                           | -                            | -                  | 9                    | 8,540          |
| Prepaid expenses and accrued income                                             | 313                                                   | -                | -                | 7                                               | -                            | -                  | 36                   | 356            |
| <b>Total</b>                                                                    | <b>132,065</b>                                        | <b>6,039</b>     | <b>139,545</b>   | <b>3,371</b>                                    | <b>67</b>                    | <b>3,571</b>       | <b>751</b>           | <b>285,409</b> |

| Parent company                                                                  | Financial liabilities at fair value through profit or loss |                                                 |                              |                             |                           |                |
|---------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------|------------------------------|-----------------------------|---------------------------|----------------|
|                                                                                 | Held for trading                                           | Designated at fair value through profit or loss | Derivatives used for hedging | Other financial liabilities | Non-financial liabilities | Total          |
| 31 Dec 2010, EURm                                                               |                                                            |                                                 |                              |                             |                           |                |
| <b>Liabilities</b>                                                              |                                                            |                                                 |                              |                             |                           |                |
| Deposits by credit institutions                                                 | 13,360                                                     | 6,346                                           | -                            | 40,787                      | -                         | 60,493         |
| Deposits and borrowings from the public                                         | 6,503                                                      | -                                               | -                            | 49,049                      | -                         | 55,552         |
| Debt securities in issue                                                        | 6,027                                                      | -                                               | -                            | 33,819                      | -                         | 39,846         |
| Derivatives                                                                     | 95,369                                                     | -                                               | 307                          | -                           | -                         | 95,676         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -                                                          | -                                               | -                            | -58                         | -                         | -58            |
| Current tax liabilities                                                         | -                                                          | -                                               | -                            | -                           | 0                         | 0              |
| Other liabilities                                                               | 8,406                                                      | 2,895                                           | -                            | 10,666                      | 8                         | 21,975         |
| Accrued expenses and prepaid income                                             | -                                                          | 59                                              | -                            | 179                         | 248                       | 486            |
| Deferred tax liabilities                                                        | -                                                          | -                                               | -                            | -                           | -                         | -              |
| Provisions                                                                      | -                                                          | -                                               | -                            | -                           | 76                        | 76             |
| Retirement benefit obligations                                                  | -                                                          | -                                               | -                            | -                           | 28                        | 28             |
| Subordinated liabilities                                                        | -                                                          | -                                               | -                            | 477                         | 0                         | 477            |
| <b>Total</b>                                                                    | <b>129,665</b>                                             | <b>9,300</b>                                    | <b>307</b>                   | <b>134,919</b>              | <b>360</b>                | <b>274,551</b> |

**Note 41 Classification of financial instruments, cont..****Changes in fair values attributable to changes in credit risk**

The financial liabilities designated at fair value through profit or loss are related to the funding of the Markets operation. The funding of Markets is generally of such a short term nature that the effect of changes in own credit risk is not significant.

**Comparison of carrying amount and contractual amount to be paid at maturity**

| 31 Dec 2011, EURm                                          | Group           |                               | Parent company  |                               |
|------------------------------------------------------------|-----------------|-------------------------------|-----------------|-------------------------------|
|                                                            | Carrying amount | Amount to be paid at maturity | Carrying amount | Amount to be paid at maturity |
| Financial liabilities at fair value through profit or loss | 9,334           | 9,334                         | 9,334           | 9,334                         |

| 31 Dec 2010, EURm                                          | Group           |                               | Parent company  |                               |
|------------------------------------------------------------|-----------------|-------------------------------|-----------------|-------------------------------|
|                                                            | Carrying amount | Amount to be paid at maturity | Carrying amount | Amount to be paid at maturity |
| Financial liabilities at fair value through profit or loss | 6,346           | 6,346                         | 6,346           | 6,346                         |

**Note 42 Assets and liabilities at fair value**

| Group<br>EURm                                                                   | 31 Dec 2011     |                | 31 Dec 2010     |                |
|---------------------------------------------------------------------------------|-----------------|----------------|-----------------|----------------|
|                                                                                 | Carrying amount | Fair value     | Carrying amount | Fair value     |
| <b>Assets</b>                                                                   |                 |                |                 |                |
| Cash and balances with central banks                                            | 286             | 286            | 7,485           | 7,485          |
| Treasury bills                                                                  | 4,981           | 4,981          | 2,359           | 2,359          |
| Loans to credit institutions                                                    | 79,350          | 79,344         | 67,751          | 67,780         |
| Loans to the public                                                             | 99,331          | 99,446         | 73,607          | 73,671         |
| Interest-bearing securities                                                     | 25,885          | 25,889         | 21,578          | 21,598         |
| Financial instruments pledged as collateral                                     | 8,346           | 8,346          | 5,304           | 5,304          |
| Shares                                                                          | 1,312           | 1,312          | 1,079           | 1,079          |
| Derivatives                                                                     | 170,228         | 170,228        | 97,251          | 97,251         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 138             | 138            | 96              | 96             |
| Investments in associated undertakings                                          | 79              | 79             | 61              | 61             |
| Intangible assets                                                               | 106             | 106            | 85              | 85             |
| Property and equipment                                                          | 124             | 124            | 124             | 124            |
| Investment property                                                             | 71              | 71             | 32              | 31             |
| Deferred tax assets                                                             | 16              | 16             | 17              | 17             |
| Current tax assets                                                              | 132             | 132            | 84              | 84             |
| Retirement benefit assets                                                       | 120             | 120            | 104             | 104            |
| Other assets                                                                    | 8,078           | 8,079          | 8,562           | 8,562          |
| Prepaid expenses and accrued income                                             | 704             | 704            | 507             | 507            |
| <b>Total assets</b>                                                             | <b>399,287</b>  | <b>399,401</b> | <b>286,086</b>  | <b>286,198</b> |
| <b>Liabilities</b>                                                              |                 |                |                 |                |
| Deposits by credit institutions                                                 | 76,007          | 75,987         | 60,549          | 60,589         |
| Deposits and borrowings from the public                                         | 68,260          | 68,191         | 55,459          | 55,477         |
| Debt securities in issue                                                        | 49,153          | 48,952         | 39,846          | 39,798         |
| Derivatives                                                                     | 168,436         | 168,436        | 95,676          | 95,676         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 195             | 195            | -58             | -58            |
| Current tax liabilities                                                         | -               | -              | 1               | 1              |
| Other liabilities                                                               | 24,128          | 24,128         | 22,105          | 22,105         |
| Accrued expenses and prepaid income                                             | 810             | 810            | 652             | 652            |
| Deferred tax liabilities                                                        | 53              | 53             | 47              | 47             |
| Provisions                                                                      | 97              | 97             | 80              | 80             |
| Retirement benefit obligation                                                   | 25              | 25             | 28              | 28             |
| Subordinated liabilities                                                        | 503             | 503            | 477             | 477            |
| <b>Total liabilities</b>                                                        | <b>387,667</b>  | <b>387,377</b> | <b>274,862</b>  | <b>274,872</b> |

**Note 42 Assets and liabilities at fair value, cont.****Parent company**

| EURm                                                                            | 31 Dec 2011     |                | 31 Dec 2010     |                |
|---------------------------------------------------------------------------------|-----------------|----------------|-----------------|----------------|
|                                                                                 | Carrying amount | Fair value     | Carrying amount | Fair value     |
| <b>Assets</b>                                                                   |                 |                |                 |                |
| Cash and balances with central banks                                            | 286             | 286            | 7,485           | 7,485          |
| Treasury bills                                                                  | 4,981           | 4,981          | 2,359           | 2,359          |
| Loans to credit institutions                                                    | 84,697          | 84,691         | 72,772          | 72,812         |
| Loans to the public                                                             | 93,097          | 93,205         | 67,886          | 67,939         |
| Interest-bearing securities                                                     | 25,885          | 25,889         | 21,578          | 21,598         |
| Financial instruments pledged as collateral                                     | 8,346           | 8,346          | 5,304           | 5,304          |
| Shares                                                                          | 1,309           | 1,309          | 1,080           | 1,080          |
| Derivatives                                                                     | 170,228         | 170,228        | 97,247          | 97,247         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 138             | 138            | 96              | 96             |
| Investments in group undertakings                                               | 370             | 370            | 353             | 353            |
| Investments in associated undertakings                                          | 34              | 34             | 19              | 19             |
| Intangible assets                                                               | 103             | 103            | 82              | 82             |
| Property and equipment                                                          | 69              | 69             | 55              | 55             |
| Investment property                                                             | 10              | 10             | 4               | 4              |
| Deferred tax assets                                                             | 12              | 12             | 12              | 12             |
| Current tax assets                                                              | 131             | 131            | 83              | 83             |
| Retirement benefit assets                                                       | 113             | 113            | 98              | 98             |
| Other assets                                                                    | 8,056           | 8,056          | 8,540           | 8,540          |
| Prepaid expenses and accrued income                                             | 524             | 524            | 356             | 356            |
| <b>Total assets</b>                                                             | <b>398,389</b>  | <b>398,495</b> | <b>285,409</b>  | <b>285,522</b> |
| <b>Liabilities</b>                                                              |                 |                |                 |                |
| Deposits by credit institutions                                                 | 75,919          | 75,899         | 60,493          | 60,532         |
| Deposits and borrowings from the public                                         | 68,265          | 68,197         | 55,552          | 55,571         |
| Debt securities in issue                                                        | 49,153          | 48,952         | 39,846          | 39,798         |
| Derivatives                                                                     | 168,436         | 168,436        | 95,676          | 95,676         |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 195             | 195            | -58             | -58            |
| Current tax liabilities                                                         | -               | -              | 0               | 0              |
| Other liabilities                                                               | 23,990          | 23,990         | 21,975          | 21,975         |
| Accrued expenses and prepaid income                                             | 615             | 615            | 486             | 486            |
| Provisions                                                                      | 94              | 94             | 76              | 76             |
| Retirement benefit obligations                                                  | 25              | 25             | 28              | 28             |
| Subordinated liabilities                                                        | 503             | 503            | 477             | 477            |
| <b>Total liabilities</b>                                                        | <b>387,195</b>  | <b>386,906</b> | <b>274,551</b>  | <b>274,561</b> |



**Note 42 Assets and liabilities at fair value, cont.****Estimation of fair value for assets and liabilities**

Financial assets and financial liabilities in the balance sheet are generally measured at fair value, with the exception of loans, deposits and borrowings and issued securities.

