IMPORTANT NOTICE

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

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

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

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

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

SUPPLEMENT NO. 1 DATED 13 FEBRUARY 2018 TO THE BASE PROSPECTUS DATED 19 DECEMBER 2017

NORDEA BANK AB (PUBL)

(Incorporated with limited liability in the Kingdom of Sweden)

€15,000,000,000
Structured Note Programme

This supplement no. 1 (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 19 December 2017 (the "**Base Prospectus**") prepared by Nordea Bank AB (publ) ("**NBAB**") with respect to its €15,000,000,000 Structured Note Programme (the "**Programme**") and constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

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

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

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

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

An investor which has agreed, prior to the date of publication of this Supplement, to purchase or subscribe for Notes issued under the Programme may withdraw its acceptance before the end of the working day 15 February 2018 in accordance with the Prospectus Directive.

AMENDMENTS TO THE BASE PROSPECTUS

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

FOURTH QUARTER INTERIM REPORT 2017

On 25 January 2018, the Issuer published its interim report for the year ending 31 December 2017 (the "**Fourth Quarter Interim Report 2017**"). The Fourth Quarter Interim Report 2017 contains unaudited consolidated and individual financial statements. By virtue of this Supplement, the unaudited consolidated income statement, unaudited consolidated statement of comprehensive income, the unaudited consolidated balance sheet, the unaudited consolidated statement of changes in equity, the unaudited consolidated cash flow statement (condensed), the notes to the consolidated financial statements, the Issuer's unaudited income statement, the Issuer's unaudited balance sheet and the notes to the Issuer's financial statements of the Fourth Quarter Interim Report 2017 are set out in the annex hereto, and such annex forms part of this Supplement and the Base Prospectus.

IMPORTANT INFORMATION RELATING TO PUBLIC OFFER OF NOTES

The following language is added following the paragraph titled "**IMPORTANT – EEA RETAIL INVESTORS**" on page vi of the Base Prospectus:

"MIFID II PRODUCT GOVERNANCE / TARGET MARKET

Information for distributors on the manufacturer's target market assessment for each Series of Notes can be obtained by distributors from Nordea or via platforms specified by Nordea, which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels."

The following language appearing in item 54 of the Form of Final Terms for Notes on page 249 of the Base Prospectus shall be deleted and moved to item 55 of the Form of Final Terms for Notes:

"

- Number of Exchange Business Days: [•]/As set out in Part 2: *Additional Conditions for Certain Structured Notes* to the Conditions]"

NBAB GROUP EXECUTIVE MANAGEMENT

The table showing the Group Executive Management appearing on page 312 of the Base Prospectus shall be deleted and replaced by the following:

"Name	**Year of birth**	**Group Executive Management member since**	**Position**
Casper von Koskull	1960	2010	President and Group CEO
Torsten Hagen Jørgensen	1965	2011	Deputy Group CEO and Group COO, Executive Vice President and Head of Group Corporate Centre
Erik Ekman	1969	2015	Executive Vice President, Head of Commercial and Business Banking
Matthew Elderfield.........................	1966	2016	Group Compliance Officer, Head of Group Compliance
Julie Galbo	1971	2017	Group CRO and Head of Group Risk Management & Control
Christopher Rees*	1970	2018	Executive Vice President, Group Chief Financial Officer and Head of Group Finance & Treasury
Topi Manner...................................	1974	2016	Executive Vice President, Head of Personal

"Name	Year of birth	Group Executive Management member since	Position
			Banking
Martin Persson	1975	2016	Executive Vice President, Head of Wholesale Banking
Snorre Storset................................	1972	2015	Executive Vice President, Head of Wealth Management
Karen Tobiasen	1965	2016	Chief People Officer, Head of Group People

* On 6 February 2018, Nordea announced that Mr. Rees would replace Mr. Ilkka as new Group Chief Financial Officer, Head of Group Treasury and Member of Group Executive Management from 1 March 2018. Mr. Ilkka will end his employment with Nordea on 28 February 2018 and will remain a member of Group Executive Management until such time."

The paragraph starting "*Heikki Ilkka*" appearing on page 313 of the Base Prospectus is to be deleted and replaced by the following:

"*Christopher Rees* has been appointed Executive Vice President, Group CFO and Head of Group Finance & Treasury and a member of Group Executive Management from 1 March 2018. Mr. Rees joined Nordea in 2015 as COO for Wholesale Banking and most recently held the roles of Deputy Head of Wholesale Banking and Head of Nordea Markets."

GENERAL INFORMATION

The fourth paragraph of the "General Information" section on page 346 of the Base Prospectus is deleted and replaced by the following:

"4. Since 31 December 2017 the date to which the latest published financial statements of the Issuer were prepared, there has been no significant change in the financial or trading position of the Issuer or the Nordea Group."

UPDATE OF THE SUMMARY OF THE PROGRAMME

The Summary of the Programme in English included in the Base Prospectus is updated in Appendix 1 to this Supplement.

SELECTED FINANCIAL INFORMATION

The Selected Financial Information section on pages 317-319 of the Base Prospectus is deleted in its entirety and replaced with the updated Selected Financial Information in Appendix 2 to this Supplement.

ANNEX
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Nordea Bank AB (publ) **Page**

(of Fourth Quarter Interim Report 2017)

Income statement

EURm	Note	Q4 2017	Q4 2016	H2 2017	H2 2016	Jan-Dec 2017	Jan-Dec 2016
Operating income							
Interest income		1,834	1,905	3,749	3,822	7,575	7,747
Interest expense		-725	-696	-1,455	-1,435	-2,909	-3,020
Net interest income		**1,109**	**1,209**	**2,294**	**2,387**	**4,666**	**4,727**
Fee and commission income		1,063	1,082	2,082	2,105	4,232	4,098
Fee and commission expense		-224	-215	-429	-443	-863	-860
Net fee and commission income	3	**839**	**867**	**1,653**	**1,662**	**3,369**	**3,238**
Net result from items at fair value	4	235	498	592	978	1,328	1,715
Profit from associated undertakings and joint ventures accounted for under the equity method		16	4	19	2	23	112
Other operating income		29	32	43	47	83	135
Total operating income		**2,228**	**2,610**	**4,601**	**5,076**	**9,469**	**9,927**
Operating expenses							
General administrative expenses:							
Staff costs		-861	-687	-1,618	-1,430	-3,212	-2,926
Other expenses	5	-425	-475	-802	-864	-1,622	-1,646
Depreciation, amortisation and impairment charges of tangible and intangible		-75	-71	-145	-122	-268	-228
Total operating expenses		**-1,361**	**-1,233**	**-2,565**	**-2,416**	**-5,102**	**-4,800**
Profit before loan losses		**867**	**1,377**	**2,036**	**2,660**	**4,367**	**5,127**
Net loan losses	6	-71	-129	-150	-264	-369	-502
Operating profit		**796**	**1,248**	**1,886**	**2,396**	**3,998**	**4,625**
Income tax expense		-167	-148	-425	-408	-950	-859
Net profit for the period		**629**	**1,100**	**1,461**	**1,988**	**3,048**	**3,766**
Attributable to:							
Shareholders of Nordea Bank AB (publ)		624	1,100	1,452	1,988	3,031	3,766
Non-controlling interests		5	-	9	-	17	-
Total		**629**	**1,100**	**1,461**	**1,988**	**3,048**	**3,766**
Basic earnings per share, EUR		0.15	0.27	0.36	0.49	0.75	0.93
Diluted earnings per share, EUR		0.15	0.27	0.36	0.49	0.75	0.93

Statement of comprehensive income

EURm	Q4 2017	Q4 2016	H2 2017	H2 2016	Jan-Dec 2017	Jan-Dec 2016
Net profit for the period	**629**	**1,100**	**1,461**	**1,988**	**3,048**	**3,766**
Items that may be reclassified subsequently to the income statement						
Currency translation differences during the period	-254	24	-225	218	-511	438
Tax on currency translation differences during the period	4	-	1	-	3	-
Hedging of net investments in foreign operations:						
Valuation gains/losses during the period	95	15	69	-133	175	-219
Tax on valuation gains/losses during the period	-19	-3	-14	29	-37	48
Available for sale investments:[1]						
Valuation gains/losses during the period, net of recycling	-24	-5	-15	46	31	117
Tax on valuation gains/losses during the period	5	1	3	-11	-8	-27
Cash flow hedges:						
Valuation gains/losses during the period, net of recycling	1	3	-2	-55	-107	-44
Tax on valuation gains/losses during the period	0	-1	0	12	24	10
Items that may not be reclassified subsequently to the income statement						
Defined benefit plans:						
Remeasurement of defined benefit plans	-172	256	-115	217	-115	-205
Tax on remeasurement of defined benefit plans	37	-57	24	-48	25	47
Other comprehensive income, net of tax	**-327**	**233**	**-274**	**275**	**-520**	**165**
Total comprehensive income	**302**	**1,333**	**1,187**	**2,263**	**2,528**	**3,931**
Attributable to:						
Shareholders of Nordea Bank AB (publ)	297	1,333	1,178	2,263	2,511	3,931
Non-controlling interests	5	-	9	-	17	-
Total	**302**	**1,333**	**1,187**	**2,263**	**2,528**	**3,931**

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

Balance sheet

EURm	Note	31 Dec 2017	31 Dec 2016
Assets			
Cash and balances with central banks		43,081	32,099
Loans to central banks	7	4,796	11,235
Loans to credit institutions	7	8,592	9,026
Loans to the public	7	310,158	317,689
Interest-bearing securities		75,294	87,701
Financial instruments pledged as collateral		6,489	5,108
Shares		17,180	21,524
Assets in pooled schemes and unit-linked investment contracts		25,879	23,102
Derivatives		46,111	69,959
Fair value changes of the hedged items in portfolio hedge of interest rate risk		163	178
Investments in associated undertakings and joint ventures		1,235	588
Intangible assets		3,983	3,792
Property and equipment		624	566
Investment properties		1,448	3,119
Deferred tax assets		118	60
Current tax assets		121	288
Retirement benefit assets		250	306
Other assets		12,441	18,973
Prepaid expenses and accrued income		1,463	1,449
Assets held for sale	12	22,186	8,897
Total assets		**581,612**	**615,659**
Liabilities			
Deposits by credit institutions		39,983	38,136
Deposits and borrowings from the public		172,434	174,028
Deposits in pooled schemes and unit-linked investment contracts		26,333	23,580
Liabilities to policyholders		19,412	41,210
Debt securities in issue		179,114	191,750
Derivatives		42,713	68,636
Fair value changes of the hedged items in portfolio hedge of interest rate risk		1,450	2,466
Current tax liabilities		389	487
Other liabilities		28,515	24,413
Accrued expenses and prepaid income		1,603	1,758
Deferred tax liabilities		722	830
Provisions		329	306
Retirement benefit obligations		281	302
Subordinated liabilities		8,987	10,459
Liabilities held for sale	12	26,031	4,888
Total liabilities		**548,296**	**583,249**
Equity			
Additional Tier 1 capital holders		750	-
Non-controlling interests		168	1
Share capital		4,050	4,050
Share premium reserve		1,080	1,080
Other reserves		-1,543	-1,023
Retained earnings		28,811	28,302
Total equity		**33,316**	**32,410**
Total liabilities and equity		**581,612**	**615,659**
Assets pledged as security for own liabilities		198,973	189,441
Other assets pledged		4,943	8,330
Contingent liabilities		19,020	23,089
Credit commitments[1]		74,545	77,881
Other commitments		2,487	1,553

[1] Including unutilised portion of approved overdraft facilities of EUR 29,956m (31 Dec 2016: EUR 30,703m).

Statement of changes in equity

	Attributable to shareholders of Nordea Bank AB (publ)										
			Other reserves:								
EURm	Share capital[1]	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans	Retained earnings	Total	Additional Tier 1 capital holders	Non-controlling interests	Total equity
Balance at 1 Jan 2017	**4,050**	**1,080**	**-1,350**	**37**	**80**	**210**	**28,302**	**32,409**	**-**	**1**	**32,410**
Net profit for the period	-	-	-	-	-	-	3,031	3,031	-	17	**3,048**
Other comprehensive income, net of tax	-	-	-370	-83	23	-90	-	-520	-	-	**-520**
Total comprehensive income	-	-	-370	-83	23	-90	3,031	2,511	-	17	**2,528**
Issuance of Additional Tier 1 capital	-	-	-	-	-	-	-6	-6	750	-	**744**
Dividend 2016	-	-	-	-	-	-	-2,625	-2,625	-	-	**-2,625**
Purchase of own shares[2]	-	-	-	-	-	-	-12	-12	-	-	**-12**
Other changes[3]	-	-	-	-	-	-	121	121	-	150	**271**
Balance at 31 Dec 2017	**4,050**	**1,080**	**-1,720**	**-46**	**103**	**120**	**28,811**	**32,398**	**750**	**168**	**33,316**

	Attributable to shareholders of Nordea Bank AB (publ)										
			Other reserves:								
EURm	Share capital[1]	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans	Retained earnings	Total	Additional Tier 1 capital holders	Non-controlling interests	Total equity
Balance at 1 Jan 2016	**4,050**	**1,080**	**-1,617**	**71**	**-10**	**368**	**27,089**	**31,031**	**-**	**1**	**31,032**
Net profit for the period	-	-	-	-	-	-	3,766	3,766	-	-	**3,766**
Other comprehensive income, net of tax	-	-	267	-34	90	-158	-	165	-	-	**165**
Total comprehensive income	-	-	267	-34	90	-158	3,766	3,931	-	-	**3,931**
Dividend for 2015	-	-	-	-	-	-	-2,584	-2,584	-	-	**-2,584**
Divestment of own shares[2]	-	-	-	-	-	-	31	31	-	-	**31**
Balance at 31 Dec 2016	**4,050**	**1,080**	**-1,350**	**37**	**80**	**210**	**28,302**	**32,409**	**-**	**1**	**32,410**

[1] Total shares registered were 4,050 million (31 Dec 2016: 4,050 million).

[2] Refers to the change in the holding of own shares related to the Long Term Incentive Programme (LTIP), trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares were 13.7 million (31 Dec 2016: 13.3 million). The total holding of own shares related to LTIP were 10.2 (31 Dec 2016: 10.9 million).

[3] Refers to the sale of 25% of Nordea Liv & Pension, Livforsikringsselskab A/S in Denmark.

Cash flow statement, condensed

EURm	Full year 2017	Full year 2016
Operating activities		
Operating profit	3,998	4,625
Adjustments for items not included in cash flow	3,514	3,892
Income taxes paid	-950	-952
Cash flow from operating activities before changes in operating assets and liabilities	**6,562**	**7,565**
Changes in operating assets and liabilities	5,712	-4,285
Cash flow from operating activities	**12,274**	**3,280**
Investing activities		
Sale/acquisition of business operations	228	-
Investments in associated undertakings and joint ventures	-957	-
Properties and equipment	-118	-104
Intangible assets	-642	-656
Net investments in debt securities, held to maturity	-8	-360
Other financial fixed assets	-2	186
Cash flow from investing activities	**-1,499**	**-934**
Financing activities		
Issued/amortised subordinated liabilities	-750	1,000
Divestment/repurchase of own shares including change in trading portfolio	-12	31
Dividend paid	-2,625	-2,584
Issued additional tier 1 capital	750	-
Cash flow from financing activities	**-2,637**	**-1,553**
Cash flow for the period	**8,138**	**793**

Cash and cash equivalents

EURm	31 Dec 2017	31 Dec 2016
Cash and cash equivalents at beginning of the period	41,860	40,200
Translation difference	-3,785	867
Cash and cash equivalents at end of the period	46,213	41,860
Change	**8,138**	**793**
The following items are included in cash and cash equivalents:		
Cash and balances with central banks	43,081	32,099
Loans to central banks	2,004	8,538
Loans to credit institutions	779	1,093
Assets held for sale	349	130
Total cash and cash equivalents	**46,213**	**41,860**

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal giro systems under government authority, where the following conditions are fulfilled:
- the central bank or the postal giro system is domiciled in the country where the institution is established.
- the balance on the account is readily available at any time.

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

Notes to the financial statements

Note 1 Accounting policies

The consolidated interim financial statements are presented in accordance with IAS 34 “Interim Financial Reporting”. In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25 including amendments) and the Supplementary Accounting Rules for Groups (RFR 1) from the Swedish Financial Reporting Board have been applied.

The same accounting policies and methods of computation are followed as compared to the Annual Report 2016, for more information see Note G1 in the Annual Report 2016. For changes implemented during 2017, see “Changed accounting policies and presentation” below.

Changed accounting policies and presentation

The following new and amended standards and interpretations were implemented by Nordea 1 January 2017 but have not had any significant impact on the financial statements of Nordea:

- Amendment to IAS 12: “Recognition of Deferred Tax Assets for Unrealised Losses”
- Amendments to IAS 7: “Disclosure Initiative”

Amendments have also been made in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559). These amendments were implemented 1 January 2017 but have not had any significant impact on Nordea’s financial statements.

In addition, the Swedish Financial Reporting Board has amended the accounting recommendation for groups by issuing “RFR 1 Supplementary Accounting Rules for Groups – January 2017”. These changes were implemented by Nordea 1 January 2017 but have not had any significant impact on Nordea’s financial statements.

Changes in IFRSs not yet applied

IFRS 9 ”Financial instruments”

IASB has completed the new standard for financial instruments, IFRS 9 “Financial instruments”. IFRS 9 covers classification and measurement, impairment and general hedge accounting and replaces the current requirements covering these areas in IAS 39. IFRS 9 is effective as from annual periods beginning on or after 1 January 2018. The standard is endorsed by the EU-commission. Earlier application is permitted, but Nordea has not early adopted the standard. Nordea does not either intend to restate the comparative figures for 2017 in the annual report 2018 due to IFRS 9.