The carrying amounts on loans, deposits and borrowings and issued securities are adjusted for the value of the fixed interest term, unless the interest rate is hedged, in order to estimate the fair values that are presented in the tables above. The value of the fixed interest term is a result of changes in the relevant market interest rates. The discount rates used are based on current market rates for each term. The fair value of the hedged interest rate risk is included in the balance sheet item "Fair value changes of the hedged items in portfolio hedge of interest rate risk".

Fair value is estimated to be equal to the carrying amount for short-term financial assets and financial liabilities. The carrying amount is a reasonable approximation of fair value due to limited credit risk and short time to maturity.

Fair value is set to carrying amount, in the tables above, for assets and liabilities for which no reliable fair value has been possible to estimate. This is valid for the line items investments in associated undertakings, investments in group undertakings, intangible assets, property and equipment and provisions.

Nordea holds very limited amounts of equity instruments measured at cost. Fair value is set to carrying amount for these instruments as the fair value cannot be measured reliably.

For further information about valuation of items normally measured at fair value, see Note 1.

**Deferred Day 1 profit or loss**

In accordance with the Group's accounting policy as described in Note 1, if there are significant unobservable inputs used in the valuation technique, the financial instrument is recognised at the transaction price and any trade date profit is deferred. The table below shows the aggregate difference yet to be recognised in the income statement at the beginning and end of the period and a reconciliation of changes in the balance of this difference (movement of deferred Day 1 profit or loss).

| EURm                                               | Group          |                | Parent company |                |
|----------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                    | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| Amount at beginning of year                        | -42            | -44            | -42            | -44            |
| Deferred profit/loss on new transactions           | -20            | -14            | -20            | -14            |
| Recognised in the income statement during the year | 15             | 16             | 15             | 16             |
| <b>Amount at end of year</b>                       | <b>-47</b>     | <b>-42</b>     | <b>-47</b>     | <b>-42</b>     |

**Determination of fair value from quoted market prices or valuation techniques**

Fair value measurements are categorised using a fair value hierarchy.

The financial instruments carried at fair value have been categorised under the three levels of the IFRS fair value hierarchy that reflects the significance of inputs. The categorisation of these instruments is based on the lowest level input that is significant to the fair value measurement in its entirety. To categorise the instruments into the three levels, the relevant pricing models for each product is considered in combination with used input market data, the significance of derived input data, the complexity of the model and the accessible pricing data to verify model input. Although the complexity of the model is considered, a high complexity does not by default require that products are categorised into level 3.

It is the use of model parameters and the extent of unobservability that defines the fair value hierarchy levels. For bonds the categorisation into the three levels are based on the internal pricing methodology. The bonds can either be directly quoted in active markets (level 1) or measured using a methodology giving a quote based on observable inputs (level 2). Level 3 bonds are characterised by illiquidity.

Valuations of Private Equity Funds (PEF) and unlisted equities will in nature be more uncertain than valuations of more actively traded equity instruments. Emphasis is put on using a consistent approach across all assets and over time. The methods are consistent with the guideline "International Private Equity and Venture Capital Valuation Guidelines" issued by EVCA (European Venture Capital Association). The EVCA guidelines are considered as best practice in the PEF industry. For US based funds, similar methods are applied.

Level 1 consist of financial assets and financial liabilities valued using unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. This category includes listed derivatives, listed equities, government bonds in developed countries, and most liquid mortgage bonds and corporate bonds where direct tradeable price quotes exist.

Level 2 consists of financial assets and financial liabilities which do not have directly quoted market prices available from an active market. The fair values are estimated using a valuation technique or valuation model based on market prices or rates prevailing at the balance sheet date and any unobservable inputs are insignificant in the fair value. This is the case for the majority of NBF's OTC derivatives, securities purchased/sold under resale/repurchase agreements, securities borrowed/loaned and other instruments where an active markets supply the input to the valuation technique or model.

Level 3 consists of those types of financial instruments which fair values cannot be obtained directly from quoted market prices or indirectly using valuation techniques or models supported by observable market prices or rates. This is generally the case for investments in unlisted securities, private equity funds, hedge funds and both more complex or less active markets supplying input to the technique or model for OTC derivatives, certain complex or structured financial instruments such as CLNs and CDOs, and illiquid bonds.

**Note 42 Assets and liabilities at fair value, cont.**

The following table presents the valuation methods used to determine fair values of financial instruments carried at fair value.

**Group**

| 31 Dec 2011, EURm                                        | Quoted prices in<br>active markets for<br>same instrument<br>(Level 1) | Valuation<br>technique<br>using<br>observable data<br>(Level 2) | Valuation<br>technique<br>using non-<br>observable data<br>(Level 3) | Total   |
|----------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------|---------|
| <b>Assets</b>                                            |                                                                        |                                                                 |                                                                      |         |
| Loans to credit institutions                             | -                                                                      | 6,651                                                           | -                                                                    | 6,651   |
| Loans to the public                                      | -                                                                      | 25,440                                                          | -                                                                    | 25,440  |
| Debt securities <sup>1</sup>                             | 20,288                                                                 | 7,577                                                           | 208                                                                  | 28,073  |
| Financial instruments pledged as collateral <sup>2</sup> | 7,858                                                                  | 487                                                             | 1                                                                    | 8,346   |
| Shares                                                   | 662                                                                    | 0                                                               | 650                                                                  | 1,312   |
| Derivatives                                              | 75                                                                     | 169,087                                                         | 1,066                                                                | 170,228 |
| Other assets                                             | -                                                                      | 6,656                                                           | -                                                                    | 6,656   |
| Prepaid expenses and accrued income                      | -                                                                      | 10                                                              | -                                                                    | 10      |
| <b>Liabilities</b>                                       |                                                                        |                                                                 |                                                                      |         |
| Deposits by credit institutions                          | -                                                                      | 24,195                                                          | -                                                                    | 24,195  |
| Deposits and borrowings from the public                  | -                                                                      | 14,584                                                          | -                                                                    | 14,584  |
| Debt securities in issue                                 | -                                                                      | 6,271                                                           | -                                                                    | 6,271   |
| Derivatives                                              | 64                                                                     | 167,103                                                         | 1,269                                                                | 168,436 |
| Other liabilities                                        | 8,213                                                                  | 6,893                                                           | -                                                                    | 15,106  |
| Accrued expenses and prepaid income                      | -                                                                      | 64                                                              | -                                                                    | 64      |

<sup>1</sup> Of which EUR 4 981m Treasury bills and EUR 23 092m Interest-bearing securities. (The portion held at fair value in Note 41.)

<sup>2</sup> Of which EUR 1 133m Treasury bills and EUR 7 213m Interest-bearing securities. (The portion held at fair value in Note 41.)

| 31 Dec 2010, EURm                                        | Quoted prices in<br>active markets for<br>same instrument<br>(Level 1) | Valuation<br>technique<br>using<br>observable data<br>(Level 2) | Valuation<br>technique<br>using non-<br>observable data<br>(Level 3) | Total  |
|----------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------|--------|
| <b>Assets</b>                                            |                                                                        |                                                                 |                                                                      |        |
| Loans to credit institutions                             | -                                                                      | 17,499                                                          | -                                                                    | 17,499 |
| Loans to the public                                      | -                                                                      | 4,390                                                           | -                                                                    | 4,390  |
| Debt securities <sup>1</sup>                             | 8,725                                                                  | 9,173                                                           | -                                                                    | 17,898 |
| Financial instruments pledged as collateral <sup>2</sup> | 3,132                                                                  | 2,172                                                           | -                                                                    | 5,304  |
| Shares                                                   | 156                                                                    | -                                                               | 923                                                                  | 1,079  |
| Derivatives                                              | 109                                                                    | 94,822                                                          | 2,320                                                                | 97,251 |
| Other assets                                             | -                                                                      | 3,129                                                           | -                                                                    | 3,129  |
| Prepaid expenses and accrued income                      | -                                                                      | 7                                                               | -                                                                    | 7      |
| <b>Liabilities</b>                                       |                                                                        |                                                                 |                                                                      |        |
| Deposits by credit institutions                          | -                                                                      | 19,706                                                          | -                                                                    | 19,706 |
| Deposits and borrowings from the public                  | -                                                                      | 6,503                                                           | -                                                                    | 6,503  |
| Debt securities in issue                                 | -                                                                      | 6,027                                                           | -                                                                    | 6,027  |
| Derivatives                                              | 47                                                                     | 93,320                                                          | 2,309                                                                | 95,676 |
| Other liabilities                                        | 7,501                                                                  | 3,800                                                           | -                                                                    | 11,301 |
| Accrued expenses and prepaid income                      | -                                                                      | 59                                                              | -                                                                    | 59     |

<sup>1</sup> Of which EUR 2 359m Treasury bills and EUR 15 539m Interest-bearing securities. (The portion held at fair value in Note 41.)

<sup>2</sup> Of which EUR 1 533m Treasury bills and EUR 3 771m Interest-bearing securities. (The portion held at fair value in Note 41.)

**Note 42 Assets and liabilities at fair value, cont.****Parent company**

| 31 Dec 2011, EURm                                        | Quoted prices in<br>active markets for<br>same instrument<br>(Level 1) | Valuation<br>technique using<br>observable data<br>(Level 2) | Valuation<br>technique using<br>non-observable<br>data<br>(Level 3) | Total   |
|----------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------|---------|
| <b>Assets</b>                                            |                                                                        |                                                              |                                                                     |         |
| Loans to credit institutions                             | -                                                                      | 6,651                                                        | -                                                                   | 6,651   |
| Loans to the public                                      | -                                                                      | 25,439                                                       | -                                                                   | 25,439  |
| Debt securities <sup>1</sup>                             | 20,288                                                                 | 7,577                                                        | 208                                                                 | 28,073  |
| Financial instruments pledged as collateral <sup>2</sup> | 7,858                                                                  | 487                                                          | 1                                                                   | 8,346   |
| Shares                                                   | 659                                                                    | -                                                            | 650                                                                 | 1,309   |
| Derivatives                                              | 75                                                                     | 169,087                                                      | 1,066                                                               | 170,228 |
| Other assets                                             | -                                                                      | 6,656                                                        | -                                                                   | 6,656   |
| Prepaid expenses and accrued income                      | -                                                                      | 10                                                           | -                                                                   | 10      |
| <b>Liabilities</b>                                       |                                                                        |                                                              |                                                                     |         |
| Deposits by credit institutions                          | -                                                                      | 24,195                                                       | -                                                                   | 24,195  |
| Deposits and borrowings from the public                  | -                                                                      | 14,584                                                       | -                                                                   | 14,584  |
| Debt securities in issue                                 | -                                                                      | 6,271                                                        | -                                                                   | 6,271   |
| Derivatives                                              | 64                                                                     | 167,103                                                      | 1,269                                                               | 168,436 |
| Other liabilities                                        | 8,213                                                                  | 6,893                                                        | -                                                                   | 15,106  |
| Accrued expenses and prepaid income                      | -                                                                      | 64                                                           | -                                                                   | 64      |

<sup>1</sup> Of which EUR 4 981m Treasury bills and EUR 23 092m Interest-bearing securities. (The portion held at fair value in Note 41.)<sup>2</sup> Of which EUR 1 133m Treasury bills and EUR 7 213m Interest-bearing securities. (The portion held at fair value in Note 41.)

| 31 Dec 2010, EURm                                        | Quoted prices in<br>active markets for<br>same instrument<br>(Level 1) | Valuation<br>technique using<br>observable data<br>(Level 2) | Valuation<br>technique using<br>non-observable<br>data<br>(Level 3) | Total  |
|----------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------|--------|
| <b>Assets</b>                                            |                                                                        |                                                              |                                                                     |        |
| Loans to credit institutions                             | -                                                                      | 17,499                                                       | -                                                                   | 17,499 |
| Loans to the public                                      | -                                                                      | 4,390                                                        | -                                                                   | 4,390  |
| Debt securities <sup>1</sup>                             | 8,725                                                                  | 9,173                                                        | -                                                                   | 17,898 |
| Financial instruments pledged as collateral <sup>2</sup> | 3,132                                                                  | 2,172                                                        | -                                                                   | 5,304  |
| Shares                                                   | 157                                                                    | -                                                            | 923                                                                 | 1,080  |
| Derivatives                                              | 105                                                                    | 94,822                                                       | 2,320                                                               | 97,247 |
| Other assets                                             | -                                                                      | 3,129                                                        | -                                                                   | 3,129  |
| Prepaid expenses and accrued income                      | -                                                                      | 7                                                            | -                                                                   | 7      |
| <b>Liabilities</b>                                       |                                                                        |                                                              |                                                                     |        |
| Deposits by credit institutions                          | -                                                                      | 19,706                                                       | -                                                                   | 19,706 |
| Deposits and borrowings from the public                  | -                                                                      | 6,503                                                        | -                                                                   | 6,503  |
| Debt securities in issue                                 | -                                                                      | 6,027                                                        | -                                                                   | 6,027  |
| Derivatives                                              | 46                                                                     | 93,321                                                       | 2,309                                                               | 95,676 |
| Other liabilities                                        | 7,501                                                                  | 3,800                                                        | -                                                                   | 11,301 |
| Accrued expenses and prepaid income                      | -                                                                      | 59                                                           | -                                                                   | 59     |

<sup>1</sup> Of which EUR 2 359m Treasury bills and EUR 15 539m Interest-bearing securities. (The portion held at fair value in Note 41.)<sup>2</sup> Of which EUR 1 533m Treasury bills and EUR 3 771m Interest-bearing securities. (The portion held at fair value in Note 41.)

**Note 42 Assets and liabilities at fair value, cont.****Movements in level 3**

The following table shows a reconciliation of the opening and closing carrying amount of level 3 financial assets and liabilities recognised at fair value.

**Group**

| 31 Dec 2011, EURm                        | 1 Jan 2011 | Fair value gains/losses<br>recognised in the income<br>statement during the year |                                         | Purchases                  | Sales       |
|------------------------------------------|------------|----------------------------------------------------------------------------------|-----------------------------------------|----------------------------|-------------|
|                                          |            | Realised                                                                         | Unrealised <sup>1</sup>                 |                            |             |
| <b>Assets</b>                            |            |                                                                                  |                                         |                            |             |
| Debt securities                          | -          | 0                                                                                | 11                                      | 307                        | -110        |
| Shares                                   | 923        | 16                                                                               | -38                                     | 248                        | -301        |
| Derivatives (net assets and liabilities) | 15         | 494                                                                              | -200                                    | -                          | -4          |
|                                          |            |                                                                                  | Net transfers<br>into/out of<br>level 3 | Translation<br>differences | 31 Dec 2011 |
| <b>Assets</b>                            |            |                                                                                  |                                         |                            |             |
| Debt securities                          |            | 0                                                                                | 0                                       | -                          | 208         |
| Shares                                   |            | -                                                                                | -                                       | -198                       | 650         |
| Derivatives (net assets and liabilities) |            | -494                                                                             | -15                                     | 1                          | -203        |

<sup>1</sup> Relates to those assets and liabilities held at the end of the reporting period.

| 31 Dec 2010, EURm                        | 1 Jan 2010 | Fair value gains/losses<br>recognised in the income<br>statement during the year |                                     | Purchases                  | Sales       |
|------------------------------------------|------------|----------------------------------------------------------------------------------|-------------------------------------|----------------------------|-------------|
|                                          |            | Realised                                                                         | Unrealised <sup>1</sup>             |                            |             |
| <b>Assets</b>                            |            |                                                                                  |                                     |                            |             |
| Debt securities                          | -          | -                                                                                | -                                   | -                          | -           |
| Shares                                   | 842        | -121                                                                             | 128                                 | 661                        | -586        |
| Derivatives (net assets and liabilities) | 115        | 15                                                                               | -104                                | 4                          | 0           |
|                                          |            |                                                                                  | Transfers<br>into/out of<br>level 3 | Translation<br>differences | 31 Dec 2010 |
| <b>Assets</b>                            |            |                                                                                  |                                     |                            |             |
| Debt securities                          |            | -                                                                                | -                                   | -                          | -           |
| Shares                                   |            | -                                                                                | -                                   | 0                          | 923         |
| Derivatives (net assets and liabilities) |            | -15                                                                              | -                                   | -                          | 15          |

<sup>1</sup> Relates to those assets and liabilities held at the end of the reporting period.

Fair value gains/losses recognised in the income statement during the year are included in "Net result from items at fair value" (see note 5).