Classification and measurement

The classification and measurement requirements in IFRS 9 state that financial assets should be classified as, and measured at, amortised cost, fair value through profit and loss or fair value through other comprehensive income. The classification of a financial instrument is dependent on the business model for the portfolio where the instrument is included and on whether the cash flows are solely payments of principal and interest (SPPI).

In order to assess the business model, Nordea has divided its financial assets into portfolios and/or sub-portfolios based on how groups of financial assets are managed together to achieve a particular business objective. To derive the right level on which portfolios are determined, Nordea has taken the current business area structure into account. When determining the business model for each portfolio Nordea has analysed the objective with the financial assets as well as for instance past sales behaviour and management compensation.

Nordea has analysed whether the cash flows from the financial assets held per 31 December 2017 are SPPI compliant. This has been performed by grouping contracts which are homogenous from a cash flow perspective and conclusions have been drawn for all contracts within that group.

The analysis of the business model and the SPPI review described above have not resulted in any significant changes compared to how the financial instruments are measured under IAS 39. The new requirements will not have any significant impact on the capital adequacy, large exposures, risk management or alternative performance measures in the period of initial application.

Impairment

The impairment requirements in IFRS 9 are based on an expected loss model as opposed to the current incurred loss model in IAS 39. The scope of IFRS 9 impairment requirements is also broader than IAS 39. IFRS 9 requires all assets measured at amortised cost and fair value through other comprehensive income, as well as off-balance commitments including guarantees and loan commitments, to be included in the impairment test. Currently Nordea does not calculate collective provisions for off balance sheet exposures or the financial instruments classified into the measurement category AFS.

The assets to test for impairment will be divided into three groups depending on the stage of credit deterioration. Stage 1 includes assets where there has been no significant increase in credit risk, stage 2 includes assets where there has been a significant increase in credit risk and stage 3 includes defaulted assets. Significant assets in stage 3 are tested for impairment on an individual basis, while for insignificant assets a collective assessment is performed. In stage 1, the provisions should equal the 12 month expected loss. In stage 2 and 3, the provisions should equal the lifetime expected losses.

One important driver for size of provisions under IFRS 9 is the trigger for transferring an asset from stage 1 to stage 2. For assets held at transition, Nordea has decided to use the change in internal rating and scoring data to determine whether there has been a significant increase in credit risk or not. For assets to be recognised going forward, changes to the lifetime Probability of Default (PD) will be used as the trigger. Nordea has concluded it is not possible to calculate the lifetime PDs at origination without undue cost or effort and without the use of hindsight for assets already recognised on the balance sheet at transition. For assets evaluated based on lifetime PDs, Nordea has decided to use a mix of absolute and relative changes in PD as the transfer criterion. In addition, customers with forbearance measures and customers with payments more than thirty days past due will also be transferred to stage 2.

Nordea's current model for calculating collective provisions defines a loss event as one notch deterioration in rating/scoring, while the triggering event for moving items from stage 1 to stage 2 under IFRS 9 will require several notches deterioration.

The provisions under IFRS 9 will be calculated as the exposure at default times the probability of default times the loss given default. For assets in stage 1 this calculation will only be based on the coming 12 months, while it for assets in stage 2 will be based on the expected lifetime of the asset.

For assets where there has been a significant increase in credit risk, Nordea currently holds provisions based on the losses estimated to occur during the period between the date when the loss event occurred and the date when the loss event is identified on an individual basis, the so called "Emergence period" while IFRS 9 will require provisions equal to the lifetime expected loss.

When calculating lifetime losses under IFRS 9, including the staging assessment, the calculation will be based on probability weighted forward looking information. Nordea has decided to apply three macro-economic scenarios to address the non-linearity in expected credit losses. The different scenarios are used to adjust the relevant parameters for calculating expected losses and a probability weighted average of the expected losses under each scenario are recognised as provisions.

The quantitative impact from the new impairment requirements on total allowances and provisions for on- and off-balance exposures, including debt instruments accounted for at fair value through other comprehensive income (FVOCI), is an increase of EUR 0.2bn. This corresponds to an increase of 8% of total allowances and provisions for on- and off-balance exposures. Equity is reduced by EUR 0.2bn including the expected impact from companies accounted for under the equity method. The impact on the Common Equity Tier 1 capital ratio, after adjustment of the shortfall deduction and before transition rules, is insignificant. Nordea does not currently expect to apply the transitional rules issued by the EU allowing a phase in of the impact on common equity tier-1 capital. There is no significant impact to large exposures.

Impairment calculations under IFRS 9 will require more experienced credit judgement by the reporting entities than is required by IAS 39 today and a higher subjectivity is thus introduced. The inclusion of forward looking information adds complexity and makes provisions more dependent on management's view of the future economic outlook. It is expected that the impairment calculations under IFRS 9 will be more volatile and pro-cyclical than under IAS 39, mainly due to the significant subjectivity applied in the forward looking scenarios.

Hedge accounting
The main change to the general hedge accounting requirements is that the standard aligns hedge accounting more closely with the risk management activities. As Nordea generally uses macro (portfolio) hedge accounting Nordea's assessment is that the new requirements will not have any significant impact on Nordea's financial statements, capital adequacy, large exposures, risk management or alternative performance measures in the period of initial application. Nordea will continue to use the IAS 39 hedge accounting requirements also after IFRS 9 has been implemented.

IFRS 15 "Revenue from Contracts with Customers"
The IASB published the new standard, IFRS 15 "Revenue from Contracts with Customers" in 2014. Clarifications to the standard were published in April 2016. The new standard outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition standards and interpretations within IFRS, such as IAS 18 "Revenue". The standard does not apply to financial instruments, insurance contracts or lease contracts. The new standard is effective for annual periods beginning on or after 1 January 2018, with earlier application permitted. The standard and its clarifications have been endorsed by the EU-commission. Nordea has not early adopted the standard.

The standard will be implemented using the modified retrospective approach, meaning that the cumulative effect of the change will be recognised as an adjustment to equity in the opening balance 2018. Comparable figures for 2017 are not restated.

The new standard will have an impact on Nordea's accounting policies for loan origination fees, as such fees will be amortised as part of the effective interest of the underlying exposures to a larger extent than today. An opening balance adjustment amounting to EUR 79m pre-tax, recognised directly in equity (after tax), will be recognised at transition 1 January 2018. IFRS 15 will not have any significant impact on Nordea's financial statements, capital adequacy or large exposures in the period of initial application.

Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
The IASB has amended the requirements in IFRS 10 and IAS 28 regarding sales and contributions of assets between an investor and its associated undertaking or joint venture due to inconsistent treatment of gains and losses of such transactions in those standards. The IASB has thereafter proposed to defer indefinitely the effective date and permit earlier application. The amendments are not yet endorsed by the EU-commission. Nordea does not currently intend to early adopt the amendments. The new requirements are not expected to have any impact on Nordea's financial statements, capital adequacy, or large exposures in the period of initial application as the new requirements are in line with Nordea's current accounting policies.

IFRS 16 "Leases"
The IASB has published the new standard, IFRS 16 "Leases". The new standard changes the accounting requirements for lessees. All leases (except for short term- and small ticket leases) should be accounted for on the balance sheet of the lessee as a right to use the asset and a corresponding liability, and the lease payments should be recognised as amortisation and interest expense. The accounting requirements for lessors are unchanged. Additional disclosures are also required. The new standard is effective for annual periods beginning on or after 1

January 2019 and earlier application is permitted. The standard was endorsed by the EU-commission in 2017. Nordea does not intend to early adopt the standard.

The main impact on Nordea's financial statements is expected to come from the accounting of property leases. Such leasing contracts will be accounted for on the balance sheet to a larger extent than today. No significant impact is currently expected on the income statement or equity, although the presentation is expected to change in the income statement. It is too early to comment on the impact on large exposures and capital adequacy as the relevant requirements are not yet final.

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

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

The new standard is effective for the annual period beginning on or after 1 January 2021 and earlier application is permitted. The standard is not yet endorsed by the EU-commission. Nordea does not currently intend to early adopt the standard. Nordea's current assessment is that the new standard will not have any significant impact on Nordea's capital adequacy or large exposures in the period of initial application. It is not yet possible to conclude on the impact on Nordea's financial statements.

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

Exchange rates

	Jan-Dec 2017	Jan-Dec 2016
EUR 1 = SEK		
Income statement (average)	9.6378	9.4675
Balance sheet (at end of period)	9.8438	9.5525
EUR 1 = DKK		
Income statement (average)	7.4387	7.4453
Balance sheet (at end of period)	7.4449	7.4344
EUR 1 = NOK		
Income statement (average)	9.3317	9.2943
Balance sheet (at end of period)	9.8403	9.0863
EUR 1 = RUB		
Income statement (average)	65.9190	74.1913
Balance sheet (at end of period)	69.3920	64.3000

Note 2 Segment reporting

Jan-Dec 2017	Personal Banking	Commercial & Business Banking	Wholesale Banking	Wealth Management	Group Finance & Treasury	Other operating segments	Total operating segments	Recon-ciliation	**Total Group**
	Operating segments								
Total operating income, EURm	3,371	1,972	1,954	2,104	551	176	10,128	-659	**9,469**
- of which internal transactions[1]	-640	-373	-438	-29	1,489	-9	0	-	**-**
Operating profit, EURm	1,482	703	785	1,165	407	18	4,560	-562	**3,998**
Loans to the public[2], EURbn	141	81	50	10	-	2	284	26	**310**
Deposits and borrowings from the public[2], EURbn	68	39	41	12	-	2	162	10	**172**

Jan-Dec 2016	Personal Banking	Commercial & Business Banking	Wholesale Banking	Wealth Management	Group Finance & Treasury	Other operating segments	Total operating segments	Recon-ciliation	**Total Group**
Total operating income, EURm	3,179	1,929	2,277	2,002	714	404	10,505	-578	**9,927**
- of which internal transactions[1]	-722	-405	-395	-28	1,550	0	0	-	**-**
Operating profit, EURm	1,369	640	1,034	1,151	577	308	5,079	-454	**4,625**
Loans to the public[2], EURbn	139	79	54	11	-	13	296	22	**318**
Deposits and borrowings from the public[2], EURbn	67	39	42	13	-	13	174	0	**174**

[1] IFRS 8 requires information on revenues from transactions between operating segments. Nordea has defined intersegment revenues as internal interest income and expense related to the funding of the operating segments by the internal bank in Group Finance & Treasury.
[2] The volumes are only disclosed separately for operating segments if separately reported to the Chief Operating Decision Maker.

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

	Personal Banking Denmark		Personal Banking Finland		Personal Banking Norway		Personal Banking Sweden		Personal Banking Other		**Personal Banking**	
	Jan-Dec		**Jan-Dec**		**Jan-Dec**		**Jan-Dec**		**Jan-Dec**		**Jan-Dec**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Total operating income, EURm	1,121	1,109	810	786	526	462	1,232	1,161	-318	-339	**3,371**	**3,179**
- of which internal transactions	-132	-129	-98	-101	-218	-233	-153	-174	-39	-85	**-640**	**-722**
Operating profit, EURm	434	416	337	304	268	199	647	584	-204	-134	**1,482**	**1,369**
Loans to the public, EURbn	39	39	32	31	30	29	45	45	-5	-5	**141**	**139**
Deposits and borrowings from the public, EURbn	19	19	21	21	9	9	23	22	-4	-4	**68**	**67**

	Business Banking		Commercial Banking		Commercial & Business Banking Other		**Commercial & Business Banking**	
	Jan-Dec		**Jan-Dec**		**Jan-Dec**		**Jan-Dec**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Total operating income, EURm	1,116	1,089	1,073	1,024	-217	-184	**1,972**	**1,929**
- of which internal transactions	-109	-121	-280	-305	16	21	**-373**	**-405**
Operating profit, EURm	471	357	430	417	-198	-134	**703**	**640**
Loans to the public, EURbn	37	37	45	44	-1	-2	**81**	**79**
Deposits and borrowings from the public, EURbn	23	23	19	19	-3	-3	**39**	**39**

Note 2 Continued

	Corporate & Investment Banking		Shipping, Offshore & Oil Services		Banking Russia		Capital Markets unallocated		Wholesale Banking Other		**Wholesale Banking**	
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Total operating income, EURm	1,354	1,398	250	346	123	216	258	365	-31	-48	**1,954**	**2,277**
- of which internal transactions	-180	-200	-159	-134	-70	-73	55	111	-84	-99	**-438**	**-395**
Operating profit, EURm	756	725	44	131	52	123	106	219	-173	-164	**785**	**1,034**
Loans to the public, EURbn	37	38	10	12	3	4	-	-	-	-	**50**	**54**
Deposits and borrowings from the public, EURbn	36	36	4	5	1	1	-	-	-	-	**41**	**42**

	Private Banking		Asset Management		Life & Pension unallocated		Wealth Management Other		**Wealth Management**	
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Total operating income, EURm	858	834	985	857	624	630	-363	-319	**2,104**	**2,002**
- of which internal transactions	-31	-30	2	1	0	0	0	1	**-29**	**-28**
Operating profit, EURm	333	379	706	603	415	432	-289	-263	**1,165**	**1,151**
Loans to the public, EURbn	10	11	-	-	-	-	-	-	**10**	**11**
Deposits and borrowings from the public, EURbn	12	13	-	-	-	-	-	-	**12**	**13**

Reconciliation between total operating segments and financial statements

	Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	Jan-Dec		Jan-Dec		Jan-Dec	
	2017	2016	2017	2016	2017	2016
Total operating segments	4,560	5,079	284	296	162	174
Group functions[1]	-140	-12	-	-	-	-
Unallocated items	87	10	32	20	14	-1
Differences in accounting policies[2]	-509	-452	-6	2	-4	1
Total	**3,998**	**4,625**	**310**	**318**	**172**	**174**

[1] Consists of Group Risk Management, Group Internal Audit, Chief of staff office, Group Corporate Centre and Group Compliance.
[2] Impact from different classification of assets/liabilities held for sale, plan exchange rates and internal allocation principles used in the segment reporting.

Measurement of operating segments' performance

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

Financial results are presented for the main business areas Personal Banking, Commercial & Business Banking, Wholesale Banking and Wealth Management, with a further breakdown on operating segments, and the operating segment Group Finance & Treasury. Other operating segments below the quantitative thresholds in IFRS 8 are included in Other operating segments. Group functions (and eliminations) as well as the result that is not fully allocated to any of the operating segments, are shown separately as reconciling items.

Changes in basis of segmentation

During the fourth quarter changes to the basis of segmentation were made following the decision to move Baltic operations out of Personal Banking and to move Treasury out of Group Corporate Centre. The Baltic operations are as from the fourth quarter reported as part of Other operating segments and Group Finance & Treasury is reported as a separate reportable operating segment instead of Group Corporate Centre. The changes are also reflected in the reporting to the Chief Operating Decision Maker (CODM) and are consequently part of the segment reporting in Note 2. Comparative figures have been restated accordingly.

Note 3 Net fee and commission income

EURm	Q4 2017	Q3 2017	Q4 2016	H2 2017	H2 2016	Jan-Dec 2017	Jan-Dec 2016
Asset management commissions	394	375	365	769	715	1,543	1,369
Life & Pensions	83	77	88	160	164	313	306
Deposit Products	6	7	8	13	15	27	30
Brokerage, securities issues and corporate finance	45	55	69	100	122	224	226
Custody and issuer services	19	10	18	29	31	59	59
Payments	73	75	83	148	153	307	297
Cards	51	62	54	113	113	228	226
Lending Products	115	113	133	228	262	465	531
Guarantees	32	36	39	68	79	143	161
Other	21	4	10	25	8	60	33
Total	**839**	**814**	**867**	**1,653**	**1,662**	**3,369**	**3,238**

Note 4 Net result from items at fair value

EURm	Q4 2017	Q3 2017	Q4 2016	H2 2017	H2 2016	Jan-Dec 2017	Jan-Dec 2016
Equity related instruments	45	369	-291	414	-229	370	-141
Interest related instruments and foreign exchange gains/losses	101	-81	1,029	20	1,383	712	1,833
Other financial instruments (including credit and commodities)	26	25	-309	51	-300	20	-251
Investment properties	1	-2	-1	-1	-1	-3	-1
Life insurance[1]	62	46	70	108	125	229	275
Total	**235**	**357**	**498**	**592**	**978**	**1,328**	**1,715**

[1] Internal transactions not eliminated against other lines in the Note. The line Life insurance consequently provides the true impact from the Life insurance operations.

Break-down of life insurance

EURm	Q4 2017	Q3 2017	Q4 2016	H2 2017	H2 2016	Jan-Dec 2017	Jan-Dec 2016
Equity related instruments	516	199	1,027	715	1,485	1,344	1,338
Interest related instruments and foreign exchange gains/losses	96	299	-364	395	-88	715	970
Other financial instruments	3	0	-	3	-	4	-
Investment properties	49	51	68	100	111	195	221
Change in technical provisions[1]	-646	-519	-532	-1,165	-1,275	-2,056	-2,491
Change in collective bonus potential	103	1	-170	104	-162	7	177
Insurance risk income	44	51	45	95	86	177	168
Insurance risk expense	-103	-36	-4	-139	-32	-157	-108
Total	**62**	**46**	**70**	**108**	**125**	**229**	**275**

[1] Premium income amounts to EUR 674m for Q4 2017 and EUR 2,833m for Jan-Dec 2017 (Q4 2016: EUR 635m, Jan-Dec 2016: EUR 2,571m).