**Note 42 Assets and liabilities at fair value, cont.****Parent company**

| 31 Dec 2011, EURm                        | 1 Jan 2011 | Fair value gains/losses<br>recognised in the income<br>statement during the year |                         | Purchases | Sales |
|------------------------------------------|------------|----------------------------------------------------------------------------------|-------------------------|-----------|-------|
|                                          |            | Realised                                                                         | Unrealised <sup>1</sup> |           |       |
| <b>Assets</b>                            |            |                                                                                  |                         |           |       |
| Debt securities                          | -          | 0                                                                                | 11                      | 307       | -110  |
| Shares                                   | 923        | 16                                                                               | -38                     | 248       | -301  |
| Derivatives (net assets and liabilities) | 11         | 494                                                                              | -200                    | -         | -     |

| 31 Dec 2011, EURm                        | Settlements | Net transfers<br>into/out of<br>level 3 | Translation<br>differences | 31 Dec 2011 |
|------------------------------------------|-------------|-----------------------------------------|----------------------------|-------------|
| <b>Assets</b>                            |             |                                         |                            |             |
| Debt securities                          | 0           | 0                                       | -                          | 208         |
| Shares                                   | -           | -                                       | -198                       | 650         |
| Derivatives (net assets and liabilities) | -494        | -15                                     | 1                          | -203        |

<sup>1</sup> Relates to those assets and liabilities held at the end of the reporting period.

| 31 Dec 2010, EURm                        | 1 Jan 2010 | Fair value gains/losses<br>recognised in the income<br>statement during the year |                         | Purchases | Sales |
|------------------------------------------|------------|----------------------------------------------------------------------------------|-------------------------|-----------|-------|
|                                          |            | Realised                                                                         | Unrealised <sup>1</sup> |           |       |
| <b>Assets</b>                            |            |                                                                                  |                         |           |       |
| Debt securities                          | -          | -                                                                                | -                       | -         | -     |
| Shares                                   | 842        | -121                                                                             | 128                     | 661       | -586  |
| Derivatives (net assets and liabilities) | 115        | 15                                                                               | -104                    | -         | -     |

| 31 Dec 2010, EURm                        | Settlements | Transfers<br>into/out of<br>level 3 | Translation<br>differences | 31 Dec 2010 |
|------------------------------------------|-------------|-------------------------------------|----------------------------|-------------|
| <b>Assets</b>                            |             |                                     |                            |             |
| Debt securities                          | -           | -                                   | -                          | -           |
| Shares                                   | -           | -                                   | 0                          | 923         |
| Derivatives (net assets and liabilities) | -15         | -                                   | -                          | 11          |

<sup>1</sup> Relates to those assets and liabilities held at the end of the reporting period.

**Note 42 Assets and liabilities at fair value, cont.****Sensitivity of level 3 financial instruments measured at fair value to changes in key assumptions**

Included in the fair value of financial instruments carried at fair value on the balance sheet are those estimated in full or in part using valuation techniques based on assumptions that are not supported by market observable prices or rates. There may be uncertainty about a valuation, resulting from the choice of valuation technique or model used, the assumptions embedded in those models, the extent to which inputs are not market observable, or as a result of other elements affecting the valuation technique. Portfolio adjustments are applied to reflect such uncertainties and are deducted from the fair values produced by the models or other valuation techniques (for further information see Note 1 section 11 "Determination of fair value of financial instruments").

This disclosure shows the potential impact of the relative uncertainty in the fair value of financial instruments for which valuation is dependent on unobservable input parameters. The estimates disclosed below are likely to be greater than the true uncertainty in fair value of these instruments, as it is unlikely in practice that all unobservable parameters would be simultaneously at the extremes of their ranges of reasonably possible alternatives. The disclosure is neither predictive nor indicative of future movements in fair value.

The following table shows the sensitivity of the fair value of level 3 instruments to changes in key assumptions, by class of instruments. Where the exposure to an unobservable parameter is offset across different instruments then only the net impact is disclosed in the table.

| 31 Dec 2011, EURm                        | Group           |                                                      |              | Parent company  |                                                      |              |
|------------------------------------------|-----------------|------------------------------------------------------|--------------|-----------------|------------------------------------------------------|--------------|
|                                          | Carrying amount | Effect of reasonably possible alternative assumption |              | Carrying amount | Effect of reasonably possible alternative assumption |              |
|                                          |                 | Favourable                                           | Unfavourable |                 | Favourable                                           | Unfavourable |
| <b>Assets</b>                            |                 |                                                      |              |                 |                                                      |              |
| Debt securities                          | 208             | 21                                                   | -21          | 208             | 21                                                   | -21          |
| Shares                                   | 650             | 36                                                   | -36          | 650             | 36                                                   | -36          |
| Derivatives (net assets and liabilities) | 1,066           | 27                                                   | -43          | 1,066           | 27                                                   | -43          |

| 31 Dec 2010, EURm                        | Group           |                                                       |              | Parent company  |                                                       |              |
|------------------------------------------|-----------------|-------------------------------------------------------|--------------|-----------------|-------------------------------------------------------|--------------|
|                                          | Carrying amount | Effect of reasonably possible alternative assumptions |              | Carrying amount | Effect of reasonably possible alternative assumptions |              |
|                                          |                 | Favourable                                            | Unfavourable |                 | Favourable                                            | Unfavourable |
| <b>Assets</b>                            |                 |                                                       |              |                 |                                                       |              |
| Shares                                   | 923             | 56                                                    | -56          | 923             | 56                                                    | -56          |
| Derivatives (net assets and liabilities) | 2,320           | 22                                                    | -29          | 2,320           | 22                                                    | -29          |

In order to calculate the effect on level 3, fair values from altering the assumptions of the valuation technique or model, the sensitivity to unobservable input data is assessed. For the derivatives portfolio key inputs, that are based on pricing model assumptions or unobservability of market data inputs, are replaced by alternative estimates or assumptions and the impact on valuation computed. The majority of the effect on the derivatives is related to various types of correlations or correlation related inputs in credit derivatives, interest rate OTC derivatives or OTC structured equity derivatives. For the level 3 portfolios of shares and debt securities the fair value was increased and decreased within a range of 3-10 percentage units, which are assessed to be reasonable changes in market movements.

#### Note 43 Obtained collateral which is permitted to be sold or repledged

NBF obtains collaterals under reverse repurchase and securities borrowing agreements which, under the terms of the agreements, can be sold or repledged. The transactions are conducted under standard agreements employed by financial markets participants. Generally, the agreements require additional collateral to be provided if the value of the securities falls below a predetermined level. Under standard terms for most repurchase transactions, the recipient of collateral has an unrestricted right to sell or repledge it, subject to returning equivalent securities on settlement of the transactions. The fair value of the securities obtained as collateral under reverse repurchase and securities borrowing agreements are disclosed below.

| EURm                                                | Group          |                | Parent company |                |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                     | 31 Dec<br>2011 | 31 Dec<br>2010 | 31 Dec<br>2011 | 31 Dec<br>2010 |
| <b>Reverse repurchase agreements</b>                |                |                |                |                |
| Received collaterals which can be repledged or sold | 31,324         | 22,100         | 31,324         | 22,100         |
| - of which repledged or sold                        | 9,661          | 14,559         | 9,661          | 14,559         |
| <b>Securities borrowing agreements</b>              |                |                |                |                |
| Received collaterals which can be repledged or sold | -              | -              | -              | -              |
| - of which repledged or sold                        | -              | -              | -              | -              |
| <b>Total</b>                                        | <b>31,324</b>  | <b>22,100</b>  | <b>31,324</b>  | <b>22,100</b>  |

#### Note 44 Maturity analysis for assets and liabilities

##### Group

##### Remaining maturity

| 31 Dec 2011, EURm                                                               | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3-12<br>months | 1-5<br>years  | More<br>than 5<br>years | Without<br>fixed<br>maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------------|---------------------|----------------|---------------|-------------------------|------------------------------|----------------|
| Cash and balances with central banks                                            |      | 286                     | -                   | -              | -             | -                       | -                            | 286            |
| Treasury bills                                                                  | 13   | -                       | 500                 | 309            | 4,036         | 136                     | -                            | 4,981          |
| Loans to credit institutions                                                    | 14   | 17,695                  | 41,845              | 15,105         | 4,278         | 427                     | -                            | 79,350         |
| Loans to the public                                                             | 14   | 9                       | 32,778              | 5,383          | 19,513        | 41,648                  | -                            | 99,331         |
| Interest bearing securities                                                     | 15   | -                       | 6,233               | 5,487          | 12,766        | 1,399                   | -                            | 25,885         |
| Financial instruments pledged as collateral                                     | 16   | -                       | 719                 | 1,891          | 3,995         | 1,741                   | -                            | 8,346          |
| Derivatives                                                                     | 18   | -                       | 9,585               | 7,478          | 38,712        | 114,453                 | -                            | 170,228        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 19   | -                       | 11                  | 31             | 70            | 26                      | -                            | 138            |
| <b>Total assets with fixed maturities</b>                                       |      | <b>17,990</b>           | <b>91,671</b>       | <b>35,684</b>  | <b>83,370</b> | <b>159,830</b>          | -                            | <b>388,545</b> |
| Other assets                                                                    | 26   | -                       | -                   | -              | -             | -                       | 10,742                       | 10,742         |
| <b>Total assets</b>                                                             |      | <b>17,990</b>           | <b>91,671</b>       | <b>35,684</b>  | <b>83,370</b> | <b>159,830</b>          | <b>10,742</b>                | <b>399,287</b> |
| Deposits by credit institutions                                                 | 28   | 8,203                   | 58,799              | 8,136          | 74            | 795                     | -                            | 76,007         |
| Deposits and borrowings from the public                                         | 29   | 37,608                  | 22,805              | 7,199          | 644           | 4                       | -                            | 68,260         |
| - of which Deposits                                                             |      | 37,608                  | 8,429               | 6,952          | 643           | 4                       | -                            | 53,636         |
| - of which Borrowings                                                           |      | -                       | 14,376              | 247            | 1             | 0                       | -                            | 14,624         |
| Debt securities in issue                                                        | 30   | -                       | 27,404              | 7,350          | 12,484        | 1,915                   | -                            | 49,153         |
| - of which Debt securities in issue                                             |      | -                       | 27,404              | 7,350          | 12,484        | 1,915                   | -                            | 49,153         |
| - of which Other                                                                |      | -                       | -                   | -              | -             | -                       | -                            | -              |
| Derivatives                                                                     | 18   | -                       | 8,345               | 7,396          | 41,270        | 111,425                 | -                            | 168,436        |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 19   | -                       | 1                   | 6              | 74            | 114                     | -                            | 195            |
| Subordinated liabilities                                                        | 35   | -                       | -                   | -              | 403           | 100                     | -                            | 503            |
| <b>Total liabilities with fixed maturities</b>                                  |      | <b>45,811</b>           | <b>117,354</b>      | <b>30,087</b>  | <b>54,949</b> | <b>114,353</b>          | -                            | <b>362,554</b> |
| Other liabilities                                                               | 31   | -                       | -                   | -              | -             | -                       | 25,113                       | 25,113         |
| Equity                                                                          |      | -                       | -                   | -              | -             | -                       | 11,620                       | 11,620         |
| <b>Total liabilities and equity</b>                                             |      | <b>45,811</b>           | <b>117,354</b>      | <b>30,087</b>  | <b>54,949</b> | <b>114,353</b>          | <b>36,733</b>                | <b>399,287</b> |

**Note 44 Maturity analysis for assets and liabilities, cont.****Group****Remaining maturity**

| 31 Dec 2010, EURm                                                               | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3-12<br>months | 1-5<br>years  | More<br>than 5<br>years | Without<br>maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------------|---------------------|----------------|---------------|-------------------------|---------------------|----------------|
| Cash and balances with central banks                                            |      | 7,485                   | -                   | -              | -             | -                       | -                   | <b>7,485</b>   |
| Treasury bills                                                                  | 13   | -                       | 425                 | 327            | 1,248         | 359                     | -                   | <b>2,359</b>   |
| Loans to credit institutions                                                    | 14   | 7,462                   | 48,489              | 9,161          | 2,608         | 31                      | -                   | <b>67,751</b>  |
| Loans to the public                                                             | 14   | 30                      | 13,590              | 6,748          | 24,124        | 29,115                  | -                   | <b>73,607</b>  |
| Interest bearing securities                                                     | 15   | -                       | 4,931               | 3,510          | 11,946        | 1,191                   | -                   | <b>21,578</b>  |
| Financial instruments pledged as collateral                                     | 16   | -                       | 159                 | 708            | 2,256         | 2,181                   | -                   | <b>5,304</b>   |
| Derivatives                                                                     | 18   | -                       | 7,206               | 6,602          | 28,501        | 54,942                  | -                   | <b>97,251</b>  |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 19   | -                       | 1                   | 11             | 60            | 24                      | -                   | <b>96</b>      |
| <b>Total assets with fixed maturities</b>                                       |      | <b>14,977</b>           | <b>74,801</b>       | <b>27,067</b>  | <b>70,743</b> | <b>87,843</b>           | -                   | <b>275,431</b> |
| Other assets                                                                    | 26   | -                       | -                   | -              | -             | -                       | 10,655              | <b>10,655</b>  |
| <b>Total assets</b>                                                             |      | <b>14,977</b>           | <b>74,801</b>       | <b>27,067</b>  | <b>70,743</b> | <b>87,843</b>           | <b>10,655</b>       | <b>286,086</b> |
| Deposits by credit institutions                                                 | 28   | 4,943                   | 47,737              | 7,704          | 82            | 83                      | -                   | <b>60,549</b>  |
| Deposits and borrowings from the public                                         | 29   | 34,862                  | 16,111              | 3,965          | 594           | -73                     | -                   | <b>55,459</b>  |
| - of which Deposits                                                             |      | 34,862                  | 9,571               | 3,964          | 594           | -73                     | -                   | 48,918         |
| - of which Borrowings                                                           |      | -                       | 6,540               | 1              | 0             | 0                       | -                   | 6,541          |
| Debt securities in issue                                                        | 30   | -                       | 25,262              | 5,843          | 8,330         | 411                     | -                   | <b>39,846</b>  |
| - of which Debt securities in issue                                             |      | -                       | 25,262              | 5,843          | 8,330         | 411                     | -                   | 39,846         |
| - of which Other                                                                |      | -                       | -                   | -              | -             | -                       | -                   | -              |
| Derivatives                                                                     | 18   | -                       | 6,969               | 6,749          | 29,640        | 52,318                  | -                   | <b>95,676</b>  |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 19   | -                       | -                   | 0              | -61           | 3                       | -                   | <b>-58</b>     |
| Subordinated liabilities                                                        | 35   | -                       | -                   | -              | 385           | 92                      | -                   | <b>477</b>     |
| <b>Total liabilities with fixed maturities</b>                                  |      | <b>39,805</b>           | <b>96,079</b>       | <b>24,261</b>  | <b>38,970</b> | <b>52,834</b>           | -                   | <b>251,949</b> |
| Other liabilities                                                               | 31   | -                       | -                   | -              | -             | -                       | 22,913              | <b>22,913</b>  |
| Equity                                                                          |      | -                       | -                   | -              | -             | -                       | 11,224              | <b>11,224</b>  |
| <b>Total liabilities and equity</b>                                             |      | <b>39,805</b>           | <b>96,079</b>       | <b>24,261</b>  | <b>38,970</b> | <b>52,834</b>           | <b>34,137</b>       | <b>286,086</b> |

**Parent company****Remaining maturity**

| 31 Dec 2011, EURm                                                               | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3-12<br>months | 1-5<br>years  | More<br>than 5<br>years | Without<br>maturity | Total          |
|---------------------------------------------------------------------------------|------|-------------------------|---------------------|----------------|---------------|-------------------------|---------------------|----------------|
| Cash and balances with central banks                                            |      | 286                     | -                   | -              | -             | -                       | -                   | <b>286</b>     |
| Treasury bills                                                                  | 13   | -                       | 500                 | 309            | 4,036         | 136                     | -                   | <b>4,981</b>   |
| Loans to credit institutions                                                    | 14   | 17,680                  | 45,246              | 16,228         | 5,088         | 455                     | -                   | <b>84,697</b>  |
| Loans to the public                                                             | 14   | 197                     | 31,012              | 3,571          | 16,758        | 41,559                  | -                   | <b>93,097</b>  |
| Interest bearing securities                                                     | 15   | -                       | 6,233               | 5,487          | 12,766        | 1,399                   | -                   | <b>25,885</b>  |
| Financial instruments pledged as collateral                                     | 16   | -                       | 719                 | 1,891          | 3,995         | 1,741                   | -                   | <b>8,346</b>   |
| Derivatives                                                                     | 18   | -                       | 9,585               | 7,478          | 38,712        | 114,453                 | -                   | <b>170,228</b> |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 19   | -                       | 11                  | 31             | 70            | 26                      | -                   | <b>138</b>     |
| <b>Total assets with fixed maturities</b>                                       |      | <b>18,163</b>           | <b>93,306</b>       | <b>34,995</b>  | <b>81,425</b> | <b>159,769</b>          | -                   | <b>387,658</b> |
| Other assets                                                                    | 26   | -                       | -                   | -              | -             | -                       | 10,731              | <b>10,731</b>  |
| <b>Total assets</b>                                                             |      | <b>18,163</b>           | <b>93,306</b>       | <b>34,995</b>  | <b>81,425</b> | <b>159,769</b>          | <b>10,731</b>       | <b>398,389</b> |



**Note 44 Maturity analysis for assets and liabilities, cont.****Parent company****Remaining maturity**

| 31 Dec 2011, EURm                                                                  | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3-12<br>months | 1-5<br>years  | More<br>than 5<br>years | Without<br>maturity | Total          |
|------------------------------------------------------------------------------------|------|-------------------------|---------------------|----------------|---------------|-------------------------|---------------------|----------------|
| Deposits by credit institutions                                                    | 28   | 8,203                   | 58,770              | 8,121          | 38            | 787                     | -                   | <b>75,919</b>  |
| Deposits and borrowings from the public                                            | 29   | 37,618                  | 22,809              | 7,191          | 643           | 4                       | -                   | <b>68,265</b>  |
| - of which Deposits                                                                |      | 37,618                  | 8,433               | 6,952          | 643           | 4                       | -                   | 53,650         |
| - of which Borrowings                                                              |      | -                       | 14,376              | 239            | -             | -                       | -                   | 14,615         |
| Debt securities in issue                                                           | 30   | -                       | 27,404              | 7,350          | 12,484        | 1,915                   | -                   | <b>49,153</b>  |
| - of which Debt securities in issue                                                |      | -                       | 27,404              | 7,350          | 12,484        | 1,915                   | -                   | 49,153         |
| - of which Other                                                                   |      | -                       | -                   | -              | -             | -                       | -                   | -              |
| Derivatives                                                                        | 18   | -                       | 8,345               | 7,396          | 41,270        | 111,425                 | -                   | <b>168,436</b> |
| Fair value changes of the hedged items in<br>portfolio hedge of interest rate risk | 19   | -                       | 1                   | 6              | 74            | 114                     | -                   | <b>195</b>     |
| Subordinated liabilities                                                           | 35   | -                       | -                   | -              | 403           | 100                     | -                   | <b>503</b>     |
| <b>Total liabilities with fixed maturities</b>                                     |      | <b>45,821</b>           | <b>117,329</b>      | <b>30,064</b>  | <b>54,912</b> | <b>114,345</b>          | -                   | <b>362,471</b> |
| Other liabilities                                                                  | 31   | -                       | -                   | -              | -             | -                       | 24,724              | <b>24,724</b>  |
| Equity                                                                             |      | -                       | -                   | -              | -             | -                       | 11,194              | <b>11,194</b>  |
| <b>Total liabilities and equity</b>                                                |      | <b>45,821</b>           | <b>117,329</b>      | <b>30,064</b>  | <b>54,912</b> | <b>114,345</b>          | <b>35,918</b>       | <b>398,389</b> |