Note 5 Other expenses

EURm	Q4 2017	Q3 2017	Q4 2016	H2 2017	H2 2016	Jan-Dec 2017	Jan-Dec 2016
Information technology	-128	-151	-165	-279	-307	-565	-573
Marketing and representation	-21	-14	-33	-35	-46	-66	-79
Postage, transportation, telephone and office expenses	-24	-24	-33	-48	-61	-101	-125
Rents, premises and real estate	-84	-72	-79	-156	-154	-309	-309
Other	-168	-116	-165	-284	-296	-581	-560
Total	**-425**	**-377**	**-475**	**-802**	**-864**	**-1,622**	**-1,646**

Note 6 Net loan losses

EURm	Q4 2017	Q3 2017	Q4 2016	H2 2017	H2 2016	Jan-Dec 2017	Jan-Dec 2016
Loan losses divided by class							
Provisions	0	0	-1	0	-1	-1	-1
Reversal of previous provisions	1	0	1	1	1	1	1
Loans to credit institutions	**1**	**0**	**0**	**1**	**0**	**0**	**0**
Realised loan losses	-97	-116	-231	-213	-350	-426	-600
Allowances to cover realised loan losses	61	86	193	147	284	300	474
Recoveries on previous realised loan losses	13	16	21	29	33	54	57
Provisions	-251	-189	-275	-440	-568	-908	-1,056
Reversal of previous provisions	202	122	165	324	339	642	639
Loans to the public	**-72**	**-81**	**-127**	**-153**	**-262**	**-338**	**-486**
Realised loan losses	-5	-1	-3	-6	-5	-9	-9
Allowances to cover realised loan losses	5	1	3	6	5	9	9
Provisions	-17	-15	-23	-32	-44	-92	-96
Reversal of previous provisions	17	17	21	34	42	61	80
Off-balance sheet items	**0**	**2**	**-2**	**2**	**-2**	**-31**	**-16**
Net loan losses	**-71**	**-79**	**-129**	**-150**	**-264**	**-369**	**-502**

Key ratios

	Q4 2017	Q3 2017	Q4 2016	H2 2017	H2 2016	Jan-Dec 2017	Jan-Dec 2016
Loan loss ratio, basis points	9	10	16	10	16	12	15
- of which individual	20	12	15	16	11	15	12
- of which collective	-11	-2	1	-6	5	-3	3

Note 7 Loans and impairment

EURm	Total 31 Dec 2017	Total 30 Sep 2017	Total 31 Dec 2016
Loans, not impaired	319,811	330,430	334,826
Impaired loans	6,068	5,853	5,550
- of which servicing	3,593	3,717	3,244
- of which non-servicing	2,475	2,136	2,306
Loans before allowances	**325,879**	**336,283**	**340,376**
Allowances for individually assessed impaired loans	-1,936	-1,884	-1,913
- of which servicing	-1,103	-1,168	-1,054
- of which non-servicing	-833	-716	-859
Allowances for collectively assessed impaired loans	-397	-490	-513
Allowances	**-2,333**	**-2,374**	**-2,426**
Loans, carrying amount	**323,546**	**333,909**	**337,950**

	Central banks and credit institutions			The public		
EURm	31 Dec 2017	30 Sep 2017	31 Dec 2016	31 Dec 2017	30 Sep 2017	31 Dec 2016
Loans, not impaired	13,389	20,203	20,254	306,422	310,227	314,572
Impaired loans	0	1	9	6,068	5,852	5,541
- of which servicing	0	1	9	3,593	3,716	3,235
- of which non-servicing	-	-	-	2,475	2,136	2,306
Loans before allowances	**13,389**	**20,204**	**20,263**	**312,490**	**316,079**	**320,113**
Allowances for individually assessed impaired loans	0	-1	0	-1,936	-1,883	-1,913
- of which servicing	0	-1	0	-1,103	-1,167	-1,054
- of which non-servicing	-	-	-	-833	-716	-859
Allowances for collectively assessed impaired loans	-1	0	-2	-396	-490	-511
Allowances	**-1**	**-1**	**-2**	**-2,332**	**-2,373**	**-2,424**
Loans, carrying amount	**13,388**	**20,203**	**20,261**	**310,158**	**313,706**	**317,689**

Allowances and provisions

EURm	31 Dec 2017	30 Sep 2017	31 Dec 2016
Allowances for items on the balance sheet	-2,333	-2,374	-2,426
Provisions for off balance sheet items	-91	-97	-71
Total allowances and provisions	**-2,424**	**-2,471**	**-2,497**

Key ratios

	31 Dec 2017	30 Sep 2017	31 Dec 2016
Impairment rate, gross, basis points	186	174	163
Impairment rate, net, basis points	127	118	107
Total allowance rate, basis points	72	71	71
Allowances in relation to impaired loans, %	32	32	34
Total allowances in relation to impaired loans, %	38	41	44
Non-servicing, not impaired, EURm	253	256	248

Note 8 Classification of financial instruments

EURm	Loans and receivables	Held to maturity	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	43,081	-	-	-	-	-	43,081
Loans to central banks	4,487	-	309	-	-	-	4,796
Loans to credit institutions	6,768	-	1,824	-	-	-	8,592
Loans to the public	235,525	-	21,852	52,781	-	-	310,158
Interest-bearing securities	-	3,093	27,825	8,034	-	36,342	75,294
Financial instruments pledged as collateral	-	-	6,489	-	-	-	6,489
Shares	-	-	5,254	11,926	-	-	17,180
Assets in pooled schemes and unit-linked investment contracts	-	-	-	25,728	-	-	25,728
Derivatives	-	-	44,415	-	1,696	-	46,111
Fair value changes of the hedged items in portfolio hedge of interest rate risk	163	-	-	-	-	-	163
Other assets	1,523	-	10,272	-	-	-	11,795
Prepaid expenses and accrued income	999	-	-	-	-	-	999
Total 31 Dec 2017	**292,546**	**3,093**	**118,240**	**98,469**	**1,696**	**36,342**	**550,386**
Total 31 Dec 2016	294,923	3,095	150,912	112,688	2,521	32,295	596,434

EURm	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	5,905	-	-	34,078	39,983
Deposits and borrowings from the public	9,075	29	-	163,330	172,434
Deposits in pooled schemes and unit-linked investment contracts	-	26,333	-	-	26,333
Liabilities to policyholders, investment contracts	-	3,486	-	-	3,486
Debt securities in issue[1]	-	56,603	-	122,511	179,114
Derivatives[1]	41,607	-	1,106	-	42,713
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	1,450	1,450
Other liabilities	24,421	-	-	2,833	27,254
Accrued expenses and prepaid income	-	-	-	246	246
Subordinated liabilities	-	-	-	8,987	8,987
Total 31 Dec 2017	**81,008**	**86,451**	**1,106**	**333,435**	**502,000**
Total 31 Dec 2016	105,186	78,031	1,641	350,413	535,271

[1]During the year Nordea has reclassified issued structured bonds classified as Debt securities in issue on the balance sheet of EUR 4,986m from Held for trading to Designated at fair value through profit or loss both within Financial liabilities at fair value through profit or loss. The reclassification has been made in order to better reflect the purpose of the instruments. There is no change in measurement. As from 2017 embedded derivatives are presented together with the host bonds as Debt securities in issue.

Note 9 Fair value of financial assets and liabilities

	31 Dec 2017		31 Dec 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
EURm				
Financial assets				
Cash and balances with central banks	43,081	43,081	32,099	32,099
Loans	323,709	325,372	338,128	337,442
Interest-bearing securities	75,294	75,473	87,701	87,892
Financial instruments pledged as collateral	6,489	6,489	5,108	5,108
Shares	17,180	17,180	21,524	21,524
Assets in pooled schemes and unit-linked investment contracts	25,728	25,728	22,963	22,963
Derivatives	46,111	46,111	69,959	69,959
Other assets	11,795	11,795	17,986	17,986
Prepaid expenses and accrued income	999	999	966	966
Total	**550,386**	**552,228**	**596,434**	**595,939**
Financial liabilities				
Deposits and debt instruments	401,968	403,488	416,839	417,528
Deposits in pooled schemes and unit-linked investment contracts	26,333	26,333	3,527	3,527
Liabilities to policyholders	3,486	3,486	23,580	23,580
Derivatives	42,713	42,713	68,636	68,636
Other liabilities	27,254	27,254	22,399	22,399
Accrued expenses and prepaid income	246	246	290	290
Total	**502,000**	**503,520**	**535,271**	**535,960**

The determination of fair value is described in the Annual report 2016, Note G40 "Assets and liabilities at fair value". The fair value has for loans been estimated by discounting the expected future cash flows with an assumed customer interest rate that would have been used on the market if the loans had been issued at the time of the measurement. The assumed customer interest rate is calculated as the benchmark interest rate plus the average margin on new lending in Personal Banking, Commercial & Business Banking and Wholesale Banking respectively.

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

Categorisation into the fair value hierarchy

EURm	Quoted prices in active markets for the same instruments (Level 1)	*Of which Life*	Valuation technique using observable data (Level 2)	*Of which Life*	Valuation technique using non-observable data (Level 3)	*Of which Life*	Total
Assets at fair value on the balance sheet[1]							
Loans to central banks	-	-	309	-	-	-	309
Loans to credit institutions	-	-	1,824	-	-	-	1,824
Loans to the public	-	-	74,633	-	-	-	74,633
Interest-bearing securities[2]	27,889	*3,469*	50,633	*4,555*	168	*5*	78,690
Shares	13,664	*8,986*	1,932	*1,965*	1,584	*927*	17,180
Assets in pooled schemes and unit-linked investment contracts	24,016	*20,120*	1,521	*1,521*	191	*191*	25,728
Derivatives	56	-	44,544	*242*	1,511	-	46,111
Other assets	-	-	10,272	-	-	-	10,272
Total 31 Dec 2017	**65,625**	***32,575***	**185,668**	***8,283***	**3,454**	***1,123***	**254,747**
Total 31 Dec 2016	90,045	*45,689*	202,677	*9,185*	5,694	*3,239*	298,416
Liabilities at fair value on the balance sheet[1]							
Deposits by credit institutions	-	-	5,905	*14*	-	-	5,905
Deposits and borrowings from the public	-	-	9,104	-	-	-	9,104
Deposits in pooled schemes and unit-linked investment	-	-	26,333	*22,016*	-	-	26,333
Liabilities to policyholders	-	-	3,486	*3,486*	-	-	3,486
Debt securities in issue	18,004	-	34,590	-	4,009	-	56,603
Derivatives	41	-	41,614	*3*	1,058	-	42,713
Other liabilities	8,701	-	15,720	-	-	-	24,421
Total 31 Dec 2017	**26,746**	**-**	**136,752**	***25,519***	**5,067**	**-**	**168,565**
Total 31 Dec 2016	55,417	*8*	128,158	*24,651*	1,283	-	184,858

[1] All items are measured at fair value on a recurring basis at the end of each reporting period.

[2] Of which EUR 6,489m relates to the balance sheet item Financial instruments pledged as collateral.

Determination of fair values for items measured at fair value on the balance sheet

Significant changes to valuation methodologies during the year relate mainly to changes to the CVA/DVA methodology including modelling of the joint probability of default for highly correlated counterparts and a development of the FFVA methodology to better reflect the market price of funding. For more information about valuation techniques and inputs used in the fair value measurement, see the Annual report 2016, Note G40 "Assets and liabilities at fair value".

Transfers between Level 1 and 2

During the period Nordea transferred debt securities in issue of EUR 33,613m and interest bearing securities of EUR 1,046m from Level 1 to Level 2 of the fair value hierarchy. The reason for the reclassification is an alignment of the classification processes for government bonds and mortgage bonds across different business areas within Nordea.

During the period, Nordea also transferred interest-bearing securities (including such financial instruments pledged as collateral) of EUR 2,129m from Level 1 to Level 2 and EUR 1,937m from Level 2 to Level 1 of the fair value hierarchy. Nordea has also transferred derivative assets of EUR 24m and derivative liabilities of EUR 14m from Level 2 to Level 1. The reason for the transfers from Level 1 to Level 2 was that the instruments ceased to be actively traded during the period and fair values have now been obtained using valuation techniques with observable market inputs. The reason for the transfer from Level 2 to Level 1 was that the instruments have again been actively traded during the period and reliable quoted prices are obtained in the market. Transfers between levels are considered to have occurred at the end of the reporting period.

Note 10 Continued

Movements in Level 3

		Fair value gains/losses recognised in the income statement during the year										
	1 Jan	Realised	Un-realised	Recog-nised in OCI	Purchases/ Issues	Sales	Settle-ments	Transfers into Level 3	Transfers out of Level 3	Reclass-ification	Transla-tion diff-erences	31 Dec
EURm												
Intererest-bearing securities	210	1	7	-	28	-24	-1	-	-32	-20	-1	168
- of which Life	*38*	-	-	-	*20*	-	-	-	*-32*	*-20*	*-1*	*5*
Shares	3,785	9	-78	2	878	-692	-39	243	-47	-2,449	-28	1,584
- of which Life	*3,185*	*7*	*-141*	-	*711*	*-521*	*-38*	*243*	*-47*	*-2,449*	*-23*	*927*
Assets in pooled schemes and unit-linked investment contracts	16	-	2	-	28	-2	-2	149	-	-	-	191
- of which Life	*16*	-	*2*	-	*28*	*-2*	*-2*	*149*	-	-	-	*191*
Derivatives (net)	400	-152	-45	-	-	-	152	98	-1	-	1	453
Debt securities in issue	-	-	-	-	-	-	-	4,009	-	-	-	4,009
Total 2017, net	**4,411**	**-142**	**-114**	**2**	**934**	**-718**	**110**	**-3,519**	**-80**	**-2,469**	**-28**	**-1,613**
Total 2016, net	5,259	100	62	-	2,803	-1,805	-113	550	-2,459	-	14	4,411

Unrealised gains and losses relate to those assets and liabilities held at the end of the reporting period. The reason for the transfer out of Level 3 was that observable market data became available. The reason for the transfer into Level 3 was that observable market data was no longer available. Transfers between levels are considered to have occurred at the end of the reporting period. Fair value gains and losses in the income statement during the period are included in "Net result from items at fair value". Assets and liabilities related to derivatives are presented net. As from 2017 embedded derivatives in issued structured bonds are presented together with the host bonds as Debt securities in issue. The combined instruments are generally classified as Level 3. Up until 2016 the host bonds and embedded derivatives were presented separately on the balance sheet and in the fair value hierarchy the host bonds in Level 2 and embedded derivatives generally in Level 3. The change in classification of the host bonds is presented as a transfer into Level 3.

The valuation processes for fair value measurements in Level 3

For information about valuation processes for fair value measurement in Level 3, see the Annual report 2016 Note G40 "Assets and liabilities at fair value".

Deferred day 1 profit

The transaction price for financial instruments in some cases differs from the fair value at initial recognition measured using a valuation model, mainly due to that the transaction price is not established in an active market. If there are significant unobservable inputs used in the valuation technique (Level 3), the financial instrument is recognised at the transaction price and any difference between the transaction price and fair value at initial recognition measured using a valuation model (Day 1 profit) is deferred. For more information see the Annual report 2016 Note G1 "Accounting policies". The table below shows the aggregated difference yet to be recognised in the income statement at the beginning and end of the period and a reconciliation of how this aggregated difference has changed during the period (movement of deferred Day 1 profit).

Deferred day 1 profit - Derivatives, net

	2017	2016
EURm		
Opening balance at 1 Jan	23	34
Deferred profit on new transactions	89	19
Recognised in the income statement during the period[1]	-54	-30
Closing balance at 31 Dec	**58**	**23**

[1] Of which EUR -2m (EUR -14m) due to transfers of derivatives from Level 3 to Level 2.

Note 10 Continued

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

	Fair value	*Of which Life*[1]	Valuation techniques	Unobservable input	Range of fair value[4]
EURm					
Interest-bearing securities					
Mortgage and other credit institutions[2]	162	-	Discounted cash flows	Credit spread	-1/1
Corporates	6	*5*	Discounted cash flows	Credit spread	-0/0
Total 31 Dec 2017	**168**	***5***			**-1/1**
Total 31 Dec 2016	210	*38*			-4/4
Shares					
Private equity funds	714	*450*	Net asset value[3]		-80/80
Hedge funds	118	*88*	Net asset value[3]		-10/10
Credit funds	405	*202*	Net asset value/market consensus[3]		-28/28
Other funds	245	*152*	Net asset value/Fund prices[3]		-21/21
Other[5]	293	*226*	-		-13/13
Total 31 Dec 2017	**1,775**	***1,118***			**-152/152**
Total 31 Dec 2016	3,801	*3,201*			-363/363
Derivatives, net					
Interest rate derivatives	332	-	Option model	Correlations Volatilities	-13/14
Equity derivatives	76	-	Option model	Correlations Volatilities Dividends	-14/7
Foreign exchange derivatives	-2	-	Option model	Correlations Volatilities	-0/0
Credit derivatives	25	-	Credit derivative model	Correlations Volatilities Recovery rates	-14/12
Other	22	-	Option	Correlations Volatilities	-0/0
Total 31 Dec 2017	**453**	**-**			**-41/33**
Total 31 Dec 2016	400	-			-51/38
Debt securities in issue					
Issued structured bonds	4,009	-	Credit derivative model	Correlations Volatilities Recovery rates	-20/20
Total 31 Dec 2017	**4,009**	**-**			**-20/20**
Total 31 Dec 2016	-	-			-

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

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

[3] The fair values are based on prices and net asset values delivered by external suppliers/custodians. The prices are fixed by the suppliers/custodians on the basis of the development in assets behind the investments. For private equity funds the dominant measurement methodology used by the suppliers/ custodians is consistent with the International Private Equity and Venture Capital Valuation (IPEV) guidelines issued by Invest Europe (formerly called EVCA). Approximately 40% of the private equity fund investments are internally adjusted/valued based on the IPEV guidelines. These carrying amounts are a range of 31% to 100% compared to the values received from suppliers/custodians.

[4] The column "Range of fair value" shows the sensitivity of Level 3 financial instruments to changes in key assumptions. For more information see the Annual Report 2016, Note G40 "Assets and liabilities at fair value".

[5] Of which EUR 191m related to assets in pooled schemes and unit-linked investment.

Note 11 Capital Adequacy

These figures are according to part 8 of CRR, in Sweden implemented in FFFS 2014:12

Summary of items included in own funds

EURm	31 Dec[3] 2017	31 Dec[3] 2016
Calculation of own funds		
Equity in the consolidated situation	31,799	31,533
Proposed/actual dividend	-2,747	-2,625
Common Equity Tier 1 capital before regulatory adjustments	29,052	28,908
Deferred tax assets	0	
Intangible assets	-3,835	-3,435
IRB provisions shortfall (-)	-291	-212
Deduction for investments in credit institutions (50%)		
Pension assets in excess of related liabilities[1]	-152	-240
Other items, net	-259	-483
Total regulatory adjustments to Common Equity Tier 1 capital	-4,537	-4,370
Common Equity Tier 1 capital (net after deduction)	24,515	24,538
Additional Tier 1 capital before regulatory adjustments	3,514	3,042
Total regulatory adjustments to Additional Tier 1 capital	-21	-25
Additional Tier 1 capital	3,493	3,017
Tier 1 capital (net after deduction)	28,008	27,555
Tier 2 capital before regulatory adjustments	4,903	6,541
IRB provisions excess (+)	95	78
Deduction for investments in credit institutions (50%)		
Deductions for investments in insurance companies	-1,205	-1,205
Pension assets in excess of related liabilities		
Other items, net	-54	-65
Total regulatory adjustments to Tier 2 capital	-1,164	-1,192
Tier 2 capital	3,739	5,349
Own funds (net after deduction)[2]	31,747	32,904

[1] Based on conditional FSA approval.
[2] Own Funds adjusted for IRB provision, i.e. adjusted own funds equal 31,943 EURm by 31 Dec 2017.
[3] Including profit of the period.

Own Funds, excluding profit

EURm	31 Dec 2017	31 Dec 2016
Common Equity Tier 1 capital, excluding profit	23,854	23,167
Total Own Funds, excluding profit	31,086	31,533

Note 11 Continued

Minimum capital requirement and REA

EURm	31 Dec 2017 Minimum Capital requirement	31 Dec 2017 REA	31 Dec 2016 Minimum Capital requirement	31 Dec 2016 REA
Credit risk	8,219	102,743	8,601	107,512
- of which counterparty credit risk	488	6,096	759	9,489
IRB	7,104	88,808	7,517	93,958
- sovereign	149	1,869		
- corporate	4,560	57,004	4,977	62,212
- advanced	*3,774*	*47,173*	*3,887*	*48,585*
- foundation	*786*	*9,831*	*1,090*	*13,627*
- institutions	493	6,163	572	7,144
- retail	1,671	20,888	1,755	21,933
- secured by immovable property collateral	*934*	*11,678*	*1,001*	*12,505*
- other retail	*737*	*9,210*	*754*	*9,428*
- items representing securitisation positions	68	850	66	828
- other	163	2,034	147	1,841
Standardised	1,115	13,935	1,084	13,554
- central governments or central banks	22	281	26	320
- regional governments or local authorities	1	7	21	266
- public sector entities	0	3	3	39
- multilateral development banks			2	32
- international organisations				
- institutions	14	171	40	498
- corporate	261	3,264	173	2,159
- retail	258	3,225	258	3,223
- secured by mortgages on immovable properties	197	2,458	229	2,863
- in default	47	592	9	114
- associated with particularly high risk	60	754	56	701
- covered bonds				
- institutions and corporates with a short-term credit assessment				
- collective investments undertakings (CIU)				
- equity	208	2,598	221	2,760
- other items	47	582	46	579
Credit Value Adjustment Risk	96	1,207	144	1,798
Market risk	282	3,520	358	4,474
- trading book, Internal Approach	196	2,444	236	2,942
- trading book, Standardised Approach	86	1,076	74	928
- banking book, Standardised Approach			48	604
Operational risk	1,345	16,809	1,350	16,873
Standardised	1,345	16,809	1,350	16,873
Additional risk exposure amount due to Article 3 CRR	120	1,500	200	2,500
Sub total	10,062	125,779	10,653	133,157
Adjustment for Basel I floor				
Additional capital requirement according to Basel I floor	6,132	76,645	6,612	82,655
Total	16,194	202,424	17,265	215,812

Note 11 Continued

Minimum Capital Requirement & Capital Buffers

	Minimum Capital requirement	Capital Buffers					
		CCoB	CCyB	SII	SRB	Capital Buffers total[1]	Total
Percentage							
Common Equity Tier 1 capital	4.5	2.5	0.8	2.0	3.0	6.3	**10.8**
Tier 1 capital	6.0	2.5	0.8	2.0	3.0	6.3	**12.3**
Own funds	8.0	2.5	0.8	2.0	3.0	6.3	**14.3**
EURm							
Common Equity Tier 1 capital	5,660	3,144	1,007		3,773	7,924	**13,584**
Tier 1 capital	7,547	3,144	1,007		3,773	7,924	**15,471**
Own funds	10,062	3,144	1,007		3,773	7,924	**17,987**

[1] Only the maximum of the SRB and SII is used in the calculation of the total capital buffers.

Common Equity Tier 1 available to meet Capital Buffers

	31 Dec[1] 2017	31 Dec[1] 2016
Percentage points of REA		
Common Equity Tier 1 capital	15.8	13.9

[1] Including profit for the period.

Capital ratios

Percentage	31 Dec 2017	31 Dec 2016
Common Equity Tier 1 capital ratio, including profit	19.5	18.4
Tier 1 capital ratio, including profit	22.3	20.7
Total capital ratio, including profit	25.2	24.7
Common Equity Tier 1 capital ratio, excluding profit	19.0	17.4
Tier 1 capital ratio, excluding profit	21.7	19.7
Total capital ratio, excluding profit	24.7	23.7

Capital ratios including Basel I floor

	31 Dec 2017	31 Dec 2016
Percentage		
Common Equity Tier 1 capital ratio, including profit	12.3	11.5
Tier 1 capital ratio, including profit	14.0	12.9
Total capital ratio, including profit	15.8	15.3
Common Equity Tier 1 capital ratio, excluding profit	11.9	10.8
Tier 1 capital ratio, excluding profit	13.7	12.2
Total capital ratio, excluding profit	15.5	14.7

Leverage Ratio

	31 Dec[1] 2017	31 Dec[1] 2016
Tier 1 capital, transitional definition, EURm	28,008	27,555
Leverage ratio exposure, EURm	538,338	555,688
Leverage ratio, percentage	5.2	5.0

[1] Including profit of the period.

Capital

	Trading book, IM		Trading book, SA		Banking book, SA		Total	
	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement
EURm								
Interest rate risk & other[1]	557	45	918	73			1,475	118
Equity risk	150	12	109	9			259	21
Foreign exchange risk	281	23					281	23
Commodity risk			49	4			49	4
Settlement risk			0	0			0	0
Diversification effect	-475	-38					-475	-38
Stressed Value-at-Risk	1,043	83					1,043	83
Incremental Risk Measure	477	38					477	38
Comprehensive Risk Measure	411	33					411	33
Total	2,444	196	1,076	86			3,520	282

[1] Interest rate risk Trading book IM includes both general and specific interest rate risk, elsewhere referred to as interest rate VaR and credit spread VaR.

Note 11 Continued

Credit risk exposures for which internal models are used, split by rating grade

	On-balance exposure, EURm	Off-balance exposure, EURm	Exposure value (EAD), EURm[1]	of which EAD for off-balance, EURm	Exposure-weighted average risk weight
Sovereign, foundation IRB:	72,676	5,659	82,141	1,018	2.3
of which					
- rating grades 7	50,930	5,536	59,605	974	2.4
- rating grades 6	21,042	44	22,170	39	1.3
- rating grades 5	98	0	106		4.4
- rating grades 4	7	0	4	0	19.9
- rating grades 3	310	44	215	3	45.4
- rating grades 2	188	3	18		196.3
- rating grades 1	83	30	5	2	213.6
- unrated	18	2	18	0	163.1
- defaulted					
Corporate, foundation IRB:	11,264	3,456	20,559	269	47.8
of which					
- rating grades 6	1,581	156	4,487	2	15.6
- rating grades 5	3,131	850	5,859	112	31.7
- rating grades 4	4,020	1,305	7,191	89	61.1
- rating grades 3	1,252	683	1,823	64	92.2
- rating grades 2	340	98	364	2	161.1
- rating grades 1	49	30	54		176.9
- unrated	725	270	471	0	109.8
- defaulted	166	64	310	0	
Corporate, advanced IRB:	98,646	55,845	123,021	27,214	38.3
of which					
- rating grades 6	15,033	5,549	17,427	2,906	8.9
- rating grades 5	25,375	22,905	36,779	11,478	22.8
- rating grades 4	39,857	21,234	49,275	10,291	39.9
- rating grades 3	10,006	4,422	11,382	2,066	64.3
- rating grades 2	2,141	452	2,122	202	103.4
- rating grades 1	397	138	402	57	119.9
- unrated	975	425	1,065	214	79.4
- defaulted	4,862	720	4,569		147.9
Institutions, foundation IRB:	33,452	3,378	40,127	802	15.4
of which					
- rating grades 6	12,814	560	15,112	309	8.6
- rating grades 5	19,401	1,800	22,885	360	14.6
- rating grades 4	1,078	708	1,848	67	60.5
- rating grades 3	72	206	128	48	134.1
- rating grades 2	33	98	41	17	217.3
- rating grades 1	0	4	1	1	251.3
- unrated	54	2	112	0	137.1
- defaulted	0	0	0	0	
Retail, of which secured by real estate:	138,270	9,608	144,772	6,502	8.1
of which					
- scoring grades A	96,449	7,929	101,884	5,434	3.5
- scoring grades B	26,079	1,023	26,733	654	8.3
- scoring grades C	10,306	489	10,607	301	17.4
- scoring grades D	2,505	131	2,586	82	30.7
- scoring grades E	806	15	819	13	59.0
- scoring grades F	766	14	779	13	87.8
- not scored	23	1	24	1	26.4
- defaulted	1,336	6	1,340	4	156.0

Note 11 Continued

Credit risk exposures for which internal models are used, split by rating grade

	On-balance exposure, EURm	Off-balance exposure, EURm	Exposure value (EAD), EURm[1]	of which EAD for off-balance, EURm	Exposure-weighted average risk weight
Retail, of which other retail:	24,747	12,696	33,823	8,993	27.2
of which					
- scoring grades A	7,593	7,333	12,815	5,208	8.3
- scoring grades B	5,994	2,797	8,030	2,021	16.8
- scoring grades C	3,528	1,303	4,509	960	28.1
- scoring grades D	2,929	619	3,371	428	36.0
- scoring grades E	2,402	261	2,584	177	41.1
- scoring grades F	1,370	120	1,458	87	59.1
- not scored	141	130	181	29	40.8
- defaulted	790	133	875	83	265.4
Other non credit-obligation assets:	2,761	60	2,550	11	79.7

Nordea does not have the following IRB exposure classes: equity exposures and qualifying revolving retail.
[1] Includes EAD for on-balance, off-balance, derivatives and securities financing.

Note 12 Disposal group held for sale

Balance sheet - Condensed[1]

	31 Dec 2017	31 Dec 2016
EURm		
Assets		
Loans to credit institutions	394	34
Loans to the public	-	8,556
Interest-bearing securities	6,051	58
Financial instruments pledged as collateral	1,477	-
Shares	10,361	0
Derivatives	1,184	2
Investments	267	5
Investment property	1,879	44
Other assets	573	198
Total assets held for sale	**22,186**	**8,897**
Liabilities		
Deposits by credit institutions	643	22
Deposits and borrowings from the public	-	4,776
Liabilities to policyholders	23,316	-
Derivatives	810	1
Current tax	921	12
Other liabilities	341	77
Total liabilities held for sale	**26,031**	**4,888**

[1] Includes the external assets and liabilities held for sale.

Assets and liabilities held for sale as of 31 December 2017 relate to Nordea’s earlier announced decision to sell 45 per cent of the shares in Danish Nordea Liv & Pension, livsforsikringsselskab A/S. The sale is conditional on approval by the relevant authorities anticipated in the first quarter 2018. The individual assets and liabilities will be derecognised from Nordea’s balance sheet, and an investment in an associated company recognised, when all approvals have been received and the transaction has been closed. The disposal group is included in "Life & Pension unallocated" in Note 2 "Segment reporting".

Assets and liabilities held for sale as of 31 December 2016 related to Nordea’s decision to combine its Baltic operations with the Baltic operations of DNB. The individual assets and liabilities were derecognised from Nordea’s balance sheet, and an investment in an associated company was recognised, at closing in Q4 2017. The disposal group is included in the "Other operating segments" in Note 2 “Segment reporting”.

Note 13 Risks and uncertainties

Nordea is subject to various legal regimes and requirements, including those of the Nordic countries, the European Union and the United States. Governmental authorities that administer and enforce those regimes are regularly conducting investigations with regards to Nordea's regulatory compliance, including the compliance with anti-money laundering (AML) and economic sanction requirements.

The supervisory authorities have during 2016 conducted ongoing investigations with regards to Nordea's compliance in several areas, e.g. investment advice, AML, external tax rules, competition law and governance and control. The Nordea Group is also responding to inquiries from U.S. governmental authorities regarding historical compliance with certain U.S. financial sanctions during 2008-2014. The outcome of some investigations is pending and it cannot be excluded that these investigations could lead to criticism or sanctions.

In June 2015 the Danish Financial Supervisory Authority investigated how Nordea Bank Danmark A/S had followed the regulations regarding anti-money laundering (AML). The outcome has resulted in criticism and the matter was, in accordance with Danish administrative practice, handed over to the police for further handling and possible sanctions.

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

Glossary

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

Total shareholders return (TSR)
Total shareholders return measured as growth in the value of a shareholding during the year, assuming the dividends are reinvested at the time of the payment to purchase additional shares.

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

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

Loan loss ratio
Net loan losses (annualised) divided by quarterly closing balance of loans to the public (lending).

Impairment rate, gross
Individually assessed impaired loans before allowances divided by total loans before allowances.

Impairment rate, net
Individually assessed impaired loans after allowances divided by total loans before allowances

Total allowance rate
Total allowances divided by total loans before allowances.

Allowances in relation to impaired loans
Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

Total allowances in relation to impaired loans (provisioning ratio)
Total allowances divided by total impaired loans before allowances.

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

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

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

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

Nordea Bank AB (publ)

At January 2, 2017 Nordea Bank AB (NBAB) merged with Nordea bank Finland Plc (NBF), Nordea Bank ASA (NBN) and Nordea Bank Denmark A/S (NBD). At the date NBAB has recognised the assets and liabilities and income statement as of 1 January 2017 of its former subsidiaries, as they are dissolved and have become branches to NBAB. For more information see Annual Report 2016, Note P20 "Investments in group undertakings being merged".

Income statement

EURm	Q4 2017	Q4 2016	H2 2017	H2 2016	Jan-Dec 2017	Jan-Dec 2016
Operating income						
Interest income	996	350	2,052	685	4,155	1,403
Interest expense	-442	-227	-887	-451	-1,824	-939
Net interest income	**554**	**123**	**1,165**	**234**	**2,331**	**464**
Fee and commission income	602	249	1,175	463	2,409	978
Fee and commission expense	-116	-34	-209	-71	-407	-138
Net fee and commission income	**486**	**215**	**966**	**392**	**2,002**	**840**
Net result from items at fair value	173	31	473	126	1,104	216
Dividends	2,622	2,259	2,623	2,659	3,344	3,210
Other operating income	122	201	284	360	476	712
Total operating income	**3,957**	**2,829**	**5,511**	**3,771**	**9,257**	**5,442**
Operating expenses						
General administrative expenses:						
Staff costs	-741	-248	-1,391	-460	-2,768	-1,113
Other expenses	-385	-300	-727	-539	-1,469	-1,008
Depreciation, amortisation and impairment charges of tangible and intangible assets	-78	-50	-149	-97	-277	-172
Total operating expenses	**-1,204**	**-598**	**-2,267**	**-1,096**	**-4,514**	**-2,293**
Profit before loan losses	**2,753**	**2,231**	**3,244**	**2,675**	**4,743**	**3,149**
Net loan losses	-61	-84	-116	-99	-299	-193
Impairment of securities held as financial non-current assets	-382	-6	-385	-6	-385	-6
Operating profit	**2,310**	**2,141**	**2,743**	**2,570**	**4,059**	**2,950**
Appropriations	2	1	2	1	2	1
Income tax expense	-212	-121	-316	-90	-551	-51
Net profit for period	**2,100**	**2,021**	**2,429**	**2,481**	**3,510**	**2,900**

Nordea Bank AB (publ)

Balance sheet

EURm	31 Dec 2017	31 Dec 2016
Assets		
Cash and balances with central banks	42,637	101
Treasury bills	13,493	6,583
Loans to credit institutions	59,765	88,375
Loans to the public	152,739	43,726
Interest-bearing securities	47,950	10,359
Financial instruments pledged as collateral	12,430	-
Shares	7,883	130
Derivatives	47,688	4,668
Fair value changes of the hedged items in portfolio hedge of interest rate risk	85	0
Investments in group undertakings	12,532	20,101
Investments in associated undertakings and joint ventures	1,036	12
Participating interest in other companies	23	1
Intangible assets	2,114	1,539
Property and equipment	385	132
Deferred tax assets	84	22
Current tax assets	58	204
Retirement benefit assets	196	-
Other assets	15,316	4,560
Prepaid expenses and accrued income	1,128	749
Total assets	**417,542**	**181,262**
Liabilities		
Deposits by credit institutions	51,735	20,374
Deposits and borrowings from the public	176,231	58,183
Debt securities in issue	72,460	63,162
Derivatives	46,118	3,612
Fair value changes of the hedged items in portfolio hedge of interest rate risk	552	1,008
Current tax liabilities	158	0
Other liabilities	28,720	3,279
Accrued expenses and prepaid income	1,195	670
Deferred tax liabilities	174	-
Provisions	412	307
Retirement benefit obligations	262	169
Subordinated liabilities	8,987	10,086
Total liabilities	**387,004**	**160,850**
Untaxed reserves	**0**	**2**
Equity		
Additional Tier 1 capital holders	750	-
Share capital	4,050	4,050
Development cost reserve	1,205	569
Share premium reserve	1,080	1,080
Other reserves	166	-2
Retained earnings	23,287	14,713
Total equity	**30,538**	**20,410**
Total liabilities and equity	**417,542**	**181,262**
Assets pledged as security for own liabilities	36,000	1,080
Other assets pledged	4,943	11,750
Contingent liabilities	54,130	71,965
Commitments[1]	77,870	26,993

[1] Including unutilised portion of approved overdraft facilities of EUR 34,725m (31 Dec 2016: EUR 15,890m).