**Parent company****Remaining maturity**

| 31 Dec 2010, EURm                                                                  | Note | Payable<br>on<br>demand | Maximum<br>3 months | 3-12<br>months | 1-5<br>years  | More<br>than 5<br>years | Without<br>maturity | Total          |
|------------------------------------------------------------------------------------|------|-------------------------|---------------------|----------------|---------------|-------------------------|---------------------|----------------|
| Cash and balances with central banks                                               |      | 7,485                   | -                   | -              | -             | -                       | -                   | <b>7,485</b>   |
| Treasury bills                                                                     | 13   | -                       | 425                 | 327            | 1,248         | 359                     | -                   | <b>2,359</b>   |
| Loans to credit institutions                                                       | 14   | 7,447                   | 52,928              | 9,609          | 2,751         | 37                      | -                   | <b>72,772</b>  |
| Loans to the public                                                                | 14   | -                       | 12,194              | 5,057          | 21,619        | 29,016                  | -                   | <b>67,886</b>  |
| Interest bearing securities                                                        | 15   | -                       | 4,931               | 3,510          | 11,946        | 1,191                   | -                   | <b>21,578</b>  |
| Financial instruments pledged as collateral                                        | 16   | -                       | 159                 | 708            | 2,256         | 2,181                   | -                   | <b>5,304</b>   |
| Derivatives                                                                        | 18   | -                       | 7,206               | 6,598          | 28,501        | 54,942                  | -                   | <b>97,247</b>  |
| Fair value changes of the hedged items in<br>portfolio hedge of interest rate risk | 19   | -                       | 1                   | 11             | 60            | 24                      | -                   | <b>96</b>      |
| <b>Total assets with fixed maturities</b>                                          |      | <b>14,932</b>           | <b>77,844</b>       | <b>25,820</b>  | <b>68,381</b> | <b>87,750</b>           | -                   | <b>274,727</b> |
| Other assets                                                                       | 26   | -                       | -                   | -              | -             | -                       | 10,682              | <b>10,682</b>  |
| <b>Total assets</b>                                                                |      | <b>14,932</b>           | <b>77,844</b>       | <b>25,820</b>  | <b>68,381</b> | <b>87,750</b>           | <b>10,682</b>       | <b>285,409</b> |
| Deposits by credit institutions                                                    | 28   | 4,943                   | 47,730              | 7,686          | 51            | 83                      | -                   | <b>60,493</b>  |
| Deposits and borrowings from the public                                            | 29   | 34,877                  | 16,116              | 3,964          | 593           | 2                       | -                   | <b>55,552</b>  |
| - of which Deposits                                                                |      | 34,877                  | 9,576               | 3,964          | 593           | 2                       | -                   | 49,012         |
| - of which Borrowings                                                              |      | -                       | 6,540               | -              | -             | -                       | -                   | 6,540          |
| Debt securities in issue                                                           | 30   | -                       | 25,262              | 5,843          | 8,330         | 411                     | -                   | <b>39,846</b>  |
| - of which Debt securities in issue                                                |      | -                       | 25,262              | 5,843          | 8,330         | 411                     | -                   | 39,846         |
| - of which Other                                                                   |      | -                       | -                   | -              | -             | -                       | -                   | -              |
| Derivatives                                                                        | 18   | -                       | 6,969               | 6,749          | 29,640        | 52,318                  | -                   | <b>95,676</b>  |
| Fair value changes of the hedged items in<br>portfolio hedge of interest rate risk | 19   | -                       | -                   | 0              | -61           | 3                       | -                   | <b>-58</b>     |
| Subordinated liabilities                                                           | 35   | -                       | -                   | -              | 385           | 92                      | -                   | <b>477</b>     |
| <b>Total liabilities with fixed maturities</b>                                     |      | <b>39,820</b>           | <b>96,077</b>       | <b>24,242</b>  | <b>38,938</b> | <b>52,909</b>           | -                   | <b>251,986</b> |
| Other liabilities                                                                  | 31   | -                       | -                   | -              | -             | -                       | 22,565              | <b>22,565</b>  |
| Equity                                                                             |      | -                       | -                   | -              | -             | -                       | 10,858              | <b>10,858</b>  |
| <b>Total liabilities and equity</b>                                                |      | <b>39,820</b>           | <b>96,077</b>       | <b>24,242</b>  | <b>38,938</b> | <b>52,909</b>           | <b>33,423</b>       | <b>285,409</b> |

#### Note 45 Related-party transactions

Shareholders with significant influence and close family members to key management personnel in Nordea Group as well as companies significantly influenced by key management personnel or by close family members to key management personnel in Nordea Group are considered to be related parties to Nordea. Included in this group of related parties are Sampo Oyj, Nokia Oyj, Posten AB, Danisco A/S, IK Investment Partners AB and TrygVesta A/S. If transactions with these related parties are made in Nordea's and the related parties' ordinary course of business and on the same criteria and terms as those for comparable transactions with parties of similar standing, and if they did not involve more than normal risk taking, the transactions are not included in the table.

##### Group

|                                             | Nordea Group undertakings |                | Nordea Group associated undertakings |               | Other related parties |               |
|---------------------------------------------|---------------------------|----------------|--------------------------------------|---------------|-----------------------|---------------|
|                                             | 31 Dec 2011               | 31 Dec 2010    | 31 Dec 2011                          | 31 Dec 2010   | 31 Dec 2011           | 31 Dec 2010   |
| EURm                                        |                           |                |                                      |               |                       |               |
| <b>Assets</b>                               |                           |                |                                      |               |                       |               |
| Loans                                       | 44,518                    | 61,577         | 146                                  | 96            | -                     | -             |
| Interest-bearing securities                 | 5,031                     | 3,638          | -                                    | -             | -                     | -             |
| Financial instruments pledged as collateral | 2,062                     | 466            | -                                    | -             | -                     | -             |
| Derivatives                                 | 2,337                     | 2,610          | 246                                  | 155           | -                     | -             |
| Other assets                                | 387                       | 1              | -                                    | -             | -                     | -             |
| Prepaid expenses and accrued income         | 77                        | 60             | -                                    | -             | -                     | -             |
| <b>Total assets</b>                         | <b>54,412</b>             | <b>68,352</b>  | <b>392</b>                           | <b>251</b>    | <b>-</b>              | <b>-</b>      |
| <b>Liabilities</b>                          |                           |                |                                      |               |                       |               |
| Deposits                                    | 44,957                    | 41,303         | 10                                   | 75            | 5                     | 5             |
| Debt securities in issue                    | 514                       | 562            | 30                                   | 30            | -                     | -             |
| Derivatives                                 | 2,624                     | 1,292          | 85                                   | 64            | -                     | -             |
| Other liabilities                           | 12                        | 305            | -                                    | -             | -                     | -             |
| Accrued expenses and deferred income        | 171                       | 133            | -                                    | -             | -                     | -             |
| <b>Total liabilities</b>                    | <b>48,278</b>             | <b>43,595</b>  | <b>125</b>                           | <b>169</b>    | <b>5</b>              | <b>5</b>      |
| <b>Off balance<sup>1</sup></b>              | <b>431,155</b>            | <b>359,662</b> | <b>8,321</b>                         | <b>7,202</b>  | <b>-</b>              | <b>-</b>      |
| <b>Group</b>                                | <b>31 Dec</b>             | <b>31 Dec</b>  | <b>31 Dec</b>                        | <b>31 Dec</b> | <b>31 Dec</b>         | <b>31 Dec</b> |
| EURm                                        | 2011                      | 2010           | 2011                                 | 2010          | 2011                  | 2010          |
| <b>Interest income and interest expense</b> |                           |                |                                      |               |                       |               |
| Interest income                             | 399                       | 321            | 4                                    | 2             | -                     | -             |
| Interest expense                            | -329                      | -233           | 0                                    | 0             | 0                     | 0             |
| <b>Net interest income and expense</b>      | <b>70</b>                 | <b>88</b>      | <b>4</b>                             | <b>2</b>      | <b>0</b>              | <b>0</b>      |

<sup>1</sup> Including nominal values on derivatives.