Nordea Bank AB (publ)

Note 1 Accounting policies

The interim financial statements for the parent company, Nordea Bank AB (publ) are presented in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25 including amendments) and the accounting recommendation for legal entities (RFR 2) issued by the Swedish Financial Reporting Board.

This means that the same accounting policies and methods for computation are followed as compared with the Annual Report 2016, for more information see Note P1 in the Annual Report 2016. For changed accounting policies implemented during 2017, see “Changed accounting policies and presentation” below.

Changed accounting policies and presentation

Amendments have been made to the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559). These amendments were implemented on 1 January 2017. The amendments have not had any significant impact on the financial statements.

The Swedish Financial Reporting Board has amended the accounting recommendation for legal entities by issuing “RFR 2 Accounting for Legal Entities – January 2017”. These amendments were implemented 1 January 2017 but have not had any significant impact on the financial statements.

Changes in IFRSs not yet applied

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

Note 2 Capital Adequacy

These figures are according to part 8 of CRR, in Sweden implemented in FFFS 2014:12

Summary of items included in own funds

EURm	31 Dec[3] 2017	31 Dec[3] 2016
Calculation of own funds		
Equity in the consolidated situation	29,800	20,411
Proposed/actual dividend	-2,747	-2,625
Common Equity Tier 1 capital before regulatory adjustments	27,053	17,786
Deferred tax assets		
Intangible assets	-2,114	-1,539
IRB provisions shortfall (-)	-210	
Deduction for investments in credit institutions (50%)		
Pension assets in excess of related liabilities[1]	-151	
Other items, net	-262	-97
Total regulatory adjustments to Common Equity Tier 1 capital	-2,737	-1,636
Common Equity Tier 1 capital (net after deduction)	24,316	16,150
Additional Tier 1 capital before regulatory adjustments	3,514	3,047
Total regulatory adjustments to Additional Tier 1 capital	-21	-30
Additional Tier 1 capital	3,493	3,017
Tier 1 capital (net after deduction)	27,809	19,167
Tier 2 capital before regulatory adjustments	4,903	6,277
IRB provisions excess (+)	58	134
Deduction for investments in credit institutions (50%)		
Deductions for investments in insurance companies	-1,205	-1,205
Pension assets in excess of related liabilities		
Other items, net	-54	-69
Total regulatory adjustments to Tier 2 capital	-1,201	-1,140
Tier 2 capital	3,702	5,137
Own funds (net after deduction)[2]	31,511	24,304

[1] Based on conditional FSA approval.
[2] Own Funds adjusted for IRB provision, i.e. adjusted own funds equal EUR 31,663m by 31 Dec 2017.
[3] Including profit of the period.

Own Funds, excluding profit

EURm	31 Dec 2017	31 Dec 2016
Common Equity Tier 1 capital, excluding profit	23,520	15,879
Total Own Funds, excluding profit	30,715	24,033

Note 2 Continued

Minimum capital requirement and REA

EURm	31 Dec 2017 Minimum Capital requirement	31 Dec 2017 REA	31 Dec 2016 Minimum Capital requirement	31 Dec 2016 REA
Credit risk	8,292	103,656	6,120	76,502
- of which counterparty credit risk	477	5,963	266	3,329
IRB	5,884	73,553	2,485	31,061
- sovereign	141	1,759		
- corporate	4,170	52,127	2,062	25,772
- advanced	*3,785*	*47,318*	*1,393*	*17,408*
- foundation	*385*	*4,809*	*669*	*8,364*
- institutions	510	6,379	244	3,054
- retail	955	11,942	121	1,512
- secured by immovable property collateral	*245*	*3,065*	*6*	*73*
- other retail	*710*	*8,877*	*115*	*1,439*
- items representing securitisation positions				
- other	108	1,346	58	723
Standardised	2,408	30,103	3,635	45,441
- central governments or central banks	17	209	5	56
- regional governments or local authorities			2	23
- public sector entities				
- multilateral development banks			0	6
- international organisations				
- institutions	581	7,259	1,251	15,641
- corporate	323	4,035	137	1,707
- retail	3	42	18	231
- secured by mortgages on immovable properties	114	1,420	210	2,626
- in default			3	38
- associated with particularly high risk	58	728		
- covered bonds	56	705		
- institutions and corporates with a short-term credit assessment				
- collective investments undertakings (CIU)				
- equity	1,255	15,687	2,007	25,089
- other items	1	18	2	24
Credit Value Adjustment Risk	94	1,182	16	195
Market risk	947	11,831	450	5,628
- trading book, Internal Approach	196	2,444	13	165
- trading book, Standardised Approach	94	1,179		
- banking book, Standardised Approach	657	8,208	437	5,463
Operational risk	1,117	13,961	369	4,614
Standardised	1,117	13,961	369	4,614
Additional risk exposure amount due to Article 3 CRR			8	102
Sub total	10,450	130,630	6,963	87,041
Adjustment for Basel I floor				
Additional capital requirement according to Basel I floor	538	6,720		
Total	10,988	137,350	6,963	87,041

Note 2 Continued

Minimum Capital Requirement & Capital Buffers

	Minimum Capital requirement	CCoB	CCyB	SII	SRB	Capital Buffers total[1]	Total
Percentage							
Common Equity Tier 1 capital	4.5	2.5	0.8	0	0	3.3	**7.8**
Tier 1 capital	6	2.5	0.8	0	0	3.3	**9.3**
Own funds	8	2.5	0.8	0	0	3.3	**11.3**
EURm							
Common Equity Tier 1 capital	5,878	3,266	1,037		0	4,303	**10,181**
Tier 1 capital	7,838	3,266	1,037		0	4,303	**12,141**
Own funds	10,450	3,266	1,037		0	4,303	**14,753**

(Capital Buffers: CCoB, CCyB, SII, SRB, Capital Buffers total)

[1] Only the maximum of the SRB and SII is used in the calculation of the total capital buffers.

Common Equity Tier 1 available to meet Capital Buffers

	31 Dec[1] 2017	31 Dec[1] 2016
Percentage points of REA		
Common Equity Tier 1 capital	14.1	14.1

[1] Including profit for the period.

Capital ratios

	31 Dec 2017	31 Dec 2016
Percentage		
Common Equity Tier 1 capital ratio, including profit	18.6	18.6
Tier 1 capital ratio, including profit	21.3	22.0
Total capital ratio, including profit	24.1	27.9
Common Equity Tier 1 capital ratio, excluding profit	18.0	18.2
Tier 1 capital ratio, excluding profit	20.7	21.7
Total capital ratio, excluding profit	23.5	27.6

Capital ratios including Basel I floor

	31 Dec 2017	31 Dec 2016
Percentage		
Common Equity Tier 1 capital ratio, including profit	17.9	18.6
Tier 1 capital ratio, including profit	20.4	22.0
Total capital ratio, including profit	23.1	27.8
Common Equity Tier 1 capital ratio, excluding profit	17.3	18.2
Tier 1 capital ratio, excluding profit	19.8	21.7
Total capital ratio, excluding profit	22.5	27.5

Leverage Ratio

	31 Dec[1] 2017	31 Dec[1] 2016
Tier 1 capital, transitional definition, EURm	27,809	19,167
Leverage ratio exposure, EURm	463,779	216,455
Leverage ratio, percentage	6.0	8.9

[1] Including profit of the period.

Capital requirements for market risk

	Trading book, IM		Trading book, SA		Banking book, SA		Total	
	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement
EURm								
Interest rate risk & other[1]	557	45	1,022	81			1,579	126
Equity risk	151	12	108	9			259	21
Foreign exchange risk	280	23			8,208	657	8,488	680
Commodity risk			49	4			49	4
Settlement risk			0	0			0	0
Diversification effect	-475	-38					-475	-38
Stressed Value-at-Risk	1,043	83					1,043	83
Incremental Risk Measure	477	38					477	38
Comprehensive Risk Measure	411	33					411	33
Total	2,444	196	1,179	94	8,208	657	11,831	947

[1] Interest rate risk Trading book IM includes both general and specific interest rate risk, elsewhere referred to as interest rate VaR and credit spread VaR.

Note 2 Continued

Credit risk exposures for which internal models are used, split by rating grade

	On-balance exposure, EURm	Off-balance exposure, EURm	Exposure value (EAD), EURm[1]	of which EAD for off-balance, EURm	Exposure-weighted average risk weight
Sovereign, foundation IRB:	69,569	5,793	79,141	1,545	2.2
of which					
- rating grades 7	48,245	5,667	56,991	1,488	2.3
- rating grades 6	20,834	39	21,963	39	1.3
- rating grades 5	98	0	106	0	4.9
- rating grades 4	7	0	4	0	22.8
- rating grades 3	101	44	16	4	103.5
- rating grades 2	188	3	25		183.8
- rating grades 1	83	30	14	4	213.6
- unrated	13	10	22	10	163.1
- defaulted					
Corporate, foundation IRB:	2,720	39	11,774	23	40.8
of which					
- rating grades 6	981		3,723		15.7
- rating grades 5	1,163	25	3,597	15	32.2
- rating grades 4	390	14	3,481	8	62.5
- rating grades 3	47		581	0	100.3
- rating grades 2			35		158.4
- rating grades 1			7		203.7
- unrated	139		186		127.3
- defaulted			164		
Corporate, advanced IRB:	78,910	65,926	113,068	36,544	41.8
of which					
- rating grades 6	6,879	6,500	10,443	3,955	11.5
- rating grades 5	19,713	24,248	33,003	13,157	24.1
- rating grades 4	36,466	27,054	50,989	15,336	41.8
- rating grades 3	8,993	5,621	11,612	3,279	68.5
- rating grades 2	1,765	648	1,984	397	112.1
- rating grades 1	309	182	359	102	128.3
- unrated	751	529	965	318	83.9
- defaulted	4,034	1,144	3,713		145.4
Institutions, foundation IRB:	33,000	3,678	40,205	1,332	15.9
of which					
- rating grades 6	12,425	572	14,743	330	8.7
- rating grades 5	19,398	2,036	22,931	409	14.6
- rating grades 4	1,023	761	2,254	527	59.5
- rating grades 3	69	206	125	48	134.2
- rating grades 2	33	98	41	17	217.3
- rating grades 1	0	4	1	1	251.3
- unrated	52	1	110	0	137.3
- defaulted	0	0	0		
Retail, of which secured by real estate:	25,537	3,758	27,133	1,596	11.3
of which					
- scoring grades A	15,501	2,803	16,651	1,150	4.7
- scoring grades B	5,986	556	6,242	255	9.3
- scoring grades C	2,521	304	2,664	143	18.6
- scoring grades D	832	82	871	39	32.0
- scoring grades E	49	4	51	2	51.5
- scoring grades F	182	3	184	3	95.5
- not scored	6	1	7	1	31.9
- defaulted	460	5	463	3	154.9

Note 2 Continued

Credit risk exposures for which internal models are used, split by rating grade

	On-balance exposure, EURm	Off-balance exposure, EURm	Exposure value (EAD), EURm[1]	of which EAD for off-balance, EURm	Exposure-weighted average risk weight:
Retail, of which other retail:	16,185	21,185	34,798	18,535	25.5
of which					
- scoring grades A	5,215	12,025	15,739	10,510	9.4
- scoring grades B	4,262	5,127	8,862	4,586	18.0
- scoring grades C	2,326	2,328	4,386	2,040	30.8
- scoring grades D	1,612	760	2,222	599	38.8
- scoring grades E	1,426	413	1,780	349	45.0
- scoring grades F	747	196	924	176	62.8
- not scored	71	77	122	40	42.5
- defaulted	526	259	763	235	283.5
Other non credit-obligation assets:	1,765	56	1,786	7	75.3

Nordea does not have the following IRB exposure classes: equity exposures and qualifying revolving retail.

[1] Includes EAD for on-balance, off-balance, derivatives and securities financing

APPENDIX 1
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 this Issuer. 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 this 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	**Introduction:**	*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 Issuer 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.*
A.2	**Consent:**	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 "**Public Offer**". *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), as amended (an "**Authorised Offeror**") on the following basis: (a) the relevant Public Offer must occur during the period from and including [•] to but excluding [•] (the "**Offer Period**") in [•] [and [•]] (the "**Public Offer Jurisdiction(s)**") 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 "**Authorised Offeror**") on the following basis: (a) the relevant Public Offer must occur during the period from and including [•]] to but excluding [•] (the "**Offer Period**") in [•] [and [•]] (the "**Public Offer Jurisdiction(s)**") and (b) the relevant Authorised Offeror must have agreed to the Authorised Offeror Terms [and satisfy the*
		*following additional conditions: [•]]./The Issuer intends to make a Public Offer of the Notes in [•] and [•] (the "**Public Offer Jurisdictions**") during the period from and including [•] to but excluding [•] (the "**Offer Period**")*

		but does not consent to the use of the Base Prospectus by any other person./The Notes may not be distributed by way of Public Offer.
		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.

Section B – Issuer		
B.1	**Legal names of the Issuer:**	Nordea Bank AB (publ)
	Commercial names of the Issuer:	Nordea
B.2	**Domicile and legal forms of the Issuer:**	The Issuer 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 the Issuer operates is the Swedish Companies Act and the Swedish Banking and Financing Business Act.
B.4b	**Trends:**	Not applicable. There are no clear trends affecting the Issuer or the markets in which it operates.
B.5	**The Group:**	NBAB and its subsidiaries (the "**Nordea Group**" or the "**Group**") is a large financial services group in the Nordic markets (Denmark, Finland, Norway and Sweden) measured by total income with additional operations in Estonia, Russia and Luxembourg, and branches in a number of other international locations. On 6 September 2017, the Board of Directors of Nordea Bank AB decided to initiate a re-domiciliation of the parent company of the Nordea Group from Sweden to Finland. The re-domiciliation of the parent company of the Nordea Group to Finland is intended to be carried out as a cross-border reversed merger by way of absorption through which Nordea Bank AB (publ) will be merged into a newly established Finnish subsidiary, Nordea Holding Abp (the "**Merger**"). As at 30 September 2017, the Nordea Group's assets totalled EUR 615.3 billion and tier 1 capital EUR 27.5 billion. As of the same date, the Nordea Group had approximately 11 million customers across the markets in which it operates, of which approximately 10 million are household customers in customer programmes and 0.5 million are corporate and institutional customers in the Nordic markets. In addition, the Nordea Group acts as an asset manager within the Nordic region with EUR 331 billion in assets under management as at 30 September 2017. The Nordea Group also provides life insurance products.
B.9	**Profit Forecasts and Profit Estimates:**	Not Applicable. The Issuer does not make a profit forecast or profit estimate in the Base Prospectus.
B.10	**Audit Report Qualifications:**	Not Applicable. There are no qualifications in the audit reports for the Issuer.
B.12	**Selected Key Financial Information:**	The tables below show certain selected summarised financial information which, without material changes, is derived from, and must be read together with, the Issuer's audited consolidated financial statements for the year ended 31 December 2016 and the auditors' reports and notes thereto set out in the Base Prospectus and unaudited consolidated financial statements for

		the year ended 31 December 2017 set out in the Annexes to this Supplement.[1] Selected key financial information:

	Year ended 31 December		
	2017	**2016**	**2015**
	(Unaudited)		
		(EUR millions)	
Income Statement			
Total operating income	9,469	9,927	10,140
Net loan losses	-369	-502	-479
Net profit for the period	3,048	3,766	3,662
Balance Sheet			
Total assets	581,612	615,659	646,868
Total liabilities	548,296	583,249	615,836
Total equity	33,316	32,410	31,032
Total liabilities and equity	581,612	615,659	646,868
Cash Flow Statement			
Cash flow from operating activities before changes in operating assets and liabilities	6,562	7,565	6,472
Cash flow from operating activities	12,274	3,280	196
Cash flow from investing activities	-1,499	-934	-522
Cash flow from financing activities	-2,637	-1,553	-1,746
Cash flow for the period	8,138	793	-2,072
Change	8,138	793	-2,072

There has been no material adverse change in the ordinary course of business or in the prospects or condition of the Issuer since 31 December 2016, being the date of its last published audited financial statements.

		There has been no significant change in the financial or trading position of the Issuer which has occurred since 31 December 2017[2], being the date of its last published financial statements.
B.13	**Recent Events:**	Not Applicable. There have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency since the date of the Issuer's last published audited or unaudited financial statements.
B.14	**Dependence upon other entities within the Group:**	Not Applicable. The Issuer is not dependent upon other entities within the Nordea Group.
B.15	**The Issuer's Principal Activities:**	The Nordea Group's organisational structure is built around four main business areas: Personal Banking, Commercial and Business Banking, Wholesale Banking and Wealth Management. In addition to these business areas, the Nordea Group's organisation includes the following six Group functions: Group Corporate Centre, Group Finance and Business Control, Group Risk Management, Group Compliance, Chief of Staff and Group People. NBAB conducts banking operations in Sweden within the scope of the Nordea Group's business organisation. NBAB develops and markets

1 By virtue of the supplement dated 13 February 2018, selected key unaudited information of the Issuer for the year ending 31 December 2017 has been included, and information for the nine months ended 30 September 2017 and comparative data has been removed.

2 By virtue of the supplement dated 13 February 2018, the date which there has been no significant change in the financial or trading position of the Issuer has been updated to 31 December 2017, being the date of its last published unaudited financial statements.

		financial products and services to personal customers, corporate customers and the public sector.
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.
B.17	**Ratings assigned to the Issuer or their Debt Securities:**	As of the date of this Base Prospectus, the long term (senior) debt ratings of the Issuer are: Moody's Investors Service Limited: Aa3 Standard & Poor's Credit Market Services Europe Limited: AA- Fitch Ratings Limited: AA- DBRS Ratings Limited: AA (low) The Issuer's credit ratings do not always mirror the risk related to individual Notes issued under the Programme. *The Issuer has not solicited a credit rating in respect of the Notes*

Section C – The Notes		
C.1	**Description of Type and Class of Securities:**	***Issuance in Series:*** Notes are issued in series (each a "**Series**") 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 "**Tranche**") may be issued as part of an existing Series. *The Series number of the Notes is [[•]/see table below]. [The Tranche number is [[•]/see table below].* **Name/trading code** **Series** **Tranche** *[•]* *[•]* *[•]* *[•]* *[•]* *[•]* ***Forms of Notes:*** 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. *The Notes are in bearer form/The Notes are in registered Form.* Notes may be specified in the applicable Final Terms as "**VP Notes**". 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 "**Danish Note Register**"). 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 Danmark, Filial af Nordea Bank AB (publ), Sverige will act as the VP Issuing Agent in respect of VP Notes. Notes may be specified in the applicable Final Terms as "**VPS Notes**". VPS Notes will be issued pursuant to a registrar agreement with Nordea Bank AB, Norwegian Branch as VPS Paying Agent and will be registered in uncertificated and dematerialised book entry form with the Norwegian Central Securities Depositary (*Verdipapirsentralen ASA* and referred to herein as the "**VPS**"). Notes may be specified in the applicable Final Terms as "**Swedish Notes**". 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 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. Notes may be specified in the applicable Final Terms as "**Finnish Notes**". 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 Issuer. Title to Finnish Notes will not

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<tr><td></td><td></td><td>be evidenced by any physical note or document of title. Definitive Notes will not be issued in respect of any Finnish Notes. Nordea Bank AB, Finnish Branch will act as the Finnish Issuing Agent in respect of Finnish Notes.</td></tr>
<tr><td></td><td></td><td>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 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.</td></tr>
<tr><td></td><td></td><td>Security Identification Number(s): In respect of each Tranche of Notes, the relevant security identification number(s) will be specified in the relevant Final Terms.

The Notes will be cleared and settled through [•]. The Notes have been assigned the following securities identifiers: [•].

<table><tr><th>Name</th><th>ISIN</th></tr><tr><td>[•]</td><td>[•]</td></tr><tr><td>[•]</td><td>[•]</td></tr></table></td></tr>
<tr><td>C.2</td><td>Currency of the Securities Issue:</td><td>U.S. dollars, euro, sterling, Swedish Krona, Swiss francs, Norwegian Krone, Danish Krone, Yen and Singapore Dollars 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 with applicable laws, be issued as dual currency Notes.</td></tr>
<tr><td></td><td></td><td>The currency of the Notes is [•].</td></tr>
<tr><td>C.5</td><td>Free Transferability:</td><td>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, Spain, Japan and Singapore.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") 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.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, including the Kingdom of Sweden (each, a "Relevant Member State"), each Authorised Offeror 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 "Relevant Implementation Date") 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.</td></tr>
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		Each Authorised Offeror 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 "**FSMA**") with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.
		Each Authorised Offeror 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 (Consolidated Act No. 251 of 21 March 2017, as amended) (in Danish: *Værdipapirhandelsloven*), as replaced, with effect from 3 January 2018, by the Danish Capital Markets Act (Act No. 650 of 8 June 2017, as amended from time to time) (in Danish: *Kapitalmarkedsloven*), and Executive Orders issued thereunder. Each Authorised Offeror will be required to represent and agree, in respect of any offers or sales of Notes in Ireland, that it will comply with: prior to 3 January 2018, the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), and on and from 3 January 2018, the provisions of the European Union (Markets in Financial Instruments) Regulations 2017, or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998; the provisions of the Companies Acts 2014 (as amended), the Central Bank Acts 1942 to 2015 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules and guidance issued under Section 1370 of the Companies Act 2014. Each Authorised Offeror 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*. Each Authorised Offeror will be required to represent and agree, that it has complied and will comply with all laws applicable in Estonia, especially provisions of the Estonian Securities Market Act (*väärtpaberturu seadus*), and all applicable regulations and guidelines with respect to anything done by it in relation to any Notes in, from or otherwise involving Estonia. Each Authorised Offeror 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. Each Authorised Offeror will be required to represent and agree, that the Notes have not been offered and will not be offered in Latvia by way of a public offering, unless in compliance with all applicable provisions of the laws of Latvia and in particular in compliance with the Financial

		Instruments Market Law (*Finanšu instrumentu tirgus likums*) and any regulation or rule made thereunder, as supplemented and amended from time to time.
		Each Authorised Offeror 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, as amended, Fi: *Arvopaperimarkkinalaki*) and any regulation or rule made thereunder, as supplemented and amended from time to time. Each Authorised Offeror 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. Each Authorised Offeror will be required to represent and agree, that it has only made and will only make an offer of Notes to the public (*oferta pública*) in Spain in accordance with the Recast Text of the Securities Market Law (*Texto Refundido de la Ley, del Mercado de Valores*) approved by Royal Decree Legislative 4/2015, of 23 October ("**TRLMV**"), Royal Decree 1310/2005, of 4 November, developing partially the Securities Market Law as regards admission to listing on official secondary markets, public offers and the prospectus required thereto and the regulations made thereunder. The Notes may not be offered or sold in Spain other than by institutions authorised under the TRLMV and Royal Decree 217/2008, of 15 February, on the legal regime applicable to investment services companies, to provide investment services in Spain, and in compliance with the provisions of the TRLMV and any other applicable legislation. 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 Authorised Offeror 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.
		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 the Issuer or a member firm of 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. This Base Prospectus (including the relevant Final Terms) has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, this Base Prospectus (including the relevant Final Terms) and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional

		investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. No Notes linked to collective investment schemes (as defined under the SFA) may be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore.
C.8	**The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:**	***Status of the Notes:*** The Notes 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. ***Denominations:*** 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. *The Notes are issued in denomination(s) of [•].* ***Negative Pledge:*** None. ***Cross Default:*** None. ***Taxation:*** All payments in respect of the Notes will be made without withholding or deduction of taxes unless required by laws, regulations or other rules, or decisions by authorities in the Issuer's jurisdiction. In the event that the Issuer is obliged to effect deductions or withholdings of tax for someone who is not subject to taxation in the Issuer's jurisdiction, the 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. ***Governing Law:*** 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. *The Notes are governed by [English law/ Finnish law/ Danish law/ Swedish law/ Norwegian law].* ***Enforcement of Notes in Global Form:*** In the case of Global Notes, individual investors' rights against the Issuer will be governed by a deed of covenant dated 19 December 2017 (the "**Deed of Covenant**"), a copy of which will be available for inspection at the specified office of Citibank N.A., London Branch as fiscal agent (the "**Fiscal Agent**").
C.9	**The Rights Attaching to the Securities**	***Interest:*** Notes may be interest bearing or non-interest bearing. Interest (if any) may:

	(Continued), Including Information as to Interest, Maturity, Yield and the Representative of the Holders:	• accrue at a fixed rate or a floating rate; • be inflation-protected, whereby the amount of interest payable is linked to a consumer price index or other measure of inflation; • be linked to whether or not a Credit Event occurs in respect of the debt obligations of one or more reference entities ("**Credit Linked Note**" or "**CLN**"). A Credit Event is a corporate event which typically makes a creditor of the Reference Entity suffer a loss (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, or interest may cease to be payable. Please refer to Element C.10 for further details; • be cumulative provided certain performance thresholds are reached; • 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; • be linked to the performance of one or more baskets of underlying assets (each a "**Reference Asset**" and together a "**Basket**") or a specific Reference Asset within the relevant Basket (for example, the worst performing Reference Asset) as compared to a pre-determined strike level; and/or • 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 "**Interest Payment Date**"). 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. Notes may also bear interest on the basis of a combination of different structures. *Interest Deferral*: If Interest Deferral is specified as applicable to the Notes then all payments of interest that would otherwise fall due in accordance with the interest structure(s) applicable to the Notes, shall be deferred until the earlier of the Redemption Date or the Early Redemption Date on which the Notes are redeemed in full. *FX Components:* If "FX Component (Interest)" is specified as applicable to one or more Interest Amounts on any Interest Payment Dates then the amount of interest for the relevant Interest Payment Date(s), as otherwise determined in accordance with the interest rate structure applicable to the relevant Notes, will be further multiplied by a factor which reflects the variation in one or more foreign exchange rates during the relevant interest period, for the purposes of determining the actual amount of interest that will be payable to holders.
		[*The FX Component (Interest) is [applicable to the following Interest Amounts payable on the following Interest Payment Dates: [•] payable on [•]/Not Applicable*] [*The underlying foreign exchange rate is: [•]*]

		The Notes do not bear interest./The Notes are interest-bearing: *Interest basis: [•]* *Nominal interest rate: [•].* *Interest Commencement Date: [•].* *Interest Payment Date(s): [•].* *Interest Deferral: [Applicable/Not Applicable]* *Description of underlying Reference Rate/Reference Asset(s): [•].]* *Information about the past and further performance of the Reference Rate/Reference Asset(s) can be obtained from: [•].* *[Margin: +/– [•].]* *[Maximum Rate of Interest: [•].]* *[Minimum Rate of Interest: [•].]* *[Day Count Fraction: [•].]* ***Redemption:*** Unless otherwise specified, the Issuer will redeem the Notes at their redemption amount (the "**Redemption Amount**") and on the redemption date(s) (the "**Redemption Date**") specified in the Final Terms. The Redemption Amount may be a combination of a fixed amount (the "**Base Redemption Amount**") and one or more additional amounts (an "**Additional Amount**") determined in accordance with one or more of the performance structures specified in Element C.10. Alternatively, the Redemption Amount may be a fixed value, or determined directly in accordance with one or more of the performance structures specified in Element C.10. The Additional Amount may be added to, or subtracted from, the Base Redemption Amount for the purposes of calculating the Redemption Amount, and may be negative. As a result, a Noteholder may in certain circumstances receive less than the Principal Amount of the Notes upon their final redemption. The Final Terms will specify which of the performance structures is applicable to each Series of Notes. The Additional Amount may be payable on a different date to the Redemption Date (the "**Alternative Additional Amount Payment Date**") if so specified in the relevant Final Terms.

		Early redemption of Notes may be permitted: (i) upon the request of the Issuer or the holder of the Notes in accordance with the Conditions, **provided that** such early redemption is applicable pursuant to the Final Terms, (ii) if the 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 Issuer's jurisdiction of incorporation or (iii) on a partial basis, following the occurrence of a Credit Event in respect of one or more Reference Entities.
		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 risk barrier level on any specified date, then the Issuer will redeem the Notes early on the next following early redemption date at an amount equal to the Principal Amount of the Notes. A pre-determined coupon may also be payable, either on the relevant early redemption date or such other date(s) as may be specified in the relevant Final Terms. If expressed to be applicable in the Final Terms, the amount payable upon early redemption (the "**Early Redemption Amount**") 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. *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[s] specified in Element C.10 below/an amount equal to the sum of the Base Redemption Amount of [•] and the Additional Amount[s] calculated in accordance with the performance structure[s] specified in element C.10 below]. [The Notes may be redeemed prior to the scheduled Redemption Date at the option of the Issuer [if the Issuer has purchased at least 80 per cent. by principal amount of the Notes originally issued]/Noteholders]/[The Notes are Autocallable]* *The Redemption Date is [•]/The Notes are redeemable in Instalments on [•]/The Alternative Additional Amount Payment Date is [•].* ***Issue Price:*** The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer at the time of issuance in accordance with prevailing market conditions. *The Issue Price of the Notes is: [•].* ***Yield:*** 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. *Based upon the Issue Price of [•], at the Issue Date the anticipated yield of the Notes is [•] per cent. per annum.* ***Representative of the Noteholders:*** Not Applicable. There is no representative appointed to act on behalf of the Noteholders.
		Replacement of Reference Asset, early calculation of the Redemption Amount or the amendment to the Conditions: Where applicable in accordance with the Conditions, the 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 or market practice, price corrections and other material developments

		affecting one or more of the underlying Reference Asset(s) or any hedging transaction entered into by one or more members of the Nordea Group in order to hedge the Issuer's obligations in relation to the Notes.
C.10	**Derivative Components:**	The performance structures described below determine the manner in which the performance of the relevant Reference Asset(s) or Reference Entities affects the Redemption Amount and/or the Additional Amount in respect of the Notes. The Issuer may elect to combine two or more performance structures in any issue of Notes:
		[*Performance structures the description of which is not relevant for a particular tranche of Notes should be deleted from the issue-specific summary prepared in relation to the issuance of such tranche of Notes.*] [*"Basket Long" structure*: the Additional Amount is equal to the Principal Amount of the Notes multiplied by (i) an amount that reflects the performance of the Basket (the "**Basket Return**") and (ii) a ratio which is used to determine the holders' exposure to the performance of the respective Reference Assets (the "**Participation Ratio**"). The performance of a Reference Asset is determined by reference to the amount by which the final price (the "**Final Price**") exceeds the initial price of the Reference Asset (the "**Reference Asset Return**"). The Final Price may be 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, each a "**Valuation Date**"), but it may also be determined on the basis of a single valuation. The Reference Asset Return or Basket Return may also be subject to a floor which acts as a minimum level of performance, or a cap which acts as a maximum level of performance.] [The Reference Asset Return or Basket Return may also be subject to a strike level (the "**Strike Level**") which sets a minimum threshold for the performance of the relevant Reference Asset or Basket before the holder is able to benefit from the performance of the relevant Reference Asset or Basket.] [*"Basket Short" structure*: the Additional Amount is equal to the Principal Amount of the Notes multiplied by (i) the Basket Return 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. The Reference Asset Return and/or Basket Return may also be subject to a cap or floor as described above.] [Unless otherwise specified, the "**Basket Return**" used in any of the other performance structures may be calculated either on the "**Basket Long**" or "**Basket Short**" basis, as specified in the relevant Final Terms.] [*[The Basket Return is determined on the ["Basket Long"/"Basket Short"] basis/The Basket Return is Not Applicable]*]
		[*"Barrier outperformance" structure*: if the performance of the Basket exceeds a specified barrier level, the Additional Amount will be a pre-determined maximum Basket return. If the specified barrier level is not exceeded, the Additional Amount will be zero.] [*"Barrier underperformance" structure*: the performance of the Basket falls below a specified barrier level, the Additional Amount will be a pre-determined maximum Basket return. If the specified barrier level is not

		breached, the Additional Amount will be zero.] [*"Best of/Worst of" Barrier Outperformance" Structure:* This is the same as the "**Barrier Outperformance**" Structure, save that the observation of the barrier level and the calculation of the Additional Amount will be determined by reference to the performance of the Nth best performing Reference Asset rather than the Basket as a whole. The Nth best performing Reference Asset will be the Reference Asset with the Nth highest Reference Asset Return, and "**N**" shall be the numerical value specified in the relevant Final Terms.]
		[*"Best of/Worst of" Barrier Underperformance" Structure:* This is the same as the "Barrier Underperformance" Structure, save that the observation of the barrier level and the calculation of the Additional Amount will be determined by reference to the performance of the Nth best performing Reference Asset rather than the Basket as a whole.] [*"Autocallable Structure – Long"*: if the Basket Return is below a pre-determined risk barrier level on any relevant observation date (a "**Risk Barrier Observation Date**"), the Additional Amount will be calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the lower of an amount which reflects the performance of the Basket (the "**Basket Return**") and the pre-determined maximum basket return (if applicable). If the Basket Return is not below the pre-determined risk barrier level on any Risk Barrier Observation Date, the Additional Amount will be 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 basket return (if applicable). A Coupon may 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 call barrier level on any observation date.] [*"Autocallable Structure – Short*": 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.] [*"Replacement Basket" structure*: the Additional 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.] [*"Locally Capped Basket" structure*: the Additional Amount is calculated in a similar manner to the Basket Long Structure or the Basket Short 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.]
		[*"Rainbow Basket" structure*: the Additional Amount is calculated in a similar manner to the Basket Long or Basket Short 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.] ["*Booster" structures*: 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. [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.]]
		[*"Booster Risk Barrier Long" structure*: the Additional Amount will depend on the return generated by the Basket as compared to a pre-determined barrier level on any Valuation Date and the initial value of the Basket. If the amount which reflects the performance of the Basket (the "**Basket Return**") is at or above the initial basket level on the final Valuation Date, the Additional Amount will be calculated by multiplying the principal amount of the Notes by the Participation Ratio and the Basket Return on the final Valuation Date. If the Basket Return is at or above the barrier level on each Valuation Date but below the initial basket level on the final Valuation Date, the Additional Amount will be zero. 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 Additional Amount will be calculated by reference to the Basket Return and a different participation ratio, which may 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 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 Additional Amount.] [*"Booster Risk Barrier Short" structure*: the Additional Amount is calculated in a similar matter to the "**Booster Risk Barrier Long**" structure. The difference is that where the performance of the Basket is positive, this will have a negative impact on the Additional Amount. If the performance of the Basket is negative, this will have a positive impact on the Additional Amount.] **[*In respect of Notes issued on the basis of the terms and conditions contained in the base prospectus dated 20 December 2013, and the supplement to the base prospectus dated 14 February 2014 (the "December 2013 Conditions") which are incorporated by reference in this Base Prospectus, the Booster Risk Barrier structures shall be summarised as follows:*]**

		• ["*Booster Risk Barrier Short*" structure: the Additional Amount will depend on the return generated by the Basket as compared to a pre-determined barrier level on any Valuation Date and the initial value of the Basket. If the sum of the Basket Return and 1 is at or above the initial basket level on any Valuation Date, the Additional Amount will be calculated by multiplying the principal amount of the Notes by the Participation Ratio and 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 any Valuation Date, the Additional Amount will be zero. 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 any Valuation Date, the Additional Amount will be calculated by reference to the Basket Return and a different 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.]
		• ["*Booster Risk Barrier Long*" structure: the Additional 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.] [*The Notes [are/are not] issued on the basis of the December 2013 Conditions*] [*"Twin Win" structure:* The Additional Amount is calculated in a manner similar to the Basket Long Structure – if the performance of the Basket is positive the Additional Amount will also be positive. If the performance of the Basket is negative but above a predetermined barrier level, then the Additional Amount will also be positive. If the performance of the Basket is negative but below the relevant barrier level, then the Additional Amount will also be negative and the Redemption Amount may therefore be less than the Principal Amount of the Notes.] [*"Bonus Booster Short" structure*: the Additional 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 not below the barrier level on the relevant Valuation Date(s), the Additional Amount will be 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.]