##### Parent company

|                                             | Group undertakings |              | Associated undertakings |             | Other related parties |             |
|---------------------------------------------|--------------------|--------------|-------------------------|-------------|-----------------------|-------------|
|                                             | 31 Dec 2011        | 31 Dec 2010  | 31 Dec 2011             | 31 Dec 2010 | 31 Dec 2011           | 31 Dec 2010 |
| EURm                                        |                    |              |                         |             |                       |             |
| <b>Assets</b>                               |                    |              |                         |             |                       |             |
| Loans and receivables                       | 5,570              | 5,185        | 132                     | 96          | -                     | -           |
| Interest-bearing securities                 | -                  | -            | -                       | -           | -                     | -           |
| Financial instruments pledged as collateral | -                  | -            | -                       | -           | -                     | -           |
| Derivatives                                 | -                  | -            | -                       | -           | -                     | -           |
| Investments in associated undertakings      | -                  | -            | 34                      | 19          | -                     | -           |
| Investments in group undertakings           | 370                | 353          | -                       | -           | -                     | -           |
| Other assets                                | 5                  | 0            | -                       | -           | -                     | -           |
| Prepaid expenses and accrued income         | 15                 | 15           | -                       | -           | -                     | -           |
| <b>Total assets</b>                         | <b>5,960</b>       | <b>5,553</b> | <b>166</b>              | <b>115</b>  | <b>-</b>              | <b>-</b>    |

**Note 45 Related-party transactions, cont.****Parent company**

|                                      | Group undertakings |           | Associated undertakings |            | Other related parties |          |
|--------------------------------------|--------------------|-----------|-------------------------|------------|-----------------------|----------|
|                                      | 31 Dec             | 31 Dec    | 31 Dec                  | 31 Dec     | 31 Dec                | 31 Dec   |
| EURm                                 | 2011               | 2010      | 2011                    | 2010       | 2011                  | 2010     |
| <b>Liabilities</b>                   |                    |           |                         |            |                       |          |
| Deposits                             | 11,432             | 20        | 9                       | 76         | 5                     | 5        |
| Debt securities in issue             | -                  | -         | 30                      | 30         | -                     | -        |
| Derivatives                          | -                  | -         | 5                       | -          | -                     | -        |
| Other liabilities                    | -                  | -         | -                       | -          | -                     | -        |
| Accrued expenses and deferred income | 10                 | 2         | -                       | -          | -                     | -        |
| <b>Total liabilities</b>             | <b>11,442</b>      | <b>22</b> | <b>44</b>               | <b>106</b> | <b>5</b>              | <b>5</b> |

**Off balance<sup>1</sup>**

|            |            |            |           |          |          |
|------------|------------|------------|-----------|----------|----------|
| <b>662</b> | <b>556</b> | <b>128</b> | <b>99</b> | <b>-</b> | <b>-</b> |
|------------|------------|------------|-----------|----------|----------|

<sup>1</sup>Including nominal values on derivatives.**Parent company**

|                                             | 31 Dec    | 31 Dec    | 31 Dec   | 31 Dec   | 31 Dec   | 31 Dec   |
|---------------------------------------------|-----------|-----------|----------|----------|----------|----------|
| EURm                                        | 2011      | 2010      | 2011     | 2010     | 2011     | 2010     |
| <b>Interest income and interest expense</b> |           |           |          |          |          |          |
| Interest income                             | 86        | 74        | 4        | 2        | -        | -        |
| Interest expense                            | 0         | 0         | 0        | 0        | 0        | 0        |
| <b>Net interest income and expense</b>      | <b>86</b> | <b>74</b> | <b>4</b> | <b>2</b> | <b>0</b> | <b>0</b> |

The terms "group undertakings" and "associated undertakings" refer to group undertakings and associated undertakings of the Nordea Bank Finland Group. In addition to the parent company figures stated above, the parent company's assets included receivables, interest-bearing securities, derivatives and other assets from other Nordea group undertakings in the amount of EUR 54,411m (68,351), liabilities in the amount of EUR 36,683m (43,480), net interest income in the amount of EUR 72m (90) and off-balance sheet commitments in the amount of EUR 431,155m (359,662). Off balance sheet transactions with Nordea group associated undertakings amounted to EUR 8,321m (7,202) and corresponding balance sheet values of derivatives were EUR 246m (155) in assets and EUR 80m (64) in liabilities.

**Compensations and loans and receivables to Key management personnel**

Compensations and loans to Key management personnel are specified in Note 8.

**Note 46 Mergers, acquisitions, disposals and dissolutions**

| <b>Subsidiaries acquired during 2011</b>             | Line of business    | Total assets<br>EURm | Profit/loss for the year as<br>included in the Bank Group |
|------------------------------------------------------|---------------------|----------------------|-----------------------------------------------------------|
| SIA Lidosta                                          | Real estate company | 1                    | -                                                         |
| <b>Subsidiaries sold during 2011</b>                 | Line of business    | Total assets<br>EURm | Profit/loss for the year as<br>included in the Bank Group |
| Professional Forening NM Nordea Carry Fund           | Mutual fund         | 5                    | -                                                         |
| <b>Subsidiaries merged during 2011</b>               | Line of business    | Total assets<br>EURm | Profit/loss for the year as<br>included in the Bank Group |
| -                                                    | -                   | -                    | -                                                         |
| <b>Other subsidiaries dissolved during 2011</b>      | Number of companies | Total assets<br>EURm | Profit/loss for the year as<br>included in the Bank Group |
| VKR-Kiinteistöt Oy Ab                                | Real estate company | 2                    | 0                                                         |
| <b>Associated undertakings dissolved during 2011</b> | Line of business    | Total assets<br>EURm | Profit/loss for the year as<br>included in the Bank Group |
| -                                                    | -                   | -                    | -                                                         |

## Note 47 Credit risk disclosure

Credit risk management and credit risk analysis is described in the Risk, Liquidity and Capital management section of the Board of Directors' Report. Additional information on credit risk is also disclosed in the Capital and Risk management Report (Pillar 3) 2011, which is available on [www.nordea.com](http://www.nordea.com).

### Group and parent company

#### Collateralised Debt Obligations (CDO) - Exposure<sup>1</sup>

| Nominals, EURm               | 31 Dec 2011            |                        | 31 Dec 2010            |                        |
|------------------------------|------------------------|------------------------|------------------------|------------------------|
|                              | Bought protection      | Sold protection        | Bought protection      | Sold protection        |
| CDOs, gross                  | 1,575                  | 2,267                  | 1,535                  | 2,244                  |
| Hedged exposures             | 1,394                  | 1,394                  | 1,322                  | 1,322                  |
| <b>CDOs, net<sup>2</sup></b> | <b>181<sup>3</sup></b> | <b>873<sup>4</sup></b> | <b>213<sup>3</sup></b> | <b>922<sup>4</sup></b> |
| - of which Equity            | 114                    | 223                    | 108                    | 251                    |
| - of which Mezzanine         | 65                     | 101                    | 104                    | 129                    |
| - of which Senior            | 2                      | 549                    | 1                      | 542                    |

<sup>1</sup>First-to-Default (FTD)swaps are not classified as CDOs and are therefore not included in the table. Net bought protection amounts to EUR 218m (71) and net sold protection to EUR 53m (80). Both bought and sold protection are, to the predominant part, investment grade.

<sup>2</sup>Net exposure disregards exposure where tranches are completely identical in terms of reference pool attachment, detachment, maturity and currency.

<sup>3</sup>Of which investment grade EUR 181m (209) and sub investment grade EUR 0m (4).

<sup>4</sup>Of which investment grade EUR 873m (922) and sub investment grade EUR 0m (0) and not rated EUR 0m (0).

When Nordea sells protection in a CDO transaction, Nordea carries the risk of losses in the reference portfolio on the occurrence of a credit event. When Nordea buys protection in a CDO transaction, any losses in the reference portfolio, in which Nordea has not necessarily invested, triggered by a credit event is then carried by the seller of protection.

The risk from CDOs is hedged with a portfolio of CDSs. The risk positions are subject to various types of market risk limits, including VaR, and the CDO valuations are subject to fair value adjustments for model risk. These fair value adjustments are recognised in the income statement.

#### Restructured loans current year

| EURm                                        | Group       |             | Parent company |             |
|---------------------------------------------|-------------|-------------|----------------|-------------|
|                                             | 31 Dec 2011 | 31 Dec 2010 | 31 Dec 2011    | 31 Dec 2010 |
| Loans before restructuring, carrying amount | 31          | 46          | 31             | 46          |
| Loans after restructuring, carrying amount  | 0           | 46          | 0              | 46          |

#### Assets taken over for protection of claims<sup>1</sup>

| EURm                             | Group       |             | Parent company |             |
|----------------------------------|-------------|-------------|----------------|-------------|
|                                  | 31 Dec 2011 | 31 Dec 2010 | 31 Dec 2011    | 31 Dec 2010 |
| Current assets, carrying amount: |             |             |                |             |
| Land and buildings               | 63          | 26          | 63             | 26          |
| Shares and other participations  | 0           | 0           | 0              | 0           |
| Other assets                     | 3           | 5           | 0              | 0           |
| <b>Total</b>                     | <b>66</b>   | <b>31</b>   | <b>63</b>      | <b>26</b>   |

<sup>1</sup>In accordance with Nordea's policy for taking over assets for protection of claims, which is in compliance with the local Banking Business Acts, wherever Nordea is located. Assets, used as collateral for the loan, are generally taken over when the customer is not able to fulfil its obligations to Nordea.