		[*"Bonus Booster Long" structure*: the Additional Amount is calculated in a similar manner to the "**Bonus Booster Short**" structure. The difference is that where the performance of the Reference Assets within the Basket is positive, this will have a positive impact on the overall return generated by the Basket. If the performance of the Reference Assets within the Basket is negative, this will have a negative impact on the overall return generated by the Basket.] [*"Cliquet" structure*: the Additional Amount will be 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. [*"Reverse Cliquet" structure*: 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.]
		[*"Replacement Cliquet" structure*: 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.]
		[*"Reverse Replacement Cliquet" structure*: 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.] [*"Rainbow Replacement Cliquet" structure*: 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.]] [*"Reverse Convertible" structure*: 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 return on the Notes, conversely the negative performance of the individual Reference Assets will have a negative effect on the overall return on the Notes.]

		[*"Reverse Convertible Risk Barrier" structure*: if the [[Basket Return]/[performance by the Basket (the "**Basket Return**")]] is below the barrier level [[on any Valuation Date]/[at any valuation point (the "**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 [[a ratio which is used to determine the holders' exposure to the performance of the respective Reference Assets (the "**Participation Ratio**")]/[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). Otherwise the Redemption Amount will be equal to the Principal Amount of the Notes. [*"Best of/Worst of Reverse Convertible" structure*: the Redemption Amount is calculated in the same manner as the "**Reverse Convertible Risk Barrier**" structure, except that the possible negative payout is determined by reference to the performance of the Nth best performing Reference Asset (as opposed to the aggregate performance of the Basket).]] [*Worst of Call Option:* 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.] [*Outperformance Option:* Whereas the Additional Amount in relation to 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. The structure may compare either two "**Basket Long**" structures, two "**Basket Short**" structures or one "**Basket Long**" structure and one "**Basket Short**" structure.]
		["*Non-Tranched CLN" and "Tranched CLN*" structures: 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.]
		["*Nth to Default*" and "*Nth and Nth+1 to Default*" structures: the Redemption Amount and, if relevant, interest payments, are based on the number and 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.]

		[*Option CLN*: the purpose of the structure is to provide exposure to the development of credit risk (i.e. the risk of Credit Events occurring) in a specific market, such as European or US investment grade entities, or high yield borrowers). The exposure is provided through the issuance of Notes which are linked to index CDS spreads (which represent the cost of buying protection against Credit Events affecting the entities comprising the relevant index). Using a single option payout, the Issuer may offer structures whereby the investor will benefit from a directional movement in credit spreads, e.g. either if credit spreads increase above a specified level or decrease below a specified level over the lifetime of the CLN. By combining two option payouts, the Issuer may offer structures where the investor would benefit both if credit spreads increase above a specified level and decrease below a specified level. The Issuers may also offer structures where the investor would benefit from a directional move in credit spreads, but where the potential benefit is limited. e.g. where the investor would benefit if credit spreads decrease down to a certain level, but where a further decrease below that level will not generate any incremental return. By combining three or four option payouts, the Issuers may offer additional structures.] [*Mark to Market CDS Structure:* The structure provides exposure to the mark-to-market (i.e. termination) value of one or more credit default swaps referencing the Reference Entities, or index of Reference Entities, specified in the applicable Final Terms.] [*Digital Long*: If the Basket Return on the final Valuation Date exceeds the Basket Strike Level, the Additional Amount will be 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 Additional Amount will be zero. The positive performance of the Reference Assets will have a positive effect on the return on the Notes.] [*Digital Short*: If the Basket Return on the final Valuation Date is below the Basket Strike Level, the Additional Amount will be 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 Additional Amount will be zero. The positive performance of the Reference Assets will have a negative effect on the return on the Notes.]
		[*"Best of/Worst" of digitals*: The Digital Long and Digital Short structures may also be combined with a "**Best of/Worst of**" feature, whereby the Additional Amount is calculated by reference to the performance of the N^{th} best performing Reference Asset rather than the Basket as a whole.]
		[*Worst of Digital Memory Coupon 1:* The Worst of Digital Memory Coupon option is a dependent strip of worst of digital options. The Additional Amount will be equal to the Principal Amount of the Notes multiplied by the Coupon and N. N is the greatest Valuation Date number on which the Reference Asset Return of the worst performing Reference Asset within the Basket is greater than or equal to the relevant barrier level on each Valuation Date up to and including the then current Valuation Date (first valuation date = 1, second = 2 etc).]
		["*Series of Digitals*": the Redemption Amount is determined by the percentage of Reference Assets within the Basket that are above a pre-determined barrier level on each Valuation Date.]
		["*Delta 1 Structure*": the Redemption Amount will be equal to the redemption proceeds received by the Issuer (or another entity within the Nordea Group) from unwinding a hedge position designed to replicate the

		risks and returns of a direct investment in the relevant 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.] ["*Inflation Linker*": the Redemption Amount will be the Principal Amount of the Notes, multiplied by the higher of a minimum redemption percentage (expressed as a percentage of the principal amount of the Notes) and the result obtained by dividing the Inflation Rate on the final Valuation Date by the Inflation Rate on the initial Valuation Date.] [*"Barrier outperformance" structure 2:* if the Basket Return on any Valuation Date exceeds the barrier level, the Additional Amount will be 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 sum or the Basket Return and 1 does not exceed the barrier level on any Valuation Date, the Additional Amount will be zero.] [*"Barrier Underperformance" structure 2:* if the Basket Return on any Valuation Date falls below the barrier level, the Additional Amount will be 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 Additional Amount will be zero.]
		[*Target Volatility Structure:* If the Target Volatility Structure is applicable to the Notes, the deemed exposure to the underlying Reference Asset(s) or Basket (the "**Exposure**") is determined by comparing: (i) the short term historical volatility of the underlying Basket; and (ii) a target volatility level (the "**Target Volatility**"), subject to a pre-determined cap or floor. When the short-term historical volatility of the underlying Reference Asset(s) or Basket increases, the deemed Exposure to the underlying Reference Asset(s) or Basket decreases, and when the short-term historical volatility of the underlying Reference Asset(s) or Basket decreases, the deemed exposure to the underlying Reference Asset(s) or Basket increases.]
		[*Booster Risk Barrier 2*: The Booster Risk Barrier 2 structure is a combination of an "at the money" call option, and an "out of the money" put option. The strike price for the call option is set at the prevailing price of the Reference Asset or Basket as at the issue date of the relevant Notes. If the value of the Reference Assets or Basket exceeds a pre-determined barrier level, the Additional Amount will be calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and by the Basket Return (calculated on the "**Basket Long**" basis described above). The strike price for the put option is set below the prevailing price of the Reference Asset or Basket at the issue date of the relevant Notes, and so if the value of the Reference Asset or Basket
		depreciates below the specified barrier level, the Additional Amount will be calculated by multiplying the Principal Amount of the Notes by the Participation Ratio 2 and the Basket Return (calculated on the "**Basket Short**" basis described above).] [*Autocallable Rate Structure:* If the value of an underlying Reference Rate

		either out-performs or under-performs a pre-determined risk barrier level, as specified in the relevant Final Terms (the "**Autocall Condition**"), the Notes will be subject to early redemption. If the Autocall Condition is not satisfied prior to the final Valuation Date, the Notes will be redeemed on the Redemption Date.] [*In and Out Options:* the "**In**" and "**Out**" option structures are barrier options, which generate an Additional Amount depending on whether or not the Basket Return is above or below a predetermined barrier level specified in the Final Terms (the "**Barrier Level**"). [[The "**Up and In**" option structures will generate an Additional Amount linked to the performance of the relevant Basket if the Basket Return is at or above the relevant Barrier Level on any Valuation Date.] [In a "**Down and In**" option structure, an Additional Amount will be generated if the Basket Return is at or below the relevant Barrier Level on any Valuation Date.] The Additional Amount may be positive or negative depending on whether or not the Option type is a "**bought**" option or a "**sold**" option respectively.] [[The "**Up and Out**" option structures generate an Additional Amount linked to the performance of the relevant Basket if the Basket return is at or below the relevant Barrier Level on all Valuation Dates.] [In a "**Down and Out**" option structure an Additional Amount will be generated if the Basket Return is at or above the relevant Barrier Level on all Valuation Dates.] The Additional Amount may be positive or negative depending on whether or not the Option type is a "**bought**" option or a "**sold**" option respectively.]
		Each of the "**In**" and "**Out**" option structures may be based on either an underlying "**Basket Long**" or "**Basket Short**" structure. The "**In**" and "**Out**" option structures may also pay a fixed rate of return know as a 'coupon' or a 'rebate' in the event that they do not generate an Additional Amount linked to the performance of the relevant Basket. In a "**bought**" option structure the coupon or rebate will be payable to the Noteholder, whereas in a "**sold**" option structure the coupon or rebate will be payable by the Noteholder and may therefore result in a negative Additional Amount (which may be deducted from the Base Redemption Amount).]
		[*"In" and "Out" Option structure: [In Option- Basket Long/In Option – Basket Short/Out Option – Basket Long/Out Option – Basket Short/Not Applicable]* *Option Type: [Bought Up and In/Sold Up and In/Bought Down and In/Sold Down and In/Bought up and Out/Sold Up and Out/Bought Down and Out/Sold Down and Out/Not Applicable]*
		The applicable performance structure(s) is/are: [•]. [*The underlying Basket Return Structure is the Basket Long/Basket Short Structure]/[Not applicable*]]
		FX Components: if FX components are applied to one or more performance structures set out above, the Reference Asset Return, the Additional Amount, the Redemption Amount or the Base Redemption Amount 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. If "FX Component- Composite" is specified as applicable in the relevant Final Terms, the adjustment to reflect the relevant exchange rate will be applied before the Strike Level is take into account when determining the relevant Reference Asset Return.

		[*The FX Component [-Composite] is applicable to the Reference Asset Return/The Additional Amount/The Redemption Amount/The Base Redemption Amount*] [*The FX Component is Not Applicable*] *Best of/Worst of Modifier*: 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 Additional 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. [*The Best of/Worst of Modifier is Applicable and the value of N is: [•]/Not Applicable*] *Lookback Initial Price Modifier:* if the Lookback Initial Price Modifier is applicable to the Notes, the Additional Amount in relation to the Notes will be calculated by reference to either the highest or the lowest Initial Price during the relevant observation period, as specified in the Final Terms. [*The Lookback Initial Price Modifier is Applicable/Not Applicable]* *Lookback Final Price Modifier:* if the Lookback Final Price Modifier is applicable to the Notes, the Additional Amount in relation to the Notes will be calculated by reference to either the highest or the lowest Final Price during the relevant observation period, as specified in the Final Terms. [*The Lookback Final Price Modifier is Applicable/Not Applicable*]
		Lock-in Modifier: if the Lock-in Modifier is applicable to the Notes, the Basket Return shall be replaced by the Lock-in Basket Return for the purposes of calculating the Additional Amount in accordance with one or more of the foregoing performance structure(s). The "**Lock-in Basket Return**" will be the pre-determined percentage which corresponds to the highest lock in level which is reached or exceeded by the Basket Return on any Valuation Date. [*The Lock-in Modifier is Applicable/Not Applicable*]
		Combination of Structures: the Issuer may elect to combine one or more of the performance structures described above in relation to a particular issue of Notes. If "Addition" is specified in the Final Terms, the total Additional Amount payable will be equal to the sum of the various Additional Amounts that are applicable, multiplied in each case by a percentage which reflects the overall share of the total return which the Issuer intends each performance structure to contribute. If "Subtraction" is specified in the Final Terms, one Additional Amount will be subtracted from another. If "Alternative Calculation" is specified in the Final Terms, the applicable performance structure used to determine the Additional Amount will differ depending on whether or not the Basket Return on a particular Valuation Date has exceeded one or more pre-specified barrier levels, as set out in the relevant Final Terms.
		[*Combination of Structures is Not Applicable/Combination of Structures is Applicable and the relevant Performance Structures are listed above. The method of combination is Addition/Subtraction/Alternative Calculation.*] *Maximum Redemption Amount:* If a maximum Redemption Amount is applicable, the Redemption Amount will be the lesser of: (i) the amount calculated on the basis of one or more of the performance structures

		outlined above, and (ii) a pre-determined maximum redemption amount as specified in the Final Terms. [*Maximum Redemption Amount is Not Applicable/The Maximum Redemption Amount is [•]*] *"Minimum Redemption Amount"*: 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) a pre-determined minimum redemption amount as specified in the Final Terms. [*Minimum Redemption Amount is Not Applicable/the Minimum Redemption Amount is [•]*] [*Maximum and Minimum Redemption Amount:* If both a maximum and a minimum Redemption Amount are applicable, the Redemption Amount will be the greater of: (i) the Minimum Redemption Amount and (ii) the lower of (x) the amount calculated on the basis of one or more of the performance structures specified above and (y) the Maximum Redemption Amount.] *"Inflation-Protected Principal"*: if specified as applicable, the Redemption Amount determined in accordance with the performance structures and/or Additional Amount(s) outlined above will be multiplied by the performance of a specified inflation measure, such as the consumer price index, during the term of the Notes. [*Inflation-Protected Principal is Applicable/Inflation-Protected Principal is Not Applicable*]
		TOM Cumulative Strategy: The TOM Cumulative Strategy replicates an investment in particular Reference Assets (the "**Risky 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. The Final Terms will specify which days in any calendar month will be treated as an investment in the Risky Assets, and which days will be treated as an investment in a fixed income investment (the "**Non Risky Assets**"), for the purposes of calculating the overall Additional Amount payable in relation to the Notes. The performance of the Risky Assets only, or the performance of both the Risky Assets and the Non Risky Assets (as applicable), may also be averaged across a pre-specified number of calendar months leading up to the Redemption Date in respect of the Notes, in order to reduce the Notes' exposure to volatility in the performance of the underlying Reference Assets towards the end of the Notes' term.
		The TOM Cumulative Strategy is [Applicable/Not Applicable] *Lock-in Basket Floor*: if the Lock-in Basket Floor is applicable to the Notes, then if the Basket Return exceeds the barrier level on any Valuation Date, the Basket Return will be replaced with the higher of the Basket Return and a pre-determined minimum Basket Return for the purposes of determining the Additional Amount in accordance with the relevant performance structure. *The Lock-in Basket Floor is [Applicable/Not Applicable]*
C.11	**Listing and Trading:**	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 and to listing

C.21		on the SIX Swiss Exchange. Notes may also be listed for trading on NASDAQ Stockholm, NASDAQ Helsinki, NASDAQ Copenhagen, Oslo Børs, Nordic Growth Market NGM AB – NDX (Nordic Derivatives Exchange) and the regulated market of the Luxembourg 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 Issuer. *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 [•].*
C.15[3]	**Value of the Notes and Value of the Underlying:**	The value of the Notes will be determined by reference to the value of the underlying Reference Asset(s) and the performance structure(s) 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. *Details of the applicable performance structure(s) and the return on the Notes are set out in Element C.10.*
		The structure of the Notes may contain a Participation Ratio or other leverage or gearing factor 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 exposure to the relevant Reference Asset(s) may also be affected by the application of the Target Volatility Strategy, as described in element C.10 above). The Participation Ratio is set by the Issuer and is determined by, among other things, the term, volatility, market interest rate and expected return on the Reference Asset. *The [indicative] Participation Ratio is: [•]* *[The [indicative] Participation Ratio 2 is: [•]]*
C.16	**Exercise Date or Final Reference Date:**	Subject to early redemption, the exercise date (or the final Redemption Date) will be the maturity date of the Notes. *The maturity date of the Notes is: [•]*
C.17	**Settlement Procedure:**	The date(s) upon which the performance of a Reference Asset is measured or observed ("**Valuation Date(s)**" or the "**Observation Date(s)**") will be set out in the relevant Final Terms, and may consist of multiple dates ("**Averaging Dates**") on which the performance is observed and averaged for the purchase of calculating the return on the Notes. [*The Valuation Date(s) [and the related Averaging Dates] are: [•]*] [*The Observation Date(s) [and the related Averaging Dates] are: [•]*] Settlement of any Notes that are represented by a Global Note shall take place on the relevant payment date and will be effected by the Issuer paying the applicable amounts of principal and/or interest 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,

3 Elements c.15-20 (inclusive) should be deleted in the case of a straight debt issuance.

		Luxembourg. In respect of Notes that are in definitive form, payment of the Redemption Amount (or Early Redemption Amount, if applicable) will be made against presentation and surrender of the individual Note at the specified office of any paying agent or registrar. 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. *Settlement of the Notes shall take place: [•]*
C.18	**The Return:**	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. *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.*
C.19	**Exercise Price or Final Reference Price:**	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. *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 [•].*
C.20	**Type of Underlying:**	The underlying may constitute one or a combination of the following: equities, indices, reference entities, interest rates, funds, commodities or currencies. *The type of underlying is: [•].*

Section D - Risks		
D.2	**Risks Specific to the Issuer:**	In purchasing Notes, investors assume the risk that the 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 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 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 Issuer's control. The Issuer has identified in the Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes. These factors include: ***Risks relating to current macroeconomic conditions*** In recent years, the global financial markets have experienced significant disruptions and volatility. Risks related to the economic development in Europe have also had and, despite the recent periods of moderate stabilisation, 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. Further, any of the foregoing factors could have a material adverse effect on the Nordea Group's business, financial condition 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 Russia and the Baltic countries. Adverse economic developments 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. ***Risks relating to the Nordea Group's credit portfolio*** 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. 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.
		Risks relating to market exposure The fair value of financial instruments held by Nordea Group is sensitive to volatility of and correlations between various market variables, including interest rates, credit spreads, equity prices and foreign exchange rates. If the Nordea Group would be required to recognise write-downs or realise impairment charges, this could have a material adverse effect on the Nordea Group's business, financial condition and results of operations. 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 conditions and result of operations. 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. 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 its liabilities that fund them, there can be no assurances that the Nordea Group will be able to successfully hedge some or all of its currency risk exposure.

		Risks relating to liquidity and capital requirements 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. The Nordea Group's business performance could be affected if the capital adequacy ratios it is required to maintain under the legislative package comprising Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 and any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer or the Nordea Group and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer or the Nordea Group (on a solo or consolidated basis, as the case may be) to the extent required by Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof) ("**CRD IV**") are reduced or perceived to be inadequate. 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.
		Other risks relating to 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 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. The Nordea Group's operations in Russia and, to a lesser extent, also in 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. 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 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. New regulatory restrictions, such as the limits on

		certain types of remuneration paid by credit institutions and investment firms set forth in CRD IV, could adversely affect the Nordea Group's 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. 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. ***Risks relating to the legal and regulatory environments in which the Nordea Group operates*** The financial services industry, including the Nordea Group, operates under an extensive regulatory regime. The Nordea Group is subject to laws and regulations, administrative actions and policies as well as related oversight from the local regulators in each of the jurisdictions in which it has operations. These laws and regulations, administrative actions and policies are subject to change and may from time to time require significant costs to comply with. In addition, there is uncertainty with respect to the regulatory framework that will be applied to the Nordea Group following the implementation of the proposed Merger, including but not limited to the detailed regulatory capital requirements that the Nordea Group will be required to comply with. The Nordea Group may incur substantial costs in monitoring and complying with new capital adequacy and recovery and resolution framework requirements, which may also impact existing business
		models. Furthermore, the EU has introduced a recovery and resolution framework for credit institutions and investment firms, which includes a so-called "bail-in" system, as well as a single supervisory mechanism and a full banking union in the euro area. The Swedish capital adequacy framework is based on the CRR and CRD IV. The capital and regulatory framework to which the Nordea Group is subject imposes certain requirements for the Nordea Group to hold sufficient levels of capital, including common equity tier 1 (CET1) capital, leverage and additional loss absorbing capacity (including MREL and TLAC). A failure to comply with such requirements, as the same may be amended from time to time, may result in restrictions on Nordea's ability to make discretionary distributions in certain circumstances. To ensure that banks always have sufficient loss-absorbing capacity, the Swedish Resolution Act provides for the Swedish resolution authority to set minimum requirements for own funds and eligible liabilities ("**MREL**") for each institution, based on, among other criteria, its size, risk and business model. On 9 November 2015, the Financial Stability Board (the "**FSB**") published its final principles for Total Loss Absorbing Capacity ("**TLAC**"), which set a standard for G-SIBs that conceptually correspond with the MREL requirements. The FSB's standard seeks to ensure that G-SIBs will have sufficient loss-absorbing capacity available in a resolution of such an entity in order to minimise any impact on financial stability, ensure the continuity of critical functions and avoid exposing taxpayers to loss. As it is difficult to predict the effect MREL and/or TLAC may have on the Nordea Group until MREL and TLAC requirements have been fully implemented, there is a risk that the requirements of MREL and/or TLAC could require the Nordea Group to issue additional MREL and

		TLAC eligible liabilities in order to meet the new requirements within the required timeframes and to hold additional funds and/or eligible liabilities in order to satisfy the MREL and/or TLAC requirements set for the Nordea Group, which may increase its compliance costs, delay, limit or restrict the execution of its strategy and may have a material adverse effect on the Nordea Group's capital structure as well as on its business, financial condition and results of operations. MREL and TLAC requirements are expected to have an impact across the market, including potentially adversely affecting the credit rating of the securities issued by the Nordea Group and its competitors, and there is a risk that the relative impact may give rise to a reduction in the competitiveness of the Nordea Group. In the ordinary course of its business, the Nordea Group is subject to regulatory oversight and liability risk. 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 investigations in jurisdictions where it is active. These types of claims, disputes, legal proceedings or investigations 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, criticism as well as the potential for regulatory restrictions on its businesses.
		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 tax position of the Nordea Group. Changes in the accounting policies or accounting standards applicable to the Nordea Group could materially affect how it reports its financial condition and results of operations. ***There are risks and uncertainties associated with the proposed re-domiciliation and related Merger, and a failure to complete or a significant delay in completing the proposed Merger could adversely affect the Nordea Group's business, results of operations and financial condition*** The Board of Directors of the Issuer has decided to initiate a re-domiciliation of the parent company of the Nordea Group from Sweden to Finland. The re-domiciliation is intended to be carried out through the Merger, that is, as a cross-border reversed merger by way of absorption through which the Issuer, the current parent company of the Nordea Group, will be merged into Nordea Holding Abp, a newly established subsidiary of the Issuer in Finland. The proposed merger is subject to certain risks and uncertainties, including the potential inability of the Nordea Group to obtain the necessary shareholder and regulatory approvals, required licences or satisfactory outcomes of the discussions with regulators and authorities, including local financial supervisory authorities and tax authorities, as well as the uncertainty related to the regulatory framework that would be applied to the Nordea Group following the implementation of the Merger. There can be no assurances that the re-domiciliation and the proposed Merger, including a failure to complete the proposed Merger or a delay in completing the proposed Merger, would not adversely affect the Nordea Group's business, results of operations and financial condition or the interests of Noteholders, including the value of the Notes. In addition a failure to complete or a

		significant delay in completing the actions carried out as part of the remediation process related to the re-domiciliation and proposed Merger could delay the completion, or lead to the failure, of the proposed Merger and adversely affect the Nordea Group's business, results of operations and financial condition.
D.3	**Risks Specific to the Notes:**	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: [*Risk factors which are not relevant for a particular tranche of Notes should be deleted from the issue-specific summary prepared in relation to the issuance of such tranche of Notes.*] *Complexity of the product* – 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. [*Notes which are not principal protected* – 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.]
		• *Pricing of structured Notes* – the pricing of structured notes is normally decided by the Issuer rather than being determined on the basis of negotiated terms. There may, therefore, be a conflict of interest between the Issuer and the investors, to the extent that the 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 final coupon rate may also differ from any indicative coupon rate (which is based on the market conditions). • *Performance of the Reference Assets* – 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 interest rates and expected distributions on the Reference Asset(s). The value of Notes can fluctuate above or below their issue price during the lifetime of such Notes.
		• *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. The Issuer will pay principal and interest on the Notes in the specified currency of the Notes. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a different currency. • [*Equities as Reference Assets* – 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.] • [*Indices as Reference Assets* – 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. The Nordea Group may also participate in creating, structuring and maintaining index portfolios or strategies and for which it may act as index sponsor (collectively, "**Proprietary Indices**"). The Issuers may therefore face conflicts of interest between their obligations as the Issuer of such Notes and their role (or the role of their affiliates) as the composers, promoters, designers or administrators of such indices.] • [*Commodities as Reference Assets* – 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.]
		• [*Exposure to a basket of Reference Assets* – where the underlying is to one or more baskets 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.]
		• [*Credit-Linked Notes* – 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 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 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.] • [*Automatic early redemption* – 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.] • [*Notes subject to optional redemption by the Issuer* – an optional redemption feature is likely to limit the market value of the Notes.] • [*Notes issued at a substantial discount or premium* – 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.] • *No active trading market for the Notes* – The Notes will be new securities which may not be widely distributed and/or may be unlisted and therefore may not have an active trading market. While Nordea may offer to buy-back unlisted Notes prior to their maturity under normal market conditions, the price at which such Notes are bought back will depend upon a number of factors. Nordea may suspend any buy-back of Notes in case of unstable market conditions. The lack of an active trading market may result in reduced liquidity for the Notes, with the result that the investor may have to hold such Notes until they are redeemed. • *Risks relating to market disruption and extraordinary events* – Reference Assets may be affected by disruption to their normal trading markets, or extraordinary events such as delisting, nationalisation, bankruptcy, liquidation or dilutive events affecting the relevant Reference Asset. For all structured Notes, events such as changes in the law or increased costs for risk management may arise. If so, the 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, as the Issuer deems necessary. There are also certain risks relating to the Notes generally, such as modification and waivers and change of law.
D.6	**Risk Warning:**[4]	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.

4 To be deleted in the case of a straight debt issuance.

Section E - Offer		
E.2b	**Reasons for the Offer and Use of Proceeds:**	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. *[The net proceeds of the issue will be used for: [•]]*
E.3	**Terms and Conditions of the Offer:**	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. *[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.]/Not Applicable – there will be no Public Offer of the Notes.]* *[The Notes will initially be created and held by the Issuer for its own account, in order that they are available for resale to prospective investors from time to time. The Notes will be offered for purchase over the relevant securities exchange at the price that is the official price quoted on the securities exchange from time to time.]*
E.4	**Interests Material to the Issue:**	Authorised Offerors and other third party distributors may be paid fees in relation to the issue of the Notes under the Programme. *So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer./ [•].*
E.7	**Estimated Expenses:**	In connection with the issuance of Notes, the Issuer may incur costs for, among other things, production, distribution, licences, stock exchange listing and risk management. These costs will be reflected in the purchase price charged by the Issuer to the relevant purchaser, distributor or Authorised Offeror (as applicable). 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. *[Other than [specify relevant fees and expenses],] 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 [•].*

APPENDIX 2
SELECTED FINANCIAL INFORMATION

The tables below show certain selected summarised financial information which, without material changes, is derived from the Nordea Group's audited consolidated financial statements for the year ending 31 December 2016 and unaudited consolidated financial statements for the year ended 31 December 2017, which are set out in the Annex to this Supplement and the Base Prospectus.

The Nordea Group'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. The Nordea Group's consolidated interim financial statements are prepared in accordance with the IAS 34 "Interim Financial Reporting". In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the recommendation RFR 1 "*Supplementary Accounting Rules for Groups*", issued by the Swedish Financial Reporting Board as well as the accounting regulations of the SFSA's (FFFS 2008:25, with amendments), have also been applied.

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

Income Statement

	Group		
	Year ended 31 December		
	2017	**2016**	**2015**[5]
	(Unaudited)		
		(EUR millions)	
Interest income	7,575	7,747	8,549
Interest expense	-2,909	-3,020	-3,586*
Net interest income	4,666	4,727	4,963*
Fee and commission income	4,232	4,098	4,092*
Fee and commission expense	-863	-860	-862*
Net fee and commission income	3,369	3,238	3,230*
Net result from items at fair value	1,328	1,715	1,645*
Profit from associated undertakings and joint ventures accounted for under the equity method	23	112	39
Other operating income	83	135	263
Total operating income	9,469	9,927	10,140
Operating expenses			
General administrative expenses:			
Staff costs	-3,212	-2,926	-3,263
Other expenses	-1,622	-1,646	-1,485
Depreciation, amortisation and impairment charges of tangible and intangible assets	-268	-228	-209
Total operating expenses	-5,102	-4,800	-4,957
Profit before loan losses	4,367	5,127	5,183
Net loan losses	-369	-502	-479
Operating profit	3,998	4,625	4,704

5 As discussed in more detail under "*Changed accounting policies and presentation*" in the audited consolidated financial statements of the Issuer for the year ended 31 December 2016 which are set out in Annex 1 to the Base Prospectus, figures marked with a "*" have been restated due to changed presentation and are unaudited.

	Group		
	Year ended 31 December		
	2017	2016	2015[5]
	(Unaudited)		
		(EUR millions)	
Income tax expense	-950	-859	-1,042
Net profit for the period	3,048	3,766	3,662
Attributable to:			
Shareholders of Nordea Bank AB (publ)	3,031	3,766	3,662
Non-controlling interests	17	-	-

Balance Sheet

	Group		
	31 December		
	2017	2016	2015[6]
	(Unaudited)		
		(EUR millions)	
Assets			
Cash and balances with central banks	43,081	32,099	35,500
Loans to central banks	4,796	11,235	13,224
Loans to credit institutions	8,592	9,026	10,762*
Loans to the public	310,158	317,689	340,920
Interest-bearing securities	75,294	87,701	86,535*
Financial instruments pledged as collateral	6,489	5,108	8,341
Shares	17,180	21,524	22,273*
Assets in pooled schemes and unit-linked investment contracts[7]	25,879	23,102	20,434*
Derivatives	46,111	69,959	80,741
Fair value changes of the hedged items in portfolio hedge of interest rate risk	163	178	151
Investments in associated undertakings and joint ventures	1,235	588	515
Intangible assets	3,983	3,792	3,208
Property and equipment	624	566	557
Investment properties	1,448	3,119	3,054*
Deferred tax assets	118	60	76
Current tax assets	121	288	87
Retirement benefit assets	250	306	377
Other assets	12,441	18,973	18,587*
Prepaid expenses and accrued income	1,463	1,449	1,526
Assets held for sale	22,186	8,897	-
Total assets	**581,612**	**615,659**	**646,868**
Liabilities			
Deposits by credit institutions	39,983	38,136	44,209
Deposits and borrowings from the public	172,434	174,028	189,049*
Deposits in pooled schemes and unit-linked investment contracts[8]	26,333	23,580	21,088*

6 As discussed in more detail under "*Changed accounting policies and presentation*" in the audited consolidated financial statements of the Issuer for the year ended 31 December 2016 which are set out in Annex 1 to the Base Prospectus, figures marked with a "*" have been restated due to changed presentation and are unaudited.

7 As discussed in more detail under "*Changed accounting policies and presentation*" in the audited consolidated financial statements of the Issuer for the year ended 31 December 2016, the Nordea Group has reclassified certain investments made on behalf of customers in interest-bearing securities and shares in pension pools and unit-linked investment contracts to the separate balance sheet line "assets in pooled schemes and unit-linked investment contracts." The unaudited figures as of 31 December 2015 in the above table reflect this reclassification.

8 As a result of the accounting policy changes discussed in footnote 6 above, the corresponding liabilities to customers have been reclassified to the separate balance sheet line "deposits in

	Group		
	31 December		
	2017	2016	2015[6]
	(Unaudited)		
		(EUR millions)	
Liabilities to policyholders	19,412	41,210	38,707*
Debt securities in issue	179,114	191,750	201,937
Derivatives	42,713	68,636	79,505
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,450	2,466	2,594
Current tax liabilities	389	487	225
Other liabilities	28,515	24,413	25,745*
Accrued expenses and prepaid income	1,603	1,758	1,805
Deferred tax liabilities	722	830	1,028
Provisions	329	306	415
Retirement benefit obligations	281	302	329
Subordinated liabilities	8,987	10,459	9,200
Liabilities held for sale	26,031	4,888	-
Total liabilities	**548,296**	**583,249**	**615,836**
Equity			
Additional Tier 1 capital holders	750	-	-
Non-controlling interests	168	1	1
Share capital	4,050	4,050	4,050
Share premium reserve	1,080	1,080	1,080
Other reserves	-1,543	-1,023	-1,188
Retained earnings	28,811	28,302	27,089
Total equity	**33,316**	**32,410**	**31,032**
Total liabilities and equity	**581,612**	**615,659**	**646,868**
Assets pledged as security for own liabilities	198,973	189,441	184,795
Other assets pledged	4,943	8,330	9,038
Contingent liabilities	19,020	23,089	22,569
Credit commitments[9]	74,545	77,881	74,679
Other commitments	2,487	1,553	3,323

Cash Flow Statement

	Group		
	Year ended 31 December		
	2017	2016	2015
	(Unaudited)		
		(EUR millions)	
Operating activities			
Operating profit	3,998	4,625	4,704
Adjustment for items not included in cash flow	3,514	3,892	2,824
Income taxes paid	-950	-952	-1,056
Cash flow from operating activities before changes in operating assets and liabilities	**6,562**	**7,565**	**6,472**
Cash flow from operating activities	12,274	3,280	196
Cash flow from investing activities	-1,499	-934	-522
Cash flow from financing activities	-2,637	-1,553	-1,746
Cash flow for the period	**8,138**	**793**	**-2,072**
Cash and cash equivalents at the beginning of period	41,860	40,200	39,683

pooled schemes and unit-linked investment contracts." The unaudited figures as of 31 December 2015 in the above table reflect this reclassification.

9 Including unutilised portion of approved overdraft facilities of EUR 29,956 m (31 Dec 2016: EUR 30,703 m).

	Group		
	Year ended 31 December		
	2017	**2016**	**2015**
	(Unaudited)		
		(EUR millions)	
Translation differences	-3,785	867	2,589
Cash and cash equivalents at the end of period	46,213	41,860	40,200
Change	**8,138**	**793**	**-2,072**