**Note 47 Credit risk disclosure, cont.****Past due loans, excl. impaired loans**

| EURm                                                                           | Group               |                     |                     |                     | Parent company      |                     |                     |                     |
|--------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                                | 31 Dec 2011         |                     | 31 Dec 2010         |                     | 31 Dec 2011         |                     | 31 Dec 2010         |                     |
|                                                                                | Corporate customers | Household customers | Corporate customers | Household customers | Corporate customers | Household customers | Corporate customers | Household customers |
| 6-30 days                                                                      | 91                  | 261                 | 76                  | 218                 | 46                  | 233                 | 27                  | 189                 |
| 31-60 days                                                                     | 58                  | 136                 | 56                  | 140                 | 31                  | 93                  | 28                  | 93                  |
| 61-90 days                                                                     | 22                  | 64                  | 22                  | 66                  | 16                  | 44                  | 16                  | 45                  |
| >90 days                                                                       | 34                  | 19                  | 39                  | 19                  | 33                  | 19                  | 33                  | 19                  |
| <b>Total</b>                                                                   | <b>205</b>          | <b>480</b>          | <b>193</b>          | <b>443</b>          | <b>126</b>          | <b>389</b>          | <b>104</b>          | <b>346</b>          |
| Past due not impaired loans divided by loans to the public after allowances, % | 0.33                | 1.32                | 0.51                | 1.27                | 0.22                | 1.15                | 0.29                | 1.08                |

**Loans to corporate customers, by size of loan**

| EURm         | Group         |              |               |              | Parent company |              |               |              |
|--------------|---------------|--------------|---------------|--------------|----------------|--------------|---------------|--------------|
|              | 31 Dec 2011   |              | 31 Dec 2010   |              | 31 Dec 2011    |              | 31 Dec 2010   |              |
|              |               | %            |               | %            |                | %            |               | %            |
| 0-10         | 33,167        | 53.3         | 20,816        | 54.5         | 31,229         | 53.3         | 19,116        | 54.5         |
| 10-50        | 15,888        | 25.6         | 9,018         | 23.6         | 14,960         | 25.6         | 8,281         | 23.6         |
| 50-100       | 5,269         | 8.5          | 3,782         | 9.9          | 4,962          | 8.5          | 3,473         | 9.9          |
| 100-250      | 5,146         | 8.3          | 2,700         | 7.1          | 4,845          | 8.3          | 2,479         | 7.1          |
| 250-500      | 2,707         | 4.4          | 1,858         | 4.9          | 2,549          | 4.4          | 1,706         | 4.9          |
| 500-         | 0             | 0.0          | 0             | 0.0          | 0              | 0.0          | 0             | 0            |
| <b>Total</b> | <b>62,176</b> | <b>100.0</b> | <b>38,174</b> | <b>100.0</b> | <b>58,544</b>  | <b>100.0</b> | <b>35,055</b> | <b>100.0</b> |

**Interest-bearing securities and Treasury bills**

| EURm                                   | Group         |                   |               |                   | Parent company |                   |               |                   |
|----------------------------------------|---------------|-------------------|---------------|-------------------|----------------|-------------------|---------------|-------------------|
|                                        | 31 Dec 2011   |                   | 31 Dec 2010   |                   | 31 Dec 2011    |                   | 31 Dec 2010   |                   |
|                                        | At fair value | At amortised cost | At fair value | At amortised cost | At fair value  | At amortised cost | At fair value | At amortised cost |
| State and sovereigns <sup>1</sup>      | 6,111         | -                 | 2,757         | 150               | 6,111          | -                 | 2,757         | 150               |
| Municipalities and other public bodies | 7             | -                 | 69            | -                 | 7              | -                 | 69            | -                 |
| Mortgage institutions                  | 14,050        | 655               | 7,214         | 3,746             | 14,050         | 655               | 7,214         | 3,746             |
| Other credit institutions              | 7,390         | 2,138             | 7,422         | 2,143             | 7,390          | 2,138             | 7,422         | 2,143             |
| Corporates                             | 447           | -                 | 297           | -                 | 447            | -                 | 297           | -                 |
| Corporates, sub-investment grade       | 67            | -                 | 139           | -                 | 67             | -                 | 139           | -                 |
| Other                                  | 1             | -                 | -             | -                 | 1              | -                 | 0             | -                 |
| <b>Total</b>                           | <b>28,073</b> | <b>2,793</b>      | <b>17,898</b> | <b>6,039</b>      | <b>28,073</b>  | <b>2,793</b>      | <b>17,898</b> | <b>6,039</b>      |

<sup>1</sup> Of which relating to Portugal, Italy, Ireland, Greece and Spain total EUR 0m

**Note 48 Nordea shares**

Nordea Bank Finland Plc does not possess own shares. During the year Nordea Bank Finland has bought and sold shares in its parent company Nordea Bank AB (publ) as part of its normal trading and market making activities. The trades are specified in the table enclosed.

**Acquisitions**

| Month     | Quantity  | Average acq. price | Amount, EUR   |
|-----------|-----------|--------------------|---------------|
| January   | 338,089   | 8.58               | 2,863,498.92  |
| February  | 284,463   | 8.42               | 2,396,245.97  |
| March     | 200,457   | 7.73               | 1,517,863.21  |
| April     | 21,081    | 7.85               | 165,119.19    |
| May       | 262,101   | 7.75               | 2,011,376.13  |
| June      | 487,861   | 7.54               | 3,580,398.39  |
| July      | 49,031    | 7.31               | 364,536.79    |
| August    | 237,111   | 6.25               | 1,470,491.05  |
| September | 126,260   | 5.93               | 752,500.21    |
| October   | 96,048    | 6.39               | 623,713.22    |
| November  | 2,146,041 | 5.89               | 11,977,286.52 |
| December  | 231,238   | 5.84               | 1,339,373.18  |
|           | 4,479,781 |                    | 29,062,402.78 |

**Sales**

| Month     | Quantity   | Average price | Amount, EUR    |
|-----------|------------|---------------|----------------|
| January   | -346,720   | 8.53          | -2,825,171.34  |
| February  | -255,192   | 8.38          | -2,142,790.49  |
| March     | -230,319   | 7.88          | -1,858,484.74  |
| April     | -29,899    | 7.94          | -239,274.10    |
| May       | -33,647    | 7.83          | -264,829.03    |
| June      | -219,425   | 7.48          | -1,585,065.44  |
| July      | -243,060   | 7.34          | -1,789,758.87  |
| August    | -380,253   | 6.41          | -2,501,375.72  |
| September | -142,136   | 5.87          | -847,483.30    |
| October   | -681,740   | 6.30          | -4,504,368.52  |
| November  | -1,165,413 | 6.02          | -7,025,638.90  |
| December  | -619,492   | 5.82          | -3,462,918.18  |
|           | -4,347,296 |               | -29,047,158.63 |

The quota value of the Nordea Bank AB (publ) share is EUR 1.00. The trades had an insignificant effect on the shareholding and voting-power in Nordea Bank AB (publ). At year-end 2011 NBF owned 153,707 shares of the parent company.

## The proposal of the Board of Directors to the Annual General Meeting

The parent company's distributable funds on 31 December 2011 were EUR 8,280,382,252.71, of which the profit for the year was EUR 1,039,705,100.08. The Board of Directors proposes that

1. a dividend of EUR 1,000,000,000.00 be paid and
2. EUR 200,000.00 be reserved for public good purposes
3. whereafter the distributable funds will be EUR 7,280,182,252.71.

Signatures of the Directors' report and of the Financial Statements:

Helsinki, 29 February 2012

Fredrik Rystedt

Ari Kaperi

Casper von Koskull

Gunn Wærsted

Our auditors' report has been issued today.

Helsinki, 29 February 2012

KPMG OY AB

Raija-Leena Hankonen  
Authorised Public Accountant

## Auditors' report

*This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.*

### **To the Annual General Meeting of Nordea Bank Finland Plc**

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Nordea Bank Finland Plc for the year ended on 31 December 2011. The financial statements comprise both the consolidated and the parent company's statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the financial statements.

#### *Responsibility of the Board of Directors and the Managing Director*

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Finnish Credit Institutions Act, the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion,

- both the consolidated and the parent company's financial statements give a true and fair view of their financial position, financial performance, and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland
- the information in the report of the Board of Directors is consistent with the information in the financial statements.



*Other opinions*

We support the adoption of the financial statements. The proposal by the Board of Directors regarding the treatment of distributable funds is in compliance with the Limited Liability Companies Act. We support that the Board of Directors of the parent company and the Managing Director be discharged from liability for the financial period audited by us.

Helsinki, 29 February 2012

KPMG OY AB

Raija-Leena Hankonen

*Authorized Public Accountant*

## Management and auditors

### Management

The Board of Directors of Nordea Bank Finland Plc comprises four members. The Chairman of the board is Fredrik Rystedt and the Vice Chairman is Ari Kaperi.

The President of Nordea Bank Finland Plc is Ari Kaperi and Pekka Nuuttila acts as his deputy.

### Auditors

The Annual General Meeting of Nordea Bank Finland Plc elects the company's auditors for a period of one year at a time. The auditor must be an audit firm authorised by the Finnish Chamber of Commerce.

### Board of Directors 31 December 2011

#### Ari Kaperi

Born 1960. President of Nordea Bank Finland Plc, Head of Group Risk Management, Chief Risk Officer and Country Senior Executive in Finland. Vice Chairman of the Board since 2010. Member since 2010.

#### Fredrik Rystedt

Born 1963. Chief Financial Officer and Head of Group Corporate Centre. Chairman of the Board since 2010. Member since 2008.

#### Casper von Koskull

Born 1960. Head of Corporate Merchant Banking and Capital Markets. Member since 2010.

#### Gunn Wærsted

Born 1955. Managing Director of Nordea Bank Norway ASA, Head of Shipping, Private Banking & Savings Products and Country Senior Executive in Norway. Member since 2010

### Auditors

#### KPMG Oy Ab

Auditor with main responsibility  
Raija-Leena Hankonen  
Authorised Public Accountant

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